SMART SCALING:

The Startup's Guide to Outstaffing

Content

Intro

Are you ready to elevate your startup by accessing additional expertise? This e-book delves into the nuances between outstaffing and outsourcing, helping you make informed decisions for your business, optimise costs, and achieve desired results faster. It is backed by valuable tips from two decades of experience.

With a focus on providing specialised skills to startups and scale-ups, CHI Software stands out as the partner of choice for driving innovation in your product development journey.

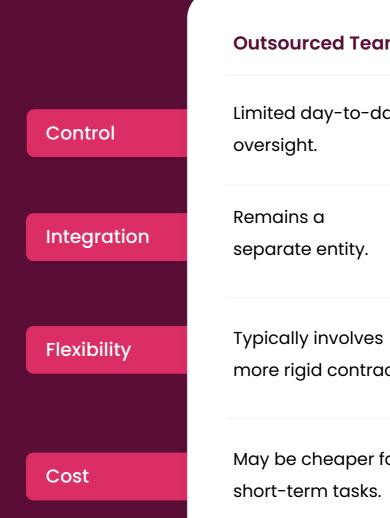# How Outstaffing Is Different from Outsourcing?

Outsourcing:
Hiring an Outside Team

Outsourcing, on the other hand, is like ordering takeaway. You hand over entire projects or specific tasks to an external company.

They handle everything from start to finish, delivering the final product back to you. While outsourcing can provide scale, it often comes at the cost of control and transparency. There's a barrier between you and the individuals actually doing the work. Communication is often filtered through middle managers, and you lack the same day-to-day insight you have with in-house or outstaffed team members.

Outstaffing:
Your Extended Team

Outstaffing involves having a group of skilled professionals working exclusively for you but without the hassle of full-time employment. You get dedicated experts who seamlessly integrate into your existing team, working on your projects as if they were your own employees.

Key Differences Between Outsourced and Outstaffed Teams

	Outsourced Team	Outstaffed Team
Control	Limited day-to-day oversight.	Direct control over your extended team.
Integration	Remains a separate entity.	Becomes part of your company's culture.
Flexibility	Typically involves more rigid contracts.	Can be scaled up or down quickly.
Cost	May be cheaper for short-term tasks.	More cost-effective for long-term projects.

For startups looking to grow smartly, outstaffing offers a sweet spot between hiring full-time employees and completely outsourcing your work. It's all about finding that perfect balance of flexibility, control, and cost-effectiveness as you scale your business.

Seeking the Middle Ground: How Startups Can Benefit From Outstaffing

Is outsourcing or outstaffing the right solution for your business? There isn't a one-size-fits-all answer. However, outstaffing is often a preferred option for startups, and here's why:

01 | **Quick Access to Talent**

With outstaffing, you're tapping into a pre-vetted pool of skilled professionals. This means you can find the right fit for your project much faster than if you were starting from scratch. No need to sift through hundreds of CVs or conduct endless rounds of interviews. Your outstaffing partner has already done the heavy lifting, allowing you to focus on what really matters - growing your business.

02 | **Flexibility in Skill Acquisition**

One of the key benefits of outstaffing for startups is the ability to adapt quickly. As your project needs evolve, you can easily switch gears and bring in different specialists. This flexibility is crucial when you're navigating the uncertain waters of startup growth.

03 | **High Level of Involvement**

When you choose outstaffing, you're not just getting a team of developers – you're getting a dedicated group of specialists deeply invested in your startup's success. Unlike traditional outsourcing, where you might feel disconnected from your remote team, outstaffing fosters a high level of involvement and collaboration.

04 | **Cost-Effective Expertise**

Outstaffing vs outsourcing becomes particularly advantageous when considering specialised skills. While outsourcing might give you a team, outstaffing allows you to cherry-pick the exact talent you need. This targeted approach often results in more efficient use of your resources, giving you high-level expertise without the overhead of a full-time hire.

05 | **Direct Communication**

One of the key benefits of outstaffing for startups is the direct line of communication you'll have with your extended team. Unlike traditional outsourcing, where layers of management can muddy the waters, outstaffing allows you to interact directly with your developers. This approach brings clearer understanding, faster problem-solving, and a more collaborative environment.

06 | **Seamless Integration**

When you opt for outstaffing, you don't just hire several third-party employees – you're welcoming new members into your startup. Vetted professionals can seamlessly blend into your existing structure, adopting your company culture and work ethic. This integration ensures a smooth workflow and eliminates the «us vs them» mentality often associated with outsourcing.

