



The Guide to Software Outsourcing in Central Europe

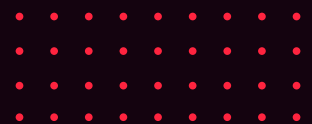


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Introduction

Businesses across the globe are facing unprecedented challenges in acquiring and retaining top-tier tech talent. The demand for skilled software engineers consistently outpaces the available supply, creating a pressing need for action.

Despite being the undeniable centers of the global tech landscape, American and Western European IT industries are grappling with a severe local tech talent shortage. The number of unfilled software engineering jobs in the US has already exceeded 900K; if left unchecked, it will reach 1.2 million by 2026. Western European companies are also experiencing significant challenges in sourcing developers locally. According to [ManpowerGroup](#)¹, over 80% of enterprises in Germany, UK, France, Ireland and Portugal, claim to be in short supply of seasoned professionals. At the same time, finding the right talent is the issue for 70-80% of organizations in Spain, Austria, Sweden, Belgium, Italy, Switzerland, and the Netherlands.



Cost-efficiency is another major challenge when hiring locally. The high salaries demanded by experienced developers, coupled with additional costs such as benefits, office space, and equipment, can significantly strain a company's budget. It is particularly harsh on small and medium-sized enterprises, as they must compete with tech giants for talent. This financial pressure often forces businesses to compromise on the quality or quantity of their hires, potentially impacting their competitiveness and innovation capabilities.

To address the tech talent shortage and budgeting issues, the US and Western European countries are implementing various measures, but despite their best efforts, businesses cannot find IT professionals with the right blend of technical skills and human strengths to meet their current and future needs. Therefore, many companies are increasingly looking beyond borders to cover the dramatic shortfall of experienced developers back home.

Those who choose to outsource their software development activities abroad often consider Central Europe as their primary destination. It boasts motivated professionals, business-friendly conditions, and a proven track record supporting major multinational companies. With its combination of cost-effective talent, favorable tax policies, and growing tech ecosystem, the region presents a compelling opportunity for businesses looking to optimize their operations.



USA

vs



Poland



Time Zone



9am
(GMT -4)

=



3pm
(GMT +2)



Average
Developer Rate

\$59.5

\$59.5 =

\$26.6

\$59.5 =



Business
Environment

Complex
regulatory

Tech-friendly
policies



Work Culture

Faster-paced
and often more
entrepreneurial

Growing startup
culture, but
generally more
traditional work
environment

12%

Polish ITC
market growth

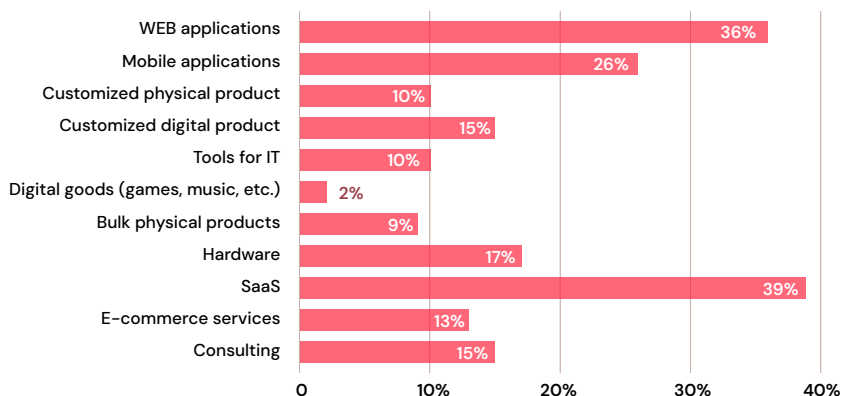
44K

computer science
graduates

5K+

startups in Poland
and 2/3 of them
operate in the b2b
model

Polish Startups



Transferring software development operations to a foreign IT outsourcing company is a high-stakes decision. To better understand potential benefits and challenges, companies can study the experience of those who have already walked this path.

For example, a US-based firm has **successfully reorganized its IT team**,² achieving 40% cost savings. By replacing high-cost Bay Area developers with tech specialists from Poland, the company reduced its annual engineering spend from \$12.3 million to \$7.4 million.

Shifting to outsourcing didn't affect the project performance, as the company maintained comparable productivity levels. After a short adjustment period, the new team's productivity almost matched the original team's, both quantitatively and qualitatively. This demonstrates that Polish developers can deliver the same value as their American peers at a fraction of the cost.

The government's support through financial incentives, such as withholding tax exemptions and double taxation reliefs, further enhances the appeal of establishing operations in the country. These incentives, coupled with a lower corporate income tax rate make Poland an increasingly attractive destination for tech development and innovation.



Key advantages of software outsourcing to Central Europe

Central Europe has emerged as a formidable player in the global software development market, rapidly evolving into a premier destination for tech-savvy businesses.

Over the past decade, countries like Poland, Hungary, the Czech Republic, Slovakia, Romania, Serbia, and Croatia have transformed into hotbeds of digital innovation and talent, attracting a diverse array of businesses – from agile startups to established multinational corporations.

As companies worldwide seek to gain a competitive edge through technology, many are recognizing the region's potential to deliver high-quality software solutions while offering distinct advantages.

■ Wealth of talent

Central Europe is home to nearly 1.3 million developers, with Poland leading the way with 430 million IT professionals.

Central European tech hubs have cultivated an abundant supply of qualified developers that help international companies bridge the skills gap. The region is home to nearly 1.3 million developers, with Poland leading the way with 430 million IT professionals.

The rise of Central Europe as a go-to IT hotspot with dense talent networks ready to take on global projects can be attributed to several key factors:

- **STEM education**

Central European countries have a long tradition of excellence in engineering, math, and science. A strong emphasis on STEM education at all levels, from primary school through university, allows the region to produce a steady stream of tech-savvy graduates.

- **Reverse brain drain**

Graduates from Central European universities often opt to stay local rather than emigrate due to the rising wages and tech job opportunities.

- **International presence**

Many multinational companies have opened offices and development centers in Central Europe, attracted by the highly skilled workforce and affordable development costs. This has created booming IT job markets across the region's major tech hubs.

