Teamaugmentation

Team augmentation - A complete guide for startups, scaleups and enterprise.

According to a recent AICD and Sydney University Business School study

"Access to talent"

is the **#1** barrier to innovation.

Team augmentation enables companies to overcome that barrier by bringing in talent with the right skills, at the right time.

Australia's most innovative companies continue to lead the way in using team augmentation to accelerate their success.

Top 3 barriers to innovation

31%
Access to talent

28%
Access to financial resources

19%
Short-term focus

What is team augmentation?

Team augmentation enables organisations with existing teams, to bring in people with specific skills to help achieve their business goals faster.

The person typically works on-site as part of the organisation's team.

The team augmentation supplier is responsible for providing qualified, professional talent, and the organisation is responsible for managing that talent.

Why and how does it work

With the right team augmentation supplier, it means no painful, lengthy advertising, recruitment and training processes. The agreement is with the team augmentation supplier means no permanent costs, no need for sick leave, holiday leave, superannuation, or payroll tax.
It means talent on demand, to either fill skillset gaps, or to build on your team's existing capabilities to deliver outcomes faster.

1.

SKILL

It gives organisations access to hard to find skills, particularly in today's talent-short market.

2.

CERTAINTY

It provides proven talent, rather than hiring someone and hoping it works out.

3.

SPEED

It's faster than recruiting directly, and removes the burden of screening hundreds of resumes, technical testing, and multiple rounds of face to face interviews which take focus off your delivery responsibilities, as the team augmentation supplier will have already taken care of these.

4.

FLEXIBILITY

With access to a talent pool, you can scale the number of people you need up or down over time, without the burden of hiring/firing full time employees or managing contractors.

Beyond the direct capabilities they bring, experienced external team members are also likely to have a positive influence on processes and the team they work with. This is particularly useful if you have a corporate legacy team that's a bit set in its ways - external inspiration and experience can make all the difference - new technologies, methodologies, and the experience to identify which situations they're suitable for.

The safety of a replacement guarantee is also usually something organisations appreciate. If a team member is not a fit, you can have them swapped out for someone else (again, without having to go through a lengthy/time consuming dismissal & recruitment process).

Even if you have no immediate requirement for team augmentation, it's worth having an agreement with a trusted supplier to leverage if you have a team member resign unexpectedly, or if you need to rapidly ramp-up delivery due to roadmap changes, a funding event, or budget changes.

Difference between team augmentation and managed services

Team augmentation is an alternative to managed services, where the supplier is responsible for the outcome, and for managing team members.

There's no one size fits all solution - both are great solutions - which suits best depends on your circumstances:

TEAM AUGMENTATION

1. You manage and direct the staff member (good when you have mature tech leadership)
2. Can help you improve your internal capability
3. Dedicated, full time skills on demand
4. Flexibility to direct the team member to work on whatever is required
5. Suitable when the technology being worked on is a core capability
6. Great when you have the need for a full time person

MANAGED SERVICES

1. Supplier is responsible for the outcome, not the input
2. Good when you have no internal capability
3. Usually team members will work on multiple clients
4. Scope changes may require re-quoting (depending on engagement model)
5. Suitable when development of technology is a non-core capability
6. Great when you need part of multiple skills each week/month rather than one full-time skill

(i) **You're a startup, needing to build an MVP**

With only a few team members, some funding and a great idea, using an agency to develop your MVP is a great option. It gives you the full range of skills required to deliver your MVP, without the cost of ongoing headcount. You can leverage the skills of an experienced, proven team and process to prove your critical assumptions, and with some traction, start hiring an internal team.
Recommendation: Managed services.

