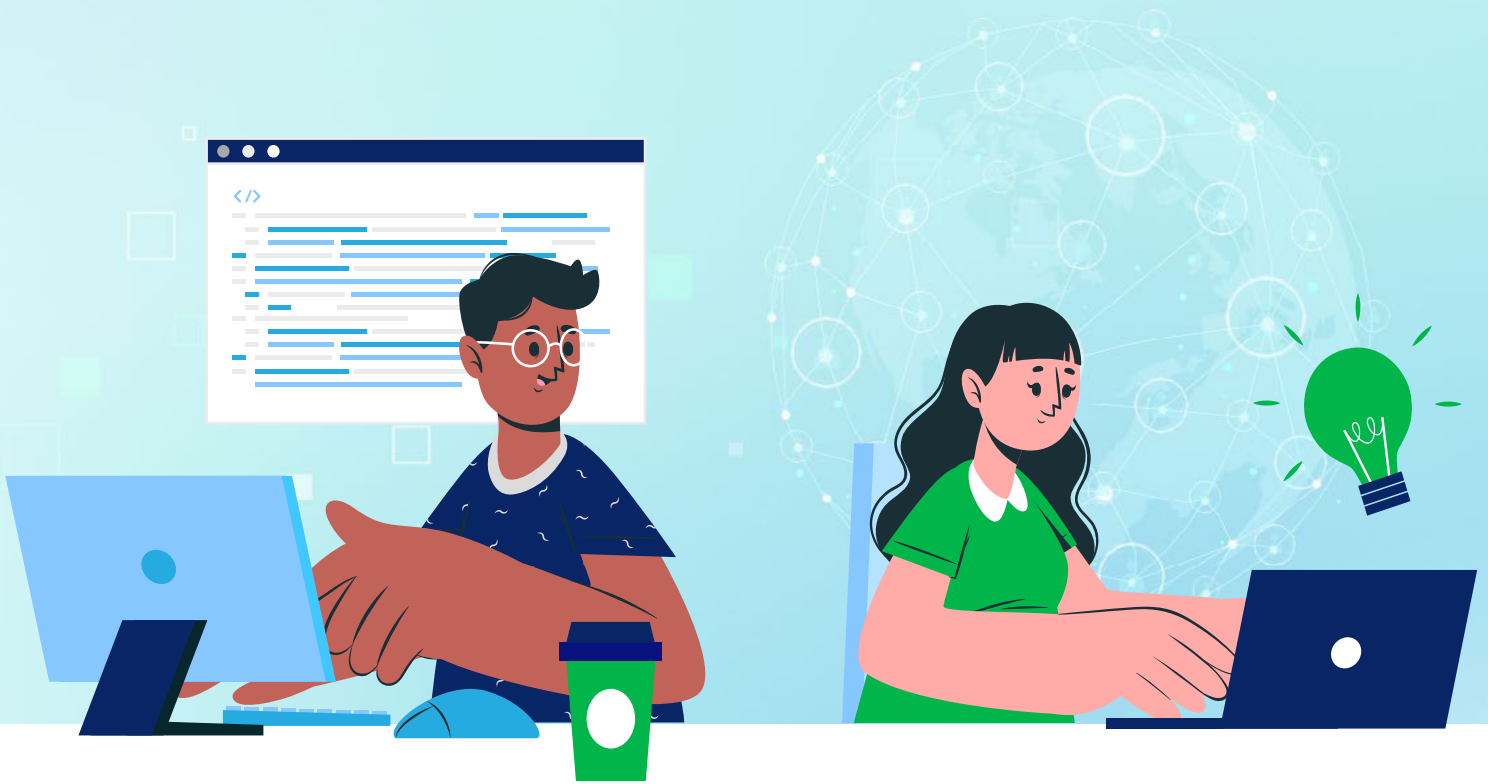




# Outsourcing Healthcare Software Development: **The Complete Guide for Doing it Right**





Events in 2022 and 2023 raised challenges for software companies:

- Employees [returning to the office](#) after working remotely during the COVID pandemic.
- Rising [inflation](#) that forced many vendors to raise prices.
- [Crises \(such as the war in Ukraine\)](#) that affected IT outsourcing operations.

