

The best countries for
outsourcing quality
small business services

veem®



Outsourcing is a major contributor to the global economy. Currently worth [85.6 billion globally](#), the size of this growing market is [expected to reach \\$342 billion by 2025](#). While that may sound overly optimistic, it's undeniable that outsourcing has the potential to revolutionize workspaces and businesses in various industries.

[Deloitte's 2018 Global Outsourcing Survey](#) sums this up neatly: "Outsourcing is enabling competitive advantage."

As our [5 reasons to outsource](#) guide has shown, offshore and outsourced employees have numerous advantages. These include saving money and time, flexibility, access to a larger talent pool, and the ability to focus on core functions business owners don't have time to do well.

But what if those core functions are exactly what you need to outsource?

Various reasons could motivate a company to move vital operational tasks out of country. In fact, some businesses don't even have a choice. According to the [Global State of Remote Work Report](#), 18% of all companies in the world operate with and entirely remote staff.

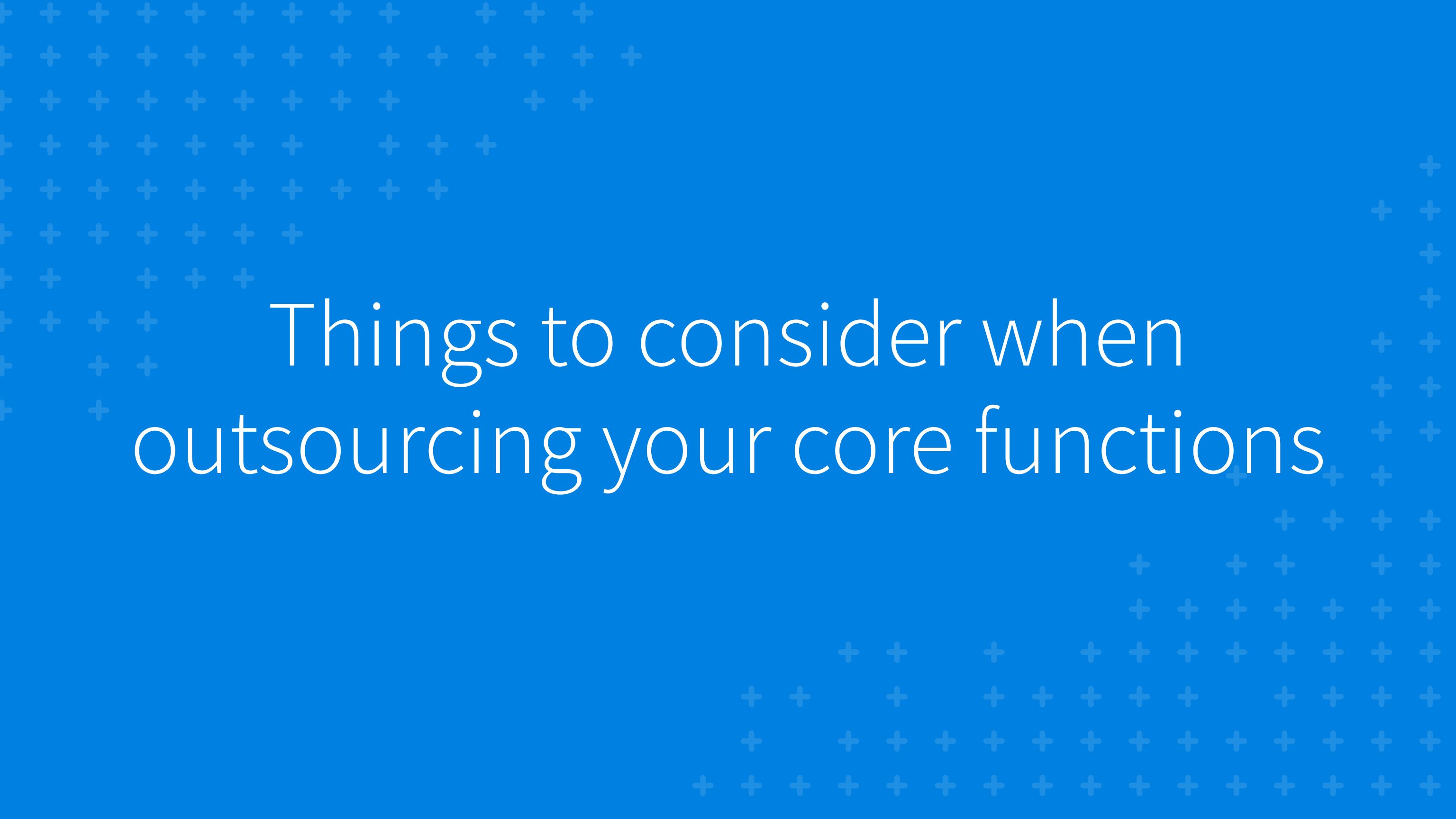
To put it simply, some businesses outsource their core functions as a necessity. If [yours is among these revolutionary businesses](#), you're used to working with remote teams. However, when going down this road, you have to be even more careful when choosing your team. While there are many benefits, high performing virtual teams can be challenging to find, and even harder to manage.