- **Development potential**

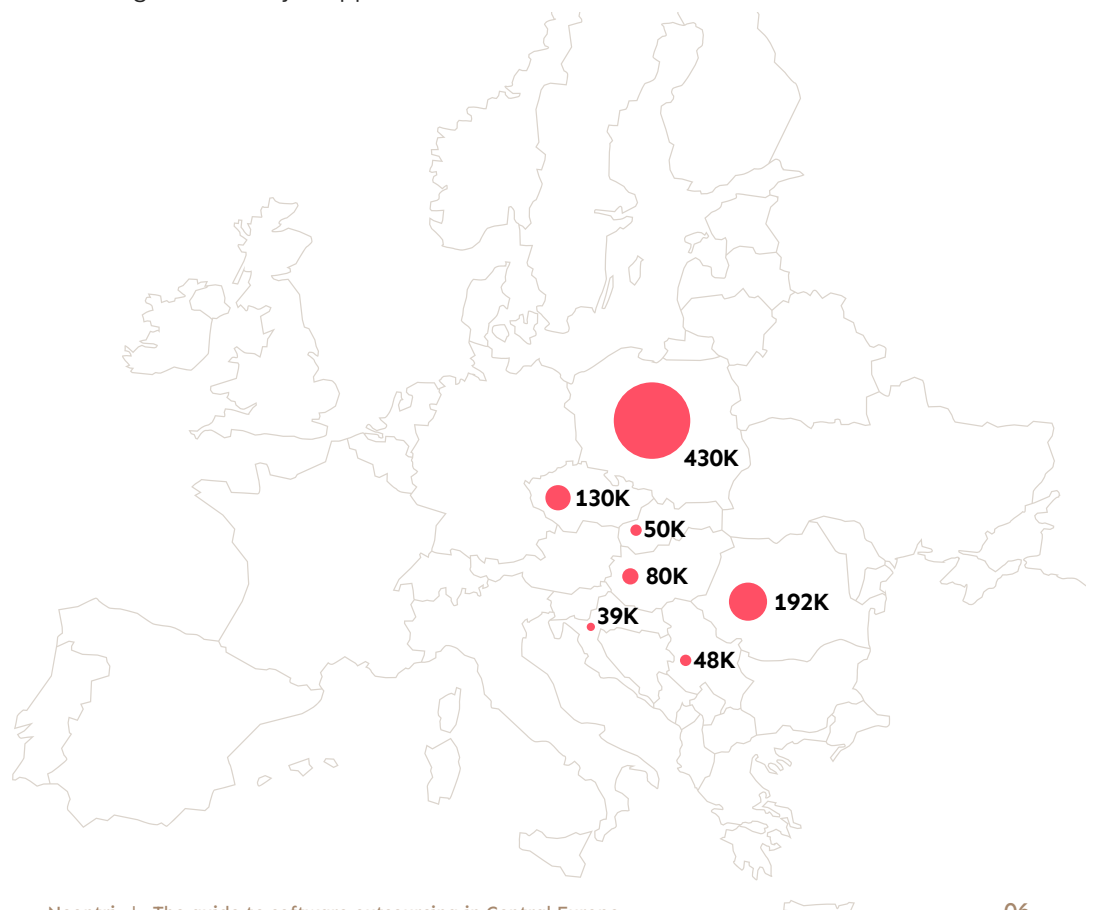
The region's growing startup scene has created additional opportunities for developers to gain diverse experience and hone their skills.

- **Quality of life**

The region offers multiple perks, including vibrant cities, rich cultural heritage, and a lower cost of living compared to Western Europe. This combination of affordability and high standard of living helps retain local talent.

Comparison of labor market size across Central European countries

Poland	430 K
Romania	192 K
Czech Republic	130 K
Hungary	80 K
Slovakia	50 K
Serbia	48 K
Croatia	39 K



Booming tech market

The IT sector in Central Europe is projected to grow by 32% over the next five years.

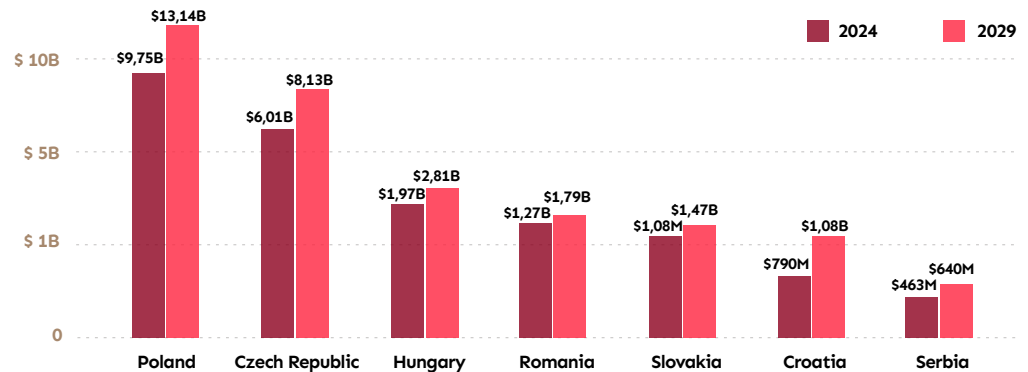
Central Europe's tech market has experienced a remarkable boom in recent years, establishing itself as a formidable player in the global digital landscape. The region has seen multiple digital-native companies achieving unicorn status, collectively valued at \$138.8 billion (€129B). This growth has been nothing short of extraordinary, with the total value of startups in the Central European ecosystem more than doubling over the past five years,³ surging from \$95.7 billion (€89B) in 2019 to \$229 billion (€213B) in 2023.

The region's tech boom has been fueled by a combination of factors, including a strong talent base, dynamic exports, foreign investments, labor-cost advantages, and substantial EU funding. This unique blend of elements has positioned Central Europe as an emerging digital powerhouse with great potential for further development.

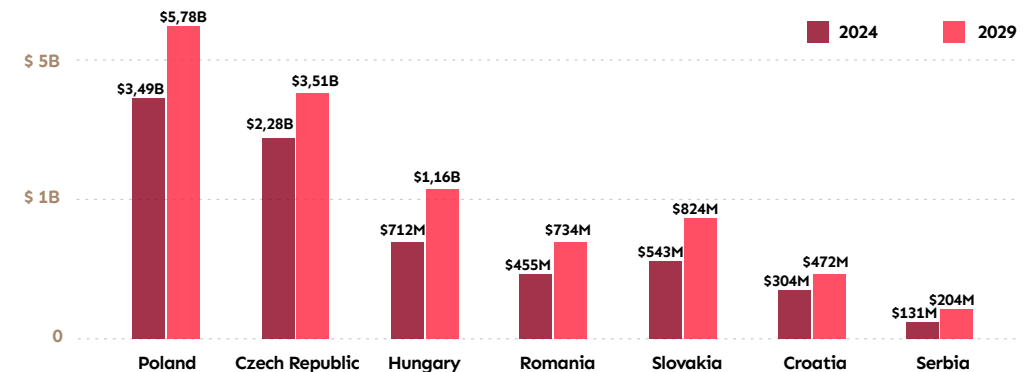
The IT sector is already becoming a significant economic driver, generating over \$22 billion in annual revenue. Almost 36% of that market value comes from outsourcing, highlighting the region's reputation for high-quality, cost-effective tech services.

As the region continues to nurture its tech ecosystem and attract global attention, it's poised for even more substantial growth. By 2029, the IT sector in Central Europe is projected to grow by 32%, reaching \$29 billion in annual revenue. The outsourcing is expected to contribute 44% or \$12.7 billion to this total. This underscores the region's rising prominence on the global tech scene and its potential to become an even more significant player in the coming years.