These software industry challenges prompted massive tech layoffs, which remains an accelerating trend. In the first quarter of 2023, the technology industry laid off [more than 166,000 employees worldwide](#)— more than the total number of layoffs in all of 2022.

Healthcare software and technology leaders face additional disruptions. [Deloitte](#) forecasts supply chain issues, workforce deficits, economic slowdowns, and other global uncertainties.

Despite these challenges, experts predict healthcare software development outsourcing will grow to \$70 billion by 2029.

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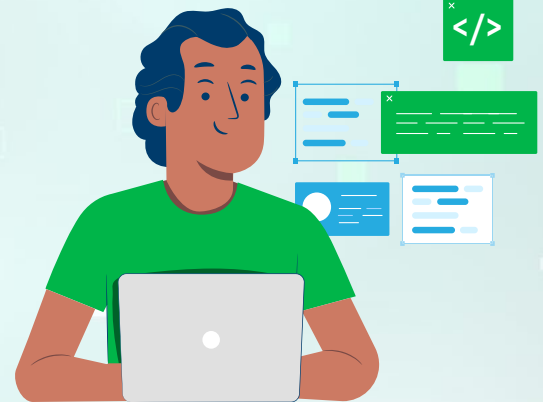
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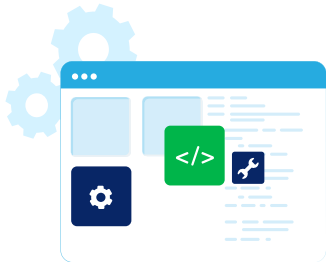
# Understand the Benefits of Software Development Outsourcing

Why are healthcare software companies outsourcing?



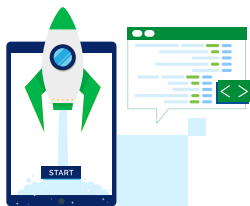
## Reduce internal recruiting costs.

Technical and development positions take [more than 40 days](#) to fill. Internal recruiting consumes tremendous time and money.



## Obtain valuable skills and competencies.

Software development outsourcing companies are staffed with experienced professionals with a wide variety of niche skill sets. You can ramp up development immediately without languishing until the right employees come along.



## Get software to market faster.

A quality product development outsourcing partner lets you focus on core business functionality. Lower your time to market, beat competitors, and better serve your customers.

## Choose the Right Healthcare Software Development Outsourcing Partner



What characteristics and benefits should you look for when choosing an outsourcing partner for healthcare software development?

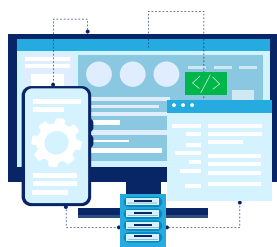
Consider the significant differences between enterprise and product software development.

Enterprise software must meet the requirements of a specific client and its users. Product leaders and developers thus spend little focus on researching how it can benefit multiple audiences.

Software products must meet the needs of multiple clients across industries. Product managers and software engineers must consider the design, development, and potential variations of every feature. Because user goals vary, product development must analyze, understand, and satisfy complex user needs.

As you consider outsourced product development, be mindful of the different expectations between a software development vendor and a traditional enterprise software solution provider.

Here are six things to look for from your successful software development partner:

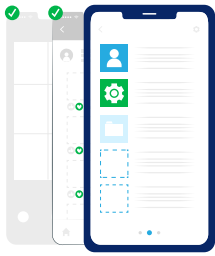


### 1. Product Thought Leadership

Stand out from the crowd.

A software development project succeeds with a team that understands how to create products that last—not just one-off custom solutions.

Good product teams must appreciate the importance of release discipline, selecting suitable tools and technologies, automation, and continual optimization.



## 2. Product Mindset: Business Analysts and UX Designers

Business analysts and user experience designers mastermind the software prototype, framework, and design.

These key players must have savvy and creative vision to understand customers and solve their problems.



## 3. Get Designers, Not Just Coders

Software engineers must think critically about creating a product and not just write code to specs.

An OPD provider with these capabilities deliver a distinct competitive edge. They can plan for potential future issues (such as scalability due to increased demand), updating a modern user interface, or developing new features according to customer feedback.



