



# **Building the Dream Team**

### **Solving the In-House** VS. **Outsource Staffing Dilemma in Sports Tech**

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What are the pros and cons of hiring in-house? What are the benefits for keeping the IP in-house?

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What are the pros and cons of outsourcing your project offshore? What are the realities of offshoring and how does that compare to the advantages and realities on hiring a US-based team?

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## In this report

Locker Room Labs' Building the Dream Team white paper series is designed to examine the challenges tech entrepreneurs face in the sports app industry.



# **Executive Summary**

In the sports technology sector, startups often find themselves at a crossroads. You're in the initial stages of laying out a game plan before the big match. So, do you build a software engineering team in-house or do you outsource? At this critical juncture, you must dissect each approach's inherent challenges and benefits.

If hiring in-house is like building a homegrown team, approach it like a marathon, not a sprint. This marathon demands substantial time and financial resources.

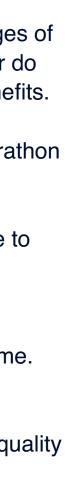
Outsourcing, on the other hand, is like drafting seasoned players who can bring a wealth of experience to the table but, depending on the outsourcing model, could create hurdles when scaling your product. Outsourcing should really be divided into two leagues: offshore developers and US-based engineers.

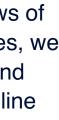
Offshoring is undeniably cost-effective and scalable but may not consistently deliver the desired outcome. Moreover, it often requires constant micromanagement and quality assurance.

By contrast, US-based outsourced talent promises a higher probability of meeting deadlines and high-quality deliverables, albeit with a premium price tag.

Fueled by insights from sports tech industry veterans, we've gathered intelligence on the highs and lows of building out a software engineering team in the following white paper. As sports tech founders ourselves, we aim to help executives in the sports tech arena strategize software development team structure. The end goal? To give you the knowledge to make the right call and ultimately help you reach the project finish line on time and on budget.

Chris Shreeve, Co-founder, Locker Room Labs





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# Forward

Technological innovation in sports is booming, and there is no sign of it slowing down. Whether in-stadium or on digital devices, the way we consume sports and sports information has changed forever.

Global sports fandom has an expectation of incredible user experiences, real-time data, and increasingly gamified interfaces. With the emergence of online betting, never-ending fantasy sports cycles, and iGaming in the U.S., consumers now have more ways than ever to engage with sports online.

New betting formats, like micro-betting, are challenging the legacy sportsbook status quo. New subcategories like peer-to-peer betting, social betting, and trading exchanges are surfacing all the time. Emerging sports leagues in the U.S., like lacrosse, cricket, and even pickleball, have betting lines associated with their gameplay.

With so much evolution, companies have to keep at the forefront of technological advancements to stay relevant, which means more software engineering resources to support this growth.

This is no easy task with a recent shortage of software engineering talent, especially in emerging and regulated markets. Even sports tech leaders are struggling to acquire software engineering talent as fast as the market requires. This leaves technology companies with a very difficult question to answer: Where do we turn when we can't hire fast enough to keep up with the ever-changing technological demands of the industry?

Whether you can afford to hire an entire team in-house or you have to evaluate external resources, your decision is critical for the success of your product. Choose correctly and your company has a chance to break through the noise and challenge the current market leaders. Choose wrong and you are more likely to see your tech end up in the proverbial software "graveyard."

Dustin Sullivan President of SportsDataIO





#### **U.S. Sports Technology Market** Size, by Sports, 2020-2030 (USD Billion) \$30B **GRAND VIEW RESEARCH** 20.5% U.S. Market CAGR, \$2.8B 2023-2030 2025 2026 2023 2024 2027 2028 2029 2030 2020 2021 2022 Source: American Football / Rugb Baseball Basketball www.brandviewresearch.com Cricket Tennis Ice Hockey Others Socce



# Introduction

The sports technology market is witnessing unprecedented growth. By the end of 2022, it was valued at US \$13.14 billion and is set to see a spectacular 20.5 percent growth rate until at least 2030. A riotous global fandom, a newly minted legal betting arena in the US, and the powerful ability to crunch mountains of sports data are coalescing into a highly disruptive sector. Undeniably, sports tech is one of the most exciting spaces to be in.

But, before your sports app launches into this landscape, it must first get built. To get there, startups can choose one of two paths to hiring software engineers: recruiting inhouse or outsourcing.

The first and most ideal path is to hire an entire team of in-house software engineers, complete with a management contingent: a CTO, a vice president of engineering, and a product manager, among others. Arguably the best route, hiring an in-house team is often far outside a company's executive capacity and budget in the early stages of building a sports technology business.

The other path is outsourcing the talent, whether with the ever-affordable but sometimes dubious offshore development companies or the more expensive, yet more reliable, USbased engineering teams.

The decision to outsource is not to be taken lightly. You have to weigh the value of quality, speed, and cost. Realistically, as with any business decision, you can only optimize for two out of three qualities at a time. Is speed to market paramount? Or are you bootstrapped by budgetary constraints? Does prototype quality influence your success within your current round of funding, or are you in the pre-seed stage and require only proof of concept?

20.5% growth rate until 2030

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"Firstly, it [hiring in-house] promotes a strong sense of ownership and alignment with our goals at Rithmm. Team members are deeply integrated into our culture and can better understand and contribute to Rithmm's vision. Communication is also more straightforward, leading to faster problem-solving and innovation. Furthermore, an in-house team allows for better control over project timelines, quality, and security."

— <u>Megan Lanham</u>, CEO, <u>Rithmm</u>



# **The Ideal Solution: Hiring In-House**

Capital considerations aside, the ideal state for any sports app startup is to have the executive capacity and lead time necessary to fill out a complete starting lineup of project managers with a full panel of engineers.

