

Acropolium

# IT Outsourcing and Outstaffing:

2024 Insights to Choose  
the Right Model

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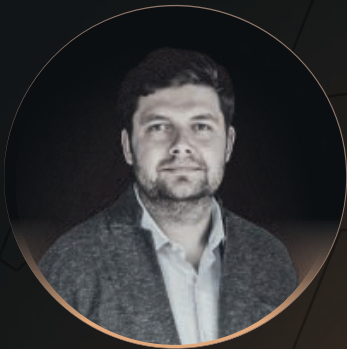
How to Choose the Right Team?



# Authors

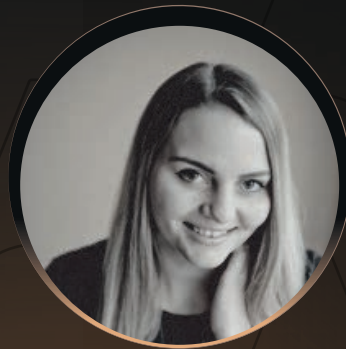
Welcome to Acropolium's 2024 e-book on outsourcing and outstaffing, where our expert team delves into the transformative landscape of remote staffing based on the latest industry statistics and our company's experience.

In this paper, we're explaining the differences between the two popular IT engagement models, reflecting on the benefits each brings to businesses globally.



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# Introduction

As the world is still recovering from the COVID-19 pandemic, which has shifted the reality for both people and businesses in 2020, we are witnessing the continuous growth of remote staffing in 2024.

The remote staffing market, in turn, offers different engagement models to address the client's IT and business challenges in the most cost-efficient way possible. **Amidst the ongoing talent shortages faced by most companies, the need for outsourcing and outstaffing has peaked since 2020.**

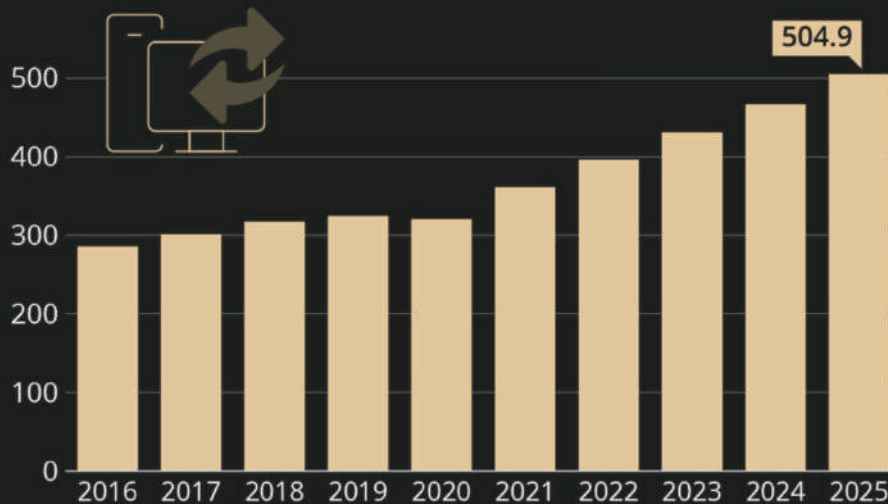




# Introduction

## IT Outsourcing Picks up Pace in the Covid Age

Worldwide revenue of IT outsourcing (in billion U.S. dollars)



Data as of March 2022

Source: Statista Technology Market Outlook

The global IT outsourcing industry surged by nearly 13% from 2020 to 2021, bouncing back from a dip in 2020 caused by the initial shock of the COVID-19 pandemic. As a result, it led many companies to trim expenses and delay projects.

