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INFORMATION TECHNOLOGY OUTSOURCING

IT outsourcing is considered to be one of up-to-date issues in the modern digital world. Our study will concern the term outsourcing company, its characteristics and benefits of outsourcing in Ukraine. Outsourcing is "an agreement in which one company hires another company to be responsible for an existing internal activity." It often involves the [contracting](#) of a [business process](#) (e.g., payroll processing, claims processing), operational, and/or non-core functions, such as manufacturing, [facility management](#), [call center](#) support). The term "outsourcing" came from "outside resourcing" and dates back to at least 1981. Outsourcing sometimes involves transferring employees and assets from one [firm](#) to another. Outsourcing is also the practice of [handing over control of public services to private enterprise](#).

Outsourcing includes both foreign and domestic contracting, and sometimes includes [offshoring](#) (relocating a business function to a distant country) or [nearshoring](#) (transferring a business process to a nearby country). Outsourcing is often confused with offshoring, however, they can be distinguished: a company can outsource (work with a service provider) and not offshore to a distant country. For example, in 2003 [Procter & Gamble](#) outsourced their facilities' management support, but it did not involve offshoring.

Financial savings from lower international labor rates can provide a major motivation for outsourcing or offshoring. There can be tremendous savings from lower international labor rates when offshoring.

In contrast, [insourcing](#) entails bringing processes handled by third-party firms in-house, and is sometimes accomplished via [vertical integration](#). However, a business can provide a contract service to another organization without necessarily insourcing that business process.

Information technology (IT) outsourcing is a company's [outsourcing](#) of computer or Internet related work, such as [programming](#), to other companies. It is used in reference to [business process outsourcing](#) or BPO, which is the outsourcing of the work that does not require much of technical skills.

IT outsourcing refers to outsourcing all or parts of IT functions to an external party. Information technology outsourcing is a subset of business process outsourcing (BPO). The reasons for IT outsourcing include lack of resources and cost reduction. This is especially significant for applying technical certifications and building disaster recovery sites.¹ IT outsourcing is sometimes called IT enabled services (ITES) outsourcing.

Benefits of IT Outsourcing to Ukraine

- High quality
- Competitive rates
- Fast turnaround
- Project flexibility
- No staff recruitment (for certain models)
- Employee benefits not necessary (for certain models)

Although you can find developers for hire in nearly every region of the world, Ukrainian developers may be the best option for your next project. Let's see why.

Why Ukrainian IT Industry is Hot

Ukraine offers a unique combination of assets that make it ideally suited to IT development. Here are seven of the top reasons more and more companies are turning here for high quality, affordable, flexible software solutions.

Top-Notch Educational System

Education is top priority in Ukraine. With 79% of citizens having completed higher education, and 57% of IT specialists holding STEM (science, technology, engineering, math) degrees, the country is swimming in tech talent.

Ukraine's 402 universities graduate nearly 40,000 graduates per year — more than Japan, the Netherlands, Sweden, Norway, or Belgium.

The abundance of STEM graduates helps keep development cost down, while ensuring that your project will be based on cutting-edge technologies.

Skill Diversity

Ukrainian technologists are among the most diverse of any in the world. More than 90,000 tech workers are skilled in languages and platforms such as the following: C++, JavaScript, Unity3D, PHP, Scala, Java, Magento, Node.js, Python, Ruby, ASP.Net.

Regardless of what technologies your project may require, there is no shortage of qualified engineers available to create a solution.

Ukrainians use their skills to deliver a wide range of services, including software engineering, web development, software testing, SEO services, cloud and blockchain development, and app development, to name but a few.

Fertile Environment for Tech Start-ups

Not only are the majority of Ukrainians educated, they are also ambitious. The strong educational system has created fertile ground for tech start-ups. To date, more than 2,000 international-level start-ups have been launched from Ukraine, including:

1. [Grammarly](#). Created by Alex Shevchenko and Max Lytvyn, Grammarly is the most popular writing enhancement platform in the world.
2. MacPaw is an award-winning Ukrainian company providing software utility products for PCs and Mac computers. The company serves over 5 million customers in more than 9 countries.
3. Depositphotos. Founded in 2009 by Dmitry Sergeev in Kiev, Depositphotos offers more than 60 million royalty-free photos and vector images to a users worldwide.

4. Nimses is a unique social media platform where each minute of a member's life is converted into a digital currency known as the Nim. Nims can be shared between members, or traded for goods or services.

5. Attendify. Tapping the popularity of mobile apps, Attendify is a SaaS platform that allows users to create customized mobile event apps with powerful social networking features.

6. Petcube Bites is a special Wi-Fi camera designed to allow pet owners to see and interact with their pets when away from home. Developed by a Ukrainian start-up, Petcube Bites not only enables you to see your pet, but to talk with them, entertain them with a portable laser, and to dispense treats using a mobile app.

Many Ukraine tech start-ups go on to become world-renowned providers of software and IT products.

Unemployment is steadily declining, and the Ukrainian economy is enjoying a steady flow of investment dollars and euros, thanks to its IT industry.

As far as political unrest is concerned, the country has taken [tremendous strides](#) in eliminating government corruption.

Even though tensions with Russia remain high, military conflict between the two is now limited to occasional skirmishes along a short section of the border with Crimea.

Over all, the country is on the upswing, with a mature infrastructure and a robust economic outlook. Despite its struggles, Ukraine is very much open for business.

References

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