

Outsourcing As A Tech Development Strategy in the iGaming and PayTech Industry



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Introduction

The iGaming and PayTech industry is experiencing unprecedented growth, with technological innovation at the heart of its success. As senior leaders with your sights set on growth, you’ll be acutely aware that having the right technical skills within your company is non-negotiable. It’s what propels your company forward in the race to stay competitive and relevant.

Yet, acquiring and retaining tech talent is not always straightforward. Competition for technical skills is fierce across all industries, and technical professionals with iGaming or PayTech experience are even more in demand. Against this backdrop, conventional recruitment methods often fall down with internal teams and external partners struggling to identify and engage the right talent or recruit individuals at pace and scale.

Top-tier talent gets snapped up fast, with counteroffers and approaches from competitors turning it into a high-stakes game. This makes it especially challenging when you need to resolve immediate technical issues or deliver on your product and technology roadmap quickly.

This challenge begs a question that’s been at the forefront of strategic discussions: Is outsourcing an effective tech development strategy?

In this whitepaper, we explore the role of outsourcing in providing access to the technical skills needed for competitiveness, innovation and sustainable growth. By examining the benefits, challenges and best practices of outsourcing, we aim to provide you with a compelling case for leveraging outsourcing as a strategic advantage.

The Outsourcing Landscape And Benefits

Best-in-class technical outsourcing providers offer a range of services that can be tailored to your specific requirements. However, it is vital that you identify providers who have access to specialist tech delivery teams and talent, as they - compared to technical professionals from other industries - can be rapidly onboarded and seamlessly integrated into your projects.

This level of specialisation ensures that you not only receive the technical expertise you need but also benefit from professionals who understand the unique complexities that define the iGaming and PayTech sectors.

Understanding the differences between outsourcing models is also essential to make informed decisions aligned with your growth objectives. Here, we explore three prominent outsourcing approaches within this landscape: Resource Augmentation, Turnkey Teams, and Build Operate Transfer (BOT).

1. Resource Augmentation

Resource Augmentation is a flexible model that allows you to augment your software development capacity with external talent possessing the exact skills required for a particular project or initiative. This approach offers several advantages:

- **Flexibility:** You have the flexibility to scale your team up or down as needed, aligning resources with project demands.
- **Cost-Efficiency:** Resource Augmentation often proves cost-effective, as you only pay for the expertise you require on a project-by-project basis.
- **Speed:** It facilitates the rapid onboarding of skilled professionals, expediting project timelines.
- **Access to Expertise:** You can tap into a global pool of specialised talent, ensuring that your project benefits from the best and brightest.

- Resource Augmentation is an ideal choice when you need to boost your technical capabilities quickly. Whether it's to meet a project deadline, launch a new product, or navigate seasonal fluctuations in demand.

2. Turnkey Teams

Turnkey Teams take the concept of outsourcing a step further. Rather than augmenting existing teams, you assemble an entire unit of skilled professionals, often remotely, dedicated exclusively to a project or a business challenge. Key benefits of Turnkey Teams include:

- **Full Project Ownership:** These teams take ownership of the entire project, from inception to delivery, ensuring alignment with your vision and objectives.
- **Seamless Integration:** Turnkey Teams are experienced at working in this capacity, often working together on other projects, so are available for a fast start and smooth transition.
- **Efficiency and Focus:** By focusing solely on your project, these teams provide a dedicated and discreet resource, leading to faster project completion.
- **Cost Control:** You have greater control over costs, as you can tailor the team's size and composition according to project requirements.

Turnkey Teams are an excellent choice when you need a self-sustained unit of experts to resolve immediate technical challenges quickly.

3. Build Operate Transfer (BOT)

Build Operate Transfer (BOT) is a strategic outsourcing model that provides a turnkey solution, which transitions into permanent hires. This approach is particularly valuable when you're expanding into new markets or launching a subsidiary and need a dependable technical team from the outset. Key features of BOT include:

- **Fully Serviced Provision:** BOT includes on-the-ground operational requirements to ensure focus on deliverables.
- **Smooth Transition:** After an initial outsourcing

period, the team and operations are transitioned to your full ownership and control.

- **Risk Mitigation:** BOT minimises the risks associated with setting up operations in a new location or market, as you leverage the expertise of the outsourcing partner.
- **Retain IP:** BOT facilitates the establishment of a permanent, highly skilled in-house team ensuring the long-term benefit and retention of valuable IP.

BOT is a strategic choice for companies seeking a low-risk, efficient and controlled path to build internal technical capacities while resolving short-term needs and objectives.

In summary, outsourcing offers a multitude of benefits that can significantly impact your company's growth and success:

- 1. Resource Flexibility:** Outsourcing allows you to easily adjust your workforce in response to fluctuating demands, providing cost-efficiency and scalability.
- 2. Access to Niche Skills:** You can tap into specific skillsets that may not be required long-term, optimising your team's composition for each project's unique needs.
- 3. Experience Augmentation:** Outsourcing provides access to specialised experience that may not exist inhouse, ensuring your projects benefit from industry expertise.
- 4. Performance Obligation:** Suppliers have a vested interest in performing well, as their compensation is tied to project success.
- 5. Error Correction:** Mistakes are rectified at the outsourcing provider's expense, reducing the burden on your organisation.
- 6. Predictable Budgeting:** Outcome-based projects allow for confident budgeting, minimising financial uncertainties.
- 7. Independent Perspective:** Providers offer an unbiased viewpoint, unaffected by internal opinions, bureaucracy or politics, ensuring focus on the optimal solution.
- 8. Commercial Risk Management:** Outsourcing

allows you to transfer commercial risks onto the supplier, enhancing your risk management strategies.