Building an in-house development team is also a core strategy for founders with an eye on the exit. For anyone building to sell or maneuvering to go public, business valuation for both these aspirations is directly impacted by the stability and expertise of employees rather than outsourced talent. Keeping talent and IP in-house establishes a stronger exit strategy.

Compared with the outsourcing model, salaried employees encourage team buy-in. Humans tend to do a better job and take initiative if they see a future with the company.

Loyalty is also built with equity, which has become the norm rather than the exception, during the initial stages of launching a startup.

A guiding principle behind most tech startups is maintaining complete ownership, operations, and control over the technology. While still possible with an outsourced team, operations and ownership are undeniably streamlined with a dedicated development team built in-house.

In-house developers dissolve the barriers between the engineers' technical minds and the founders' goals. For example, it means your engineers get a direct line of communication with the team's subject matter experts (SMEs). At the same time, your VP of Engineering can more readily report project benchmarks to the delivery manager. Communication and team collaboration are streamlined.



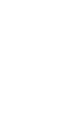






































#### **In-House Realities**

This ideal state of having a complete development team in-house isn't realistic for most startups, especially during the early funding phases. In no news to anyone, hiring a full contingent of experienced software developers is time-consuming and costly. And costs go far beyond salaries.

#### **Salaries**

Unless your founding circle has a technical edge, you'll have to build out a larger department with a more robust structure than just taking on the salaries of one or two engineers.

While a CTO may be beyond the scope of most smaller tech startups, other managerial roles, like a VP of engineering or product manager, are mission-critical for translating the company's vision into a technical reality. For non-technical founders, you'll need a tech leader to guide the engineering team's direction, ensuring alignment with the company's goals.

But with a larger team and a top-heavy one at that, filling these managerial roles obviously comes with a greater cost burden. Without considering the CTO, the salaries alone for a full-fledged team will likely run well over \$600k annually.

Chief Technology Officer Median Salary: \$296,290<sup>1</sup>

VP of Engineering Median Salary: \$280,723<sup>2</sup>

**Product Manager** Median Salary: \$78,340<sup>3</sup>

Senior Software Engineer Median Salary: \$145,000<sup>4</sup>

#### **Equity & Bonus**

According to the <u>Future of Work 2022 Global Job Report</u> released by Monster, 90 percent of employers struggle to fill open positions. Specifically, there is a global shortage of developers.

As CodeSummit predicts, there will be 1.2 million developer job openings by 2026. By 2030, the global outlook is dire, with analysts predicting a shortage of 85.2 million software engineers.<sup>5</sup>

This is the reality of our digital age and your hiring environment. You'll need to offer a lucrative stock package to attract top-quality candidates, especially if you're in the pre-seed funding stage. The younger your company, the riskier the career move it is to jump into a startup role; therefore, you'll need to cushion your offer with a higher stake.

For pre-seed, a typical <u>equity</u> package for a software engineer ranges from 2 to 5 percent vested over five years, with the cut increasing the higher up the chain you go.<sup>6</sup>

Furthermore, you'll have to account for benefits packages (401k, health insurance, parental leave, etc.), performance bonuses (ranging from <u>10 to 25 percent</u> of base salary), and often a signing bonus (wide ranging from <u>\$10,000 to \$125,000</u>). The total compensation package for each new hire is a more significant expense than the base salary suggests.<sup>78</sup>



# HIRING

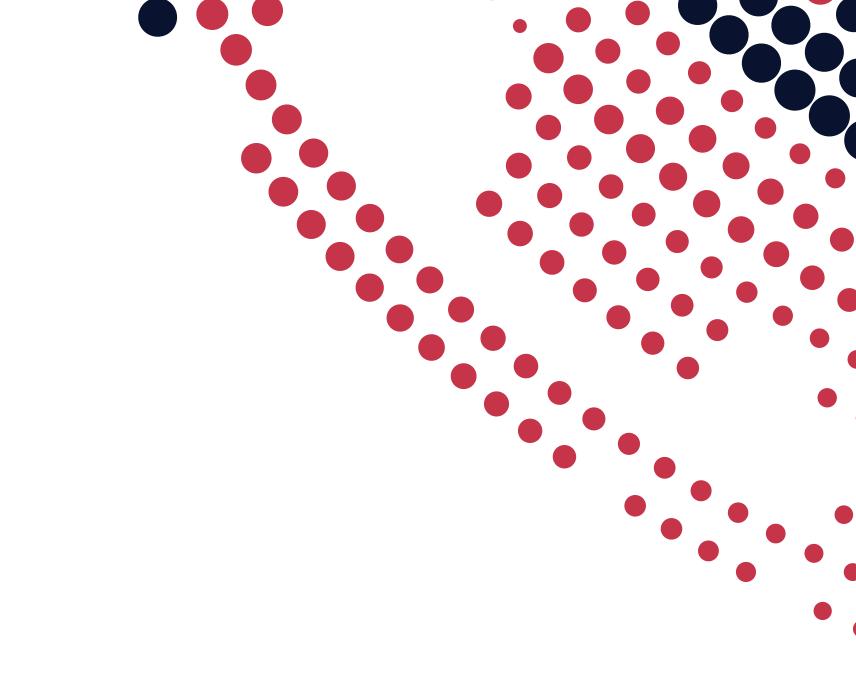


"In a nutshell, it boils down to time and resources. Assembling a full tech squadron is like piecing together a complex puzzle. For non-technical founders, the cascade begins with a CTO, who requires a product manager, who then needs the backend and frontend magicians. Oh, and let's not forget our unsung heroes, the QA team. It's a multifaceted process, and ensuring every piece fits perfectly in terms of team dynamics and skillset is nothing

short of a Herculean task."