## 4. Testers Who Understand the End Users

Rather than merely adhering to established test scripts, great testers put themselves in the shoes of their end-users,

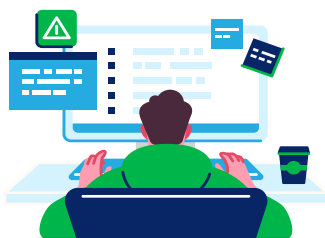
They suggest improvements that better fit each user's needs. They provide helpful feedback so users get the most out of the product.



## 5. Long-Term Commitment

Look for an OPD vendor with a track record of long-term commitment.

The same team responsible for creating the product should be there throughout multiple-year development cycles and available for maintenance or enhancements. Launch innovative products and serve your customers with confidence.



## 6. High Employee Retention

Imagine having the same engineers and managers from start to finish delivering your innovative software. Veteran employees achieve positive results.

High employee retention reflects happy, satisfied, productive teammates.

# Avoid These Development Outsourcing Pitfalls



## 1. Get Past Economic and Political Hurdles

Here's how companies can overcome four of the biggest healthcare software development challenges

### 1. Economic Slumps:

In early 2023, [nearly 60%](#) of economic experts predicted a recession later this year.

Software companies suffer during recessions when competitors aggressively lower prices to survive. Companies with unique products diversified into engineering and consulting can confidently weather the storm.



### Solution: Survival strategies.

Consider expanding into new markets or geographic regions, including internationally (with guidance from outside software development experts).

Also, small and medium-sized companies can join forces with larger software development firms to amplify resources, opening access to bigger marketing budgets and more distribution channels.

### 2. Talent Gaps and Layoffs:

Even with IT engineers displaced by layoffs, software companies struggle to find qualified talent. Many technology businesses seek specialized, highly technical skill sets (such as machine learning or the cloud) that remain hard to find.



### Solution: Outsourcing.

[Companies benefit from working with an exceptional software development outsourcing partner.](#) Outsourcing saves money and time in recruiting and overhead.

The right outsourcing partner will lead successful healthcare application development, testing, big data, and [generative AI](#).



### 3. Increased Competition:

The healthcare software industry shakes things up to introduce the best new efficient and cost-effective technologies.

Fiercely competitive healthcare software companies from startups to behemoths want to claim the biggest piece of the pie by gaining advantages over their rivals.



### Solution: Get to market better and faster.

The right development partner will help you flat-out beat your competitors to market with more valuable solutions.

Companies that specialize in software development, such as KMS Healthcare, are ready to provide entire teams to meet your needs—from project management leaders to software engineers and testers with in-depth code development knowledge. You won't have to deal with the hassle of hiring in-house professionals, which can take weeks or even months and delay your product launch.

A software development partner can also guide you through a [minimum-viable product \[MVP\]](#) process to get your quality, high-value healthcare software to market as quickly as possible.

Failing to keep up with software and technology makes it easier for other companies to win and for you to lose. Focus on growth by taking on new technologies and digital transformation projects.



## 2. Remove Time-Zone Issues

Communicating with teams will be much easier than you think.

Businesses assume that communication suffers across time zones. A great team with a strong action plan puts those worries to rest:





- **Communication channels** such as Slack, Jira, and Asana keep teams on the same page. Outsourcing companies and clients adopt the communication channels that best suit their needs.
- **The outstanding English proficiency** of KMS Healthcare teams in Vietnam enable sophisticated, productive technical discussions across time zones.
- **Outsourcing to expert software developers** with the right knowledge and experience in programming, technology, and agile methodology makes communications and responsiveness reliable no matter the time difference.
- **The best offshore providers have a project manager** in your country to oversee operations during regular business hours.

### 3. Stay Ahead of Healthcare Technology Trends

A great healthcare software development partner will keep you and your clients ahead of valuable technology advances and trends:

#### Healthtech Must Prove Big Returns

With healthcare costs increasing and margins shrinking, healthcare providers demand technologies with a compelling return on investment. Healthcare software vendors must adjust their priorities:

- Ask clients about their key economic metrics, cost structures, and revenue drivers
- Show specific ways your software improves client financial performance (such as digital care follow-up to reduce readmissions or greater patient volume and revenue through telehealth).
- Document real ROI with existing healthcare technology customers
- Emphasize innovation only in how it relates to measurable ROI and patient experience—not just because it's new and cool.
- Build exceptional software business reporting to make it as simple as possible for healthcare provider clients to measure key performance metrics.

