A guide for IT leaders:

How to scale tech teams

Assessing ways to extend engineering teams and successfully navigate competitive factors

Executive summary

As the drive for digital transformation increases, businesses seek to deliver mature technological experiences and services to their customers. However, a lack of dedicated software teams and access to skilled talent can pose a significant obstacle to maintaining long-term customer relationships.

This paper focuses on tackling various talent shortage hurdles that are prominent in the UK and Irish tech industry, by assessing the long-standing practices of software team building and its progressive extension models.

The report highlights various **data-driven strategies and program-oriented approaches of extending your offshore technical team** by navigating successfully around hiring hassles, operational pitfalls, and local market crunches. By removing the challenges posed by legacy corporations and new acquisition and retention strategies, you can develop an annual growth plan that fits your needs. All of the delivery models mentioned here support active business cases and are simple to adopt.

TABLE OF CONTENTS

A bird's eye view of the UK and Irish market

Businesses in the UK and Ireland aren't immune from the wider European talent shortage. The region's tech skills shortage mirrors the global talent crunch: **66% of digital leaders in Britain say that lack of talent is responsible for slower digital transformation in their organisations.** The country's talent shortage is most acute around cybersecurity, big data and analytics, and technical architecture.

Increased digitisation and movement to cloud infrastructure, the continued importance placed on cybersecurity, and the high value of data analysis and artificial intelligence means these specific skillsets are currently in high demand.

QUICK FACT

Source: Techmonitor

Tech skills shortages delay two-thirds of digital transformation projects

The demand for skilled engineers is at an all-time high and local talent is scarce and expensive.

UK and Irish tech leaders believe the digital skills gap is becoming a digital skills crisis. Forward-thinking IT decision makers realise that they need to look beyond borders to stay competitive.

There's an intense fight for software talent in the UK and Ireland. Larger companies have a monopoly on the best engineers, and there's simply not enough talent to go round. The businesses that want to accelerate fast are broadening their horizons beyond looking locally.

QUICK FACT

There was a 130% increase in UK development vacancies in the first half of 2021 alone

Source: Robert Walters Technology

KEY QUESTIONS FOR CONSIDERATION

- **How to overcome local tech talent shortages?**
- **How to extend teams outside the local HQ?**
- **How to scale technical capability at market pace?**
- **How to establish a cost effective development team?**

360° analysis: standard approaches and where they fall short

When organisations are looking at upskilling and scaling development teams: what are the options?

HIRING LOCALLY

Scouting the local tech market and meeting business requirements is no longer a viable option for CTOs as highly fierce battles for talent prevent scaling at the pace desired to keep up with competitors while addressing the long chain of hiring cycles. One benefit to this method is having all your team in one location, which can be an important factor for some organisations.

POTENTIAL BENEFITS	POTENTIAL RISKS
	Long chain of hiring and time delegation
	It can have significant cost implications
All your engineering teams in one place	Developers may not have required skills
	Delay in core business delivery checkpoints

ONSHORING

Building or extending a team in the UK or Ireland outside of the major metropolitan areas delivers cost benefits due to lower salaries and premises prices. However, organisations are still faced with crippling shortages of

niche skills. While engineers with highly specific technological expertise are available, most specialisations are incredibly hard to come by at home. When they are available, companies can expect to pay a large premium for this talent.

POTENTIAL BENEFITS	POTENTIAL RISKS
Cultural fit easier to achieve	Insignificant cost benefits
	High competition for elite talent
Small savings compared to major metro areas	Niche skills remain hard to obtain

OUTSOURCING

Outsourcing is working with a third-party vendor for short-term projects as opposed to long-term partnerships with customer-centric businesses. Outsourced technical staff operate on a 'statement of work' mindset, rather than a product accountability mindset. Outsourcing restricts in-house skill development and can potentially hamper the organisation's ability to achieve their future milestones.

POTENTIAL BENEFITS	POTENTIAL RISKS
	Developers don't work for the organisation
Suitable for short-term successes	Lack of cultural and operational alignment
	Knowledge, expertise, and capability kept external

OFFSHORING

Extending an existing team or building a dedicated offshore centre in a talent-rich location provides an array of benefits over traditional outsourcing, onshoring, and local hiring. The engineers you hire are fully integrated, full-time employees of your organisation who care about your products and services and are culturally aligned to your company mission and values.

✓	✓	✓	✓
Access to deep pools of elite talent	Less time spent on recruitment	Speedier to scale up and upskill	Quicken time to market

OFFSHORING WITH AN INTEGRATED DEVELOPMENT TEAM

The best offshoring approaches deliver organisational access to immense pools of elite engineers, and the ability to leverage proven operational expertise — allowing CTOs to focus on meeting customer demands and not lengthy recruitment processes.

Software development is crucial to success for modern enterprises. But crippling local skills shortages in the UK and Ireland make it restrictively challenging. For technology leaders, offshoring used to be about finding a price they couldn't get at home, whereas today it's about finding the skills and people they can't get at home.

