Loch Vale Consulting

CTO LEADERSHIP FOR FOUNDERS

Twelve questions to ask before you sign with a development agency

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Outsourcing your product build works. I've done it several times and would do it again.

But it works on two conditions that nobody puts in the sales deck.

You have to pay a premium. The firm quoting well under everyone else has removed something to get there — usually QA, usually seniority, often both — and it comes back as change orders, defects and a rebuild you didn't budget for. The cheapest bid is almost never the cheapest outcome.

And you have to treat that team like your team. Give them context, not just tickets. Tell them what the company is trying to do and why this quarter matters. Give the good ones something to grow into. Engineers leave boring projects wherever they sit on the org chart, and a team that has been handed a backlog and ignored for six months will hand you back exactly what you paid attention to.

Do those two things and an agency can be genuinely excellent. Skip them and no contract will save you.

HOW TO USE THESE

They are not a trap-detector. They're how you find a firm worth investing in, and how you find out — before you sign — what investing in them will actually require.

You can't evaluate a technical answer, and every agency you meet knows it. So none of these require you to. You're listening for whether they're *used to being asked*. A firm with its house in order answers quickly, including the unflattering parts. A firm without one reassures, generalises, and offers to follow up.

Send these ahead of the call. You want prepared answers, not cornered ones. And a firm that resents the questions has already answered the most important one.

Who am I actually getting?

1 Will the people in this room be the people who build it — and does the contract say so?

The most common complaint about agencies, by a distance, is that the impressive architect in the pitch is never seen again. It isn't usually malice. The strongest people are the ones the firm uses to win work, and winning work is a full-time job.

> **Listen for:** an enthusiastic yes with nothing in writing behind it. A verbal commitment costs them nothing.

> **What good looks like:** named people, and a clause saying they can't be swapped without your agreement. Firms that have been asked before have language ready.

2 How long have these engineers been with you, and why did each of them come off their last project?

Two different problems hide in this answer, and they have opposite shapes. If nobody has been there a year, you're hiring a recruiting agency that describes itself as a dev shop, and your project is where they'll train someone. If the answer is some version of *they're our best people and we move them where they're needed*, then you are renting them until a larger client signs.

> **Listen for:** vagueness about individuals. They should be able to talk about these engineers as people with histories, because they should know them.

> **What good looks like:** real tenure, honest reasons, and a straight answer about what would cause someone to move.

3 Who on this team has built something at my stage — not just at my scale?

Enterprise logos are not proof for a twelve-person company. Building inside a bank, with its budget and its committees, teaches almost nothing about building for a founder who needs something in front of customers this quarter.

> **Listen for:** big names offered in place of a relevant one.

> **What good looks like:** somebody on the team who has worked with a company your size and can describe what was hard about it.

Who is in charge, and what am I paying for?

4 Am I paying for management — and if so, do I talk to them directly? If not, who is managing this team?

There are only two honest answers and both are fine. Either you’re paying for someone to run the team day to day, in which case you should know them and speak to them without an intermediary. Or you aren’t, in which case the job is yours — and that’s a real claim on your week that nobody mentioned during the sale.

What you cannot afford is the third version: a management line on the invoice, and an account manager who relays messages to people you never meet. That’s a cost with no corresponding service, and it guarantees you won’t hear a concern until it has become a crisis.

> **Listen for:** a gatekeeper presented as a convenience.

> **What good looks like:** either a named engineering manager you can call, or a frank “you’ll need to run this — here’s how much of your time it usually takes.”

How fast can this actually go?

5 If I report a problem at nine in the morning my time, when does a person look at it?

This is the question almost nobody asks and nearly everybody regrets. Do the arithmetic before you sign. A team twelve hours away, with no overlap, means every question you ask is answered tomorrow — and every follow-up question is answered the day after. Two rounds of clarification become a week. That is a property of the arrangement, not a failure of anyone in it.

Fewer than three or four hours of daily overlap changes what you're buying. It can still be worth buying. You just need to know.

> **Listen for:** an answer that sounds like "quickly" and means "tomorrow."

> **What good looks like:** a specific number of overlap hours, and a straight account of what that means for a normal back-and-forth.

6 Who do I call at two in the morning when the product is down — a name, or a queue?

An emergency is the one moment an account manager is worth nothing. You need a person with access and authority, and you need to know in advance who that is.