- Johnny Coetzer, Founder, Betlabs





#### **Time and Capacity Constraints**

Even with competitive equity and bonus structures beefing up your job package, you're still fighting for candidates within the same small talent pool. Although the hiring market elsewhere is again shifting to favor employers, this isn't the case in the tech industry.

The effort to create job descriptions, advertise those positions, and filter through applicants is often a full-time job in and of itself, especially if you're building a development team from the ground up.

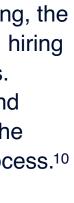
Do you have someone on your executive team with this capacity? Does this same person have the acumen to hire a technical position? As per Greg Kajewski at BettorEdge, "Unless you're James Seils, who is a software engineer and so happens to be one of the founders of <u>BettorEdge</u>, it is rare for founders to have the time, capacity, and technological basis for building out a dev team properly." 9

Layered on top of the capacity issue are timing considerations. It takes months, not weeks, to build a sports app development team properly. It takes weeks to write and create the job description and post it, several months to source candidates, and another month to interview applicants.

Combined with several more months of onboarding, the hiring process quickly eats up half the year. Plus, hiring is just the first stage of the team-building process. Growing a team through the forming, norming, and storming stages of development to finally reach the performing stage is often a four- to six-month process.<sup>10</sup>

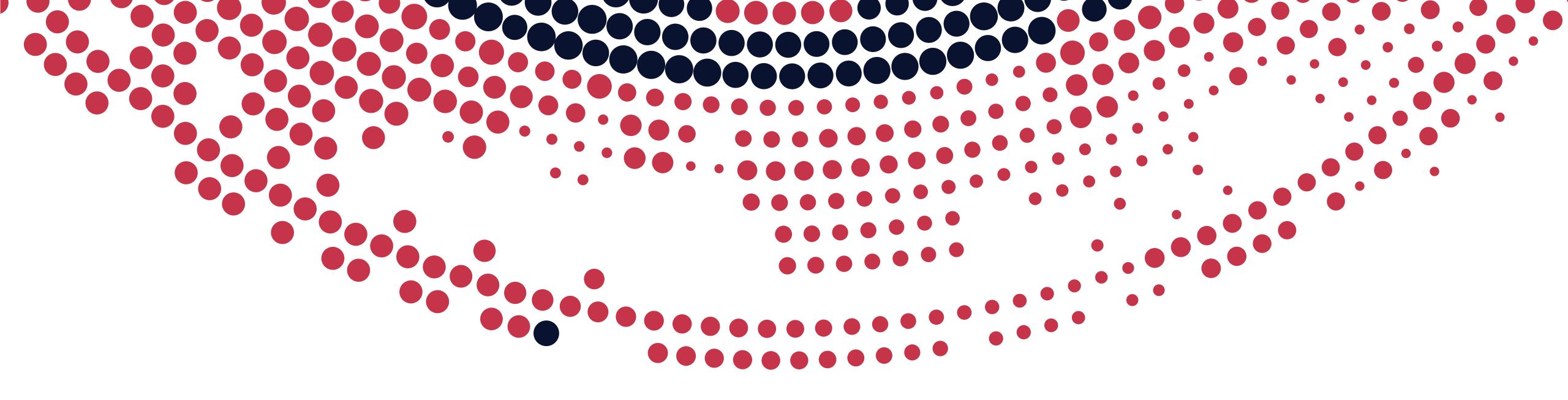
During the seed round, with an average 18-month financial runway for project development, do you really have six months to spend hiring, training, and integrating each position?











"Having an outsourced recruiting partner ensures you get access to the right talent, at the right time, for the right role."

- Paul Sinclair, Founder & CEO, FUSED Talent



#### **Additional Considerations**

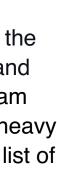
Unless someone in your founders' circle has the unique combination of capacity and technical background (not to mention an expansive professional network), you'll likely end up working with a recruitment company.

The recruiter strategy sits at the nexus of expense vs. speed and, we argue, executive technical skillset. Recruiters, understandably, come at an additional cost beyond those outlined above, yet accelerate talent acquisition.

Lanham, who previously headed a major recruiting firm, explained that "[f]irms have extensive networks and expertise in identifying and attracting top talent quickly. They can also help with market research, salary benchmarking, and can target top competitors. This approach saves time and reduces HR overhead."

In the shot-clock environment that surrounds a sports technology startup, is speed to market or operational costs more critical to mission success? If speed is of the essence, a recruiter alleviates the hiring brain drain and then facilitates rapid team-building. The executive team gets their precious time back while recruiters do the heavy lifting of searching, interviewing, and consolidating a list of ideal candidates.

But, these services do come at a premium. External recruiters typically charge 15 to 40 percent of the new hire's salary. It's in their best interest to help the candidate negotiate a higher wage. Again, it's a delicate balance of speed to hire and cost savings.







"Outsourced teams can quickly provide complimentary experience or talent that the inhouse team may not currently have. Additionally, it's easy to ramp outsourced teams up for a project or multiplier and ramp back down in order to have variable spend instead of a long-term fixed spend."

