CHARTSNOW CTO EXPLAINS THE BENEFITS OF NEARSHORE SOFTWARE DEVELOPMENT IN UKRAINE AND WHY HE HAS BUILT HIS FORTH OWN DEVELOPMENT TEAM WITH CIKLUM

Christophe Lemoine is the CTO of [ChartsNow](), an innovative and ambitious mobile music startup company. He is an acknowledged IT expert with almost 20 years of experience working as a software developer for banks in Switzerland as well as an IT consultant specialized in e-commerce and Internet solutions. Over the last 5 years Christophe has been involved in the startup business. ChartsNow is his forth startup project done with Ciklum in Kiev, Ukraine.

We have talked to Christophe Lemoine to see from the customer's perspective:

- *How to effectively run an own IT team nearshore,*
- *How Ukrainian IT talent compares to the Western European one, and*
- *What makes Ciklum different from other IT Outsourcing services providers.*

Ciklum (C): What factors drove your very first decision to outsource software development?

Christophe Lemoine (CL): Five years ago when I started a startup company in Switzerland we were strongly suggested to outsource our software development for two reasons: firstly, it was quite hard to find IT resources in Switzerland ready to join a startup, and secondly, we had a limited budget and wanted to do more for less. Initially, I didn't like the idea of outsourcing at all, as those days outsourcing was mainly associated with India and I heard a lot of negative stories about it. But eventually I realized we wouldn't be able to grow our company fast with our onshore resources and started to investigate the options. And since we didn't want to go too far, Eastern Europe seemed to be the best destination for us from the very beginning.

C: And why did you eventually choose Ciklum?

CL: We contacted several companies in Romania, Bulgaria, Russia, and Ukraine. Most companies offered business models that weren't interesting for us. Basically, it was a project-based style of outsourcing when you get people to do some tasks, but don't really choose or control them. For us it was a big issue, as we always believed people were the core value of our company. And when we discovered the business model offered by Ciklum we realized it was a perfect match to reach our goals.

With Ciklum we were able to get our own people on board, negotiate salaries and make them feel like part of our company, not Ciklum. Ciklum was more like a hosting facility for our development function. So, we decided to give it a try and very rapidly we got our own software development team of five specialists. That's

CIKLUM HQ
12 Amosova St.
03680, Kiev, Ukraine

T/F: +38 044 545 77 45
E: ciklum@ciklum.com

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when a real change occurred in our company – we started to factually own the technology, make very quick decisions and progress. It had an overall positive effect on how and what we delivered to our end users. That was just great!

C: And what do you think about recruitment in Ukraine?

CL: It was never a big issue. Sometimes the timing was a little problem: we had some vacancies opened for a couple of months, but then they were always successfully closed. And we never really heard from the Ciklum HR team – "no, we can't do it." We always got the right people for our team. And people in Ukraine are highly qualified and very comparable to what we would get in Western Europe.

C: What scope of development do you currently outsource to Ciklum?

Christophe Lemoine with his Ukrainian team member at a SCRUM meeting

CL: In all of the startup projects I've been involved in we've always outsourced 100 percent of the development. The reason for that was that we wanted to eliminate any possible communication issues that may arise between the in-house and nearshore teams. Another thing is that we often change our technical requirements and it's just more convenient for us to have all people sitting in the same room.

C: How does communication with your Ukrainian team go?

CL: Obviously, having a remote team may cause some communication problems. My way of solving them is to be with the team as much as I can and to convince my people that they're part of our company and not just a remote team. I encourage them to openly talk about their issues and tend to build trust and mutual understanding without which they can easily lose the motivation to help you reach your success.

C: What major benefits do you get from nearshoring?

CL: Nearshoring definitely speeds up time to market for two reasons:
1) For the same money you can do more, because you pay less to people, and
2) You can get people on board faster than in your home country.
For instance, if you want to grow your company in Switzerland, you have to be prepared for a long and tough recruitment process – you have to find people with the right skills and then make lots of effort to motivate them to join a startup company or simply change their current work.

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C: What about your cost saving?

CL: I'd say here we spend 40 to 50 percent less compared to what we'd spend in the UK.

C: And what are your general impressions of Ciklum?

CL: It's actually my forth project with Ciklum and I guess there's a reason for that. If I had a negative experience, I just wouldn't be here now. Sometimes we had failures, like any other company, but it was never because of Ciklum or our Ciklum employees. Whenever we had a tough time due to the crisis or other reasons, our team in Ukraine was always by our side to support and help us save the company. It was extremely positive. It gave me a strong feeling that I can always rely on my people here.

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ABOUT CHARTSNOW

ChartsNow (http://www.chartsnow.mobi) is an innovative and unique mobile music service that offers instant access to the most current, desirable hit music 24/7 on the majority of music enabled mobile phones. ChartsNow is designed to drive revenue for partners and is working with various brands and content owners globally to build branded versions of the application with a range of charts designed by each partner to meet their particular needs. ChartsNow also delivers valuable data analytics on individual user behaviour that can be used to gain consumer insight, make marketing decisions or up-sell relevant products.

ABOUT CIKLUM

Ciklum (www.ciklum.com) is a Danish IT outsourcing company specializing in nearshore software development by establishing and servicing clients' own development teams and/or centres in Eastern Europe, in Ukraine and Belarus. The environment of services and knowledge sharing within the company helps clients to market quickly and with less risk and minimal investment. Established in 2002, Ciklum employs more than 1,700 IT specialists with more than 160 global clients' own software development teams. Ciklum has six development offices in Ukraine, one in Belarus, and two in Pakistan, as well as representative offices in Denmark, Sweden, United Kingdom, Switzerland, Germany and the Netherlands. Ciklum is a winner of Red Herring 100 Europe 2009, recognized as CeBIT 2010 Top 20 innovative company delivering services/products for small and medium sized companies, and named the 2010 and 2011 Top 100 global services provider. Ciklum is rated best Ukrainian IT Employer 2010 and 2011 by DOU, the Ukrainian Community of Software Developers.

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