Outstaffing for Startups: How to Make the Most of It?

Working with remote experts isn't always smooth sailing – you've got to nail the collaboration game to make it work. Below are some helpful insights based on years of being a trusted outstaff partner.

1

Define Your Goals and Requirements

Before diving into collaboration with outstaffed specialists, it's crucial to have a clear vision of what you want to achieve. Let's break down this important step:

01

Identify Your Project Scope

Start by outlining the specific tasks and objectives you need help with. Are you looking to develop a new feature, redesign your UI, or tackle a complex backend issue? Be as detailed as possible.

02

Set Realistic Timelines

Consider factors like the complexity of your project, potential roadblocks, and the time needed for quality assurance. Setting achievable deadlines will help manage expectations and reduce stress for both your team and the outstaffed specialists.

03

Determine Your Budget

Before reaching out to specialists, have a clear understanding of your budget constraints to narrow down your options and avoid wasting time on collaborations that aren't financially feasible. Remember, the cheapest option isn't always the best – consider the value you're getting for your investment.

04

List Required Skills and Expertise

"What specific skills does your project demand? Maybe you need a React expert or someone well-versed in machine learning algorithms. Creating a detailed list of required skills will help you find the right fit and ensure your outstaffed team can hit the ground running," – Tetiana Korbaniuk, Chief Recruiting Officer at CHI Software.

By taking the time to define your goals and requirements upfront, you'll set the stage for a successful collaboration with outstaffed specialists.

2 Research Potential Specialists Thoroughly

You wouldn't hire an in-house employee without vetting them first, so why should outsourcing be any different? Here's how to dig deep and find the perfect fit for your startup:

Check Their Track Record

Start by examining the specialist's portfolio. Look for projects similar to yours in scope and complexity. Don't just skim the surface – ask about their workflows, focusing on communication, timeliness, and overall satisfaction.

Evaluate Technical Expertise

For software development, technical skills are non-negotiable. Dive into the specialist's proficiency in relevant programming languages, frameworks, and tools. Consider setting up a brief technical interview or coding challenge to gauge their abilities firsthand.

Assess Cultural Fit

Look for specialists who align with your company's culture and values. Do they share your passion for innovation? Can they adapt to your startup's fast-paced environment?

At CHI Software, we've crafted a hiring policy that fosters our clients' organisational success. Our policy focuses on a clear recruitment process, unbiased selection criteria, and fair and inclusive practices.

Verify Security Practices

Security can't be an afterthought when dealing with sensitive data or proprietary information. Inquire about the specialist's data protection measures and confidentiality protocols. Don't hesitate to ask for signed NDAs if necessary.

Consider Communication Skills

Evaluate the specialist's English proficiency and their ability to articulate complex ideas. Pay attention to their responsiveness during initial interactions – it's often a good indicator of future communication patterns.

"Our goal is to evaluate candidates fairly, and our rigorous approach helps us with that. Our recruiters conduct behavioural and technical assessments and interviews to get a good sense of how well a candidate fits the team and role," – Tetiana Korbaniuk, Chief Recruiting Officer at CHI Software.

TechMeetsTrader

Review

CHI Software team is the best remote development solution I've found. Our team at TechMeetsTrader worked with the CHISW Node.js team to develop a highly scalable web application for online investors. The experience was great! Every developer spoke proficient English, was highly motivated, and consistently performed on the task at hand. Managers were easily reachable and committed to excellence. I look forward to working with CHI Software team in the near future.

Warren Lorenz, CoFounder, CEO TechMeetsTrader

3 Ensure Alignment on Tools and Communication

Clear expectations ensure everyone is on the same page and working towards common goals.

Cultivate a Shared Vision

Help your out-staffed specialists feel like they're part of your startup's journey by sharing your company's mission, values, and long-term goals. This alignment can boost motivation and lead to more innovative solutions.

Establish a Unified Tech Stack

First things first: nail down your tech stack. Have a pow-wow and agree on the tools, frameworks, and languages you'll use. This isn't just about coding – think project management tools, version control systems, and even communication platforms.

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imagine learning

Review

CHI Software's expertise, innovative mindset, and swift development cycle consistently exceed our expectations. We greatly value their partnership and look forward to exploring new and transformative ideas together.

Jason Fournier, Imaging Learning, Vice President, Product Management AI Initiatives

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Pro tip:
Create a shared document outlining your tech stack choices. It'll be a lifesaver when onboarding new team members.