IT Services market caps across Central Europe



IT Outsourcing market caps across Central Europe



Language proficiency

Software development rates in Central Europe are 40–70% lower than in North America and Western Europe.

In addition to a solid tech background, Central Europe has one of the highest English literacy rates worldwide. According to the [EF English Proficiency Index](#),⁴ the nations in this region are ranked among the 30 best countries by English skills, with Croatia trailblazing in linguistic capabilities as #11 on the global leaderboard. The educational system in these countries is designed in such a way that people have to learn foreign languages starting at a very young age. This is a valuable trait for international companies with offices and customers spread around the globe.

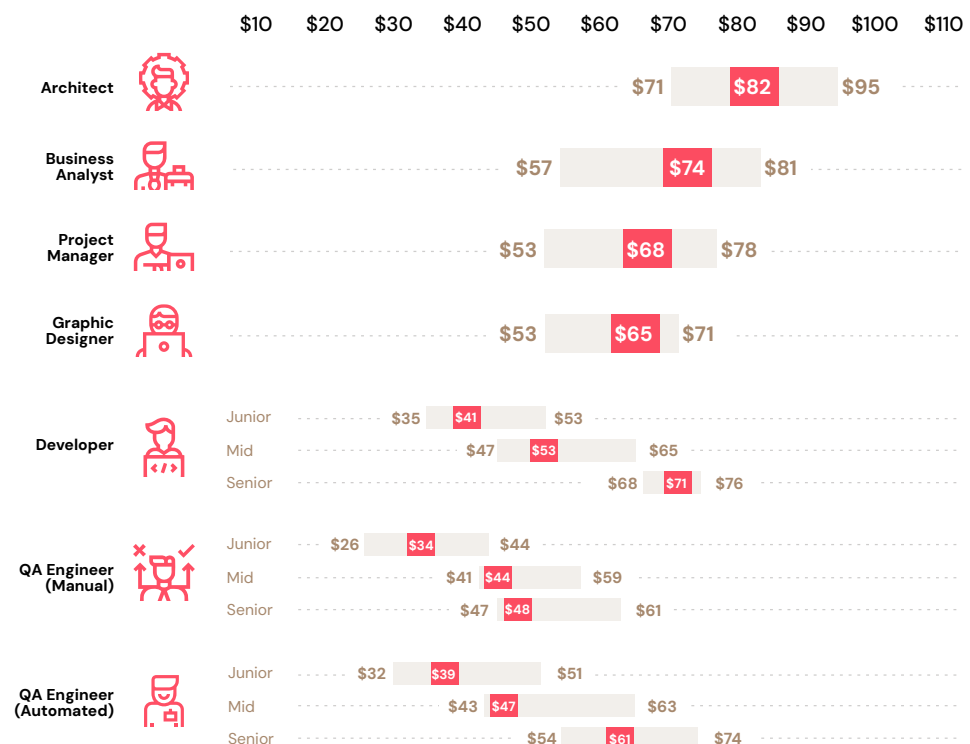
Competitive labor costs

The demand for skilled software engineers has led to rising labor costs. Obviously, as software developers gain experience and in-demand skills, rates increase. But then there are also development tools, licenses, insurance, office space, and hardware equipment. With all those expenses adding up, hiring staff locally becomes far too pricey.

Software outsourcing is a great way to navigate budget restrictions, corporate uncertainty, and the limitations of the local tech talent market. By partnering with third-party contractors, companies can easily find affordable tech talent to drive ongoing digital transformation efforts and [reduce project expenses by 40–70%](#).⁵

As an outsourcing destination, Central Europe provides an optimal balance of quality and cost efficiency. The region boasts a robust tech talent pool available at competitive rates ranging between \$34 and \$84 per hour. While these rates are higher than those in some low-cost countries, Central European engineers yield proven expertise, strong tech skills, and cultural compatibility – a combination well worth the reasonable price premium.

Hourly Rates in Central and Eastern Europe



Central Europe is a mature tech hub with world-class developers and expertise in cutting-edge technologies.

I Engineering smarts

Talented software developers are the biggest asset of Central European tech hubs. Local IT professionals are renowned for their strong technical capabilities and engineering prowess. Staying competitive requires them to be able to handle cutting-edge technologies such as machine learning, large language models, IoT, and a constantly expanding array of programming languages and frameworks.

According to [HackerRank](#),⁶ Poland, Hungary, Czech Republic, Ukraine, and Romania secured their spot in the top 20 countries in the world in terms of tech skills, surpassing the traditional coding giants – India and the US. The latest [SkillValue](#)⁷ ranking also placed several Central European nations in the top 10 countries with the best developers in the world. It also named Chisinau, Kyiv, Bucharest, and Iasi as the best cities for tech in Europe. These IT hotspots have become magnets for tech companies seeking gateways to innovation ecosystems and expertise in cutting-edge technologies, like Big Data, [cloud computing](#),⁸ robotics, and [generative AI](#).⁹

I Shared business values

The emergence of Central Europe on the global outsourcing map is mainly attributable to the region's business culture which is closely aligned with Western European and North American norms. The similarities, stemming from cultural proximity and similar work ethics, facilitate smoother collaboration and promote a more integrated working relationship between client companies and their outsourcing partners.

The cultural alignment extends to data protection practices, with many Central European countries being EU members and thus adhering to GDPR regulations. This provides a certain level of regulatory certainty and data security that many companies find reassuring.

Furthermore, Central European workers are more inclined to actively engage in projects, providing valuable input and constructive feedback. The willingness of Central European workers to question and challenge ideas contributes to a dynamic and productive working environment, ultimately benefiting the overall project outcomes.

I Favorable business climate

Central European countries have made substantial progress in creating an environment conducive to business growth and creative thinking. Poland, Ukraine, Romania, Hungary, Slovakia, Czech Republic, and Croatia have made it to the top 50 in the [Global Innovation Index](#),¹⁰ demonstrating their commitment to fostering innovation in emerging technologies across different industries and services.

In addition, the region has a favorable business climate characterized by improving economic stability and credit risk profiles. While [specific ratings vary by country](#),¹¹ many Central European nations have made strides in enhancing their overall commercial environment, including the availability and reliability of corporate financial information and creditor protection.



Finding your perfect match:

Top outsourcing destinations in Central Europe

Choosing the right outsourcing location is a critical decision for tech companies looking to hire remote developers. This choice can significantly impact project success, team dynamics, and overall business performance.

While cost savings are often a primary motivator, successful outsourcing requires a holistic approach that takes into account the availability of skilled developers, the maturity of the local business ecosystem, and the overall infrastructure of the potential outsourcing destination. By carefully weighing these factors, companies can identify the tech location that not only meets their budget goals but also provides the talent, stability, and support necessary for efficient project delivery.



