How To Hire
Contract Tech Talent

Hire the right independent professionals to build your technology,

drive innovation, and run your business more efficiently and affordably.

10X

by Mark Mian

10x Management is the world's first tech talent agency that provides companies that seek to change the world access to elite independent technology professionals. We help companies of all sizes engage the best talent to create leading products, companies and brands. Since launching in 2012, 10x has attracted widespread coverage by the international press, and built a database of thousands of elite technology professionals from around the world. We believe the future of work is "on-demand", and so we're sharing our insights from over 20 years of managing independent talent to help companies today optimize their operations for tomorrow. Learn more about us in The New Yorker, The BBC News, The New York Times, Businessweek and others.

Mark Mian is a 10x brand specialist and founder of Automatic Future, a strategic planning and brand design agency.

How To Hire Contract Tech Talent

The Freelance Economy is in full swing. Is your company taking advantage of all the evolving talent marketplace has to offer? Flexibly integrating contractors into your development chain can mean the difference between launching sticky, intuitive products that dominate your competition and languishing in "product purgatory," never quite finding product-market fit.

In addition to the cost-efficiencies of employing talent only when needed, using freelancers allows you to acquire any experience, perspective and skill that may be lacking within your organization. By always assigning the best expert to each task, your projects can be executed as rapidly and robustly as possible – and with minimal cost and risk.

But the challenge is not only finding the right people, it's also finding them quickly and affordably. We've written this Guide to leverage our 20 years of experience managing independent technologists and artists to help you understand how to find the talent you need and make the most of them to operate a leaner, smarter business.

The Rise of the Freelance Economy

A revolution in work is happening, with a major shift occurring towards the Freelance or On-Demand Economy[1]. A recent Gallup poll[2] has reported that less than a third of U.S. workers "felt engaged in their jobs in 2014". Meanwhile, a separate study[3] commissioned by the Freelancers Union estimates 50% of the workforce will be composed of freelancers or contractors by 2020.

Why the shift? Getting a full-time job to make money and retire someday is no longer seen as the best path to attaining security and success. Increasingly many skilled candidates are choosing work that helps them live more fully in the moment. Quite simply, workers – especially younger ones – are increasingly choosing freelancing for the work/life balance it affords. By retaining control over *when*, *where* and *how* they work, they can enjoy greater happiness and health – which in turn motivates and energizes them to perform better.

What about companies? Meanwhile, businesses are capitalizing upon the growing selection of high-quality freelance talent to help them innovate more rapidly and operate more leanly. With the shift away from workers favoring traditional full-time employment, entrepreneurs now have access to the same level of expertise once afforded only to much larger organizations and enterprises.

It's clear to us the Future of Work is on-demand.

---

[1] The Economist: Workers On Tap: The On-Demand Economy
[2] Gallup Poll: Majority of U.S. Employees Not Engaged Despite Gains in 2014
[3] Freelancer's Union: 53 million Americans are freelancing, new survey finds

Advantages of Using Contractors

Properly selected and managed, contract tech talent offers significant advantages over full-time. Overall, hiring talent on-demand is the most time-and cost-efficient way to operate a lean business, especially when resources are low and competition is high. By enlisting ideal professionals for each task, you can execute at high quality and speed while reducing the costs of employment, errors and delays, code maintenance and *technical debt[4]*. The savings in time, money and energy can be invaluable for companies competing in the frenetic pace of the tech industry, where time is more than just money -- it's *opportunity*.

REACH – Hire anyone, anywhere. Your talent pool is no longer limited by geographical location. When you open up to contractors, you can hire qualified experts from anywhere in the world. Companies now have access to a much wider and deeper pool of talent with the right fit of skill, experience, and interest.

SPEED – Get help fast. It's faster and cheaper to find, vet, and hire talent for specific sprints rather than for permanent positions. This is especially true for startups. Effective use of on-demand talent allows you to quickly engage the right people for key phases of product and company development, maintaining agility in an ever-shifting tech landscape.

