



TRANSITION
TECHNOLOGIES

The new equation for R&D performance

The organizations delivering the strongest R&D performance are looking beyond engineering headcount. They're improving how people, software engineering, AI and cloud work together.

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R&D performance is no longer a headcount problem

AI is changing how Israeli software companies build and evolve products. The shift is already visible across Israel's technology sector.



In 2025, high-tech output grew by **8.2%**, while output per employee increased by approximately **6%**, reaching the highest productivity level in the Israeli economy.



At the same time, the number of R&D employees declined for the first time in more than a decade, even as software services continued to account for **69% of Israel's high-tech output**.



According to the Israel Innovation Authority, this changing composition of R&D and product roles may already reflect the growing adoption of AI across software development.

The question is no longer how to improve individual engineering productivity.
It's how to improve the performance of the entire R&D organization.

Research from Microsoft and Google's DORA program points in the same direction. As AI accelerates individual tasks, the impact depends increasingly on the engineering system around them: architecture, platforms, processes, and the way teams work together.

Technical debt, legacy architectures, fragmented workflows and delivery bottlenecks can easily absorb the productivity gained elsewhere.

The next performance gain comes from improving the R&D system around the engineer.

Sources:

1. [Israel Innovation Authority – Israeli High-Tech Annual Report 2026](#)

2. [Israel Innovation Authority – AI Strategy 2026: Strengthening the Global Leadership of Israeli High-Tech in the Age of AI](#)

3. [Microsoft – Work Trend Index 2026](#)

4. [Google DORA – State of AI-Assisted Software Development](#)

What does this mean for your R&D organization?

Faster coding doesn't necessarily mean faster product delivery.

AI may reduce the time needed to write, understand and test code, while releases are still constrained by architecture, integration, infrastructure or deployment. Technical debt may consume capacity that should be going into the roadmap. Senior engineers may still spend too much time understanding mature systems. And adding people may increase coordination faster than it increases output.

When that happens, the bottleneck has moved.

You may already see some of the signals:

- ✓ Development is faster. Releases aren't.
- ✓ Technical debt is consuming product capacity.
- ✓ Senior expertise is trapped in legacy systems.
- ✓ Cloud and delivery complexity are slowing scale.
- ✓ Headcount is growing faster than output.

None of these is simply a people problem or a technology problem. They are signs that individual parts of R&D may be improving faster than the organization connecting them.

**The question becomes:
What is preventing your R&D organization from turning engineering capacity into product outcomes?**

The answer depends on where the constraint sits

There is no single formula for higher R&D performance. A capacity problem requires a different response from a modernization problem. **Faster development won't solve a deployment bottleneck, just as adding engineers won't remove technical debt.**

The first step is to identify what is actually holding the organization back.

If you see this:		The priority is:		The solution is:
Engineering capacity limits the roadmap	>	Add the right expertise and delivery capacity	>	<u>Software Development Services</u>
Technical debt slows product evolution	>	Modernize without destabilizing the existing product	>	<u>AI-Driven Modernization</u>
AI tools accelerate individual tasks, but team productivity remains uneven	>	Embed AI effectively across the software development lifecycle	>	<u>AI-Driven Software Engineering</u>
AI needs to create measurable customer or product value	>	Move from experimentation to production-ready AI capabilities	>	<u>AI-Native Development</u>
Development moves faster than delivery	>	Remove platform, infrastructure and delivery bottlenecks	>	<u>Cloud & Platform Engineering</u>

These constraints don't exist in isolation. Improving one part of R&D often exposes the next bottleneck.