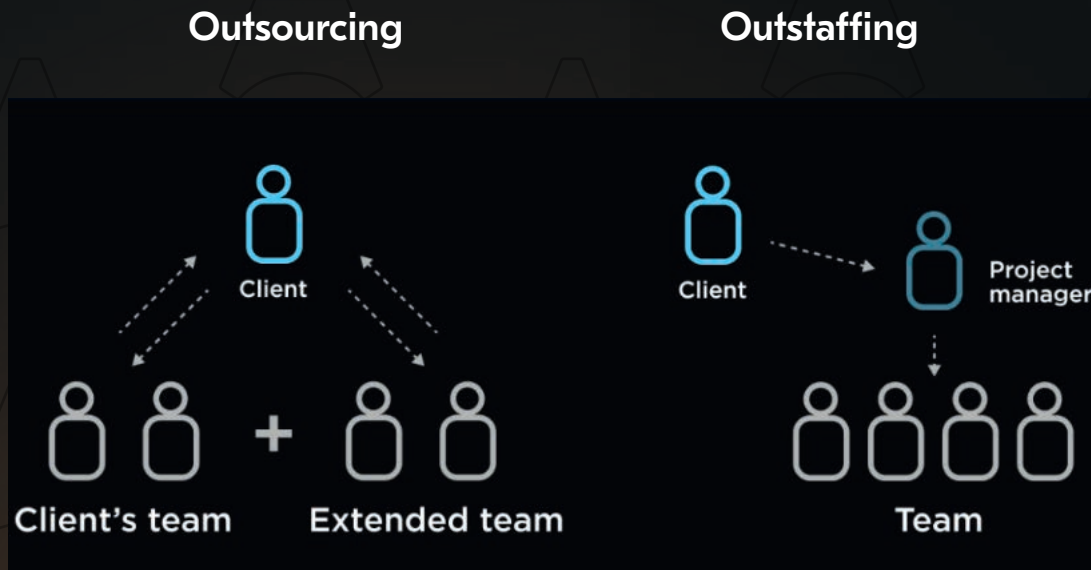
*"Back in 2020, outsourcing served as a lifeline for companies forced to deal with talent shortages while remaining competitive. Now, it's the new normal: today, 92% of global businesses outsource parts of their operation, where cost reduction doesn't affect quality."*



**Oleksii Glib**

Founder

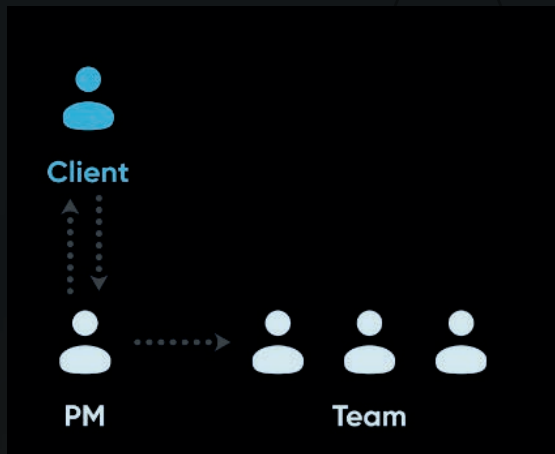
## Section 2. Outsourcing and Outstaffing: What Makes the Difference?



Outsourcing and outstaffing are both remote engagement models offered by IT development companies. Each is designed to breathe the required expertise into a project while skipping cost and time-consuming talent search and onboarding processes.

**While pursuing the same purpose, outsourcing and outstaffing act differently in terms of project management.**

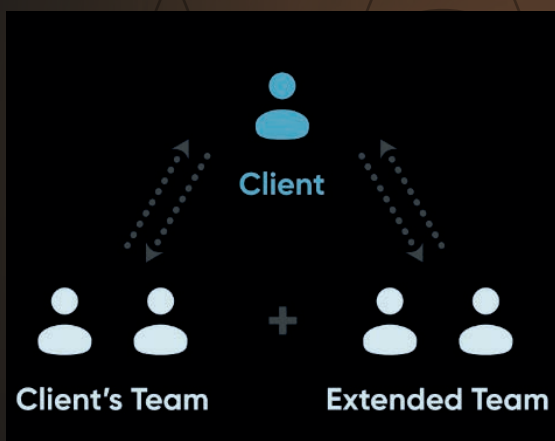
# Outsourcing



Outsourcing is a project-oriented approach to software development, where you contract a vendor and hire an entire team — from developers and project managers to business developers and analytics — with the required expertise to realize the project.