ECONOMY – Only pay for what you use. Hiring on-demand means saving on full-time employee wages, benefits, and taxes to reduce your burn rate and HR overhead significantly.

FIT – The right tool for the job. Hiring experts on-demand is cheaper than either a) maintaining a full in-house department that isn't -- and will never be -- ideally suited to the task at hand (with regards to skill set, relevant experience, and adequate interest) or b) fronting the inflated costs of engaging an entire agency or "developer shop" to execute the work. Always using the best pro for the job ensures that you can confidently complete each project efficiently, without confusion and costly errors.

PERSPECTIVE – Hire outside the box.
Hiring outside talent drives innovation by bringing fresh outside perspectives, current thinking, and diverse experience to your projects.

---

[4] [Wikipedia: Technical Debt](#)

How to Hire: 6-Steps To Confident Engagement

With so many freelancers around these days your challenge is to quickly find candidates while maintaining your faith in humanity. Fortunately, this is generally easier and faster than finding full-time talent. (It's also easier to recover from bad hires.) But while everyone wants freelancers who are *Fast, Exceptional & Cheap*, we've found it's more realistic to find two of those three qualities. Don't waste valuable time searching for the unicorn: be clear about your priorities, but know when to compromise.

Use this 6-Step Process to Find, Vet, and Hire contract tech talent:

Plan
⬇
Discover
⬇
Screen
⬇
Contract
⬇
Manage
⬇
Evaluate
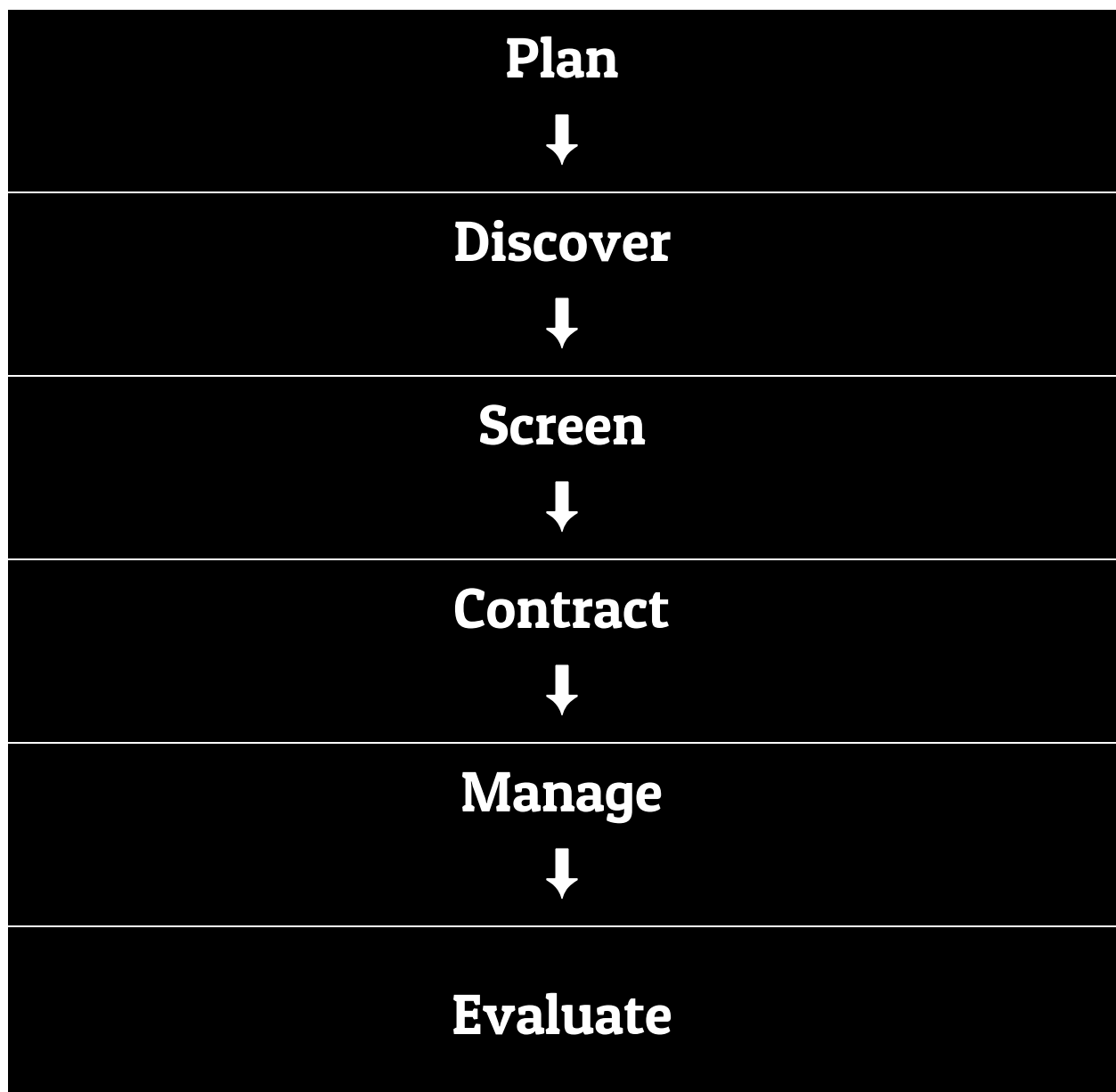
What Do You Need?