According to the Global State of Remote Work Report,
18% of all companies in the world operate with and
entirely remote staff.



The background is a solid blue color with a pattern of white plus signs (+) arranged in a grid. The plus signs are more densely packed on the left side and become sparser towards the right, creating a gradient effect.

Things to consider when
outsourcing your core functions



While these issues can arise no matter what type of work you outsource, they can become much bigger problems if we're talking about your core functions.

It's easy to see why; a development company can survive if its bookkeeping is a week late. However, if the company's SaaS crashes and the team takes a week to fix the problem instead of an hour (or three seconds or two days, depending on the severity of the issue), the business is in big trouble.

These central operations are key to the success of any business. So, when looking to outsource these tasks, business owners need to pay extra attention to a few things.



Quality of work

The quality of your product or service is essential for the success of your business. As well, quality largely depends on the skill and capability of your team. If your workers are not doing their best, or if their best isn't good enough, your business will suffer.

While it's impossible to predict exactly how a worker (whether in-house or remote) will perform, it's easier to oversee the performance of a person who's actually sitting in the same office building as you. Detecting that a remote worker performs subpar may be more difficult, and ultimately take a lot longer.

This is why it's crucial to devise a set of benchmarks, rules, and guidelines for your outsourced team to follow. Make sure you're all on the same page regarding quality expectations, deadlines, and any other procedures affecting work.



Language and cultural barriers

If you decide to outsource work to a contractor or an international agency, you'll need to take into account (among many, many other issues) the language skills and business culture of whomever you're working with. Language skills are an obvious barrier: if you lack a common language, or if you don't speak it with the same degree of fluency, you may find even the simplest communication very difficult.

Even if you stumbled upon the absolute best outsourcing partners with excellent language skills, you can still be surprised by [how much](#)

[culture matters](#). For example, in many Asian cultures, employees usually don't speak up during a meeting unless their manager asks them to. US business people unaware of this fact may draw the wrong consequences, i.e. that these employees have nothing to contribute to the meeting.

This is why it's very important to lay down some ground rules regarding basic communication and cooperation before you start working with your chosen outsourced team.





Time zone challenges

If you choose overseas workers who live in different time zones, you may have to accept the fact that you won't be working at the same time. Calling an employee only to find them sound asleep (because it's 2AM local time) can be more than frustrating.

If the nature of your work requires your team to be at work at the same time as you, make sure you choose people from a corresponding time zone. Or, alternatively, you may come to a specific agreement with your workers, asking them to adhere to your time zone, or vice versa. Beware though, that this may hike your costs.





Less control over tasks and sensitive data

If you're outsourcing core functions to remote workers, you won't be able to look over their shoulder as much as with an in-house team. Therefore, outsourcing requires a lot more trust on your part.