The contractor fully sets up the development and project management processes. While the outsourcing partner undertakes the project progress and keeps you updated on the development milestones, you focus on core business objectives. **The outsourcing partner provides an external team and is responsible for the software development from start to finish**

# Outstaffing



With outstaffing, you don't fully delegate project development to a vendor — here, you hire talents employed at the vendor to integrate the lacking expertise into your in-house team. The number of hired professionals is up to you and may vary as your business needs change.

Unlike outsourcing, you're the one responsible for the project, hiring a team rather than project development services.

**With the outstaffing model, you're augmenting your team with the needed talent while controlling the entire development process.**



# Section 3. When to Outstaff & When to Outsource

## When to Outsource?

**Delegated management**

**Delegated hiring**

**Risk mitigation**

**Efficiency and expertise**

**All equipment provided by vendor**

**QA included**

Outsourcing is best when a company wants to delegate an entire project or function with clear deliverables and doesn't want to manage the process directly. For example, if a company needs a new website but lacks in-house expertise, it's more efficient to outsource the project to a development agency. The agency will handle everything from design to deployment, freeing up the company's resources for other tasks.

*"Let's say you need to develop a web application from scratch and want to have it done for you completely. This is where outsourcing comes in: you pass the entire project to a contractor, and they deliver it from A to Z. In this scenario, you're focusing on the operational and crucial aspects of your business, and the job gets done for you to bring value to your clients".*



**Pavlo Zheldak**  
Chief Delivery Officer



## When to Outstaff?

**Team scaling up or down at any time**

**Cheaper than hiring a team**

**Vast talent pool**

**Full control over progress**

**Reduced administrative burden**

**Improved in-house team focus**

Outstaffing is a better choice when a company wants to extend its existing team with specific skills while maintaining control over project management. For instance, if a software company is developing a new app and needs additional programmers for a short period, it can outstaff these roles. They get new staff members integrated into their current teams, managing them directly and benefiting from the temporary boost in manpower and expertise.

*"Now, imagine you're a startup that breathes your project 24/7. You need to have it all under control but lack the resources and/or expertise to create a decent MVP. You probably don't have an HR team to search for developers, so you leave the process to an outstaffing partner you can trust. They analyze your inquiry and integrate professionals or even a team into your processes — all based on your requirements. You're the one who manages the project development: the job gets done under your supervision, before your eyes."*



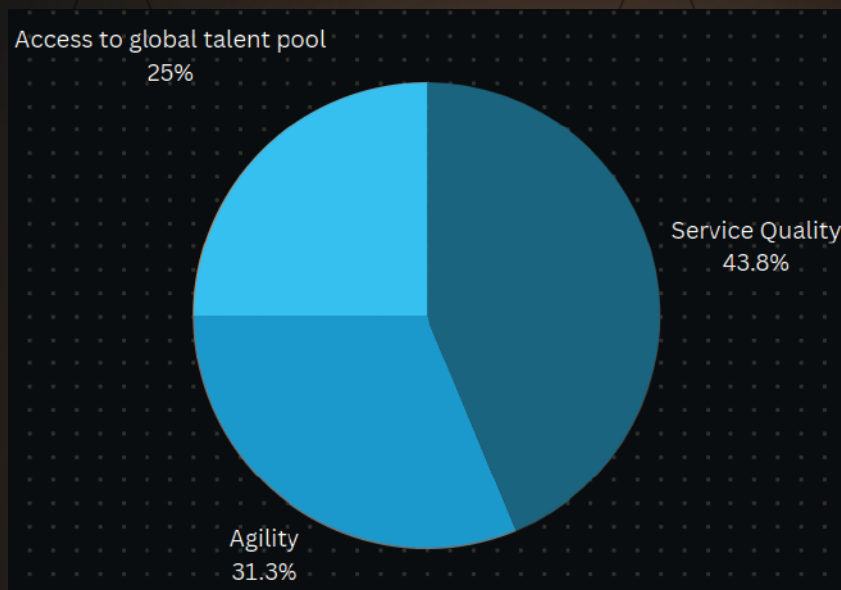
**Pavlo Zheldak**  
Chief Delivery Officer