Building technology is usually a complex process requiring different kinds of expertise – from front end to backend and inside out. Before hiring anyone, define your goals and identify the necessary steps to achieve them as clearly as possible. The typical way to do this is to create a Product or Design Specification[5].

We identify three areas of expertise for the process of creating technology products, companies and brands:

Envision & Strategize	Build & Optimize	Design & Communicate
Market Analysis	Programming	ID, UX & UI Design
Strategic Planning & Positioning	Web & Mobile Engineering	Visual & Graphic Design
Customer Development	Dev-Ops	Logo & Identity Design
Product Management	Data Science & Analytics	Branding & Communications
User Research	Project & Product Management	Social Media Coordination
	Hardware	

Freelancers often advertise multiple skills, but may not be your best choice for each task. For example, many developers also offer *design*, but their skills in each may be unequal. Having identified your project's needs, ask candidates to subjectively rate their skills. (Eg, *Programming = 10/10, Interface Design = 6/10*). If skills are lacking, consider hiring multiple experts. As your team grows, invest in a *project manager[6]* to optimize their work, reduce management headaches and avoid "too many cooks" syndrome.

---

[5] Wikipedia: Technical Specification
[6] Wikipedia: Project Management

Questions to Consider

Here are some important issues to frame your search for good candidates:

Requirements

- ◆ What do you want to create? (Product vs Company, Hardware vs Software)

- ◆ What platform does it require? (Web, Mobile, VR)

- ◆ What programming? (Application/Systems, Backend/Front, Data Science)

- ◆ Will you need design? (UI, UX, ID, Graphic & Media Design)

- ◆ Will you need branding and marketing? (Positioning, Identity, Communications)

Budget & Planning

- ◆ What is your budget? For talent? For additional materials/resources?

- ◆ What is your timeline?

- ◆ Do you need onsite or remote assistance?

- ◆ Is the freelancer capable/flexible enough to use your tools?

Management

- ◆ What's your project management style? Do you have a process?

- ◆ Do you have a team?

- ◆ How much management will they need?

- ◆ How often will the freelancer need to check in?

- ◆ Who will they report to as their single point of contact?

- ◆ Do you need help with process and management?

I'll go out on a limb and say that the majority of pre-product startups I encounter underestimate the diversity of inputs a technical contractor must provide. Clients come to us with a proverbial "back of the napkin" concept and genuinely believe all that's needed to reach to a launchable product is rote, semi-mindless "coding." In reality, accepting the client in that phase of product development means the contractor's responsibilities are spread far and wide, sometimes even bleeding into the founding team's domains of core competency.

- <u>James Cropcho</u>, Independent Programmer

Find good candidates

Once you have determined which professional(s) you need, locate a number of candidates with the right skills, experience, interest and price.