This is true for sensitive data as well. While you're mostly able to control the storage of and access to sensitive data in your office, you won't be able to do so with a remote worker. Once again, trust plays a much bigger part.

That's why it's crucial to create clear guidelines about the handling of sensitive data, the quality of work, and adherence to deadlines.

Taking all the pros and cons into consideration, outsourcing is definitely a desirable option for many businesses. But how and where to find high quality workers?





Know your requirements



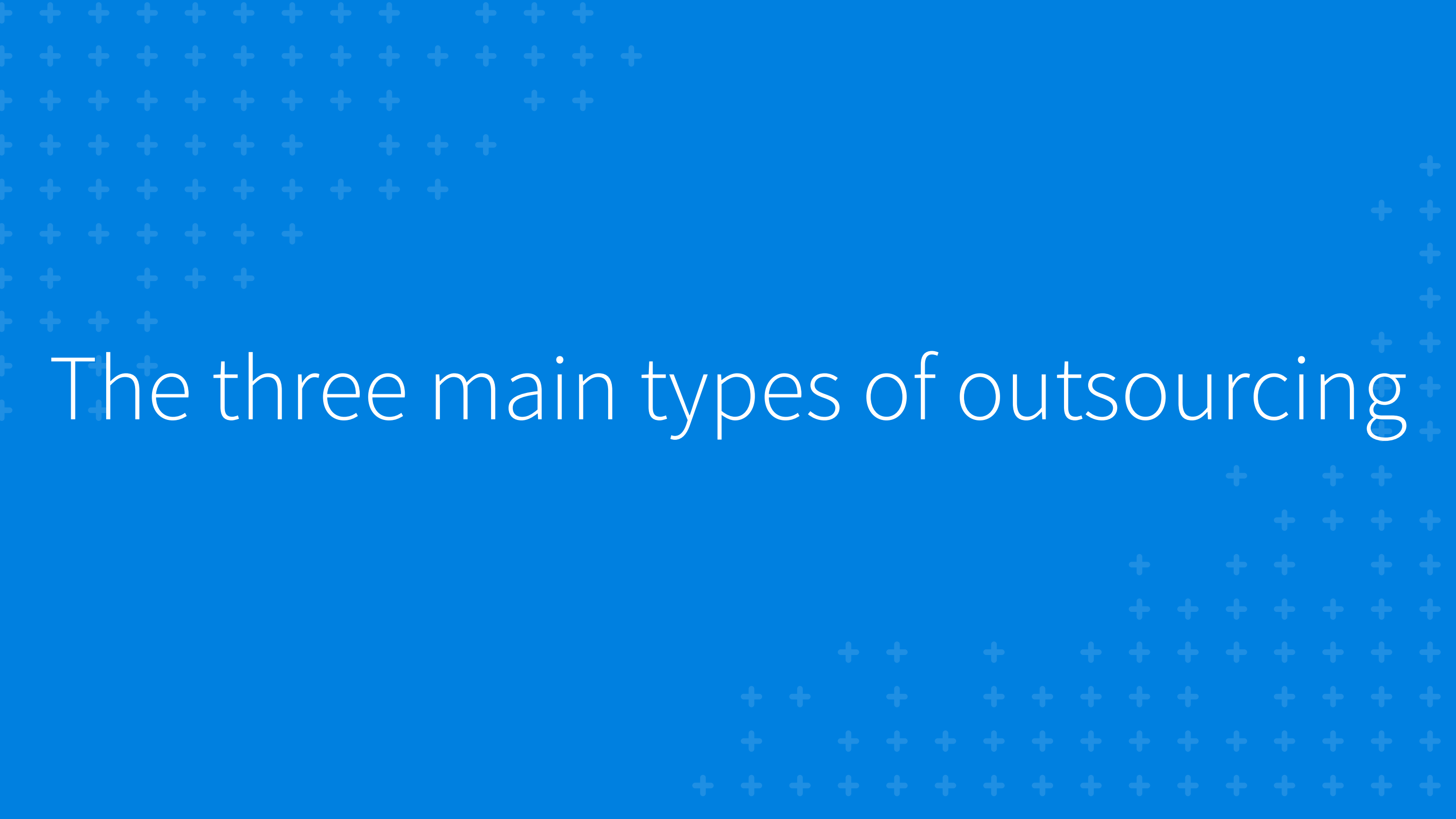
Before you can find the best outsourcing partners, you have to be aware of your own requirements and expectations.