By leveraging these advantages, outsourcing becomes a strategic enabler for achieving high performance, innovation and growth in the dynamic landscape of the iGaming and PayTech industry. When choosing an outsourcing model, it's important to consider your company's specific goals, resources, and long-term vision.

Challenges And Considerations

While outsourcing offers many advantages, it is essential to be aware of potential challenges and considerations that can arise when implementing an outsourcing strategy. By proactively addressing these issues, you can mitigate risks and optimise the benefits.

Here are some key factors to keep in mind:

1. Cost vs. In-House Team Efficiency

One of the primary considerations is the cost associated with outsourcing. While it can provide access to specialised skills and reduce long-term staffing costs, outsourcing may appear more expensive in the short term. This cost difference can be justified if the outsourced team delivers higher efficiency, expertise or faster project completion. Assess your project's unique needs and compare the cost-effectiveness of outsourcing versus maintaining an in-house team.

2. Project Scope Management

A poorly scoped project can lead to time and cost overruns. These challenges may not necessarily be the supplier's fault unless they were responsible for defining the project scope. It is crucial to have a well-defined project scope and objectives before engaging an outsourcing partner; or work with a supplier that offers "Project Discovery" as a service.

3. Knowledge Transfer and IP Protection

When engaging a 3rd party provider, there's a risk of losing valuable knowledge and intellectual property (IP) when the contract ends. This issue

can be addressed by implementing proper document and project controls.

4. Communication and Collaboration

Effective communication and collaboration are paramount for the success of outsourcing projects. Overcoming language barriers (if the outsourcing team is offshore), ensuring regular updates, and establishing clear channels of communication are vital. Define roles and responsibilities, and set up collaboration tools and processes to facilitate seamless interaction between your team and theirs.

5. Cultural and Time Zone Differences

If you are exploring offshore outsourcing providers, factor in working with teams located in different time zones and cultural settings. These differences can impact project timelines and communication.

6. Quality Assurance and Oversight

Maintaining quality assurance and project oversight is crucial. While outsourcing partners strive to deliver high-quality results, having mechanisms in place for quality control and regular project reviews is essential.

7. Managing Outsourcing Partner Relationships

Building and managing strong partner relationships is vital for the success of your outsourcing initiatives. Open and transparent communication, regular performance evaluations, and addressing issues promptly are essential components of effective vendor relationship management. A well-managed relationship can lead to long-term partnerships and successful project outcomes.

While outsourcing can give you access to specialised skills and overcome staffing issues, it's not without its challenges. Working with an experienced industry-specific technical partner can help you address many of these challenges as they have deep market knowledge and access to highly specialist talent.

Best Practices For Successful Outsourcing

Successfully leveraging outsourcing as a tech development strategy requires a well-thought-out approach and adherence to best practices. These practices are essential for optimising the benefits of outsourcing while mitigating potential challenges. Here are key best practices to consider:

Define Clear Objectives and Expectations

Begin with a well-defined scope, objectives, and expectations for your outsourcing project. Ensure that both your company and the outsourcing partner have a mutual understanding of the project's goals, deliverables and timelines. Clarity from the outset sets the stage for a successful collaboration.

Effective Project Management and Communication

Establish robust project management practices that facilitate efficient collaboration. Regular communication is essential to keep all stakeholders informed and aligned. Utilise project management tools and methodologies to track progress, address issues promptly, and maintain transparency.

Continuous Monitoring and Quality Control

Implement mechanisms for ongoing monitoring and quality assurance. Define key performance indicators (KPIs) and regularly assess the performance of the outsourcing partner. Conduct periodic reviews to ensure that the project is meeting the defined standards and objectives.

Adapt to Changing Needs and Technologies

The tech landscape is dynamic, and your outsourcing strategy should be agile enough to adapt to evolving requirements and emerging technologies. Ensure that your outsourcing partner can flexibly adjust to changing project dynamics and can stay ahead of industry trends.

Blend External and Internal Resources

Consider blending external resources with your internal teams on the same project. This hybrid approach can facilitate knowledge transfer, enhance collaboration, and provide an opportunity for internal staff to learn from external experts.

Document and IP Management

Implement robust document and IP management practices to protect your company's intellectual property. Clearly define ownership and transfer of knowledge and assets when the outsourcing engagement concludes.

Cultural Sensitivity and Time Zone Management

Acknowledge and respect cultural differences within your outsourced team. Promote a collaborative environment that values diversity. When working across different time zones, establish suitable meeting times and communication protocols to ensure effective collaboration.

Relationship Management

Maintain open lines of communication, provide constructive feedback, and address issues promptly. Strong relationships often lead to enduring partnerships and superior project outcomes.

Best-in-class outsourcing providers are well-versed in implementing these best practices. They not only have the expertise but also employ tools and methodologies to effectively manage the outsourcing relationship. By doing so, they ensure their clients capture all the benefits of the outsourcing model while mitigating potential challenges, ultimately contributing to the success and growth of organisations in the iGaming and PayTech industry.

Let's Talk Tech Talent...

As we've explored throughout this whitepaper, outsourcing offers a strategic avenue for accessing specialised technical skills and positioning your organisation for growth and innovation.

Through a comprehensive understanding of the outsourcing landscape, including resource augmentation, turnkey teams and BOT models, as well as challenges and best practices, you can transform outsourcing into a powerful strategic tool.

If you're ready to explore further how technical outsourcing can help drive growth, innovation and competitiveness in your organisation, contact Cohort Teams today. Our experts are ready to guide you through the possibilities, tailor solutions to your unique needs, and help you develop a short-term and long-term tech development strategy.

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