There are three main ways people go about finding contractors:

A) Open Market
B) Agencies
C) Overseas Outsourcing

A. The Open Market

Many online marketplaces and staffing platforms offer searchable listings for millions of technology freelancers: Upwork, Freelancer, Guru, Gun.io, and even Craigslist. Contractors can freely list themselves, but pay a percentage of earnings to the hosting platform when hired (eg, Upwork takes 10%). In this scenario, it's completely up to you to find the best mix of qualifications, interest, and cost. You must dig through profiles, filter results and make contact. Beware that 80-90% listing on the open market are from offshore talent, which come with their own risks and benefits.

Outstanding workers are indeed available on the open market, but finding them can take time. Because tech professionals aren't always great at promoting their business, searching through freelancer listings to set up meaningful interviews can be frustrating. Try to get leads recommendations from others and be prepared to do some legwork. The next section on Screening will help you understand how to best frame your search.

B. Agencies

Freelancer Agencies aim to offer the best of both worlds: combining the savings of using freelancers with the advantages afforded by human resources and management. Unlike the open marketplaces where any freelancer may choose to list themselves, freelancer agencies like [10x](#), [Dice](#), [Crew](#), and [Power To Fly](#) curate talent pools of various types, sizes and standards and help companies rapidly find the right match for each

project. These kinds of agencies often do heavy screening and vetting of their talent rosters. By screening and selecting candidates for you, they offer you savings in time, cost and risk – especially if you're not experienced with hiring and contracting independent contractors. The agency typically takes a percentage of the freelancer's compensation, adding no extra cost to you.

It's not unusual that unanticipated needs and problems will arise during a project. A major advantage of using such an agency, therefore, is their ability to instantly supply other expertise from their roster to ensure your work gets completed as promised. Simply inform the agency of your goals and they will offer pre-vetted matches from for you to interview. Once you've selected one, the agency will help you negotiate a solid contract. Some may also help to manage the freelancer throughout the engagement, offer guarantees and other services to help maximize productivity and minimize risk.

C. Offshore Outsourcing

"Outsourcing"[7] work to freelancers in other countries appeals to many through the promise of paying much lower wages. Although foreign wages may indeed be lower, the time and energy to complete your job may not be. Choosing the cheaper short term option often ends up costing much more over the long term if the project is not properly defined and managed. Often, 10x is called upon to clean up messes made by overseas developers whose lack of foresight, communication or business experience caused more delays and expense than bargained for. This is not to say that there aren't excellent freelancers and deals out there! Rather, you must be well-prepared to thoroughly vet any outsourcing option you consider. The following sections will help you better understand how to navigate the space.

---

[7] [Wikipedia: Outsourcing](#)

What makes a good freelancer is someone who can be flexible and fit the mold of a pre-established team. It's not only important to look at someone's qualifications or portfolio, but also to understand their work process and how they will mesh with your team. Setting clear expectations early on can be important to avoid running into any issues down the road. My advice for teams hiring a freelancer is to be extremely sure of what you are looking for and make it so the contractor feels a part of your team. My best experiences as a contractor have been those where I didn't feel like a support role, but effectively a part of the team, even while working thousands of miles away.

- Erik Zuuring, Independent Developer & Designer

Determine their value

Be rigorous when screening candidates. Use foresight. Be skeptical. Conducting interviews, reference checks, portfolio reviews, code inspections and scrutinizing other information (such as social media activity, website/blog) are all essential. Quality talent will not want to provide "sample work" for free, so be mindful of the potential for adverse selection here. If you are inexperienced at evaluating programmers or other tech pros, hire an elite contractor to screen your other candidates and you'll still minimize cost and stress.

While skills, experience, and cost are certainly vital considerations, of equal importance is the contractor's ability to envision what you want, understand what your business needs, and effectively communicate around it. Clear communication is key. One of the most frequent problems we at 10x encounter are products built only according to their documented specifications, but with no vision of the intended meaning, user experience or business goals. Finding receptive people who will consider your higher vision; challenge your assumptions; push back if you are making mistakes, and think about the meaning of your project *beyond the spec sheet* will yield best results.