Just like with an in-house hire, create a clear job description complete with tasks and responsibilities. This will give you a better idea of your needs, and help you answer the following technical questions:

- Do you need one person or a team?
- Would a freelancer, a team of freelancers assembled by you, or a business specializing in outsourced work be the best solution for you?

Once you have a clear picture of your needs in your mind, you can start looking. But, you may not have to look overseas.





The three main types of outsourcing

Depending on the location of your outsource partners, you can choose onshore, nearshore, or offshore outsourcing.

Onshore outsourcing is when you choose remote workers from your own country. Obviously, this type leaves you the most control, since you're familiar with the language, culture, salary expectations, and legal environment of your remote worker. However, you can still save money on overhead and employment costs while offering flexible hours to your freelancer.

On the other hand, **offshore outsourcing** is the process of hiring contractors from another country.

Here, you'll be able to save a considerable amount on wages, but the risks you're facing are also significantly higher. Ask around and do your research before hiring anyone to check your prospective contractor's reputation.

Nearshore outsourcing gives you the best of both worlds. Outsourcing to a country near your own (in the case of the US, Canada or Mexico) allows you more control than you would have working with freelancers or agencies on the other side of the world. You're more familiar with their culture and can even have them over for occasional meetings, allowing you to strengthen relationships with you, and your in-house team.





The best regions to outsource IT development work

IT is one of the most popular fields in outsourcing, generating a **whopping \$62 billion annually for the global economy**.

There are five major global regions that are considered the best for outsourcing development work. This is mostly due to their quality of IT education, good English language skills, and lower salary range compared to the average of **\$69,998 an IT professional can earn in the US**.

As the **EF English Proficiency Index** states, English “is the de facto language of communication for all types of international exchange—goods, services, and ideas.” If they want to secure international work, freelancers all over the world need to speak a high level of English in order to communicate with their clients. Currently, around **1.5 billion people in the world speak English, but only 400 million of those speak it as their first language**.





South-America

Argentina boasts [the highest proficiency of English](#) in the region. It also has about 100,000 IT professionals graduating from various universities each year. JavaScript, C, PHP, Java, .NET Framework and Data sciences are among the strongest skills of IT professionals in the country. The average annual salary of an Argentinian developer is around [USD\\$6,921](#).





Eastern Europe

The Ukraine's wages for developers are amongst the lowest in Europe: a developer usually earns around [USD\\$8,041](#) annually. The country produces about 20,000 IT graduates each year. While [English skills are considered moderate in the Ukraine](#), IT professionals are highly trained and knowledgeable. Ukrainian JavaScript, Magento, Ruby, PHP, Python, Symfony, ASP.NET, Node.js and Scala developers are highly qualified, while C++ engineers and game developers also have a great reputation.

In **Romania**, around 5,000 IT professionals graduate from university or college each year.

Graduates are typically well-versed in various programming languages like C, C++, Java, PHP, and frameworks like .NET. Mobile development along with several niche technologies are also among the strong suits of Romanian developers who boast a [high-level English proficiency](#) and earn an average of [USD\\$19,455](#) per year.

Bulgaria has about 3,500 new IT graduates each year. Bulgarian developers are famous for their skills in Java, C++, Python, and other widely used software tools. IT professionals in Bulgaria earn about [USD\\$17,571](#) annually, and [possess very good English skills](#).