## Healthcare AI Maturing to Become More Real and Valuable

Despite some tempered expectations, several targeted [use cases for AI in healthcare](#) have become a reality, including:

- Automated triggers keep patients informed and on track with their care plans
- Improved care workflows and collaboration
- Greater accuracy and control for opioid prescriptions
- Better clinical decision support for doctors

## Interoperability and Device Integration Advance and Gain Focus

Healthcare technologies must work together to provide value. Standards-based interoperability will provide clarity and progress:

- [FHIR](#) has emerged as the standard for data integration among EHRs and other healthcare software and data systems. Outsourced experts will help vendors win opportunities to build to these standards and take advantage of easier health data access.
- Healthcare goes with us everywhere now. Improving interoperability also supports the growth and value of [remote patient monitoring](#) and the internet of medical things (IoMT).
- Connected wearable technology (home A1C and blood pressure monitors, implanted heart devices, and health tracker apps) now give patients more control to manage their health. Innovative outsourced developers help technology vendors succeed with device integration as more care moves out of the hospital and into the home.

## Patient Experience Will Transform Digital Experience

Carvana and [Vroom](#) will deliver you a car without ever having to speak to a human being.

People (especially younger adults) increasingly shop for healthcare services in the same way: Go online, research, compare prices, ask questions, and take ownership of their decisions.

Providers must embrace direct consumer connections such as the [digital front door](#) to engage, inform, and serve patients.

Experienced healthcare development partners understand how to deliver the interoperability and device integration that gives patients complete access to their health records so they can plan, schedule, and manage care with their doctors and providers.

## Partner With Masters of Agile Development



Agile discipline drives exceptional software and mobile app development. Agile means technology teams are always adapting to the changing requirements while delivering software with quality and urgency.

Experienced outsourced product and development teams live and breath agile:

- Welcome change: Shorter planning cycles break through backlogs and prioritize changes.
- Let teams define and meet more specific project goals as they work.
- Give developers the power to identify and resolve bugs clearly and quickly in development iterations.
- Agile encourages close collaboration and direct conversation for strong team bonding.



## Understand Winning Options for Outsourced Development Teams and Roles

Development teams usually adopt one of three structures:

- Generalist
- Specialist
- Hybrid



### Generalist Team

#### + Pros

Team members possess a diverse range of skills and can seamlessly apply their expertise across various domains.

#### - Cons

No one on the team with deep expertise in a particular niche.

A generalist development team comprises professionals with broad skills and experience. Team members have moderate levels of proficiency in many product development fields, but none have specialized expertise in a particular area. Generalists can deliver medium-complexity projects managed using Agile techniques.



### Specialist Team

#### + Pros

Team members have deep expertise in the project's elements, allowing for high-quality and detail-oriented results.

#### - Cons

There might be communication gaps.

The specialist team uses people highly-skilled in a specific field, but with less comprehensive general development experience.

These specialized teams deliver high-quality product development but sometimes need more guidance in effective project communication.



## Hybrid Team Structure



### + Pros

Well-balanced team composition.

### - Cons

Potential coordination issues due to mixing people with different approaches.

Hybrid teams blend specialists and generalists with broad skills and specialized focus when necessary. Hybrid teams succeed in big, complex projects with tight deadlines.

However, having team members in different specializations can make communications and consensus challenging. Smart oversight ensures smooth communication among team members.

Establishing the right team roles also drives success with healthcare product development partners:

### Product Manager/Champion

Your development partner should have an experienced, confident product manager who will:

- Build out specs and define what an exceptional healthcare technology solution should look like.
- Define releases that users will love. Do you need every bell and whistle? What's critical for usability?
- Make things simple, easy, and fast for doctors.

### Marketing

Marketers work with product management to define customer needs and priorities:

- Go-to-market plans that help your clients engage new customers out of the gate.
- Product messaging and positioning that will generate demand and leads.
- Customer case studies and proof of market value.

### Support/Customer Success

Establish this discipline from the beginning. Excite beta partners and ensure that early customers are happy and productive using your software.