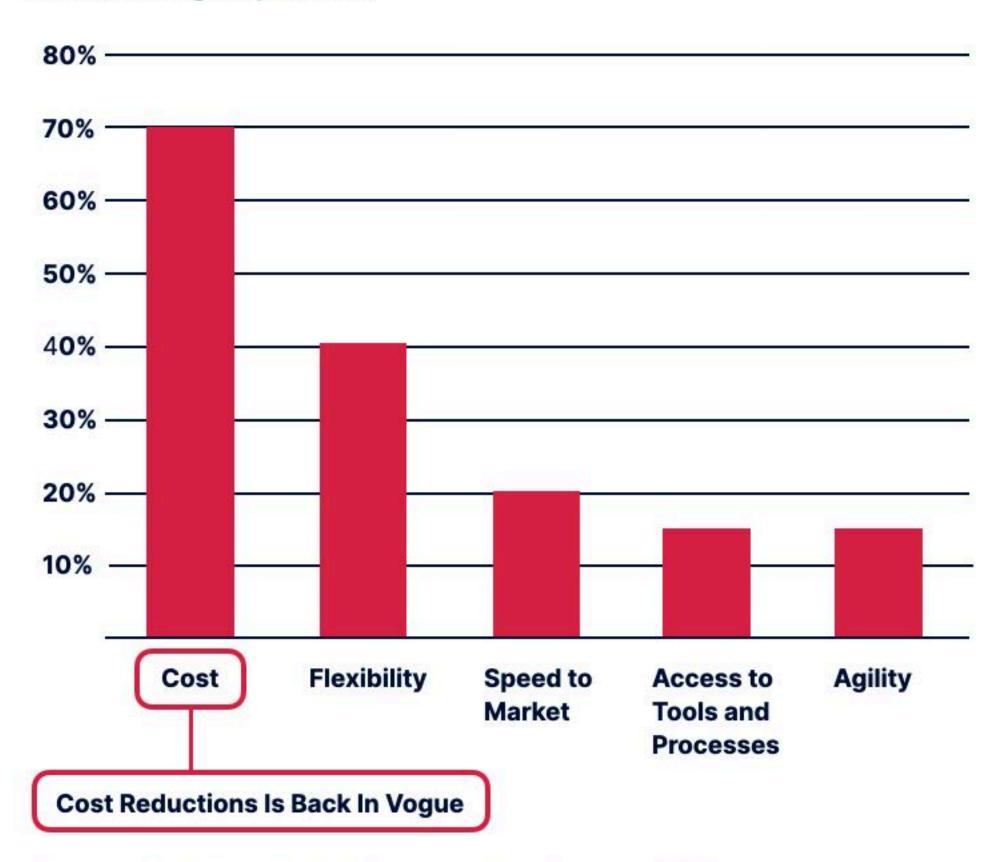
- Greg Kajewski, CEO, BettorEdge

# The Industry Standard: Outsourced App Developers

The reality is that hiring and managing an in-house development team far exceeds most startups' capacity and available preseed funding. As a survey of US tech executives by <u>Usource</u> revealed, over 44 percent were "*more likely to use outsourcing options than five years ago,*" with a further 51 percent outsourcing application and software maintenance.<sup>11</sup>

Labor costs, of course, are overwhelming, which is why companies choose to outsource rather than hire in-house. Yet, it's not the only consideration driving the decision. Per Deloitte's Global Outsourcing Survey 2020, organizational flexibility, speed to market, access to tools and processes, and agility also come into play.<sup>12</sup>

But, no matter the objectives, your hiring strategy doesn't actually end with your decision to outsource talent. Buried within outsourcing is the secondary, but equally important, decision to offshore or to seek a US-based partnership.



#### **Outsourcing Objectives**

#### Source: Deloitte Global Outsourcing Survey 2020





#### **Offshoring Advantages**

Despite your assumptions about offshoring, the sector is fueling sports tech development. Its growth is unprecedented, and there are no signs it's slowing down. At the end of 2022, the offshore market was valued at \$130.6 billion, and as MarketWatch expects, it should reach \$244.8 billion by 2028.<sup>13</sup>