Poland

Known for its large pool of skilled IT professionals and competitive labor costs, Poland has emerged as a leading IT outsourcing destination in Central Europe.



Poland is the largest IT outsourcing hub in Central Europe. It boasts more than 400 outsourcing centers, a strong economy, and substantial foreign capital investment in research and development. The country's IT industry constitutes about 8% of GDP¹², employing over 430K skilled professionals.

The Polish tech ecosystem now boasts over 3K startups, which focus primarily on SaaS (39%), web (36%) and mobile (26%) applications, hardware (17%), customized digital products (15%), and tools for IT (10%). The country also has several notable unicorns, including Allegro, a leading e-commerce platform; Techland, a video game developer; and ElevenLabs, an innovative text-to-speech synthesizer. These achievements highlight Poland's diverse tech landscape and its ability to produce globally competitive companies across various sectors.

Even though the Polish IT industry¹³ started picking up steam only recently, its market value currently amounts to approximately \$35.06 billion. Most of the revenue comes from computer equipment sales, IT services, and software distribution. The hardware segment is expected to cool in the upcoming years, but cloud services are poised to fill its gap. The cloud sector is growing seven times faster than the overall IT market and its value has reached over \$680 million.

Poland's tech ecosystem has gained significant attention from global corporations, who are directing substantial resources to support its growth. The country's tech sector has attracted a total of \$2.1 billion in investments¹⁴. In 2024 alone, VC funding has already reached \$86.3 million, indicating continued confidence in the Polish tech sector's potential for innovation.

Number of developers

430K

Average dev. salary

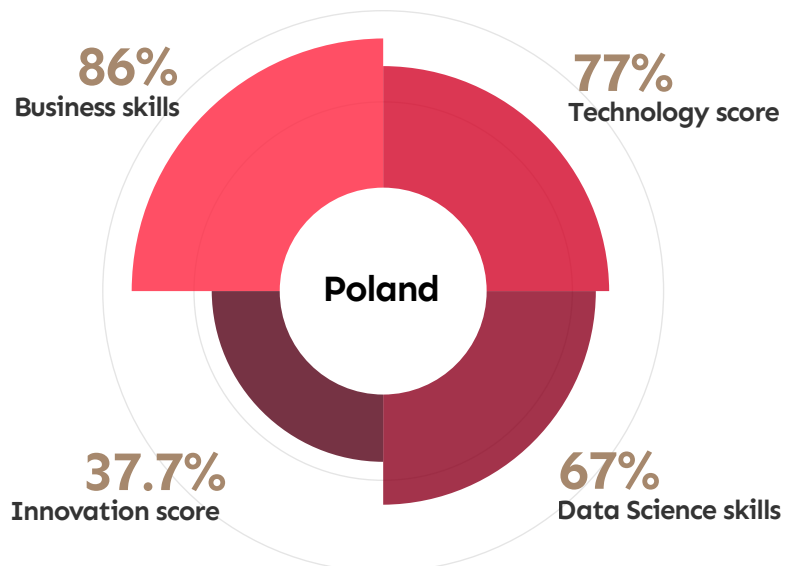
\$3.4K

English Proficiency

High #13 globally

IT hubs

**Warsaw, Kraków, Wrocław,
Poznań, Gdańsk**



Poland offers attractive incentives for foreign investors and businesses. The country has introduced favorable tax policies, including new rules for withholding tax exemption. For businesses focused on innovation, Poland provides specific tax instruments, such as R&D relief and robotization relief, designed to foster technological advancement. These investor-friendly policies serve as a significant catalyst for tech development in Poland, complementing the country's growing ecosystem.

These measures also help to increase the presence of international tech companies in Poland. Tech giants such as Facebook, Amazon, Apple and Netflix have set up their engineering centers here. But FAANG are not the only ones who fancy the Polish tech landscape. Intel, IBM, Microsoft, Hewlett Packard, and Dell alongside more than 500 other renowned companies, have **opened their R&D facilities¹⁵** nationwide. The establishment of Google Campus in Warsaw, which provides a collaborative space for startups and entrepreneurs, and HubRaum in Krakow, Deutsche Telekom's tech incubator, further demonstrates the country's growing reputation as a hub for technological innovation.



One of the top reasons for Poland's popularity among foreign companies is the wealth of software development talent. According to HackerRank, it is home to the third most skilled programmers in the world with an impressive score of 98%. Polish software engineers have vast expertise in fintech, banking, e-commerce, virtual reality, mobile and video game development. They are also well-versed in popular programming languages like JavaScript, Java, Python, TypeScript, PHP, Kotlin, and C++/C#.



The Polish educational system helps to ensure a steady market growth, with about **44K computer science graduates¹⁶** joining the workforce on an annual basis. **According to the National Science Foundation¹⁷**, Polish people also have a strong educational background in STEM. 43% of people in Poland aged 25–34 have a bachelor's degree or higher in technology or software development.



Hungary

Hungary's IT sector benefits from a well-developed infrastructure and a growing number of tech graduates, positioning it as a competitive choice for software development outsourcing.



Hungary has emerged as a vibrant hub for tech innovation and entrepreneurship in Central Europe. The country offers a compelling blend of advantages, including affordable business costs, strategic proximity to Western European markets, and tax credits for shared service centers.

The Hungarian government has taken proactive steps to attract foreign entrepreneurs, offering initiatives like the White Card Visa for digital nomads and the Hungarian Entrepreneur Program, which eases the path for non-European citizens to establish businesses in the country. Thanks to these efforts, Hungary has become a magnet for tech talent, boasting 80K IT professionals.

The country's robust ecosystem has also attracted multinational giants like Morgan Stanley, British Telecom, and IBM, who have established dedicated service centers to leverage the technical expertise of local developers. With their support, Hungary's tech industry has become a significant economic driver, **representing about 6% of GDP**.¹⁸

However, Hungary doesn't rely solely on foreign investment to drive its IT industry forward. The country has already produced several global success stories, demonstrating its capacity for homegrown innovation and entrepreneurship. Prezi (a cloud platform for creating engaging and interactive presentations), LogMeIn (SaaS collaboration and connectivity solution), and Ustream (a cloud-based video streaming platform) are just a few Hungarian-born companies that have already received international recognition.