## Let Strong, Experienced Development Teams Ensure Your Success



Healthcare technology vendors must provide transformative healthcare solutions that drive better data sharing, outstanding healthcare operations, and superior patient outcomes.

People create success. With an extensive and diverse pool of skilled development teams, you can excel at meeting your business and technical objectives.

Find an outsourced software partner with confident healthcare technology developers and managers who will understand and advance those challenging goals.

For example, KMS Healthcare knows [healthcare software](#) security, compliance, workflows, and regulations. With more than 12 years of healthcare technology development, we thoroughly understand the needs of patients, providers, and payers.

Demand no less from your healthcare software development partner.

Your healthcare software development partners must be able to help you build custom, quality software and apps for healthcare management, care delivery, data analytics, interoperability, AI, patient access, and all things healthcare. Whether it's new product development, software engineering and maintenance, or mobile apps, a strong partner will have the healthcare expertise to accelerate your development success right away.

**Work With Experts in Healthcare Compliance:** Make sure your technology development partners embrace standard operating procedures and in-depth training to ensure compliance with BAAs and HIPAA guidelines governing U.S. healthcare confidentiality regulations.

# Measure Meaningful Software Development Success



Your healthcare software development partnership must deliver value and returns you can measure and report as success. Here are some key factors:



## Quality

- Document the lowest software defect rates and the fewest post-release bugs.
- Regularly review the code quality and maintainability.



## Timeliness

- Ensure that the outsourced team consistently meets delivery deadlines..
- Measure the time taken to respond to queries, issues, or changes.



## Cost Efficiency

- Affirm the ROI of outsourcing based on the cost versus the value for your company.
- Don't let the budget get away. Stay diligent and vocal with your development partner about keeping the project budget on track.



## Communication and Collaboration

- Establish a regular feedback cadence for feedback with your development partner.
- Demand that your healthcare software development outsourcing partner makes its processes, progress, and challenges always visible.



## Scalability and Flexibility

- Be confident that your development partner can allocate resources and adapt to scope changes based on your project needs.



## User Satisfaction

- Survey end-users to gauge their satisfaction with their software experience and value. Track the number of customers continuing or discontinuing the use of the software.

[Real-life experience confirms success. Here's what KMS clients [say](#)]



## Target the Greatest Financial Returns



Outsourcing software projects saves money. The best offshore development companies have their own infrastructure, so you'll only need to pay for scaling services up without overhead. Highest quality, lowest cost.



### Control Costs

Looking at dollars spent, outsourced development most always wins if you're working with the right partner.

A cheap umbrella that turns inside out with one gust of wind is worse than being stuck in the rain. And you are still soaking wet and out \$5.

Similarly, an ineffective outsourcing partner may cost you more money in the long run.

Always consider total value when choosing a healthcare software development partner.







KMS has helped many software companies document that value. One of our partners saved:

**\$150,000**  
per year in rework and fines

**\$900,000**  
per year in labor costs

A value-driven partner helps you realize maximum savings.

Get a complete [development cost analysis](#) in about a minute with the KMS Healthcare development cost calculator.

	 Employees	 Contractors	 Partner	 Partner	 Partner
Team Size	100	100	100	100	100
Hourly Cost (Salary+Taxes)	\$65	\$130	\$200	\$65	\$45
Total Labor Cost	\$12,918,000	\$25,740,000	\$39,600,000	\$12,870,000	\$8,910,000
<b>Other Team Costs:</b>					
Benefits - Health, Dental, Vision, Disability, 401k	\$1,500,000	\$0	\$0	\$0	\$0
Office Rent & Supplies	\$750,000	\$750,000	\$0	\$0	\$0
Network	\$60,000	\$60,000	\$0	\$0	\$0
Phones, Conference Service	\$120,000	\$120,000	\$0	\$0	\$0
Personal Computer	\$66,667	\$66,667	\$0	\$0	\$0
Software (JIRA, IDE, tools)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Management Overhead	\$1,000,000	\$800,000	\$500,000	\$500,000	\$500,000
Administrative Overhead	\$750,000	\$600,000	\$187,500	\$187,500	\$187,500
<b>Total Cost</b>	<b>\$17,214,667</b>	<b>\$28,186,667</b>	<b>\$40,337,500</b>	<b>\$13,607,500</b>	<b>\$9,647,500</b>
<b>FULLY LOADED HOURLY COST</b>	<b>\$87</b>	<b>\$142</b>	<b>\$204</b>	<b>\$69</b>	<b>\$49</b>

**Save 30%-70% developments costs | Compare all of your options**



**Strategically Scale Teams**

A growing company needs to scale up its teams.