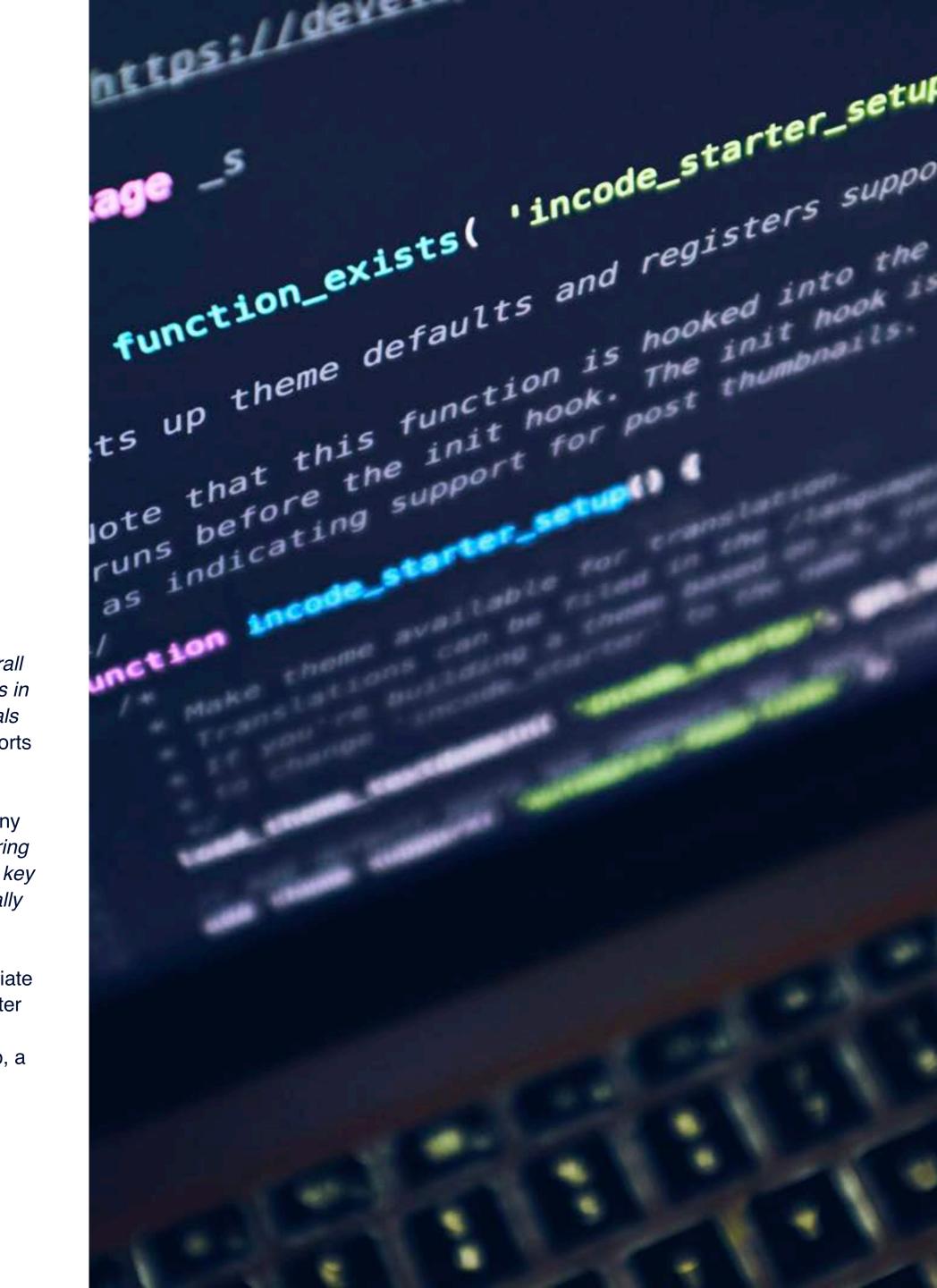
Yes, it's true, nearly everyone working in sports tech has a tale to tell about a project sidelined, delayed, or destroyed, at least in part, by a dysfunctional contract with an offshore software development shop - but there are just as many success stories. Compared with the juicy tales of projects burning to the ground, the successes simply don't get as much attention.

The primary advantage of an offshore team boils down to a single line item: cost. Depending on talent experience and technical requirements, going offshore shaves off more than half the price compared with similar US-based talent.

If all goes according to plan, offshoring promises you "lower overall cost of getting a team up and running, a whole team of resources in a timely manner and access to a large pool of vetted professionals that can come with a larger set of skills," at least according to sports technology industry veteran Angelo Andre.

Benjamin Hendricks, founder of the new sports tech data company Sentitrac, believes that *"finding an outsourced software engineering* firm that is in some way aligned with your product and goals is a key factor, as is the overall seniority level of engineers the firm typically employs."

Many other companies electing to outsource engineering appreciate the access to a global talent pool because you benefit from greater team elasticity, giving you the flexibility to scale up and down depending on your project's phase of development. For a startup, a fluid team of developers at the ready creates much greater cost efficiencies.





#### **Offshoring Realities**

Offshore development companies, sometimes called app dev shops, "are more akin to factory production lines than they are strategic *business partners,"* according to Jesse Learmonth of The Betting Startups Podcast.

Other industry vets agree. Based on his more than 20+ years of experience working in software development for the online gambling industry, Angelo Andre told us, "The biggest issues that I have had with outsourcing overseas is with lack of team direction. communication and ultimately delivery."

Undeniably, offshore developers are more affordable and scalable than in-house hires, but the tradeoffs are almost always quality, value alignment, and the demands of excessive oversight.

For startups with the in-house capacity and technical skillset to provide daily direction over deliverables and deadlines, cost vs. project management may be worth it. But, for the majority of startups, this isn't realistic. Most want to partner with a team of developers who build, test, and tweak as a matter of course, not only when directed. Offshoring is typically a top-down affair with little room for engineer-led innovation.

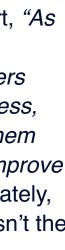
As summarized in Deloitte's 2020 report, "As digital solutions become increasingly mainstream, clients are seeking providers who can elevate the way they do business, enable them to be more flexible, help them leverage the latest technologies, and improve their overall speed to market." Unfortunately, under most circumstances, offshoring isn't the right solution<sup>14</sup>

If this is your one and only opportunity to build out your product, prove market fit, and drive user acquisition, can you afford to cut corners on product quality?

#### **Proactive vs. Reactive**

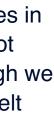
Working styles are the most common functional differences between US-based vs. offshore development teams.

In general terms, the greatest challenges in working with offshore developers are not language- or time-zone-related (although we spoke with many executives who also felt these were barriers to project success). Instead, many offshore developers provide reactive support, mostly missing the proactive and dynamic elements that build long-term relationships founded on trust.











"Price is always a key factor, but paying less per hour isn't necessarily a good thing, as in software engineering you absolutely get what you pay for. As counterintuitive as it is, the best software engineers—who are also the most expensive—can often get massive amounts of work done in far less time than a more junior, less experienced, and cheaper engineer. Quality is much more important than price, especially if software is at the heart of your business."

— <u>Benjamin Hendricks</u>, Founder, <u>Sentitrac</u>





#### **Quality and Speed of Deliverables**

In conversations about outsourcing, an oft-repeated warning is, "You get what you pay for." Yes, offshore pricing is 30 to 60 percent cheaper, but most industry vets will tell you you'll get three times more value from US-based talent.

