

Different Types of IT Companies

What Should You Know about the Corporate World?



SoftUni Team



SoftUni



Software University

<https://softuni.org>

1. Companies in the IT Industry

2. Service-Based Company

- Outstaffing Companies
- Project-Based Companies

3. Product-Based Companies

- Start-ups vs Corporations

4. How to Choose a Company?



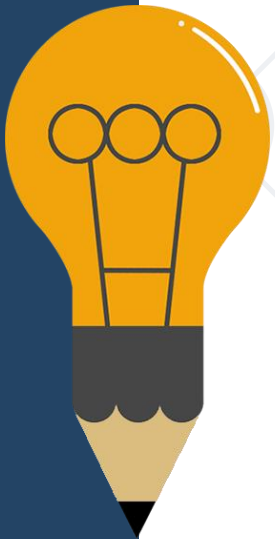


Company Types in the IT Industry

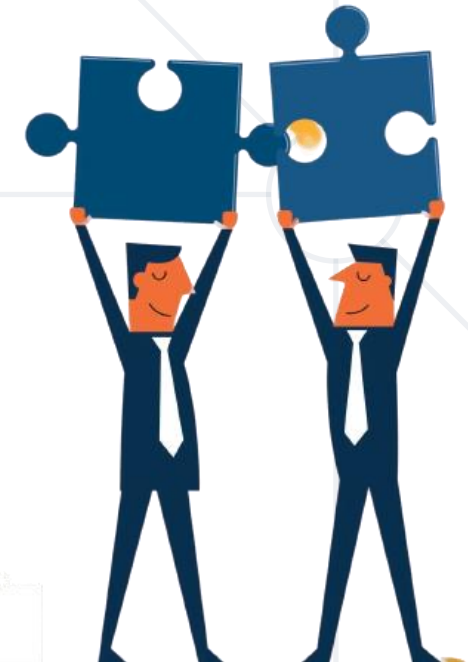
Product-Based vs. Service-Based Companies

Company Types in the IT Industry

- Two major types of IT companies:
 - **Service-based** and **product-based**
- **Service-based** companies provide IT services to clients
 - **Outstaffing** companies: provide developers for hiring
 - **Project-based** companies: develop IT solutions
- **Product-based** companies: develop their own product
 - **Start-ups** build own innovation product / solution
 - **Corporations** maintain existing product / solution



- Some IT companies **combine** several business models, e.g.
 - Dedicated teams work for daily rates (**outstaffing**)
 - Product teams build a product for certain customer (**outsourcing**)
 - Internal startup teams build **internal** products
- Example:
 - **DraftKings**
 - **Motion Software**
 - **PokerStars**





Service-Based Companies

Outstaffing vs. Project-Development Companies

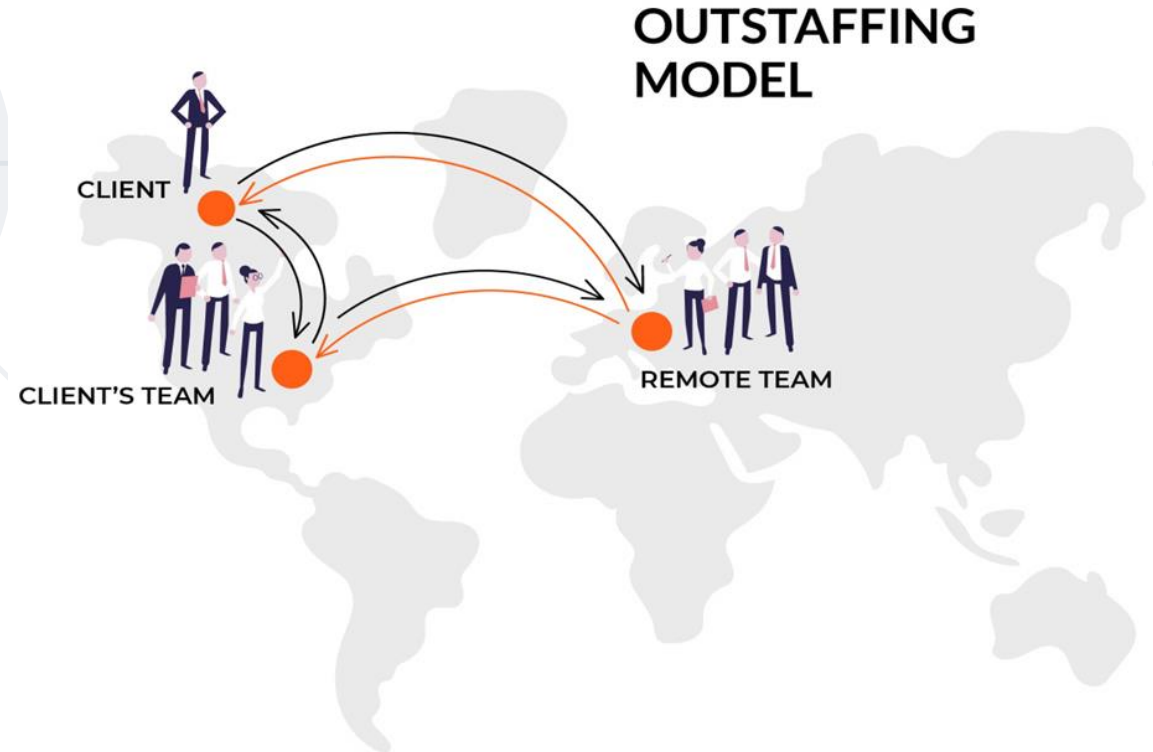
What is a Service-Based IT Company?