With an expert offshoring partner, businesses are able to **tap into global talent pools and access the skills they can't always find at home** while optimising costs. And, while the partner takes care of the recruitment, setting up your team, the operational heavy lifting, and the day-to-day administration — organisational leaders are able to keep focus on creating innovative, new customer offerings.

An innovative turnkey solution: build – scale – sustain

AUGMENTING ENGINEERING EXPERTISE CAPACITY

...delivers **a team dedicated wholly to your business**, and its products and services

...ensures engineers who are **totally aligned to your company culture** and wider organisation

...adds value over **over the long term**, keeping knowledge and expertise in house

> *Imagine you and your competitors all have their offices in London, but you also have this super-talented, super-scalable team offshore. It's like a secret weapon. You have access to talent they can't find at home. You have the power to grow — they don't. You can build in just a few months a team that would take 12–18 months in Europe.*

Emilien Coquard,
CEO & Co-Founder, The Scalers

A SMARTER OFFSHORE SOLUTION
– ENABLING YOU TO INNOVATE AND SCALE SUSTAINABLY.

Highly skilled developers

By using a finely tuned recruitment process, highly talented developers are sourced from a pool of the most skilled engineers based on your requirements. An offshoring partner should first approach and put them through a rigorous assessment process, leaving only the top 1%.

Handpicked top candidates

Unlike outsourcing, the developers are hand-picked by your internal hiring team. While we do the shortlisting, you do the final interview. You get to ensure cultural fit and they get a professional structure and a respected brand to commit their work to.

Hands off process

Your managers have total control over the day-to-day structure and operation of the team. However, all administrative tasks such as payroll, office management, and HR are handled by the offshore partner — leaving you to focus on scaling your business.

Holistically aligned engineers

Your team is a fully integrated extension of your wider setup — full time employees who care deeply about the products they work on, and a commitment to the mission and values of the company.

Adaptable offshore development solutions

Build a fully integrated dedicated team

Scale your development capacity without spending time on hiring or onboarding. Your developers are an integral part of your team and the right partner will ensure they're aligned and engaged.

Extend your existing engineering team

Add skills to your existing setup simply and seamlessly without interrupting existing operations. The right approach makes it simple and straightforward to increase capacity.

Open an offshore development centre

Say hello to rapid scalability in a custom-built ODC where new ideas come to life. Leverage elite data scientists and business analysts to help you innovate at scale.

A spotlight on Bangalore

A cross-analysis of feasibility, accountability, ease of access, and resource segmentation indicates that Bangalore — which contains more than one million software engineers — has the necessary skills and technology to meet every business need.

Engineers in Bangalore possess unmatched skills. This means that they can support the entire software development ecosystem, end-to-end and provide companies abroad with an enormous recruitment pool to choose from.

Source: Times of India

The world's fastest-growing tech hub
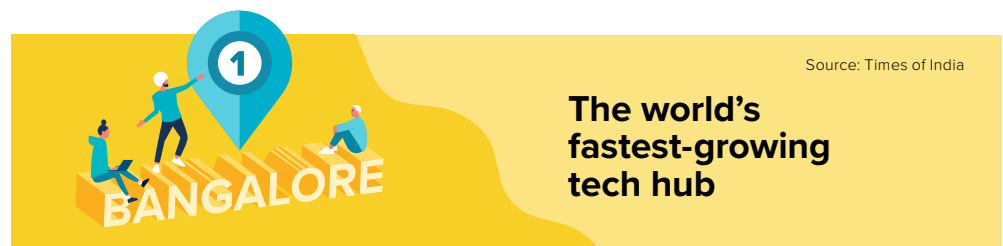
> *Other locations simply don't have the range of talent, skillsets and quality of engineers as Bangalore.*
>
> **Simon Walsh**,
> Global Business Development, The Scalers

These same engineers are familiar with various code simulation environments and can provide product managers with faster knowledge transfer. In addition to the city's high-grade tech infrastructure, its well-known, world-class quality talent, puts you on the same level as major corporations and fast-growth startups.

Bangalore in the spotlight

Second largest **tech ecosystem** in the world

Won '**Most Dynamic City in the World**', two years in a row

Massive hub for R&D centers, including:

Google   amazon   Microsoft

World-class **technical institutions**

LONDON   BANGALORE

The **time difference between London and Bangalore** is only 4,5 hours during DST

SOURCES

UK skills shortage slows transformation
Techmonitor, November 2021
UK software development market, Robert Walters, 2021

Go offshore with The Scalers.

BOOK A CONSULTATION ›

THE SCALERS®

@ **sales@thescalers.com**

Contact your local office:

UK +44 20 3868 7491
IRELAND +353 76 680 1155
FRANCE +33 1 86 65 65 05
GERMANY +49 30 30808560
US +1 929 242 3810
AUSTRALIA +61 2 8318 0404

thescalers.com