> **Listen for:** a support address, a ticket form, or an SLA measured in business days.

> **What good looks like:** a named human, a phone number, and an honest statement of what it costs to have them available.

7 When something slips, when do I hear about it?

The second most common complaint after team swaps: deadlines that slip every sprint and are only disclosed at the deadline, each time with a fresh external reason. A slip is survivable. A slip you learn about the morning it lands, after you've told a customer, is not.

> **Listen for:** an answer about status reports rather than about escalation. Those are different things.

> **What good looks like:** a stated trigger — "if we think a date is at risk, you hear the same week" — and a willingness to be held to it.

What do I own, and how do I leave?

8 What exactly do I own, and which clause says so?

In most jurisdictions, code belongs to whoever wrote it unless the contract says otherwise. Founders discover this during diligence more often than you'd think. And it isn't only the code. The cloud account, the domain registration, the app store listing, the analytics, the CI service — if any of those sit in the agency's name, you don't have a supplier, you have a landlord.

> **Listen for:** "obviously you own it," with nothing to point at.

> **What good looks like:** they open the contract and read you the clause, and every account is in your name from day one with them added as users.

9 How do I leave, and what do I take with me?

You may never use the answer. Ask anyway, because how they handle the question tells you whether they've ever done it cleanly.

> **Listen for:** discomfort. A firm that has never considered your exit has never had a client leave happy.

> **What good looks like:** a notice period, a defined handover, credentials and documentation listed as deliverables, and the calm of someone who has done it before.

How will I see what's actually happening?

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10 What do you track the work in, can I have a login today, and will I see working software at the end of each sprint?

Two halves of the same thing: can you see reality without asking permission, and does reality involve something you can click? A proprietary in-house dashboard is a curated view. A standard tool you can log into is the truth, including the parts nobody would have chosen to show you.

And "silent sprints" — confident written updates in place of software you can use — are how six months disappear. A status report is an opinion. A deployed build is a fact.

> **Listen for:** access promised "once we're set up." That means later, which means never.

> **What good looks like:** a login before the end of the week, and a demo every sprint in an environment you can open yourself.

11 What is your QA process, and how do you know it’s working?

Everyone has a process. Almost nobody measures whether it catches anything, which is why the second half of this question is the real one.

> **Listen for:** a fluent answer to the first half and silence on the second.

> **What good looks like:** they can tell you what reached customers last quarter that shouldn’t have, and what they changed afterwards. That answer is worth more than any description of the process.

12 Can you give me two clients at my stage that I can call this week?

The cheapest check available, and the one most often skipped.

> **Listen for:** an NDA cited for every client they have ever had. One NDA is plausible. A policy of them is itself the answer.

> **What good looks like:** two names, recent, comparable to you, with an introduction made the same week.

Two things to watch that aren’t questions

If they never push back, they’re selling.

A firm that accepts your scope, your timeline and your budget without a single objection has either not thought it through or has decided to raise it later, when you’re committed. The best thing that can happen in one of these meetings is being told no.

If the quote is well under everyone else’s, something has been removed.

Usually QA. Usually seniority. It reappears later as change orders and defects, and by then you’ve spent the difference twice.

If the answers worry you

Most of what turns up here is fixable, and almost all of it is cheaper to face now than during diligence or a migration. Deal with it in this order, because this is the order in which it bites.

1. **Ownership and access** — question 8. Until this is right, nothing else you fix is reliably yours.
2. **Who you're actually getting** — questions 1 and 2. Everything downstream depends on the people being real and staying.
3. **Visibility** — question 10. You cannot manage what you can't see, and you'll be managing more than you expect.
4. **Everything else**, in whatever order the business demands.

And then the part that isn't in any contract: budget for the premium, and give that team the same context and the same growth you'd give people sitting in your own office. That's the difference between an agency that builds what you asked for and one that tells you when you asked for the wrong thing.

I'm Roger Cracel. I've run engineering as a CTO through two acquisitions and up to the edge of an IPO, and I've built products with outsourced teams more than once — well, and badly. I now do that work for founder-led SaaS a few weeks at a time. If you'd like a second opinion on what these questions turn up, the call is thirty minutes and you'll leave with three concrete recommendations, whether or not we work together.

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