Finally, screening is not only important for determining a freelancer's relevance and value, it also shows them how serious and attentive you are as an employer. The questions you ask will demonstrate your professional style and help candidates know if it will be a good fit for them, too. Ideally, both sides should be inspired by the collaboration.

Questions to Consider while Screening

Some questions to help you understand a contractor's potential value to your project:

Technical Skills

- ◆ Do they have the expertise and skills that you need?

- ◆ Do they have experience with similar projects, technologies, or domains?

- ◆ Does their portfolio and code-writing measure up?

- ◆ Do they have testimonials or references that specifically support their claims?

Organizational Fit

- ◆ Are they professional and trustworthy?

- ◆ What motivates them?

- ◆ What do they dislike doing?

- ◆ Do they have any personal interest in your project?

- ◆ Will they be involved in the maintenance and upkeep of the product?

- ◆ How do they charge for additional work? How responsive will they be?

Management & Communication

- ◆ What are their work habits and communications skills like?

- ◆ How do they deal with unexpected problems?

- ◆ What problems have they solved in the past?

- ◆ How do they deal with conflict and disagreement?

- ◆ Will they be honest with you even if doing so might be uncomfortable?

- ◆ Do they like input? How do they take criticism?

Teamwork

- ◆ What do they expect from you in the relationship?

- ◆ Are they comfortable working with non-technical people?

- ◆ Will they be able to collaborate with others in the team?

As a senior manager at Apple, I hired many freelancers to work alongside my salaried employees. Even the brightest, most mature employees would sometimes feel threatened by an "outsider's" input. Thus, one of the biggest challenges to using freelancers into your team is managing bureaucratic distinctions between 'freelancer' and 'employee' to render them irrelevant to the goals of the team. Communicate a clear, unified vision to the team. Reinforce the vision by recognizing unique contributions from freelancers and employees alike. Use the same high standards when hiring freelancers as when hiring employees. If you hire freelancers whose technical expertise is matched by impeccable communication, unfaltering curiosity, and an ability to take criticism graciously, you won't need to worry so much about managing them. Having this insight from the hiring manager's side greatly helped me succeed when I switched to freelancing myself."

– Hatim Belyamani, Independent Product Manager

Set Expectations & Negotiate Price

Large variation in the rates of contractors can make the cost of tech development seem arbitrary. It can be difficult to understand why a contractor's quote may seem high or low compared to others. Top specialists charging higher rates claim their superior insight and experience will allow you to produce a better product *faster*. Their experience and vision are your insurance against costly future problems and maintenance. Conversely, some low-priced freelancers will happily deliver work blindly, building according to specifications, but without considering the higher purpose nor adding their own insight, discussion or direction themselves. Correcting such work can be costly.

Foresight is the key. Make sure you set clear expectations about the relationship, including the timeliness of communication and a proposal of what will be delivered, how, and when. If frustrations arise due to unexpected occurrences, bad feelings may harm the relationship and project flow.

Pricing

These days, hourly rates for freelance tech professionals can range up to $500/hr. Higher quality talent with higher rates is justified as "better work at a faster pace". Someone who charges $200 per hour is no more expensive than someone who charges $100/hour if they work twice as fast. If their quality is better, you will have a better product in half the time for the same price. But, if the $100/hr person's work is not robust and needs later revision, your overall cost will exceed that of the more expensive worker who got it right the first time. The ability to innovate working solutions can require a level of vision, creativity and skill that may not be possible by cheaper candidates, no matter how long they work. It's best to get quotes from a number of candidates and compare them with their skills, experience and references.

Red Flags: Some workers offer great-sounding deals that turn into nightmares once the project is well underway and there's no turning back or starting over. Be wary of contractors who offer fixed bids when most others are not. Be suspicious of freelancers

15

who quote extremely low prices up-front (because good freelancers don't need to). Don't accept quotes without a definite completion date and don't take fixed bids seriously if you don't have a very complete spec sheet or product roadmap.