# Section 4. Gaining Advantage: Why Businesses (Need and Want to) Outsource in 2024

## Agility is Key

One of the primary motivators for businesses to outsource is the potential for agility. In fact, 56% of small businesses expected revenue increases in 2023 as a result of outsourcing activities. Globally, around 60% of large firms from different industries use outsourcing to develop applications.

## Primary Reasons for Outsourcing



Companies cooperate with outsourcing and outstaffing firms for the sake of **service quality** to promote agility, get access to advanced tools, and encourage faster time to market.

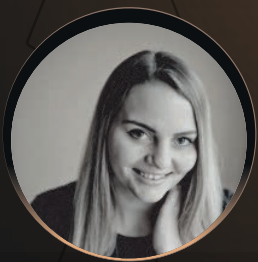
By broadening the in-house expertise with outsourced talent, one can employ disruptive technologies or business methodologies into their operations. Not limited to software development alone, an outsourcing partner has the power to set up an advanced approach to doing business.





While not all businesses have the resources to invest in agile development, outsourced teams bring the latest methodologies to help them **remain competitive.**

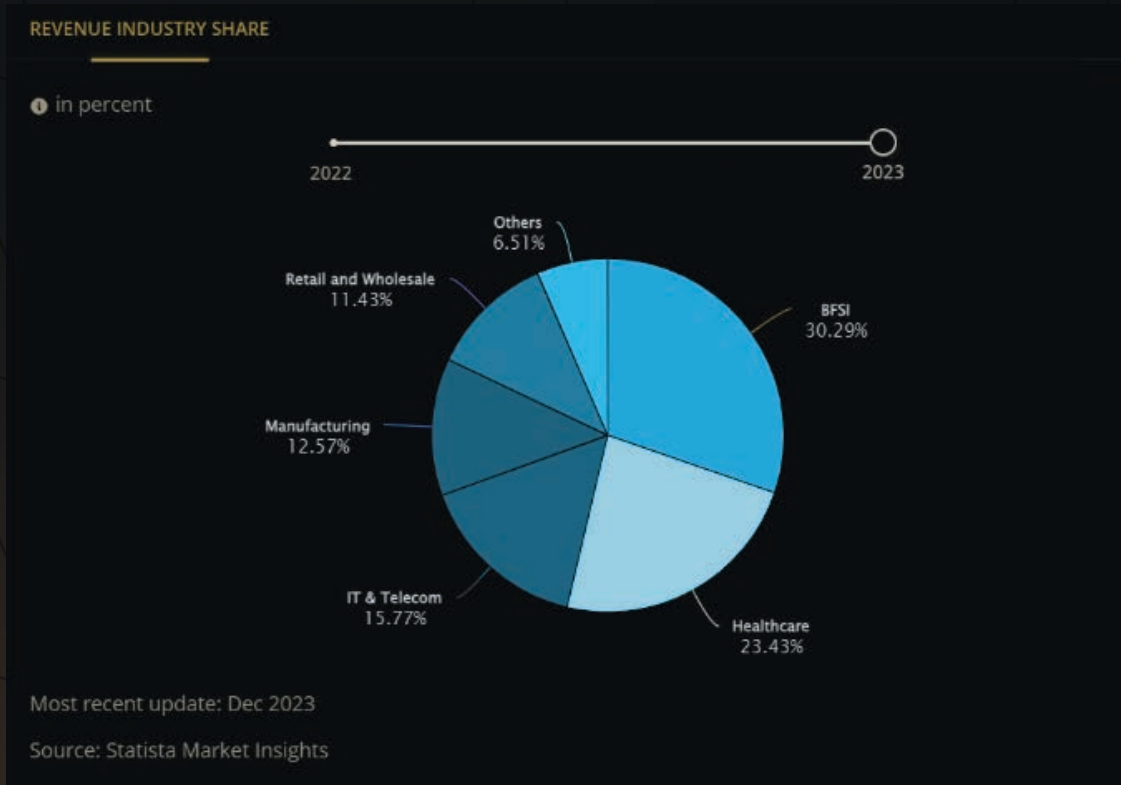
“Whether it’s a platform integration or a SaaS project from scratch, most requirements we receive center around product efficiency. When a solution is ready, our clients may report better website visits, improved conversion, and driven user engagement. But at the end of the day it all comes down to process optimization — **in 2023 our clients had 17% of operational costs saved due to properly set up processes.**”



