

Elevate Contractor Engineering Quality

Every year, poor engineering quality costs enterprises millions in delays, outages, and vulnerabilities. These issues occur because most organizations lack the consistent technical standards and industry benchmarks needed to identify which software engineers have the skills required to deliver high-quality work.

Nearly half of contractors fall below the tier-1 bank bar

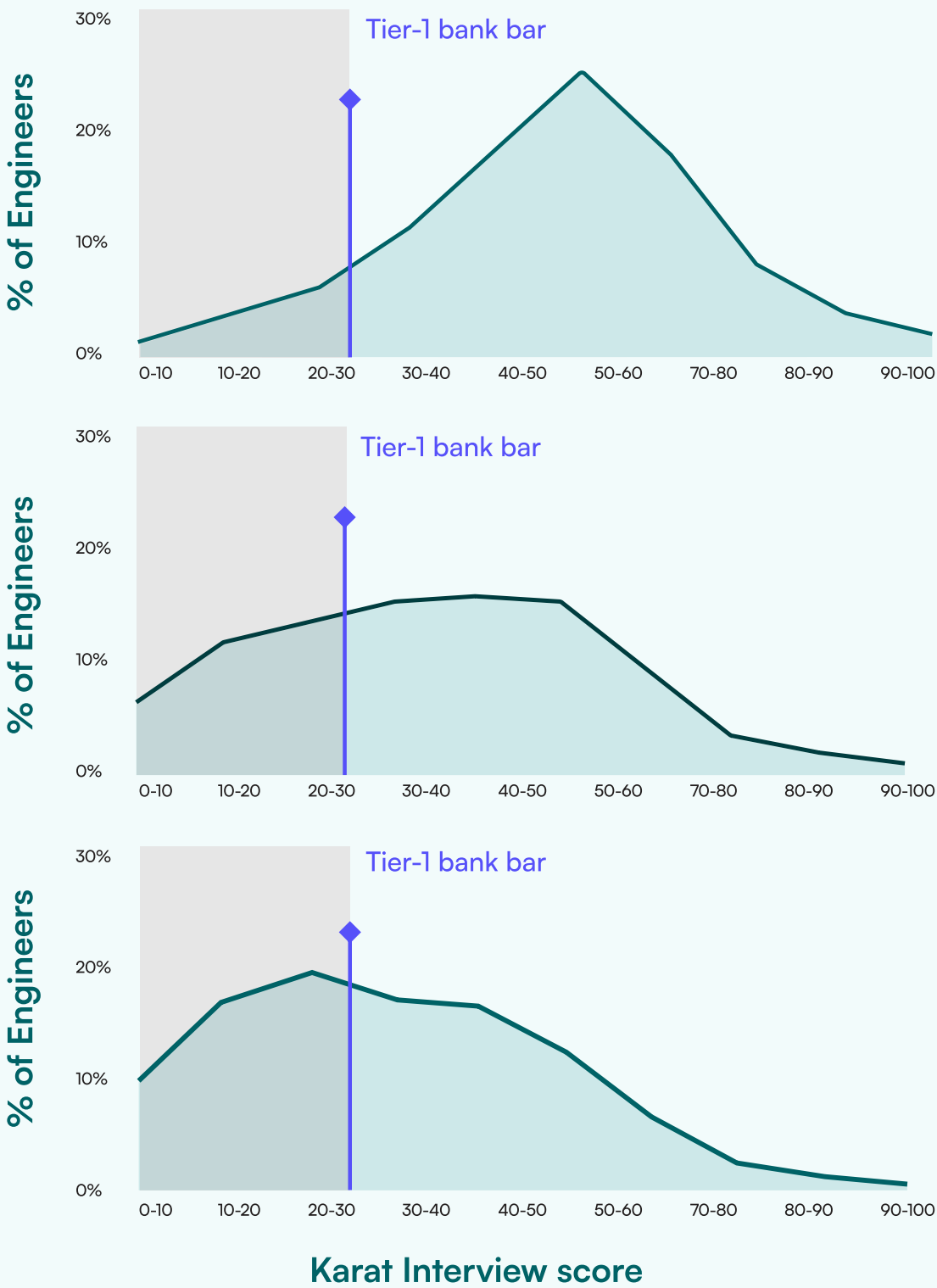
Large enterprises, like big banks and insurance companies, turn to IT Service Providers (ITSPs) to supplement their full-time engineering teams. Our data shows that in-seat contractors from ITSPs often underperform relative to market averages. Without consistent technical standards, enterprises end up placing contractor engineers who don't meet their quality bar, increasing risk and making it harder to compete with more innovative competitors.