Number of developers

80K

Average dev. salary

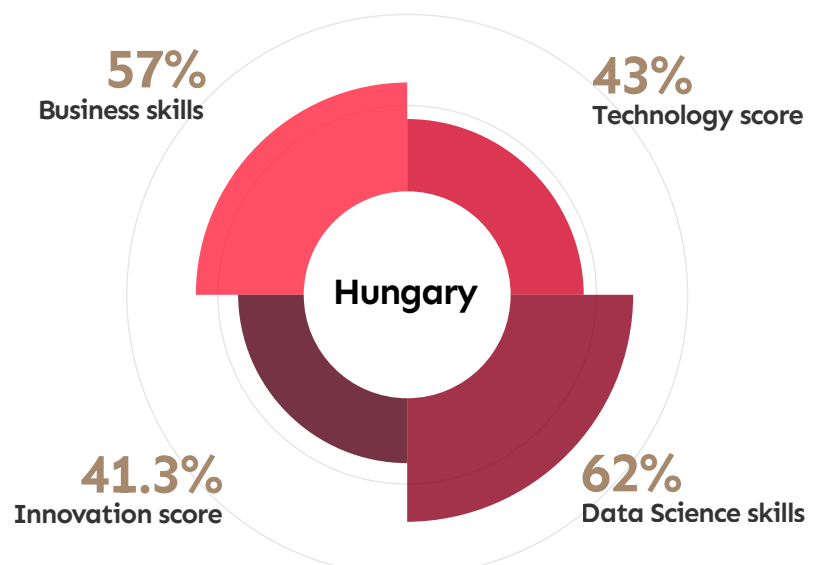
\$2.5K

English Proficiency

High #17 globally

IT hubs

**Budapest, Debrecen, Pécs,
Miskolc, Szeged**





Czech Republic

The Czech Republic is leveraging its industrial heritage to foster a robust IT ecosystem, with a strong focus on innovation and R&D.



The Czech Republic's rich industrial heritage in manufacturing and production has laid the foundations for the flourishing tech ecosystem. Drawing on its strong tradition in automotive and lens development sectors, the country has cultivated a culture of innovation and research that now fuels its IT industry.



The numbers speak to the Czech Republic's growing prominence in tech. The revenue of the IT services industry¹⁹ is projected to reach \$6.01 billion in 2024. IT outsourcing plays a significant role in this market, contributing nearly 38% of the total value, translating to \$2.28 billion. Overall, the ICT service exports²⁰ account for 20.49% of the Czech Republic's total service exports.

The Czech startup scene, predominantly focused on SaaS, web, and mobile software services, showcases the country's capabilities in these crucial areas. Companies like Apify (a web scraping and browser automation platform), BudgetBakers (a financial assistant app), and Neuron Soundware (a tech startup that utilizes AI and IoT for early detection of machinery malfunctions) serve as an example of the innovative spirit and technical expertise available in the Czech market.

Number of developers

130K

Average dev. salary

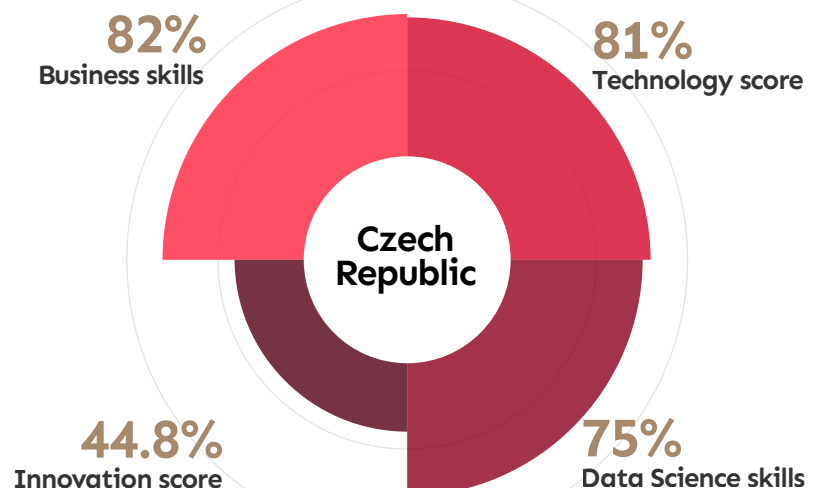
\$3.6K

English Proficiency

High #26 globally

IT hubs

**Prague, Brno, Ostrava,
Plzen**





Romania

With one of the fastest-growing IT sectors in Europe, Romania is recognized for its large talent pool and diverse expertise across various technology domains.



Romania has emerged as a significant player in the Central European tech scene, particularly since joining the European Union in 2007. This milestone triggered increased investments in the country's IT sector, which in turn fostered a thriving local startup culture.



The success of UiPath, Romania's first unicorn, is a testament to the country's potential to nurture globally competitive tech companies. This achievement has not only put Romania on the global tech map but also inspired public strategies aimed at creating **five unicorns by 2025**.²¹

It's yet to be seen if the country will manage to achieve this ambitious goal, but Romania is undoubtedly moving in the right direction. The steady growth of the ITC industry provides a fertile ground for innovation and entrepreneurship, potentially nurturing future unicorns.

Number of developers

192K

Average dev. salary

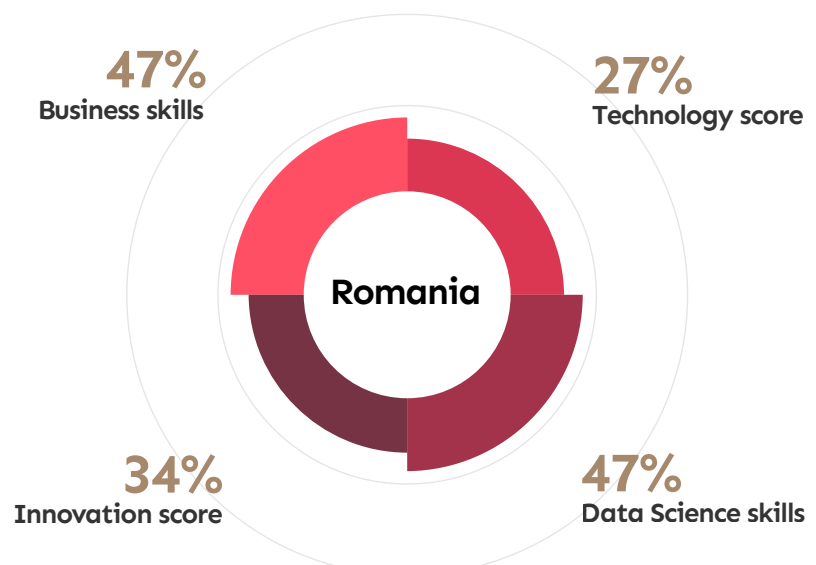
\$2.1K

English Proficiency

High #15 globally

IT hubs

**Bucharest, Cluj-Napoca,
Brasov, Timișoara, Iasi,**



The sector's average annual growth rate of 8% demonstrates its robust development and increasing significance in the country's economy. This steady expansion will likely continue, with projections suggesting that the country's digital economy could reach a value of **\$55.8 billion²²** (€52 billion) by 2030. Such growth would represent 10% of Romania's GDP, underscoring the increasing importance of technology in driving economic progress.