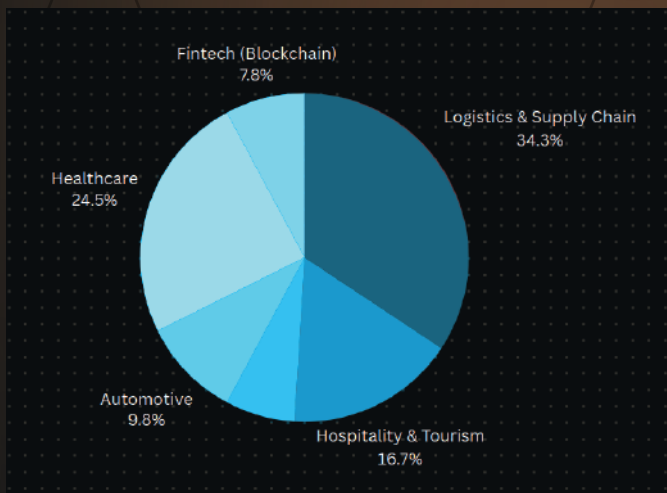
**Maryna Shuliak**  
Chief Business Development Officer



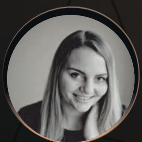
# Industries that Outsource the Most: Statista, 2023



## Acropolium's Experience



"Our cooperation records show that 2023 has been a productive year in terms of outsourcing for businesses operating in the logistics, automotive, hospitality, healthcare, entertainment landscapes. Through this year, we have built lots of SaaS applications, implemented AI & ML, and helped our clients replace legacy systems."

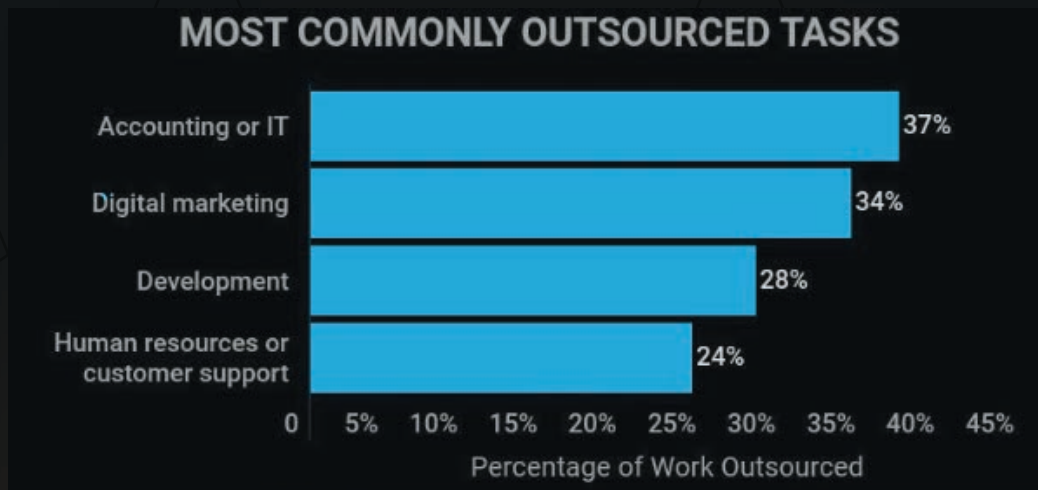


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Chief Business Development Officer