- Provide **services** instead of real product
 - Professional skills
 - Expertise
 - Advice
 - Other
- Work for **other** organizations
- Result-**driven**



Outstaffing Companies

- Offer IT specialists for hire to **augment** client teams
- Outstaffing companies handle **recruiting, hiring** and **support**
- Clients maintain **project control** and **team management**
- Client takes on **risks** and **responsibilities** of team management



Outstaffing Company: Life Story

- Ross, the CEO of a **US-based** online tutoring startup, **needs more technical experts** for his platform development
- Contacts Sofia-based **outstaffing provider**, who provides a **list** of skilled and experienced developers and QA specialists
- Ross hires 3 Java devs and 1 QA specialist to **work remotely** with his **existing team**, under his direct remote management
- The outstaffing provider **manages recruitment** and **logistics** for the streamlined hiring process, but not the daily work
- **Conclusion:** Outstaffing IT specialists need strong *technical skills, adaptability, communication, remote work experience, project management knowledge*

Life Story



Outstaffing Companies – Examples



INDEAVR
Serving the high achievers

- **Contract work**
 - Provides services to clients under a **contract agreement**
- **Project-based approach**
 - Outsourcing companies **manage their development team** to deliver the project as promised
- **Specialized expertise**
 - Offer **specialized skills and knowledge** for specific projects



Outsourcing Company: Life Story

- Maggie, CEO of a **small e-commerce** startup selling handmade crafts, wants to **expand her business**
- She **hires** a software development **company** in Sofia to develop the entire project (without taking cares of the dev team structure)
- Maggie **chooses a company** from a list of candidates and **enters** into a **contract agreement** outlining the scope, timeline, and costs
- The software company builds the **specialized e-commerce** software for Maggie's business
- **Conclusion:** IT specialists at Maggie's software company require *technical skills, communication, adaptability, teamwork, high-quality solution delivery*