At the heart of this technological boom is Bucharest, which serves as the epicenter of IT development in the country. The capital region, which generates 63% of the nationwide revenue in the tech sector, is a vibrant ecosystem of startups, established tech companies, and a talented workforce. It offers an abundance of expertise, products, and services in the following categories:

- Incident response and disaster recovery
- Software reporting, forensic tools, and security information
- Interoperable software products and technologies
- Cybersecurity
- Educational software

While Bucharest remains the primary IT hotspot in Romania, several other cities have emerged as significant centers for software development. Multinational corporations have recognized the potential of these regional hubs, with HP establishing a software development center in Cluj-Napoca, IBM operating in Brasov, Microsoft in Timișoara, and Amazon in Iasi.



Slovakia

Slovakia is an evolving IT hub in the heart of Europe that provides a blend of technical expertise, a growing startup ecosystem, and strong government support.



While it may not have the scale of IT industries found in some larger countries, Slovakia offers a compelling mix of talent, cost-effectiveness, and strong digitally oriented infrastructure. With its favorable geographic position in the heart of Europe and hefty government incentives, the country has all the key ingredients to succeed as an outsourcing hub.



Slovakia's tech startup ecosystem is rapidly evolving, with over 550 tech startups, including two on the verge of reaching unicorn status. In 2024 alone, the country attracted **\$79.9 million in venture capital funding**,²³ underscoring the growing interest from investors.

The ecosystem is centered around vibrant communities of young entrepreneurs in three main tech hubs: Bratislava, Zilina, and Kosice. These cities host a network of incubators, accelerators, and coworking spaces that serve as launch pads for new ventures, particularly those focused on research and development. The emerging innovations span healthcare, climate resilience, fintech, creative industries, and mobility, highlighting the breadth of Slovakia's technological ambitions.

Number of developers

50K

Average dev. salary

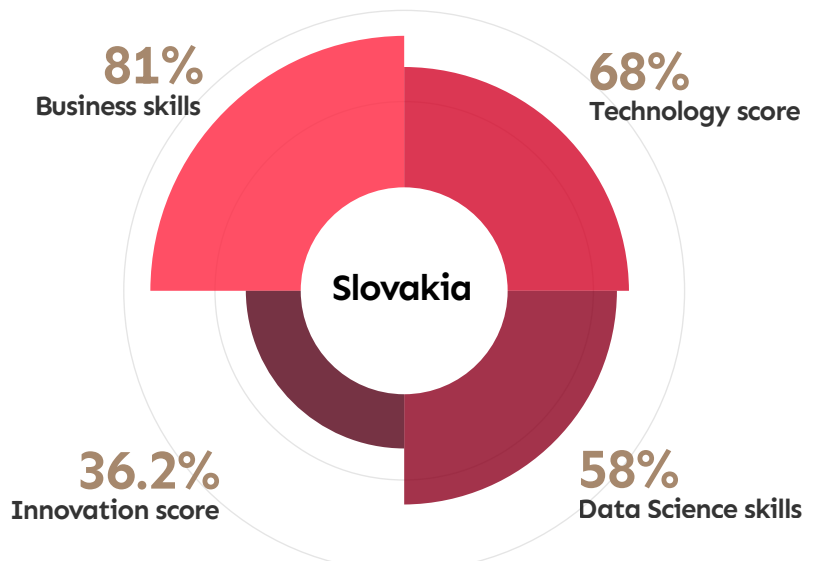
\$2.5K

English Proficiency

High #18 globally

IT hubs

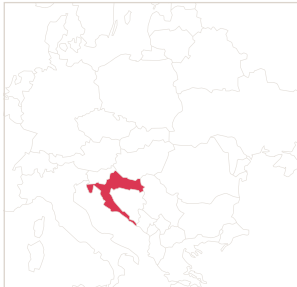
**Bratislava, Kosice, Zilina,
Trnava**





Croatia

Croatia boasts high digital readiness and a promising tech landscape, with a rapidly expanding IT services market and government-backed digital growth initiatives.



Croatia has one of the most promising tech ecosystems in the Balkans. The country's steady growth in the ICT market coupled with active government modernization efforts, healthy enterprise investments, and a strong consumer outlook, makes it an appealing choice for businesses looking to outsource their IT operations.

Croatia demonstrates impressive **digital readiness**²⁴. The country has the highest share of individuals aged 16 to 24 with basic or above basic digital skills in the European Union, at 97%. In the business sector, Croatian enterprises are increasingly adopting advanced technologies, with 35% using cloud solutions, 43% using e-invoices, and 9% utilizing AI solutions. This growing digital maturity makes Croatian companies well-equipped to handle complex outsourcing projects.

This combination of a digitally skilled workforce and technologically advanced businesses has not gone unnoticed by international companies. Many popular tech companies have their headquarters in the capital Zagreb. Other notable tech hubs include Split, Rijeka, Osijek, and Zadar.

Croatia's IT services market is projected to **generate \$790.6 million in revenue**²⁵ by the end of 2024, with IT outsourcing leading the way at \$304.7 million. The sector is expected to maintain strong momentum, with a forecast annual growth rate (CAGR) of 6.42% from 2024 to 2029. If this trajectory continues, the market volume is anticipated to reach \$1 billion over the next five years.

Additionally, the Croatian government's focus on digital transition aims to increase the ICT industry's share of GDP to 15% by 2032. This commitment to digital growth creates a supportive environment for outsourcing businesses.

Number of developers

39K

Average dev. salary

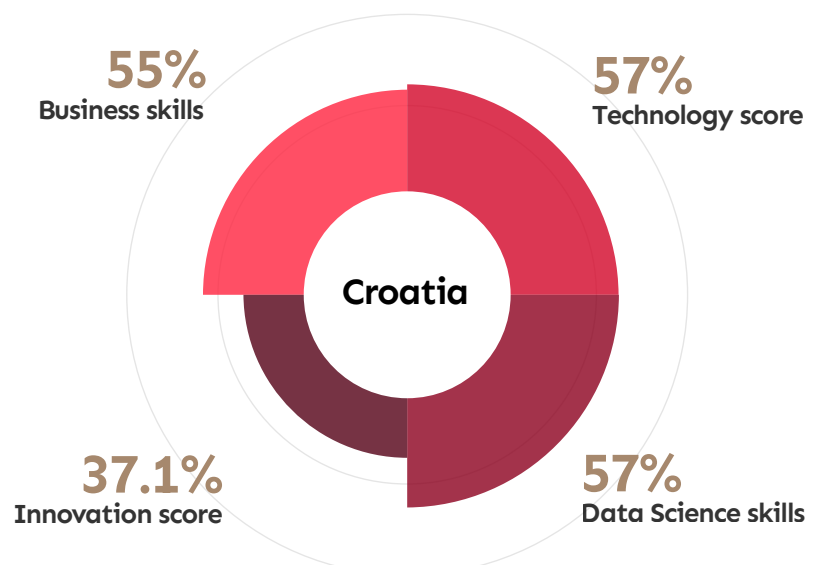
\$1.8K

English Proficiency

Very High #11 globally

IT hubs

**Zagreb, Split, Rijeka,
Osijek**





Serbia

Serbia has gained recognition as an emerging outsourcing destination, offering a combination of technical skills, cost advantages, and a growing IT ecosystem.



