

OUTSOURCING PROJECT LEADS TO UNIT ACQUISITION



Case Study



ATHENS TECHNOLOGY CENTER

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THE CASE

OpenBet™ needed to offer its customers' additional flexibility and to support their expansion plans, whilst continuously supporting existing products and clients. The whole plan included developing new solutions and novel technology, and demanded a rapid increase in talent and resources, in a cost effective way.

WHY OPENBET™ DECIDED TO OUTSOURCE

Expanding personnel costs and engineers' high degree of mobility in London have led OpenBet™ to examine near sourcing alternatives in Southern and Eastern Europe. Within this process, English language fluency for all recruited staff was critical.

ABOUT OPENBET™

OpenBet™ is the market leader in providing software for the betting and online gaming industry.

OpenBet™ helps power the most successful operators, including William Hill, Ladbrokes, Paddy Power, Betfair, SkyBet and PMU, and now boasts over 20 customers in online gaming.

OpenBet™ prides itself on product innovation and technical excellence and is proud to be the technology provider and betting platform of choice for bookmakers, national lotteries and other government-backed betting organizations and operators in newly regulated international markets.

WHY GREECE WAS CHOSEN

English language fluency

The percentage of skilled engineers with fluent English in Greece (>80%) is significantly higher when compared to an average of 50% in the other EU Southern countries and less than 35% in Eastern Europe countries).

Wage stability & low personnel mobility

Eastern European contesters' anticipated 10% wage inflation YoY and reported high rates of engineers' mobility.

ATC secured:

- ▶ zero wage increase for three years;
- ▶ recruiting engineers with post-graduate degree mostly from the UK;
- ▶ a steady stream of newcomers to the labor market with high standards in the IT related fields;
- ▶ seamless cooperation with the UK OpenBet™ Engineering teams as well with customer teams.

RECRUITMENT STRATEGY

Developed along with OpenBet™

Based on a purpose-built process, it involved series of oral interviews and on-line tests, focused training courses.

- ▶ Key functions received induction training at OpenBet™.
- ▶ Certain Greek-origin people working for OpenBet™ in London were transferred to Athens to improve induction and help create an OpenBet™ feeling in the team.

THE SOLUTION

We worked with a staged approach, since we had to handle the whole recruiting process and all infrastructure issues, incl. setup the logistics and administration support.

- ▶ Teams worked over common development and communication platforms with their UK counterparts.
- ▶ Month 3 of operation: seamless

communication between the London and Athens teams and with key clients.

- ▶ Month 6 of operation: the team grew from four to over sixty, to meet development, client support and implementation functions.
- ▶ Following a short period of consolidation, the team grew to one hundred and twenty engineers.

On the grounds of improving Return on Equity, OpenBet™ decided to acquire the team, expecting a break-even within 15 months. OpenBet™ decided to outsource certain payroll functions to us for three years in order to achieve continuity and maintain the achieved efficacy of administering the workforce.

THE BENEFITS

OpenBet™ capacity to be greatly enhanced

- ▶ Increased headcount at OpenBet™ by 25%.
- ▶ Improved ability to deliver and scale its technology and services.
- ▶ Great flexibility in supporting its clients with their own expansion plans.
- ▶ Boost investment to better support new business opportunities and enable existing customers to continue to deliver "best-in-class" experience, with increased lifetime.

50%
REDUCTION

Gradual reduction of development cost



Extremely low mobility rate (less than 6% in 30 months, 2,5% annualized)



Gradual Doubling of margin for Customer support



Strong reassurance of scale-up capability

<3%
REDUCTION

Annualized attrition rate

SUCCESS HIGHLIGHTS

Challenge: Diversify Engineering Services provision towards lower-cost country with reduced talent attrition rates and overheads.

Solution A staged approach that started with a group of 4 developers and grew into a unit of 120 engineers providing development, customer support, maintenance and new product design. At the end of the Project, OpenBet™ acquired the team.

Benefits Gradual reduction of development cost by 50%; Gradual Doubling of Margin for Customer support; Annualized attrition rate <3%

ABOUT ATHENS TECHNOLOGY CENTER

Athens Technology Center is an international software company providing innovative solutions for Betting, Media, and Banking industries, as well as sophisticated Content Management platforms (web and mobile). Our pertinent investment in Research and Development enabled us to create best-of-breed solutions for the industries we serve and provide Engineering Services of the highest caliber and in the most up-to-date technologies.

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