Working with developers in different time zones causes some delay, but work also slows down with excessive micromanaging. Unfortunately, micromanagement is often a necessary component of offshore work. Again, this relates back to the issues of working with a reactive rather than a proactive team.

Even small deliverables tend to get bogged down with rounds of analysis and clarification, delaying weeks until they're presented. Developers frequently lament the weeks between lines of code, which then still need several rounds of testing, only to find issues that need to go back into the deficiency queue. It's often a frustrating cycle of delays.

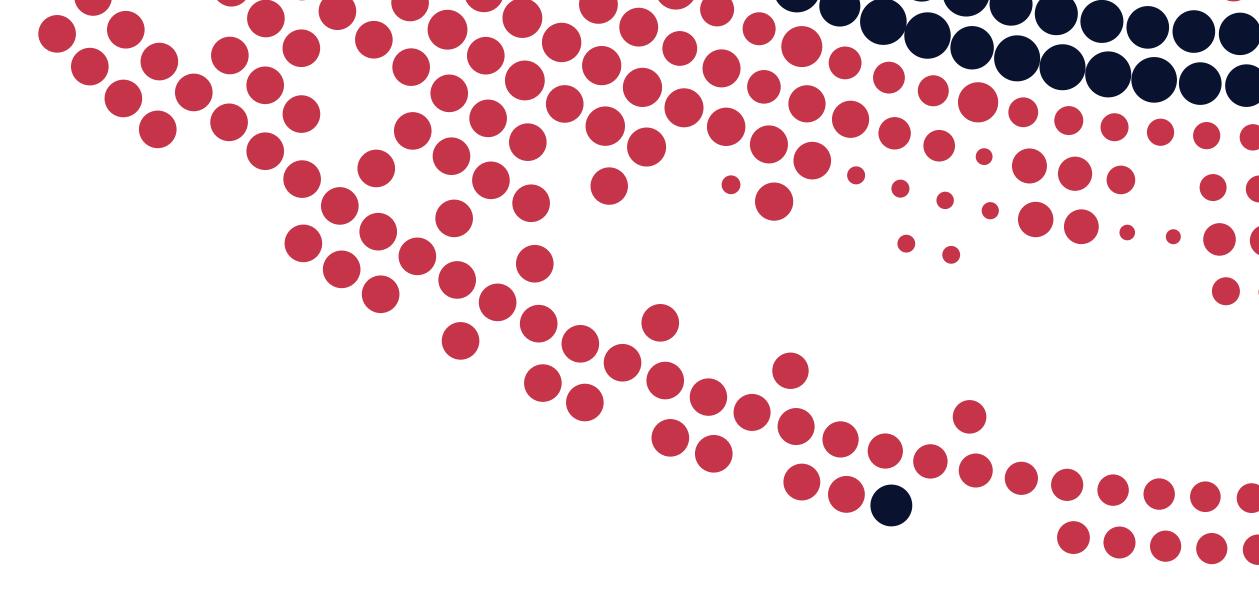
Angelo Andre also shared an offshore experience where project deliverables were far below expectations. As he told it.

"When working with a large outsourcing company at one of my previous employers, the management team was led to believe that the project was on track. I was a little skeptical based on the presentations that were given and requested that a few senior resources begin reviewing what had been already delivered. As I suspected, what was delivered was sub-par work with missing features and functionality. Once this was brought to their attention. we heard the list of excuses even to the point of blaming us for some of the slowness and feature misses."





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"That's when I realized that the person who integrated the data feed took "football" to mean "soccer," and, thus my NFL scores were actually those of the English Premier League..."

- Jesse Learmonth, The Betting Startups Podcast

#### **Industry Specialization**

In the world of sports technology, finding talent with the lingo, technological skill set, and specialized knowledge to transform your vision into reality is paramount.

Again, this isn't necessarily a language barrier; instead, it's a specialization issue that prevents the majority of offshore dev shops from grasping the intricacies of US sports betting, fantasy sports, and other uniquely American cultural experiences.

It's an issue that might not always be as glaring as confusing football with soccer. Often, it boils down to familiarity with the technology upon which the sector is built. From sports data feeds to streaming, developers with no experience in the sports space will go through a (sometimes painful) learning curve while integrating these critical connective pieces into your app, only delaying your project further.



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#### **US-Based Outsourcing Model**

#### Advantages

- ✓ Top-tier talent pool
- Proactive work culture
- Sports industry knowledge
- ✓ Quality deliverables
- ✓ Post-launch support capacity
- Adherence to deadlines

#### Disadvantages

- Premium pricing compared to offshore
- Longer term lengths than offshore
- Does not build in-house company culture

#### **US-Based Advantages**

When the in-house option isn't in the cards, outsourced US-based developers are your next best bet. In some regards, this decision will even give you a headstart, thanks to bringing on a fully-formed team instead of wasting months in the hiring and development of a team. By outsourcing US-based talent, you've hit play on a well-oiled machine, which very likely has its processes and collaborative methods already warmed up and ready to go.

US-based developers fill a more collaborative position for your startup. That means a rich, cooperative working relationship where the developer isn't afraid to ask the hard questions.

Instead of plodding along through each assignment with no consideration for the project as a whole, US-based developers approach projects with a long-term mindset. They take the time to identify your short- and long-term goals. Importantly, they should work with you to assess deliverables and deadlines with the larger picture in mind.

With a shared vision, US-based developers are more loyal to your project and company than you'll find with offshore dev shops where engineers frequently come and go. As Deloitte's 2022 report succinctly put it, *"To have a partner, you have to be* 

*a partner,"* and the reality is there's a much greater chance of partnership between companies operating in the same hemisphere and within the same niche sector.