The attractiveness of Serbia as an outsourcing hub stems from the availability of high-quality IT specialists at competitive wages. The country houses over 3.3K tech firms²⁶ employing 47.6K people. Serbian tech professionals are known for their excellent English language skills and technical proficiency, making them ideal choice for international collaborations.

Serbia's government has also contributed to fostering this growth, offering investment incentives of up to \$10.7K²⁷ (€10K) per employee for companies establishing operations in the country. This has attracted major players like Microsoft, IBM, Intel, NCR, and Seven Bridges, which have either set up development centers in Serbia or outsourced work to local firms.



Another key strength of Serbia's IT sector is its versatility. Serbian tech companies produce software for various domains, including agriculture, medicine, tracking and cloud applications, online games, and testing.

The country's tech industry has become a significant economic growth engine, contributing 10% to national GDP. IT is among the top four export sectors, alongside steel, cars, and agriculture. It is expected to generate \$453.7 million in revenue²⁸ by the end of 2024. Much of the market value comes from business process outsourcing and application outsourcing, \$150.2 million and \$40.5 million respectively.

Number of developers

48K

Average dev. salary

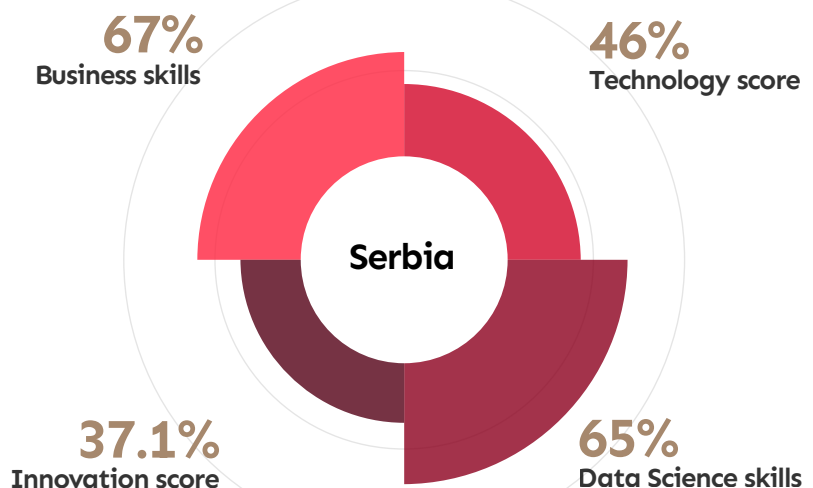
\$2.2K

English Proficiency

High #24 globally

IT hubs

**Belgrade, Novi Sad,
Niš**





Best practices for successful software development outsourcing

From startups to Fortune 500 companies, organizations across the industry spectrum are leveraging outsourcing as a powerful tool to optimize operations, minimize costs, and tap into specialized expertise that would be challenging to cultivate internally. However, the success of any outsourcing journey hinges on careful planning and strategic decision-making.

The process begins long before you start evaluating potential vendors or signing contracts. It requires a deep understanding of your organization, its needs and goals. To do that, you must thoroughly assess your current state, including existing systems, processes, and infrastructure. This exercise offers a clear vision of how outsourcing can fit into your broader business strategy and will help you identify the qualities you should look for in your vendor. That will enable you to choose the right partner – the one that will complement your strengths, help bridge any technology or skill gaps you may have, and deliver lasting value.

I Define your requirements

The first step of your outsourcing journey is clearly outlining your expectations and desired outcomes of the software development cooperation. When you know what you are looking for, you can identify the tech partner that will most effectively help you reach your goals.



On your quest to find the tech partner that will 100% suit your needs, you will likely come across dozens of developers and outsourcing companies. Hence, you need an applicable procedure to boil down the list of contenders to a few real prospects. Here is a checklist that can help you navigate the talent-sourcing phase:

How to find the tech partner that will suit your needs? A checklist that can help you navigate the talent-sourcing phase.

✓ **Technical expertise**

Create a list of specific skills that are needed for your project and evaluate the vendor's expertise in the required technologies, programming languages, frameworks, and tools for your project.

✓ **Domain knowledge**

Prioritize vendors with prior experience in the field you are operating. That will help to create a better understanding of your business objectives, use industry best practices to streamline project delivery, and leverage subject matter expertise to quickly resolve any arising issues.

✓ **Work review**

Check your potential vendor's project portfolios and customer testimonials to learn more about their tech prowess, industry knowledge, and innovation capabilities. Going through reviews from their former clients can provide you with information on their team maturity, project management strategy, communication style, and competency in the industry domain.

✓ **Workday overlap**

Being able to meet with your team is crucial to project success, but time zones can be an obstacle to effective communication and collaboration. If you want your team to work during the same business hours, opt for nearshore outsourcing. Offshore outsourcing in regions with a moderate time difference allows for partial-day overlap with some shared working hours. A day-night difference is a good option if you want to establish round-the-clock availability of your dev team, providing continuous progress and support on the project.

Regular check-ins and consistent progress tracking are crucial for managing distributed teams effectively.

I Establish effective collaboration processes

Managing work across distributed teams is not easy, but even more so when working with people across cultural and geographical borders. Establishing clear responsibilities, timelines, and communication protocols is essential to ensure efficient workflow and prevent delays or miscommunications. Here is how to achieve that:

- **Multi-channel communication.** Using emails as a sole means of communication might make developers feel isolated, disconnected from the project, or missing important context and nuances in discussions. Embracing a multi-channel approach by introducing video conferencing, instant messaging, shared workspaces, and project management tools can facilitate real-time collaboration and boost the remote team's engagement and sense of belonging.
- **Consistent progress tracking.** Maintaining visibility into the team's progress is a key to managing distributed teams. Conducting regular check-ins to track tasks, milestones, and issues can help ensure that everyone is on the same page throughout the project and aware of any potential roadblocks or dependencies.
- **Upfront expectation.** Be realistic about project timelines, deliverables, and the learning curve for your outsourced team. Clearly communicate your goals and priorities, but remain flexible and open to input from your tech partner.

I Ensure data security

Implementing VPNs, encrypted file transfers, and secure cloud storage are key steps in protecting sensitive data when outsourcing IT development.