Distribution of engineering talent quality by industry

Tech employees:
88% above tier-1 bank bar

FinServ employees:
66% above tier-1 bank bar

ITSP employees:
55% above tier-1 bank bar



However, ITSPs can outperform industry averages

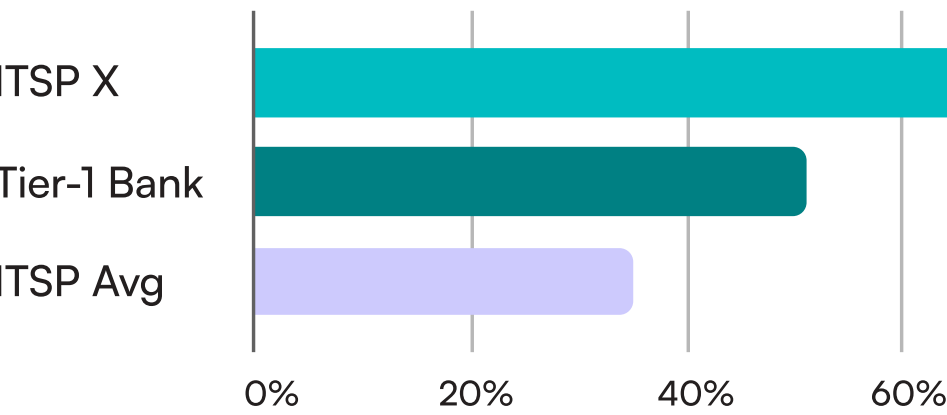
Taking a one-size-fits-all approach to contractors results in misalignment and underperformance. But it's not all doom and gloom. Although nearly half of all ITSP engineers fall below the tier-1 bank bar, many IT Service Providers display strengths within certain roles and use cases — outperforming their peers and even rivaling tech company quality.

An example bright spot

Using real data from an anonymized ITSP and tier-1 bank we can identify contractor roles that deliver outsized ROI. ITSP X's front end contractors outperform the ITSP average for the role, and they raise the engineering quality bar for this particular bank.

Front End Engineers

% above tier-1 bank bar



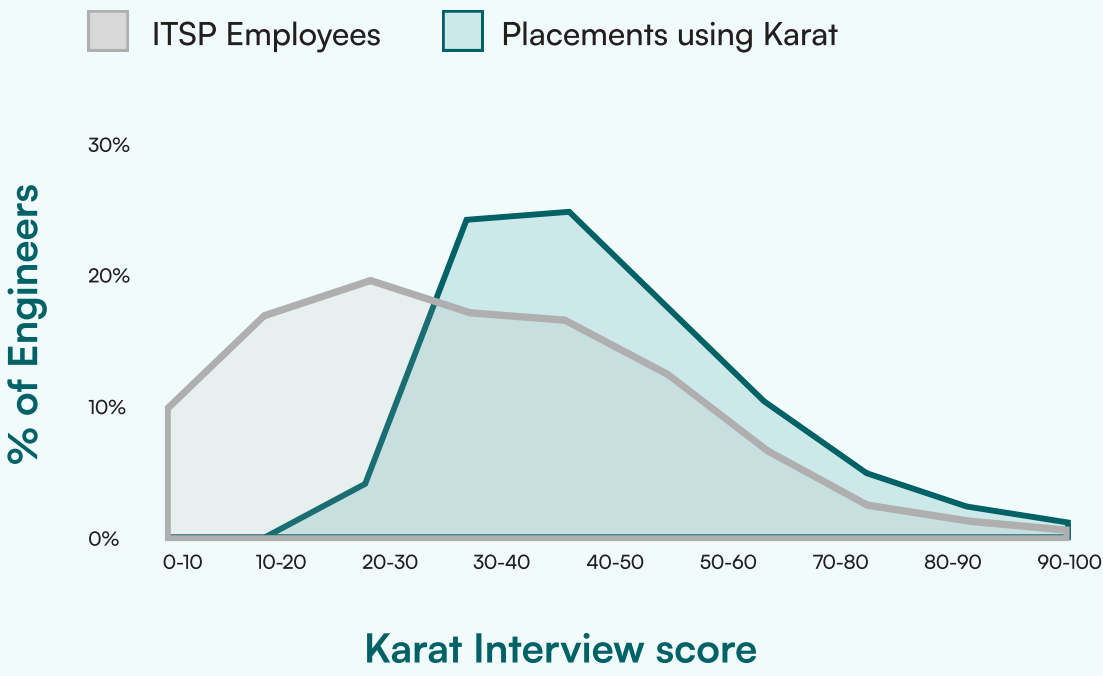
Look beyond the averages for role-specific strengths.
Use data to leverage the right providers for the right work.

A smarter approach to contractor strategy

Assess third-party candidates prior to placement, and include role-specific interviews in your IT Service Provider RFPs.

By measuring contractor talent with the same rigor as FTEs, you can reduce ramp time, drive accountability, and build trust with your partners.

Case Study: With Karat, 95% of contractor placements are above the bar



“Managing contractor quality has always been a challenge, especially when you don't have a consistent standard and industry benchmarks. Karat's trusted third-party standard ensures contractors meet our bar, helps IT service providers build trust faster, and gives us invaluable performance insurance.”



Michael Rutledge,
Chief Information Officer and Head of Enterprise
Technology & Security at Citizens Bank

Compare your
engineering talent
quality with your ITSP's

www.karat.com/contractor-quality

- Learn where your FTEs and contractors excel and where they fall short relative to industry benchmarks
- See how different ITSPs perform, role by role, against your hiring bar
- Understand if your current contractor mix is improving or diluting your engineering quality