(i) **You're a scaleup facing challenges recruiting talent to enable you to grow fast enough**

You have an exciting product, and a kick-ass team with experienced leadership. You've done well, and are happy with the progress your team is making. Scaling that up though is a pain - endless CV reviews, interviews, and failed interviews from recruiters who use a scattergun approach to connecting you with candidates. You just can't find talent fast enough, and your project roadmaps and backlogs are suffering as a result.
Recommendation: Team augmentation

(i) **You're an enterprise who needs to innovate fast to avoid being disrupted**

You have a sizable team, and can't hire talent fast enough. You have the budget, which needs to be spent or it'll be lost, but it's difficult to recruit the right talent into a big corporate environment. Recruiters aren't delivering, and your roadmap can't wait - shareholders and the board are depending on your project being delivered on time. You're not sure what the future holds, but being able to turn the talent tap on/off on demand sure would help.
Recommendation: Team augmentation

Calculating cost benefits of team augmentation

There are significant differences between the financial implications of team augmentation vs direct employees.

The simplicity of team augmentation is one of the features that appeals to most managers of high performance teams:

TEAM AUGMENTATION COSTS

Day rate for days worked only

EMPLOYEE COSTS

Hiring

1. Writing the ad
2. Advertising
3. Recruitment Fees
4. Screening resumes
5. Interview rounds
6. Technical testing
7. Reference checking
8. Writing up employment agreement
9. HR

Salary

1. Salary
2. Holiday pay
3. Sick pay
4. Payroll tax
5. Termination pay
6. Bonuses
7. Pay rises

Indirect costs

1. The cost of NOT having someone in the role
   • Project delays
   • Missed deadlines
   • Reputational damage (company and personal)
2. Performance management
3. Hardware
4. Insurance
5. Unutilised time
6. Unfair termination
7. Training
8. Software licences
9. Share of internal costs
10. Payroll/accounting
11. HR systems

Succeeding during headcount freezes, and making the most of unused budget
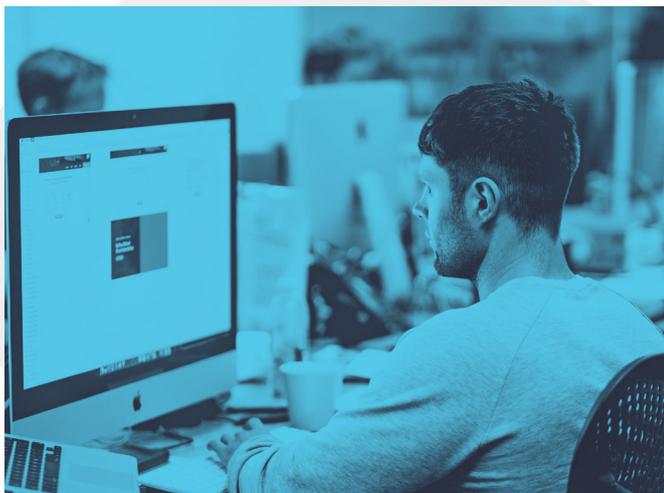
SCENARIO 1

It's difficult to maintain the pace of innovation during a headcount freeze. You need more talent to hit deadlines and achieve your objectives, but you're not allowed to hire any more full time employees. Team Augmentation enables you to get the skills you need, without breaching headcount or permanent staff hiring caps.

SCENARIO 2

You have a budget available for consultants, but not for payroll. You'll lose this budget which you know you'll need next year. Team Augmentation enables you to apply this budget productively, to hard-to-find talent that you can use on demand.

Culture fit

The number one indicator of whether a team augmentation relationship will work, will be shared values and culture fit.

Technical assessment of team members is relatively straight forward. If you can find a supplier with a great culture fit, this means the people you receive are not just technically capable, but will fit in well, and actively contribute to your company culture. They'll have the right attitude, and be a positive influence on all around them.

Methodology

Ensure the methodology used by the supplier and their other clients is a match. If you're running waterfall projects, and the team member is used to working in an agile scrum environment this will take some adjusting (and may not work out well for either party).

Contract terms

Ensure the terms are aligned. You want flexibility, but not too much flexibility (typically companies who have no minimum contract terms etc are desperate to place people OR have a significant bench (reflected either in the poor quality of talent OR extremely high rates to cover the cost of having staff on the bench).

Experience

Look for experience. You want a recruitment process that hasn't just found a few lucky hires, but that consistently results in the best and brightest being hired. Look for a proven track record of delivery with organisations at your size - whether that's startup, scaleup or enterprise.