Establish Communication Channels

Set up regular check-ins and use collaborative tools to keep everyone in the loop. Platforms like Slack or Microsoft Teams can help bridge the gap between in-house and outstaffed team members.

Make sure to:

» Create shared project boards for real-time updates.

» Determine response time expectations.

» Define a protocol for urgent issues.

» Encourage informal chats to build rapport.

Now, let's talk about talking. Here's a quick rundown of communication formats and channels you should consider:

Daily stand-ups: keep them short and sweet.

Weekly deep dives: for those meatier discussions.

Instant messaging: for quick questions and water cooler chats.

Video calls: sometimes, you just need to see those faces.

Remember, over-communication is better than under-communication when working with remote specialists.

CHI Software's developer Kyrylo Balatsenko shares several must-have aspects of a successful onboarding:

01 **A clear understanding of your ultimate goals.** Even if they're not immediately clear, they should become apparent after discussions.

02 **Effective communication** – because you can move mountains through productive conversations.

03 **A detailed breakdown of requirements.** This overlaps with having a clear understanding of goals, but the details make it easier to explain what you want to others.

04 **Proper documentation.** It will help you recall what you did long ago and onboard others more easily.

05 **A human approach.** Don't expect immediate results from a new developer – give them time to get up to speed. Understand why specific tasks are challenging and work together to find solutions.

Implement 360-Degree Feedback

Continuous feedback helps refine processes and improve outcomes. Implement a system for regular, constructive feedback in both directions.

» Set up periodic performance reviews

» Encourage open dialogue about challenges and successes

» Use feedback to iterate and improve workflows

Setting clear expectations and processes lays the groundwork for a productive partnership with your outstaffed specialists. This approach helps minimise misunderstandings, streamline workflows, and ultimately drive your startup's success.

DR SMILE

CHI Software delivered the full scope of our mobile application backend and new website frontend with high quality. The company were flexible in planning and allocating additional resources. The team started working on the project in the fastest time, were highly reliable and easy to cooperate with.
CHI Software is the partner who always reduces time to develop and market for us. We can recommend CHI Software to any startup willing to have a quality product in the shortest time.

Ivan Gammel, CTO at Urban Technology GmbH

4 Embrace Agile Methodologies

Agile practices like Scrum or Kanban can be game-changers for startups working with outstaffed teams. They promote flexibility, continuous improvement, and transparency. Consider implementing sprint planning sessions and retrospectives to keep everyone on the same page and continuously improve your processes.

"Thanks to Agile methodologies, our engineers have all the right tools at their disposal to map out and monitor project progress like professionals. This not only fosters a culture of accountability but also guarantees that deliveries are right on schedule,"
– Olena Morozova, Chief Project Officer at CHI Software.

5

Leverage Time Zone Differences

If your outstaffed specialists are in different time zones, turn this potential challenge into an advantage. Create a 24-hour workflow by strategically assigning tasks.

Creating robust feedback loops and check-ins will foster a culture of open communication and continuous improvement.

This approach will help you maximise the value of collaboration with outstaffed specialists, driving your startup to success.

"For example, your in-house team can review work done overnight and provide feedback for the next day. Just be sure to establish clear handoff procedures to maintain continuity," – Olena Morozova, Chief Project Officer at CHI Software.

Staffing Lab by CHI Software: New Techniques Hit Differently

In this chapter, we share how we managed to slash software development costs by 15% while still keeping quality top-notch. And guess what? We also saw a boost in retention rates by 20-25%! We're diving into our company's journey of building up our Staffing Lab Program, featuring CHI Squads that take regular staffing to a whole new level of excellence and efficiency.

Overview of the CHI Software Staffing Lab Program

It's vitally important for our clients to cut costs in software development while still hiring the best specialists to keep quality and speed top-notch. That's how the idea of the Staffing Lab was born. This initiative is fuelled by a bunch of in-house pros, a global network of subcontractors, and our top-tier teams – CHI Squads.

We dug deep into the usual staffing ways, especially for Middle/Senior developers who face big hurdles when jumping into new projects.