Payment Models

It's often difficult to estimate the amount of work and time a project will require. Nevertheless, be sure that quotes are for a very clear scope of work. A contractor's estimate is meaningless without a clear account of what they will accomplish. Whenever possible, define your needs in terms of "deliverables": clearly defined submissions of work for a definite price and duration. A deliverable can be anything distinctly recognizable as work: a piece of code, report, app, flowchart, document, server upgrade, brand name, brief, strategy outline, design spec, wireframe, or any other building block of an project.

There are a variety of ways to pay for freelance work, depending on the nature of your company and project. The most common confusion employers encounter is understanding how a worker's time-based rate may legitimately reflect their value. Simply put, an expert is charging for the quality, development and exclusivity of their technical skill. They are not simply charging for the hour, but for the lifetime it took for them to be able to offer their kind of work with their kind of quality.

See the next page for a summary of the typical payment models.

Compensation	When to use?	Pros	Cons
Fixed Bid	Clear project scope with solid specs. Project unlikely to change.	Better visibility of costs up-front.	Problems eventually arise if project scope not properly defined. Doesn't work if projects require much iteration.
Time Based *(Hourly, Daily, etc)*	Project scope not clearly defined. Indefinite iterations are required. Process is trial & error, exploratory, novel, or open-ended.	Forces you to be definite and frugal in defining the work. Requires being judicious in your review process. Makes the project scope more flexible.	Administrative overhead (negotiating and tracking hours). If scope isn't clear and project not well-managed, then the hours can run up.
Deferred Compensation	Cashflow is the problem, but funding or sales are imminent. Align worker's incentives with a shorter, pre-defined milestone.	Less cash up front.	You pay more as a "risk premium" to entice the freelancer to commit.
Equity	For longer term projects requiring continued retention. To align worker's incentive with company's overall, long-term success. Share ownership, buy allegiance, engage worker as an investor.	Less cash up front for you. Psychological benefits of validating the freelancer as a teammate	Diluting your company stock. Paying more as a "risk premium" to induce the freelancer to commit.
Combination	Any combination of the above.	Most flexible way to make everyone happy.	Can be a major hassle to negotiate.

Questions to Consider

Be clear on the following issues before engaging anyone.

Setting Expectations

◆ What are the worker's duties, responsibilities and liabilities?

◆ What are the deliverables and timeline?

◆ What are the payment terms – fixed bid, hourly or retainer?

◆ How many revisions to their work are included for the price?

◆ What kind of follow-up support is included?

◆ Can they commit to the entire process, including maintaining their work?

◆ Do they have other projects and responsibilities that may conflict with the work?

◆ Will they provide documentation and ensure it will be easy for others to follow?

◆ Will there be additional costs? (licenses, hosting, bandwidth, materials, travel)?

◆ Who will own the rights to the work?

◆ Are you offering them any equity to motivate their interest in your success?

◆ Is a non-disclosure agreement required?

Handling Eventualities

◆ How will expectations be managed and met?

◆ What if the project's timeline changes?

◆ What happens if they don't deliver, either on time or never?

◆ What happens if they deliver late – or if you pay late?

◆ How will you deal with failed expectations and incomplete deliverables?

◆ Can you terminate early if you are unhappy with the work or the relationship?

It's always worth hiring the best developer you can get your hands on. I've worked with everyone from contractors, contracting companies and individual contractors of varying skill levels. I've found that the value of the output can vary extremely greatly, especially over time.

Software is an interesting beast to price. Initially, quality is not as obvious (besides the visual pieces of the system). However, over time, a shitty foundation will cost you exponentially more than anything else. If all you want to develop is a prototype, then you can go cheap. But if you want a real product that will last, it's worth every penny to invest in the best.

The management overhead that you can incur from hiring average to subpar contractors can negate any cost savings initially assumed from the difference in rates. Hire experienced, resourceful people so you can avoid too much managing. Contractors on your project should have a clear idea of your vision, but most of the details should be left to their creative expertise.