In the sports tech industry, US-based talent will already know it's football, not soccer. They'll understand that RBI data applies to baseball and that SOG is a hockey reference. We'd also bet there's a high likelihood they play in their own fantasy leagues.

A US developer with a history in sports tech will have already worked with the data feeds and other critical infrastructure pieces that will fuel your app. As Dustin Sullivan, president of SportsData.io, detailed, *"The benefit of having a trust-worthy partner embedded in the sports industry is that they can seamlessly integrate your data to any endpoint online with efficiency."* 

This allows a technology team to focus on features that impact user experience and less on back end integrations.

Kajewski, cofounder of <u>BettorEdge</u>, has a similar mindset: "Success and knowledge in your vertical is an important piece to consider to allow for the quickest impact instead of having to ramp up resources on terms associated with your vertical."







#### **US-Based Realities**

The decision to partner with a US-based development team over an offshore one comes with its own realities. With any model, limitations will always exist, including those that the US-based partnership could entail.

#### **Cost and Contractual Obligations**

Undoubtedly, one of the most significant deterrents for startups is the cost difference between wholly US-based teams and their offshore counterparts. The outsourced software industry is strongly segmented by geographic location, with certain regions garnering a reputation for specific expertise. This segmentation invariably drives up prices due to increased demand for reputed US-based services.

US-based teams also typically require longer engagement periods, ranging from three to six months, as opposed to the more flexible onemonth agreements that offshore teams might entertain. This rigidness could limit a sports app startup's dynamics in the initial stages of development.

#### The Inevitable Rebuilding Phase

If you are fortunate enough to scale your company, there comes the point where the initial product built by the outsourced team needs to transition to an in-house team for further development and ongoing maintenance.

While there are the occasional opportunities to acquire the engineers from the

development shop, you will likely lose the brain trust that built your tech from the ground up. This transition is not always smooth, and there may be a steep learning curve during the handoff phase.

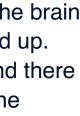
#### **Culture and Connectivity**

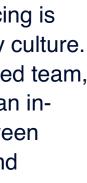
An often overlooked aspect of outsourcing is the missing cultivation of your company culture. Outsourcing to anyone, even a US-based team, means forfeiting the organic growth of an inhouse culture, where connections between departments foster creativity, loyalty, and longevity.

Despite the best efforts of a US-based partner to integrate, the remote nature of the collaboration lacks the genuine connectivity that an in-house team can offer.

As many companies gravitate back to in-office work environments, the lack of physical presence of outsourced teams can further widen the gap, missing out on the spontaneous interactions and camaraderie that a physical office space nurtures.

The journey to building a sports app with outsourced talent is a careful balancing act. As a startup treading this path, a clear-eyed understanding of these realities is your most trusted ally. Know the advantages and disadvantages of each model to make an informed decision on how you will build within the hyper-competitive sports tech landscape.

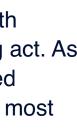
















#### The Right Fit: Key Considerations for Outsourcing

When Deloitte surveyed executives in 2020, they reported that the top takeaway of the year was the need to spend more time on service provider selection.

As the report stated, "The industry is trying to address two competing needs: getting the details right and needing speed [...] [T]he need to get the details right runs counter to the need for speed, since one of the most important design principles in a rapidly changing business environment is to outpace competitors."<sup>15</sup>

As you navigate the highly competitive playing field, selecting the right approach to outsourcing software developers will be paramount to your success.

We recommend incorporating these strategic considerations into your outsourcing playbook:

Alignment with Your Vision: Ensure the developers can translate your organizational values and goals.

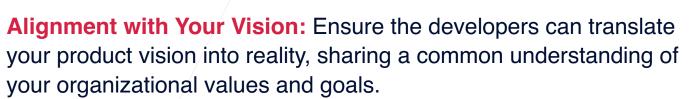
Industry Specialization: Opt for developers with experience building and working with technologies integral to the sports betting sector and, for sports betting startups, who understand the industry's regulatory landscape.

**Post-launch Support:** Confirm the availability of ongoing support for future evolutions of your product, extending beyond just the launch day.

**Transparent Pricing:** Seek clear pricing models that avoid surprises in case of overruns, establishing a transparent connection between budget, timeline, and quality.

Strategic Partnerships: Leverage the developer's existing partnerships to facilitate smoother integration with third-party systems, saving time and resources.







#### **Offshore Dev Shops**

Lowest Cost **Higher Cost** Lowest Quality Talent Superior Talent Lowest Quality Assurance Speed to Market Advantage High Quality Outcomes Sacrifices to Outcomes **Reactive Work Environment Proactive Work Environment** 

As sport tech founders, deciding how to build out your software development team is not to be taken lightly. Do you value long-term employee commitment and talent above all else? Is speed to market the be-all and end-all? Or are you bootstrapped and constrained by budget limitations?

For most startups, hiring a wholly in-house team of developers is just not possible during the initial funding rounds. Timelines and costs make hiring a starting lineup of engineers, product managers, and a CTO unlikely.

Therefore, most sports tech founders get started with a wholly or partially outsourced crew of developers. We'd argue that opting for US-based talent gives your project an advantage: a team of all-stars who know the lingo, have worked with the technology, and are ready to deliver highquality outputs on time and on budget.

Offshoring is the most cost-effective and scalable approach, but it's one rife with unpredictabilities, requiring constant managerial oversight (translation: too much of your valuable time and energy).