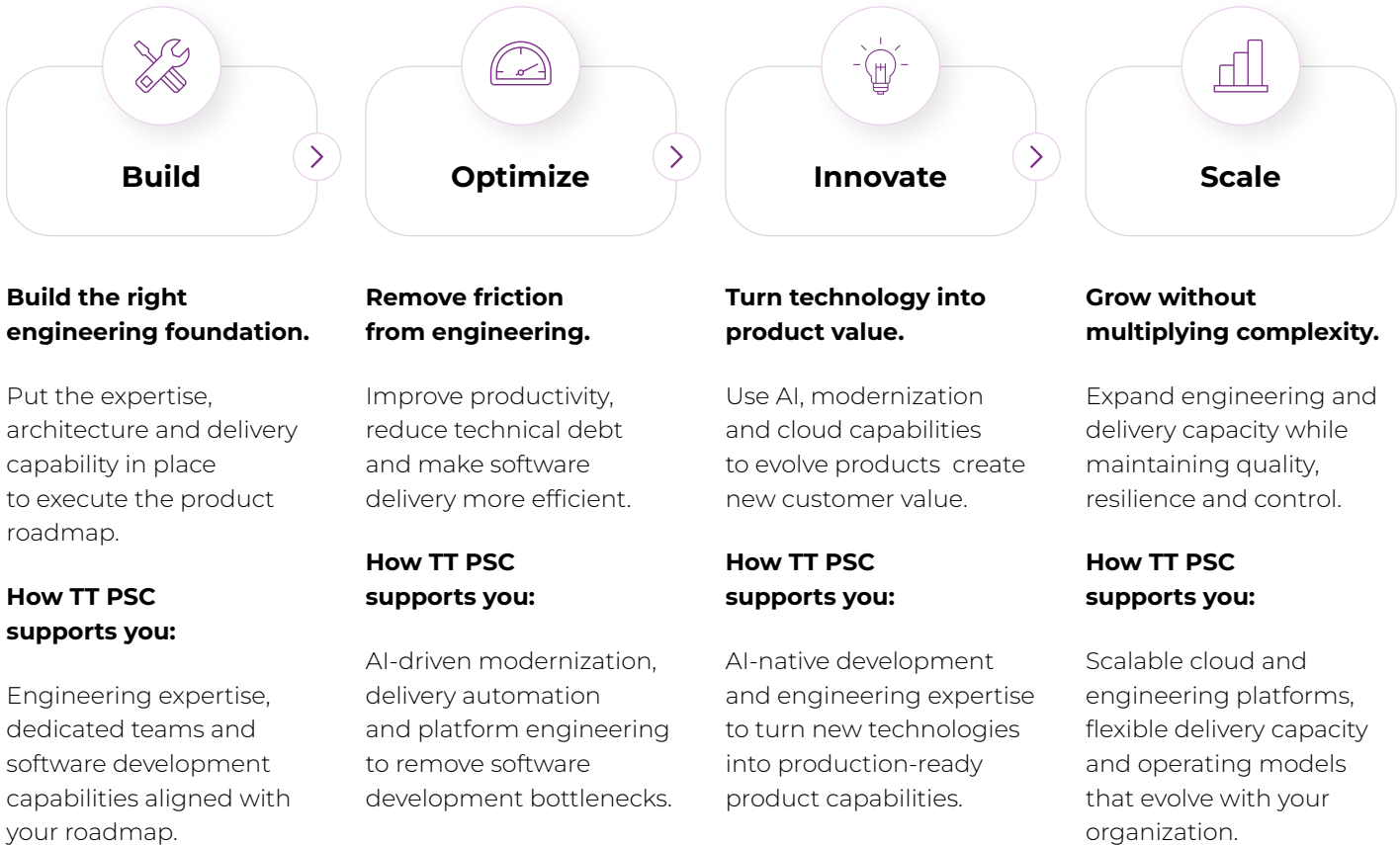
Sustainable performance comes from strengthening the organization on two fronts at the same time:



R&D constraint keeps moving

The constraint you need to solve today may not be the one that matters tomorrow. A growing product company may need more engineering capability first. As the organization matures, productivity and technical debt become more important. New technologies create opportunities for innovation. Growth then puts new pressure on scalability, delivery and operating models.

That's why we think about R&D performance as a continuous cycle.



The cycle doesn't have a universal starting point.
Start where the constraint is.

What this looks like in practice?

Different organizations start with different constraints. Here are three examples of where TT PSC became part of the answer.



Constraint: R&D capacity

Scaling R&D beyond internal headcount >>

OneSpan needed access to different technical competencies and the ability to expand R&D capacity across multiple initiatives.

TT PSC became an extension of its R&D organization, providing specialists and complete Scrum teams across several engineering areas. The cooperation expanded to **50 TT PSC experts working across several R&D projects**, supporting continued product development and new initiatives.