Outsourcing Companies – Examples

- Indeavr
- SmartIT
- DXC Technology
- Prolet
- AMBITIONED

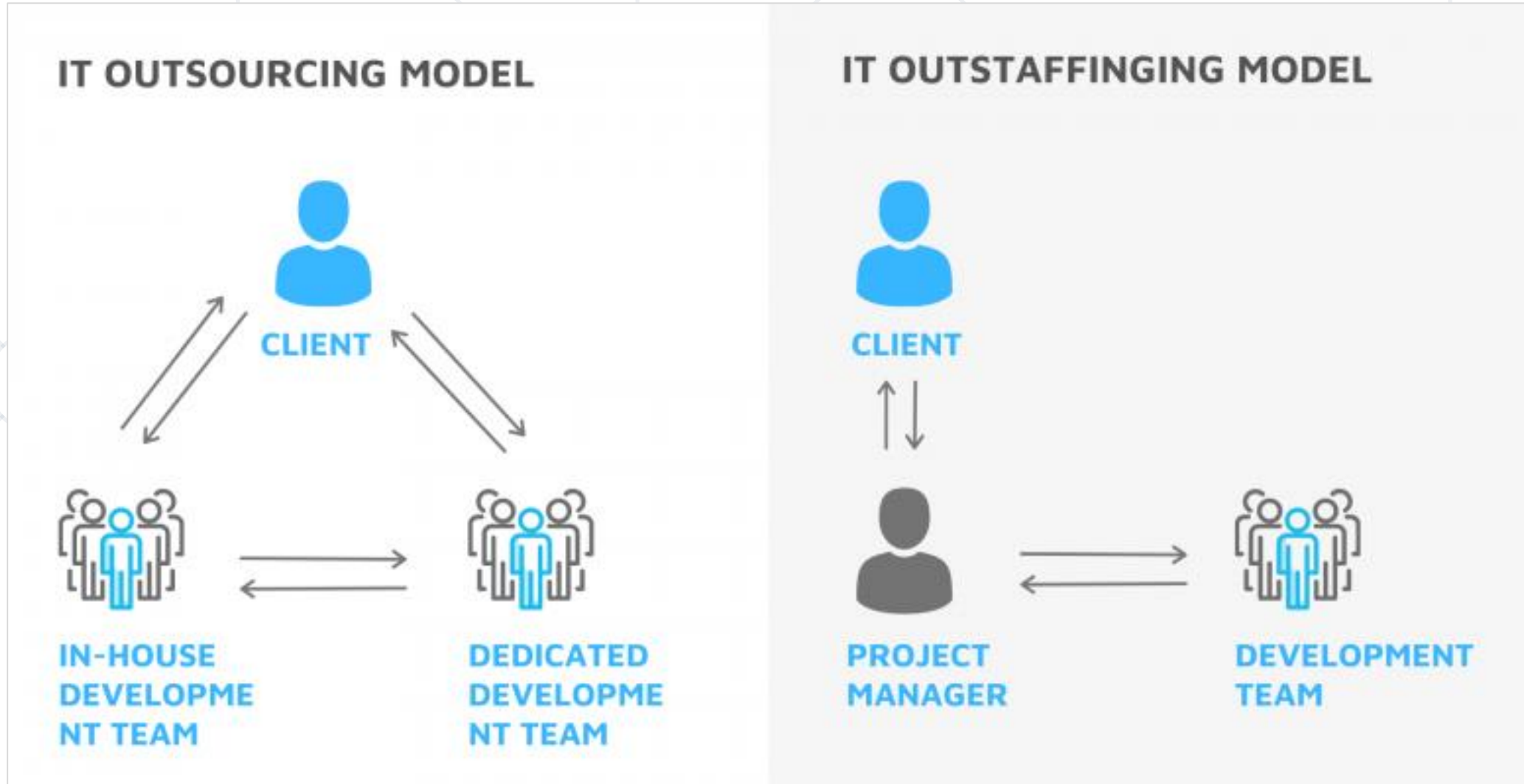
INDEAVR
Serving the high achievers

 SmartIT

DXC TECHNOLOGY

 AMBITIONED Prolet

Outsourcing vs. Outstaffing

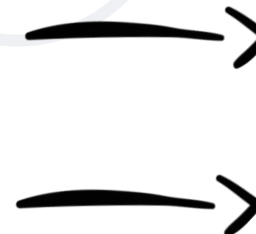
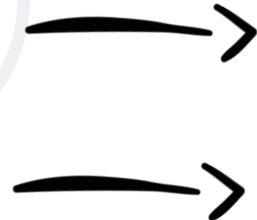


Project-Based Outsourcing vs Dedicated Team Model

Project-Based Outsourcing	Dedicated Team Model
Full-cycle project development.	Full control over a project and a team.
In-house experts (developers, project managers, QA experts, designers, marketers, etc.) are available but project priorities are not flexible.	Project's priorities can be changed any time.
Less to no control over team size and structure.	Team size can be easily scalable.
Cheap development services (depends on the outsourcing country one chooses).	Costs saving due to absence of project management, business analysis, and quality assurance processes.