Below is a comparison table of traditional staffing vs CHI Staffing Lab:

Aspect	Traditional Staffing	CHI Staffing Lab
Recruitment Process	Sourcing, job postings, resumes screening based on standard requirements.	Coordination with the company's tech departments for more precise position requirements.
Candidate Evaluation	Basic technical skills assessment, interviews, and reference checks.	Several rounds of both technical and non-technical interviews for a more accurate candidate evaluation.
Employment model	Full-time or part-time employees, possibly freelancers/ contractors.	Full-time or part-time employees, possibly freelancers/ contractors.
Cost structure	Fixed salaries or hourly rates, benefits, and overhead costs.	Fixed salaries or hourly rates, benefits, and overhead costs.
HR involvement	An HR department manages recruitment and hiring processes.	HR, recruitment, and development teams manage recruitment and hiring evaluation.
Onboarding	Extra time is needed for formal onboarding and training.	No extra time is required for candidate training or onboarding.

Aspect	Traditional Staffing	CHI Staffing Lab
Staffing scalability	Limited scalability based on workforce capacity.	Improved scalability thanks to training programs.
Flexibility	Less adaptable to sudden changes in a project scope.	More adaptable to possible scope changes.
Long-term commitment	Typically, long-term employment commitments.	Both short-term and long-term employment commitments.
Skill specialization	Specific skills required; limited cross-functional abilities.	Better cross-functional abilities thanks to ongoing training.

Staffing Lab and Squads Innovation

CHI Software has incorporated the Staffing Lab, an Engineering Development Program covering different growth paths and areas, such as the Project Management Office, Chief Technology Office (CTO Lab), and the R&D Centre.

In the CTO Lab programme, we mix theory, hands-on skills, and interactions with experts to give our engineers real-world experience for moving up to Senior roles like Solutions Architect and Team Lead.

We ensure our developers keep growing and stay on top of Amazon and Microsoft competencies through certifications.

However, the CTO Lab is only the beginning of our education initiative called Staffing Lab. These are the next steps.

Staffing Lab Structure

CHI CTO Lab prepares Solution Architects and Tech Leads.

Solution Architects and Tech Leads teach and prepare Mentors for the CHI Staffing Lab.

Our developers are selected to join CHI Squads, which are dedicated to the company's specific needs and technical specialisation.

Our clients collaborate with skilful and disciplined specialists, easily integrating into new working environments.

Review

To deliver the project on time, the CHI Software team stepped above the time limits and demonstrated high personal engagement. The technical level of the team and management was beyond our expectations. We will surely continue our cooperation in the future.

Shigenori Sato, Founder of Pax Creation Asia

CHI Squads

At CHI Staffing Lab, we're constantly refining our Squad selection and training processes to develop a dynamic, on-demand tech stack. No matter which Squad our developers are part of, they're equipped with outstanding soft and hard skills, ensuring they excel in every new project—whether within the CHI Squad or as part of a client team.

"Each Squad is structured to simulate a full-cycle development project, complete with a Team Lead, front and backend developers, QA specialists, and mobile experts as needed. A dedicated PM oversees the project, adhering to all Scrum ceremonies. We carefully align our training programs with the company's departments – Mobile, Frontend, Backend, PM, and QA – to ensure seamless coordination and development," – Olena Morozova, Chief Project Officer at CHI Software.

Staffing Lab and Squad Approach Benefits

01

Real cost reduction

This program has successfully slashed hiring, staffing, and development expenses by 15% while boosting our staff retention rate by 20-25% since its inception.

02

Quick adaptation

Squad members can quickly adapt to new projects within their Squad or integrate into clients' teams.

03

Continuous professional development

Squad members regularly participate in tech talks, webinars, and other educational activities.

04

Fantastic opportunities for candidate sourcing

Beyond job sites, we also tap into close communication with IT clusters and communities.

05

Comprehensive candidate selection process

We have crafted specific programs and detailed workflows for each skill set and type of job opening.

06

Thought out squad programs

Each squad's program is aligned with the training program within the department to ensure that candidates are equipped for the specific departments and tasks they will be working on.

07

Future-ready training programs

The departments' programs are tailored to encompass upcoming IT market trends and cater to the requirements of our clients.

08

Experienced mentors

Our squad programs are instructed by seasoned senior-level developers.

Our Clients' Success: A Glimpse into Outstaffing in Actual Business Scenarios

While outstaffing may appear straightforward in theory, its implementation can take on various forms. You might opt to bring on board a single developer, engage multiple specialists with different skills, or partner with engineers specifically for idea testing rather than implementation. Allow us to illustrate two instances of CHI Software's approach in action.

All-In-One Payment System for Sustainable Infrastructure

Client Description:

Our client, a US-based company, integrates financial and technological advancements to speed up the funding process for sustainable infrastructure projects on a global scale.