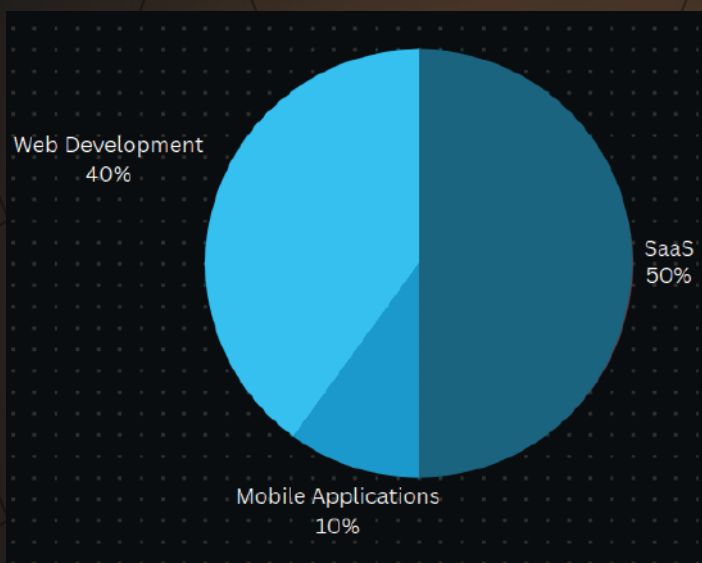




# Most Commonly Outsourced Tasks: Zippia 2023



## Acropolium's Experience



*"With SaaS and AI-based solutions on the rise, most of our clients asked for platform and analytical tool development. We're also seeing an even bigger shift to the cloud and web — many of our partners decided to upgrade their on-premise systems and enter the new, digital age."*



**Dmytro Tymoshchenko**  
Business Analyst

## Section 5. How to Choose the Right Team?

- 1 When selecting a software house, check their website and portfolio to make sure the company has experience working with the required tech stack and methodology.
- 2 Evaluate the vendor's reputation by checking them on independent portals such as Clutch, TechReviewer, GoodFirms for client reviews.
- 3 It's imperative that the vendor shares your values and communication vision. Trouble contacting the company may be a red flag.
- 4 The vendor's location and communication language play an integral role in successful cooperation — you need to be on the same page from all perspectives.
- 5 Seek a software house with experience in your field and certain programming languages.
- 6 Experienced developers should hold greater value than the chosen technology.
- 7 Understanding the company's development process is crucial, as is the use of agile methodologies.
- 8 Consider software houses that provide additional services, like consulting and test drives.
- 9 Think about post-development support, and make sure to discuss this early.
- 10 Choose your engagement model wisely, either a fixed-price or a time and materials contract.

*"Trust is everything. 35% of our new clients start by outstaffing one or a couple of developers. After a project is successfully done and shows measurable results, they come back for more talents. And it's totally fine — you need to test the waters first before investing in a dedicated team.*