50 experts

Multiple R&D projects

Extended engineering
capability



**Different constraints.
Different starting points.
The same objective:
Stronger R&D performance.**



Constraint: Cloud scalability & delivery

When the platform needs to keep pace with the product >>

Customer growth and increasing code volumes put new pressure on the scalability and operation of the Checkmarx One cloud platform.

TT PSC helped strengthen the platform through scalable architecture, Infrastructure as Code, observability, standardized environments and delivery automation – supporting greater service flexibility, operational efficiency, faster incident resolution and service continuity.

Scalability

Operational efficiency

Faster incident
resolution



Constraint: Product innovation

From engineering partnership to product innovation >>

Accedian wanted to build a scalable product providing real-time visibility and predictive insight across complex network environments.

TT PSC worked alongside Accedian to build and evolve Skylight, combining Accedian's domain knowledge with TT PSC's software engineering expertise to support real-time network visibility, earlier detection of performance issues and a better user experience.

Product engineering

Real-time visibility

Long-term collaboration



Constraint: Access to expertise & evolving technology needs

From talent gap to long-term technology partnership >>

Milestone Systems needed access to Salesforce expertise that was difficult to source locally and a reliable way to strengthen its development capacity.

TT PSC built a dedicated team and, as Milestone's needs evolved, expanded its role into ongoing support, platform improvements, integrations and optimization. The cooperation has continued for **more than five years**, supporting operational efficiency, system stability and scalability.

**5+ years
of cooperation**

Evolving scope

**Operational
efficiency**

Scalability

_Why TT PSC?



20+ years supporting software organizations.



Software Engineering + AI + Cloud working together.



Global engineering delivery with local representation in Israel.



Flexible engagement models that evolve with your priorities.



Experience building and modernizing complex software products.



We don't need to start by discussing our services.

What does it take to improve R&D performance?

Improving R&D performance rarely sits within one technology domain. It may require software expertise, modernization, AI, cloud – or a combination that changes over time.

That's why we built these capabilities to work together.

Software Development Services >>

Build engineering capability

Create, extend and strengthen engineering teams with the expertise needed to build, evolve and maintain software products.

Outcomes

- Faster product delivery
- Greater engineering capacity
- Access to specialized expertise

AI-Driven Modernization >>

Modernize existing software

Use AI to understand mature codebases, reduce technical debt and accelerate application modernization.

Outcomes

- Faster modernization
- Lower technical debt
- Higher engineering productivity

AI-Native Development >>

Build AI into products

Design and develop AI-powered products and intelligent features that create measurable business value.

Outcomes

- Faster AI product development
- Shorter time-to-market
- AI embedded into products

Cloud & Platform Engineering >>

Accelerate software delivery

Build modern engineering platforms that standardize infrastructure, automate delivery and support scalable software development.

Outcomes

- Faster deployments
- Greater scalability
- Better engineering economics

Choose how we work together

Once the priority is clear, the next question is how we work together.

Sometimes you need one **specialist**.
 Sometimes a stable **product team**.
 Sometimes you want a **partner** to take responsibility for an entire service or build a capability that will eventually become **your own**.



If you need:**The model is:****What it gives you:**

Specialist expertise quickly

**Staff Augmentation**

Experienced engineers added directly to your team

Long-term product capacity

**Dedicated Team**

A stable team focused on your product or domain

Capacity with evolving priorities

**Managed Capacity**

Stable delivery capacity with sprint-by-sprint flexibility

A clearly defined initiative delivered

**Project Delivery**

TT PSC ownership of agreed scope, milestones and delivery

Operational responsibility transferred

**Managed Service**

A defined service operated against agreed SLAs and KPIs

A new capability built for your organization

**Build – Operate – Transfer**

TT PSC builds and operates it, then transitions it to your organization

Different needs. Different ways of working. The same engineering capabilities behind them.

What's limiting your R&D performance?

Where is the pressure today?

Capacity

We need more engineering capacity.

Technical Debt

We have the people, but mature systems are slowing them down.

Delivery

AI is accelerating development, but delivery isn't keeping pace.

Scale

What works today needs to work at a larger scale.

There isn't one right starting point. **There is a right starting point for your organization.**
Let's find yours!

Contact us!Transition
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www.ttpsc.com**TRANSITION**
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