- Jessica Lam, Independent iOS Developer

Optimize the Engagement

How will the project be overseen to ensure the work is completed as expected? To get the timeliness and quality of work that you're paying for, you must maintain a positive and professional relationship. A worker who feels respected and supported will think better, work harder, and act nicer. Everyone wins.

But managing people is an art. In our 20 years of representing creative professionals – from coders to artists – we've learned that each creator has their own style and needs. Some people are open communicators who prefer frequent contact via discussion, feedback and direction. Others produce best in a vacuum, with only occasional check-ins. So it's important to discuss the nature of your partnership at the outset, and define your expectations and boundaries to avoid misunderstanding.

If your project is complex and involves multiple professionals – developers, data scientists, designers, copywriters, etc – then project management expertise is necessary to help everyone work both efficiently and creatively together. The project manager helps to optimize workflow in various ways, not the least of which is by streamlining communication between various parties. Not only can valuable time be wasted through unclear or fragmented direction, but programmers and others can do considerable damage when left unchecked with imprecise direction for long periods. Thus, one of the most important anchors in your management process is making sure each freelancer reports to, and receives direction from, a single point (person) of contact.

Ensure that a transparent communication tool and reasonable verbal comfort is in place. This encompasses the ability for them to openly discuss unforeseen problems, complexity and difficulties they may face on the project. It's advantageous for both parties to be informed of technical stressors on the developer(s). The alternative is inability towards admittance of ignorance which cascades into additional developer time spent debugging and perceived abandonment from the customer.

When hiring someone who is an expert, learn how to sit back, give them space, and just let them work. Micromanaging them can obscure their brilliance!

- Max Nanis, Freelance Programmer

Assess the outcome

Once all the agreed-upon deliverables are in your hands, it's time to evaluate both the work and the worker.

Questions to Consider

Some ways to frame your evaluation of the work and relationship.

Did they deliver?

◆ Did they give you what you expected on time?

◆ Did they communicate promptly throughout the process, giving you sufficient transparency and participation?

◆ Were they cooperative and receptive to your feedback?

◆ Were they proactive about sharing project updates and changes?

Were they a solid partner?

◆ Did they care enough to take ownership and responsibility for the project?

◆ Did they use their greater perspective to raise issues you hadn't considered?

◆ Did they share expert insights that developed your vision of the project?

◆ Did they challenge you in a positive and professional way?

Do you trust them and their work?

◆ Did you feel they always had your best interests at heart?

◆ Did they ask for your feedback and criticism?

◆ Would you employ them again or retain them to maintain their work?

◆ Would you recommend them to a friend?

In assessing outcomes, the most common disconnects are the same as with in-house developers: Unclear requirements and different priorities (i.e. business needs vs. developers playing with languages and tools). It's difficult for even experienced software managers to predict and measure performance of developers; it's close to impossible for business owners or managers who aren't technically savvy. The customer has to be very clear on what they want. They need to be able to measure the effectiveness of the freelancer, and they need to find out early on if the freelancer can actually figure things out and solve business problems. An impressive résumé and list of skills means nothing if the freelancer can't provide value to the client. When I outsource I always define a real but manageably small problem that can be worked on immediately (no lengthy on-boarding process), set expectations for time and cost, and then look at the result. If that works out I assign a more complex task.

- <u>Greg Jorgensen</u>, Independent Programmer

CONCLUSION

Building technology is an endeavor whose complexity should not be underestimated. As with creating anything, there is no substitute for experience and expertise. If you don't possess it, get people who do. There are experts for hire whose technical skill and creative insight can realize almost any vision you might have. It will cost far less in the long run to build it right the first time – respecting the logical sequence of steps in the process instead of rushing to build something quickly.

10x Management: Tech Genius On Demand

10x helps world changing companies rapidly develop leading products and brands using the vision and skill of the most innovative independent technology professionals in the industry.

Contact us about your vision, and we'll find the ideal experts to realize it.

- We rigorously pre-screen our talent pool so you don't have to

- We scour our database to find you the ideal match of skill & expertise

- We negotiate the terms and help you manage them

10x Management

New York | San Francisco
info@10xManagement.com
(212) 501-0748