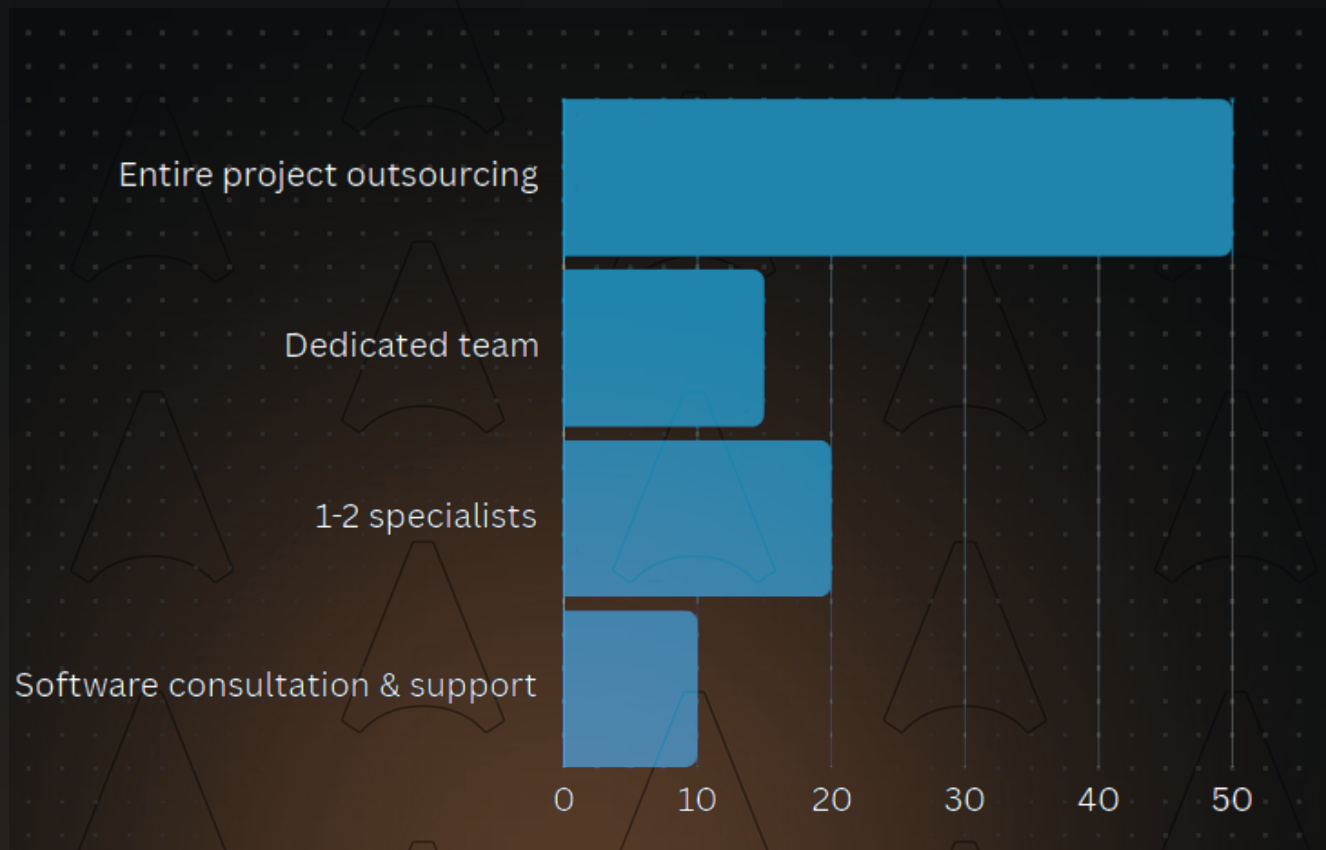
*At the same time, 40% of our long-time partners trust us with entire project development and regularly address software development challenges by requesting consultations."*



**Maryna Shuliak**  
Chief Business Development Officer

# Section 5. How to Choose the Right Team?

## Acropolium Clients' Outsourcing Preferences in 2023



# Section 6. Final Words

The decision between outsourcing and outstaffing isn't a binary one. Each model has its unique advantages and potential challenges. The best approach depends on your specific needs, goals, and context.

Therefore, it's essential to consider all factors — from project complexity and duration to budget constraints and management preferences — before making a decision.

And remember: if you need a reliable partner to find the right talent, we will be there for you.

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EXPLORE OUR  
CASE STUDIES



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