Implementing robust information security measures is a critical concern when outsourcing IT development. This process includes safeguarding sensitive data such as source code, designs, and customer information through comprehensive security protocols. Here are some vital steps for ensuring data security with your outsourcing partner:

- Implement encrypted file transfer protocols, virtual private networks (VPNs), and secure cloud storage solutions to protect against data interception and unauthorized access.
- Ensure compliance with data privacy regulations like GDPR or CCPA and verify appropriate data handling and storage practices.
- Verify that individual passwords are correctly managed, administered, and kept confidential among team members.
- Inquire about malware and antivirus inspection processes to ensure protection against cyber threats.
- Review the outsourcing company's security standards, looking for evidence of compliance across their workforce.
- Establish a well-defined incident response plan and business continuity strategies to minimize the impact of potential data breaches or other security incidents.

I Invest in building solid partnerships

Cultivating strong relationships with your remote IT team is essential for project success. You should consider visiting the outsourcing vendor's location to experience the work environment firsthand, assess the local tech community, and gauge the enthusiasm and work ethic of potential team members. Observe the office setup, ensuring it provides adequate workspace and necessary tools for effective collaboration.

Also, take time to understand and appreciate the cultural nuances of your outsourcing partners. If possible, appoint a local team lead to bridge cultural gaps and provide on-the-ground support. This can greatly enhance communication and understanding between your in-house and external teams.

Investing in the relationship with your remote staff can create a foundation for a more productive and harmonious partnership. This, in turn, contributes to better project outcomes and higher-quality deliverables.

The success of any outsourcing journey hinges on careful planning and strategic decision-making.



I Implementing robust project management measures

Effective project management is a critical factor in successful outsourcing partnerships. It helps monitor progress and ensure that your vendor delivers the desired outcomes on time and within budget. To keep your software development efforts on the right track, consider implementing the following measures:

- Regularly review and update your project plans, promptly addressing any changes. Use face-to-face meetings, whether in person or virtual, to reset expectations when necessary.
- Implement specific, measurable, achievable, relevant, and time-bound (SMART) key performance indicators (KPIs) to track progress and evaluate the success of your outsourcing project. These metrics should cover various aspects of the project, including development speed, code quality, bug rates, and user satisfaction.
- Introduce rigorous quality control processes, including code reviews, automated quality assurance, and user acceptance testing. Ensure these measures are consistently applied throughout the development process to maintain high standards and minimize the risk of costly errors or delays.



Neontri:

Matching outsourcing models to your business needs

If you're looking to develop a successful product, you have to decide which cooperation model will work best in your case. Each outsourcing approach offers different levels of control, cost-effectiveness, and flexibility, so it's crucial to weigh the pros and cons of each model to find the right fit for your requirements and business goals.

To ensure that the final product fully adheres to your project needs, it makes sense to partner with a reliable outsourcing company with the right expertise to build custom software development teams. This can help you balance risks and benefits, leading to substantial savings in the long run.

Neontri's extensive industry knowledge, honed through 10+ years of experience in technical verification and vetting IT professionals, enables us to deeply understand our clients' unique needs and source the perfect candidates to meet your demand. Our team meticulously matches software engineers to your requirements, ensuring they have the right skills and expertise to deliver your product.

Our Total Talent Management service offers seven staffing models to best align your workforce with your business strategy.

| Try & Hire

The Try & Hire model, also called temp-to-perm, is a hybrid between temporary placement and long-term employment. It allows you to test the candidates before hiring them permanently. This way, you know exactly what assets and skills the developer can bring in, yet you don't have to make a long-term commitment. We carry out all the risks, as well as recruitment costs.

| Staff augmentation

IT staff augmentation, also known as body leasing, is an outsourcing practice in which external professionals are hired to work directly with the client's in-house team to bolster their existing capabilities. It allows you to add profound expertise in modern technologies, access niche skills, and rapidly scale your software development team's capacity.

Each outsourcing approach offers different levels of control, cost-effectiveness, and flexibility, so it's crucial to weigh the pros and cons of each model to find the right fit for your requirements and business goals.



| Recruitment process outsourcing

Recruitment process outsourcing (RPO) is a way of delegating recruitment operations to an external vendor. As an RPO service provider, we understand that sourcing the right talent is crucial for business success but can be time-consuming and challenging. Thus, we offer tried and tested practices to streamline your recruitment process so you can focus on your core activities. Our RPO services cover job advertising, reviewing resumes, interviewing and vetting candidates, employee management, and other HR-related tasks.

| Permanent placement

Permanent placement helps you find candidates who are a long-term fit for your company. At Neontri, we focus on sourcing top talent and conducting rigorous screening and vetting processes. After a candidate has been chosen, they're given a permanent position in your organization. We facilitate the onboarding process, including background checks, orientation, and training, to guarantee a seamless integration of your new hire.

Our team meticulously matches software engineers to your requirements, ensuring they have the right skills and expertise to deliver your product.



I Employer of Record

The Employer of Record (EOR) services allow you to hire staff abroad without setting up a legal entity in that country. While expanding business internationally opens the door to exciting opportunities, navigating complex regulations, taxes, and payroll in a new country can be daunting. Partnering with an EOR provider enables you to delegate these tasks so you can focus on what matters the most – growing your business. Your EOR partner will act as a legal employer for your international team, handling everything from onboarding to tax compliance.



I Team augmentation

Team augmentation is a flexible outsourcing model where external professionals are integrated into an existing in-house team to supplement skills or increase capacity. This approach allows companies to quickly scale their workforce, access specialized expertise, and maintain control over projects. It offers a blend of in-house management and external talent, providing adaptability for varying project needs while preserving core team dynamics and company culture.



I Agile POD team

Agile product-oriented development (POD) teams are self-contained, cross-functional delivery units comprising developers, analysts, QA engineers, DevOps specialists, and technical leads. These teams bring a comprehensive set of skills to each stage of the development process. With Neontri, you can get a fully functioning software development team in several weeks, thus quickly scaling your development capabilities and accelerating product time-to-market.



Final thoughts

Central Europe is poised to continue its rapid ascent as a global technology powerhouse. It has proven its capabilities and is now a premier destination for companies seeking to leverage IT expertise.

Fueled by governmental support, educational rigor, and a strong entrepreneurial spirit, Central European nations have cultivated a vibrant tech ecosystem that attracts companies from all over the world. The region offers a workforce of nimble innovators with deep STEM knowledge, hands-on abilities, and decades of global IT outsourcing experience that helped them hone their skills.

Neontri exemplifies the strengths of the Central European tech ecosystem. By choosing us as your partner, you gain access to a pool of specialized talent, benefit from streamlined processes, and tap into a wealth of industry experience. Whether you're scaling your team or tackling specific technological challenges, we will ensure your unique objectives are efficiently met.

What sets Neontri apart is its commitment to personalized solutions. We don't just provide talent; we align their expertise with your vision to deliver tailored outcomes that contribute to your success. Reach out to us to explore how our tailored outsourcing services can drive your project's success and accelerate your company's growth in the digital landscape.

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