About the Project:

We deal with our client's payment platform making project financing easier for both lenders and borrowers. By digitising workflows and automating data input, this platform does away with old-school methods like spreadsheets, emails, and PDFs. Our role in the project is to develop and integrate different modules to boost the platform's capabilities.
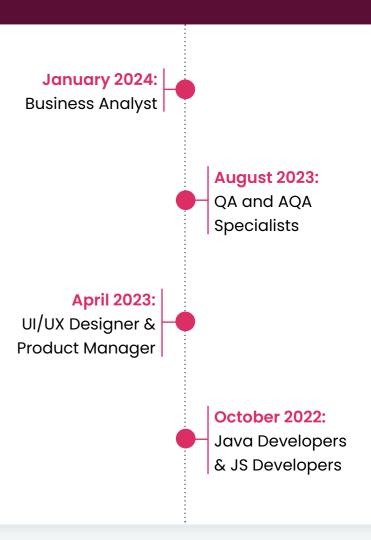
The Project's Overview

Industry: FinTech

Development team:

1	Product Manager	2	UI/UX Designers
1	Business Analyst	14	Java Developers
3	QA Specialists	8	Vue.js Developers
2	AQA Specialists	2	Full Stack Developers

Demonstrating Flexibility: The Collaboration's Workflow Through the Years

At the beginning of this e-book, we mentioned that outstaffing is more flexible than outsourcing – now, we'd like to back this statement with evidence. Here's a swift look inside the evolution of our team within this project.

It's worth mentioning that the number of specialists has been adjusted based on the client's requirements. Initially, we brought on board five developers to handle two platform features. Fast forward to September 2024, and our team has grown to 33 experts with diverse specialisations, spanning various development phases, from shaping requirements to testing software features.

January 2024:
Business Analyst

August 2023:
QA and AQA Specialists

April 2023:
UI/UX Designer & Product Manager

October 2022:
Java Developers & JS Developers

PoC Development for an EdTech Company

⟫ **Location:** USA

⟫ **Industry:** EdTech

⟫ **Client Description:**

Our client is dedicated to transforming education by blending first-class technology with proven teaching methods to deliver more engaging, innovative, and personalised learning experiences.

Their solutions are highly regarded for its engaging educational content for students from kindergarten through grade 12. Users appreciate its user-friendly interface and broad accessibility, leading to a sterling reputation in the educational community.

⟫ **About the Project:**

The CHI Software team has been engaged in multiple projects focused on exploring generative AI capabilities in diverse educational settings.

⟫ **Duration:** March 2023 – Ongoing

Provided PoC Solutions

As you can see, outstaffed specialists can work on your project without access to critical features and user data. CHI Software is a vendor that offers a high level of flexibility and convenience for any development idea you have in mind.

01 Using AI for the rapid generation of state-specific lesson objectives. By doing so, the solution aimed to streamline the process, save time, and maintain alignment with state standards.

02 Generating age-appropriate stories aligned with phonetic rules for early reading intervention.

03 Developing and deploying the HelpMe bot for real-time Salesforce support via Slack, enhancing user satisfaction and efficiency.

04 Building an AI app that can automate assessment creation, streamlining the process and freeing up teachers for individualised instruction.

The Project's Overview

⟫ **Development team**

1 Ruby on Rails developer

1 Python developer

2 NLP engineers

3 Java developers

5 Product owners

1 Scrum master

1 Project manager

1 Product manager

⟫ **Our services**

AI assistant development

Backend development

POC development

⟫ **Tech stack**

AWS SageMaker	LlamaIndex
AWS ECS	LangGraph
AWS Lambda	Pinecone
AWS S3	FAISS
AWS Bedrock	ChromDB
AWS KnowledgeBase	Antropic
Python	LLAMA
ChatGPT	Mistral
Langchain	

Conclusions

Outstaffing is the key to achieving your goals swiftly and efficiently. Flexibility, the required expertise, and a flawless hiring process are the main advantages of outstaffing that can propel any startup towards success.

This ebook has shown you how to make things even better with some proven workflow tactics like setting clear goals, thoroughly researching potential candidates, and establishing clear documentation and communication.

Now, you're fully ready for a productive partnership with software development vendors. But who would they be? Look no further than CHI Software!

If you seek solid technical proficiency across web, mobile, AI, and IoT, you're just a step away from the talent you're looking for. Go ahead and message our sales manager.

Contact Us

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