#### Scoring Big with US-Based Outsourcing: The Winning Strategy for Startups

#### **US Partners**

#### **In-House Team**

**Highest Cost** Variable Talent Quality **Greatest Demand on Resources Highest Quality Assurance** Proactive Work Environment

In contrast, US-based developers bring specialized experience and a proactive work ethic. When an in-house team isn't possible, US-based developers offer you the highest possible quality assurance.

Leveraging the expertise and reliability that come with US talent, startups can forge ahead more consistently and reliably to a successful project launch. You'll build a team that shares your vision and understands the nuances of betting, fantasy, and sports culture more generally.

This isn't to say there is no time and a place for every model outlined here, whether in-house, offshore, or US-based. But within the hypercompetitive landscape of early-stage sports tech startups, you'll want to give your project the best chance of success by launching a product that meets the high-quality expectations of your users and investors.

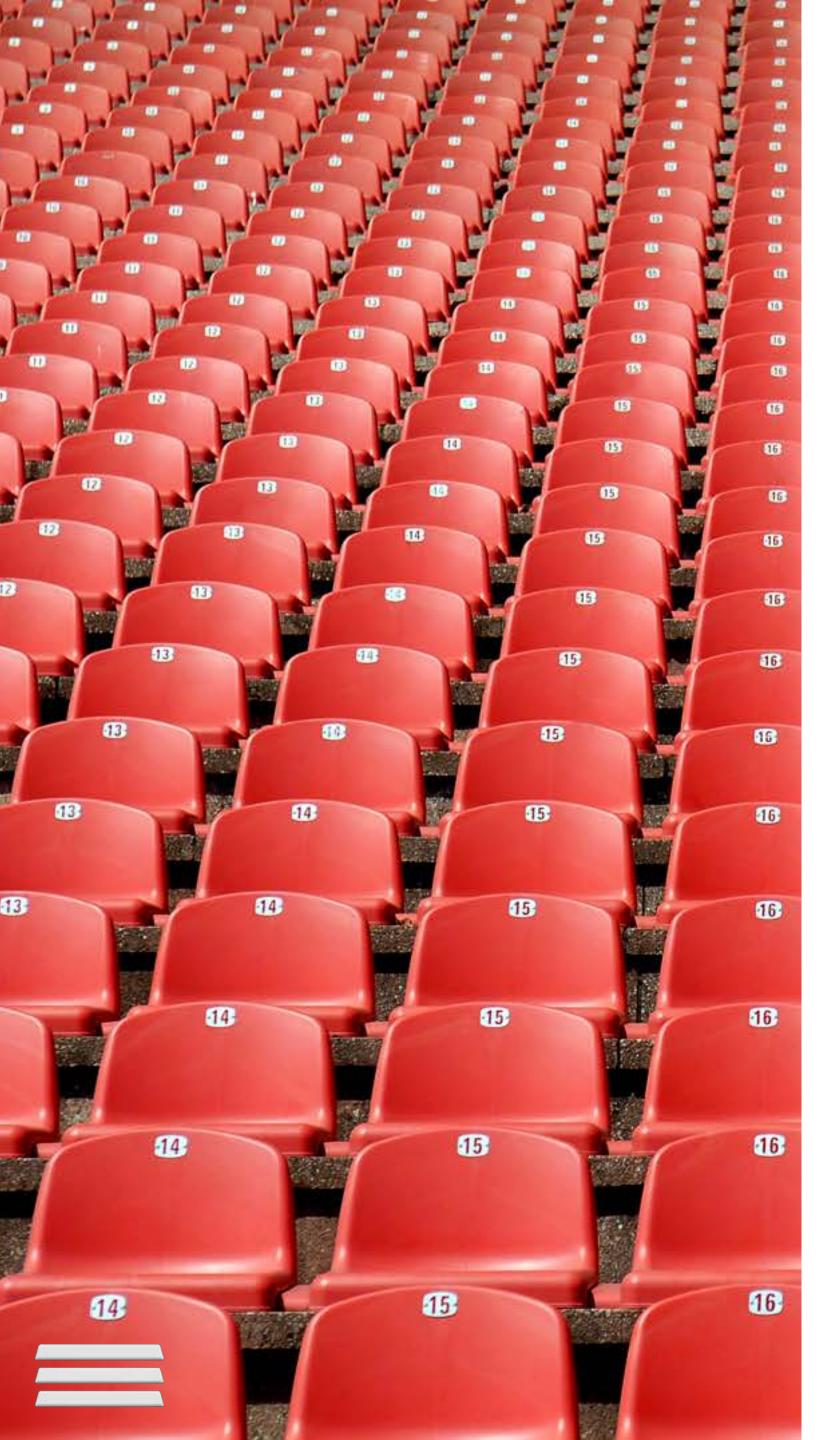
The question remains: Are you willing to risk the future of your business by cutting corners on your technology, or do you understand the opportunity cost and go with the trusted option?





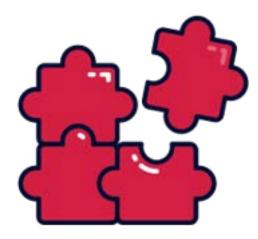


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Locker Room Labs is a digital product design and development studio delivering full-cycle custom app development for the sports, betting, fantasy, and iGaming industries. Our team of US-based, senior software engineers each have more than 15 years of development experience ranging from sports tech startups to Fortune 500 technology.

Locker Room Labs brings real value to the playing field. We help you launch, scale, and innovate on time and on budget.



**Time-Tested Methodology** Our proven methodology fosters true partnership, quick design, and a reliable cadence.



**Deep Expertise** We are entrenched in product design and engineering for the sports, betting, fantasy, and iGaming Space.

#### Locker Room Labs: Your Engineer-Owned, US-based Dream Team



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