With unlimited time it's doable. But pressures from investors and clients can make it a challenge.

Outsourcing lets your company scale and meet market demand without investing the same time or money in hiring and training new people. A trusted outsourcing partner will scale up with your needs and scale down when you need fewer project services, saving you money.



**Fill Costly Expertise Gaps**

Offshoring resolves inherited technical debt and hiring and training costs.

A great outsourcing partner will have technical and management teams with diverse skills. You can tap into this pool of talent to immediately fill in gaps in expertise.

## Adopt a Successful Product Mindset



McKinsey says a product that arrives six months late to the market can suffer a 33 percent reduction in profits over five years. Releasing a product on schedule, even 50 percent over budget, only leads to a 3.5 percent drop in profit. Time is indeed money.

Accelerating your product roadmap means changing your team's priorities and making decisions that benefit both your customers and your business objectives.

**Why Many Healthtech Product Roadmaps Fail:** Companies often regard a healthcare technology product roadmap as just a list of features.

But are those features connected to your customers' needs and your company's goals?

Build a product roadmap that meets those objectives quickly and scales.



### Set Strategic Objectives

Before establishing a detailed healthcare software product roadmap, list your company's business goals and timeline. It will help your teams focus on achieving goals instead of just completing projects.



### Prioritize Goal-Based Features

It's tempting to toss features into a product roadmap because they check a buzzword box. Focus instead on high-conversion features that offer the greatest value to your customers and can grow revenue.

This goal-based approach keeps your organization focused on what matters to your customers, such as value-based care, patient-centered outcomes, and MACRA.



### **Empower Your Product Teams**

A product mindset aims to deliver real value for the users rather than arbitrary milestones. Developers actively strive to understand every product decision, study user interactions, and contribute to shaping product strategies.

But it's tough to establish a product-minded development team in a limited amount of time. Partnering with a reliable healthcare software outsourcing company like KMS Healthcare can fill the gaps, accelerate development, and assure quality.



### **Validate Product Viability Through MVP Development**

An MVP, or Minimum Viable Product, delivers your new product's most essential features. MVP development helps swiftly launch products, shorten development cycles, and rapidly gather customer feedback. It gets your product in front of customers as soon as possible to test how well it fits their needs.

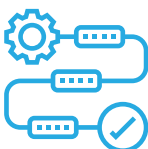
Learn more about applying MVP in healthcare: [What is a Minimum Viable Product \[MVP\], and How To Apply It To the Healthcare Industry.](#)



### **Automate and Integrate Key Technologies**

Automate repetitive, time-consuming development tasks, such as data entry, report generation, testing, and deployment.

Integrate EHRs and other key healthcare technologies with your product to hasten your time to market. A unified platform that centralizes data reduces laborious manual checks and keeps data up-to-date and accessible—all critical objectives for your healthcare provider customers and their users.



### **Track Results and Improve Continuously**

A quality software development partner will help you regularly review and update your product roadmap progress, measure your impact, and adjust your plans.

Key performance indicators (KPIs), including customer feedback, user behavior, market trends, and business outcomes, will quantify the success or failure of the product and needed changes.

## Supercharge Your Product Success with KMS Healthcare



Your healthcare software development team builds solutions that help healthcare providers deliver the greatest patient and experience. But even the best healthcare software companies can amplify that success with more expert resources:

- KMS Healthcare assigns a team of developers and engineers to your company that knows how to build and maintain successful software platforms that shatter healthcare industry market expectations. Rely on our technology teams to extend yours for remarkable results.
- Implement strong user focus, agility, MVP development, and integration of automation and key technologies.
- Deliver outstanding products to market faster that solve top challenges for your healthcare customers. Stay two steps ahead of your competitors.

Get in touch with our team today to discuss your business needs and objectives.

**Have A Question? Contact Us**



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