Project-Development Companies

- Manage their business **through projects**
- Develop projects for **external clients**
- Also called **project-centric** or **project-driven**
- Work is **temporary**



Project-Development Company: Life Story

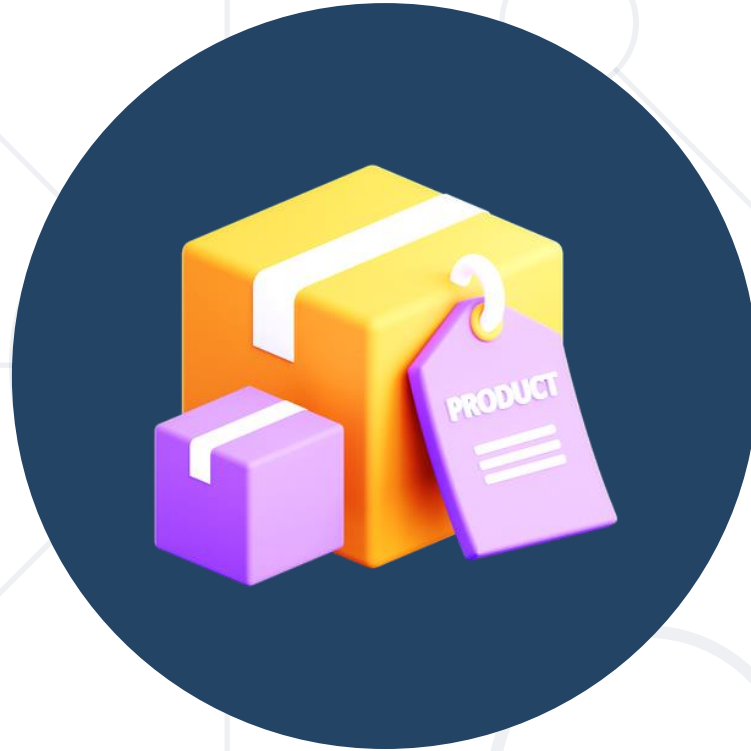
- Peter, CEO of a startup, hires a **project-development** company to build **custom software** for personalized nutrition plans
- Company provides **specialized expertise** and develops a **contract agreement** outlining scope, timeline and costs
- Team works **closely** with Peter to create a **software solution** meeting his needs
- Fully **functional solution delivered**, helping him manage client data more effectively
- **Conclusion:** IT specialists at Peter's company need to have *strong technical skills, communication, problem-solving, project management familiarity, collaboration ability, customization*



Project-Development Companies – Examples

- SmartIT
- CreateX
- DXC Technologies
- Mentormate
- AMBITIONED





Product-Based Companies

Startups vs. Corporations

What is a Product-Based Company?

- Aim to produce **top-quality** product
- Constantly **improve** the products with new features
- The client pays for **tangible** product



PRODUCT QUALITY

Product-Based Company: Life Story

- John's tech company in UK develops **an innovative CRM solution** for the small business
- Free **trial** is offered, with option **to purchase a paid license** with more capabilities
- The product-based model allows **constant product improvement** and **revenue generation**
- John comes to Bulgaria, opens a dev center and hires local experts
- **Conclusion:** IT specialists at John's tech company require strong *technical skills, problem-solving abilities, communication, industry trend awareness, collaboration,* and *technical support skills* to improve software solutions and ensure *client satisfaction*



Product Companies – Examples

- SuperHosting
- DraftKings
- Software Group
- XS Software
- Bosch

**SUPER
HOSTING
.BG**



BOSCH

XS SOFTWARE

What is a Startup Company?

- Young companies founded to develop a **unique product** or **service**, bring it to the market and make it irresistible
- Aim to **grow rapidly** and become **established business**
- Involves taking **high risks** in order to pursue new and unproven opportunities
- Often have limited **resources** and rely heavily on venture **funding**
- Startups can **disappear rapidly** when their funding gets finished



- Monika launches a startup to **develop** and **market** her unique **AI app**
- Her team works **tirelessly** to develop the app with **limited resources**
- The startup **relies** heavily **on venture funding** (investors)
- The team generates **buzz** around the app's unique features to **attract potential users**
- **Conclusion:** An IT specialist in Monika's company needs strong *technical skills, communication, adaptability* and *staying updated* to keep the app *competitive* and meet *client needs* with *limited resources*, and *support further fundraising efforts*



Startup Companies – Examples

- ClaimCompass
- Iris Tech
- Novo Resume
- LockTrip
- Tryad Games
- Taxi Stars



What is a Corporation?