How to make the most of team augmentation in software development

1.

Find the right partner - particularly in regards to culture fit. Look for a demonstrated track record of hiring the right type of people - client references are a great way to assess this.

2.

Plan ahead, and keep the team augmentation provider in the loop regarding potential upcoming talent requirements. Advance notice can sometimes make all the difference in connecting with the right talent.

3.

Have a consistent onboarding process that sets the new team member up for success. The experienced talent you bring on board via team augmentation can be productive day #1 with the right onboarding process. We can help you identify whether your onboarding process is industry-leading or lagging.

4.

Treat the team members like they're part of your team. If you foster an 'us and them' mentality, team harmony (and therefore effectiveness) are likely to suffer.

5.

Structure work delegation appropriately - this typically means having your internal team on your core systems where a high degree of domain knowledge is required, and greenfield / standalone project work carried out by your augmented team member(s).

What's next?

Team Augmentation is a great option if you want to equip your business with expertise, achieve project outcomes and promote rapid growth. All while maintaining control, reducing risks and costs.

Our team of 80+ technical specialists are proudly 100% local, operating out of our Surry Hills office. We have developed a unique Team Augmentation model for clients that need an on-demand or ongoing development and support, but can't justify the salary, benefits, equipment, training, and overhead costs associated with hiring permanent staff in-house.

1. Access a pool of specialist skills on demand
2. Flexibility to scale our services up and down as you need
3. As a multi-year Best Places to Work in Australia award winner, we are able to attract and retain top technical talent

Speak to the friendly crew at 4mation today to create a dynamic team for yourself. We can help you assess whether team augmentation is suitable for your circumstances.

Call us for a confidential chat about how we can help you innovate faster.

Telephone	Email	Website
02 9213 1300	**sales@4mation.com.au**	**www.4mation.com.au**

Digital solutions to help you innovate faster

Located in Sydney, 4mation is a full-service custom web and software development agency. Our team of over 80 experienced developers and designers are passionate about technology and dedicated to achieving your unique business objectives. We've helped hundreds of Australian businesses leverage technology to help eliminate inefficiencies, increase revenue and create a competitive advantage with our bespoke web and software solutions.

Since 2001, we have worked with some amazing brands in Australia from FMCG, media, financial services, through to eCommerce, retail, and public sectors. Here are some of them.

Speak to our team today to find out how we can help you create new revenue streams and enhance customer experience by leveraging Fintech innovation.

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How we work

4mation works across 3 different delivery models and engagement types with our clients. You can choose the preferred method of engagement that best suits your business needs.

Project delivery

We have more than 80 in-house developers, designers, and project managers creating and refining digital solutions and innovative applications from our office in Surry Hills. With 18+ years of industry experience and a large team of local technical talent, we work alongside you from the start until the final launch of your project.

Agile innovation packages

Whether you need help managing the peaks and troughs of your technology roadmap, are looking for a few services to get you started, or need an ongoing support, you can use our Agile Innovation Packages as your primary technology partner or as an extension of your team. The packages are offered at a discounted rate from the standard hourly rate and can be used for any of our services. Packages are flexible so you can choose the amount of hours to cover your needs.

Team augmentation

Team Augmentation supplements your in-house team by providing access to our specialist pool of talent that matches your specific requirements and adds value to your existing team. This model is designed to cover your IT staffing needs with a quick turnaround time and provide highly skilled professionals to

work on site alongside your team whenever you require additional manpower or specific expertise for your projects.

Our team of technical professionals come equipped with breadth and depth of experience in a variety of languages and related technologies, including:

Strategy

Product Management
Business Analysis
UX Research

Design

UX Design
UI Design

Process

Product Management
Agile Coaching

PHP

Laravel
Custom PHP
Symfony

CMS

Kentico
Umbraco
Sitecore
Wordpress

eCommerce

Nopcommerce
Sitecore Commerce
WooCommerce
Magento

Javascript

Angular
Vue
React
Node js

Mobile

Xamarin
React Native

.NET