- A **corporation** is a large and **well-established organization** with proven business model and solid customer base
- Typically, it is a big and **heavy structure**, with many people and **complex processes**
- It is owned by **shareholders**, who elect the board of directors and the CEO
- Limited liability
 - Protect shareholders from **financial loss**



- Corporations are large organizations with **multiple departments** and **teams** (often on many locations) working **together** in a collaboration
- Working in a corporation can be **sluggish** and old-fashioned
- Opportunities for **growth** and **development** are available in corporations, but it happens slowly
- Corporations strive to achieve their goals through the **collective efforts of their teams**
- **Conclusion:** strong *technical skills, adaptability, collaboration* and *continuous learning* are essential for IT professionals in a corporation to help the company stay *competitive* and *achieve its goals*



Corporations – Examples

- Coca-Cola HBC Bulgaria



**Coca-Cola HBC
Bulgaria**

- PokerStars



POKERSTARS
POKER | CASINO | SPORTS

a Flutter International brand

- DXC Technology



- BOSCH



BOSCH

- Postbank



Postbank

Решения за твоето утре



How to Choose a Company?

Which Company Type is Better?

- **Outsourcing companies**
 - Pros:
 - Access to a wider range of job opportunities
 - End-to-end product development, not just certain role
 - Local team management
 - More flexibility
 - Cons:
 - Developed product is not owned by the company



- **Outstaffing companies**

- Pros:

- Remote work options
 - Improved job security

- Cons:

- Limited mentorship
 - Remote management
 - Limited growth opportunities



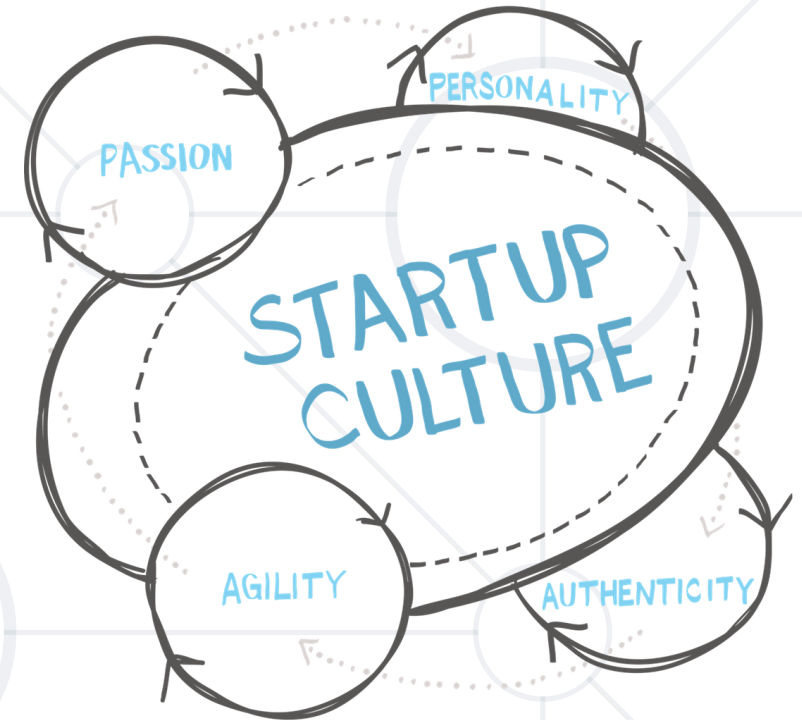
■ Startups

■ Pros:

- Dynamic tasks → fast learning
- Freedom: the organization is less-formal
- Innovative, cutting-edge technologies

■ Cons:

- Less company benefits
- Higher level of stress
- Risk of company failure



■ Corporations

■ Pros:

- Job security (stable job)
- Big brand, big customer base
- Benefit packages

■ Cons:

- Bureaucracy
- Limited autonomy



Choose a startup if:

- You like to do or learn **new things constantly**
- You're looking to expand your **coding experience**
- You want access to **equity and stock options**
- You prefer a **smaller team**
- You want **flexible hours**
- You're looking for **fast advancements** in the company
- You're encouraged by **high risk and high reward**



Choose a corporation if:

- You like **structure** and **well-defined roles**
- You prefer a **stable salary** and **good benefits**
- You would rather work on **big, long-term projects** than short-term ones
- You want to **specialize** in **specific skills** in your field
- You prefer working with a **mature code base**
- You're looking for **mentorship**



- Definition of **product-based** company
- Definition of **service-based** company
 - Outstaffing
 - Outsourcing
 - Project-based
- Pros and cons of **start-ups** and **corporate** organizations
- Choosing the right company for you

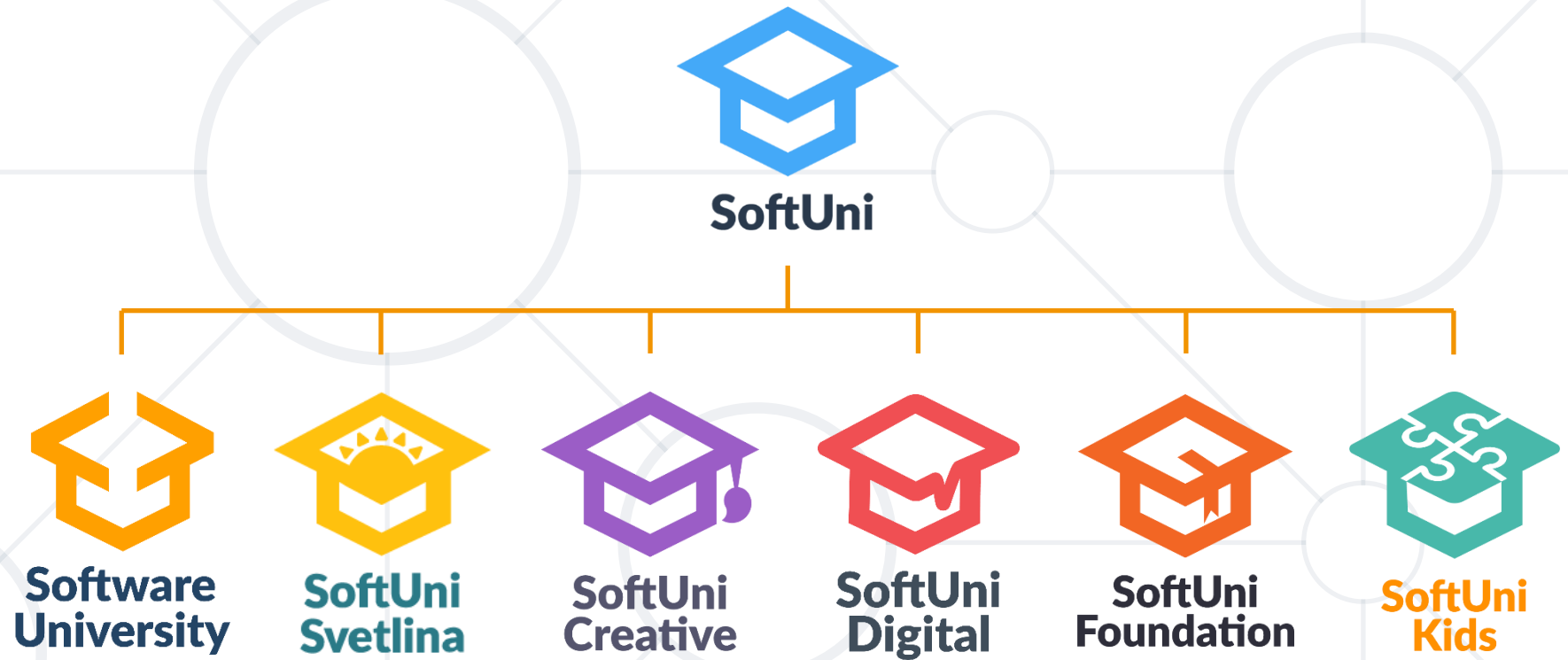




Homework

Product-Based and Service-Based Companies

Questions?



- This course (slides, examples, demos, exercises, homework, documents, videos and other assets) is **copyrighted content**
- Unauthorized copy, reproduction or use is illegal
- © SoftUni – <https://about.softuni.bg>
- © Software University – <https://softuni.bg>



- Software University – High-Quality Education, Profession and Job for Software Developers

- softuni.bg, about.softuni.bg

- Software University Foundation

- softuni.foundation

- Software University @ Facebook

- facebook.com/SoftwareUniversity

- Software University Forums

- forum.softuni.bg



Software University