Asia

India has a long history of IT outsourcing, and has traditionally been the go-to country for many software development companies looking for offshore workers. However, this popularity has a drawback. Since outsourcing is a significant source of income for Indian companies, some of them have taken a **quantity over quality** approach. In short, these companies would hire less qualified workers to carry the ever increasing workload. If you decide to outsource to India, make sure to check the reputation of your outsourcing partner extra carefully.

As the second most populated country in the world, India produces a staggering 2.6 million science and engineering graduates each year. A software developer earns about **USD\$7,694** per year, and has **moderate to high proficiency in English**.

The most populous country in the world, China has a rigorous education system with high

emphasis on mathematics and science. No wonder that the country boasts an annual 4.7 million science and engineering graduates, the highest amount in the world. Still, a Chinese software developer earns only around **\$24,071** annually. In general, Chinese citizens have a **low to moderate level of English** speaking capability.

The Philippines is another top outsourcing destination in Asia. With around 73,000 IT graduates each year, the country's economy is well equipped to deal with the rising demand for offshore workers. Application development, .NET, Java, and legacy applications are among the strong suits of the country's developers. IT professionals in the Philippines earn an average of **\$6,994** annually. As English is one of the official languages of the country, the **population generally speaks it on a high level**.



Summary

The following table shows the most important data about each country.

Country	Typical Wages (USD)	Level of English	Reputation of IT workers
Argentina	\$6,921	High	Good
Bulgaria	\$17,571	High	Good
China	\$24,071	Moderate	Good
India	\$7,694	Moderate	Moderate to Good
The Philippines	\$6,994	High	Good
Romania	\$19,455	High	Good
The Ukraine	\$8,041	Moderate	Good



The best regions to outsource marketing work



With the popularity of outsourcing on the rise, it's no surprise that other industries want to try outsourcing their marketing efforts beside the “classic” offshore fields of IT and customer service. According to [The 2018 CMO Survey](#), the “planned outsourcing of marketing activities has grown to its highest level in five years.” This means that 5.5% of all marketing jobs are outsourced, up from merely 1.6% in 2016.

While this number is significantly lower than the amount of outsourced IT jobs, let's not forget that there's a sizeable overlap between marketing and IT positions. Web development and web design, for example, are traditionally listed with the IT statistics. However, these positions are just as much marketing as IT, which means that the number of outsourced marketing jobs may be even higher. In addition, according to the [B2B Content Marketing Report](#) by MarketingBuddy, the most outsourced jobs are in content marketing, specifically graphic and UX design (41%) and writing (44%).



The advantages of outsourcing marketing work to onshore, nearshore, or offshore companies are the same as with other industries: saving costs and time, a more flexible workforce, and access to a much larger pool of talent.

In the case of offshoring marketing tasks, however, you get an extra advantage: the access to a different market. It's easy to see how that works: if you want to market your products or services in a different country, a marketing team rooted in your target market can perform a lot better than your in-house team thousands of miles away.

On the other hand, you have to be aware of various potential difficulties as well. Just as with IT, problems may arise out of different customs and cultural norms, time zone differences, the language barrier, and a potential risk of subpar quality work. Since marketing heavily relies on the shared understandings of a culture and language, you must pay extra attention to these issues when selecting your outsourced team.

If you decide to go for near- or offshore outsourcing, take a look at the most popular target regions among marketers.





North America

Canada is an excellent choice if you're looking for quality marketers for a little cheaper than US wages. Although Canadian marketing specialists earn similar salaries ([CAD\\$42,788](#)) to their US counterparts (around [USD\\$44,709](#) annually), the value of the Canadian dollar is usually below the USD, which creates a great saving opportunity (CAD\$42,788 is only USD\$31,725 US). Another advantage of Canada is the English proficiency. If you're looking to outsource language-intensive tasks like content or copy writing, the True North is a perfect choice.





Europe

Many European countries, especially in Central and Eastern Europe (CEE), provide the same outsourcing convenience as Canada for about half the cost. The CEE boasts a [well-educated, growing workforce with high-level English skills](#) and a business culture similar to the US.

If the 6-9 hours of time difference isn't an issue for you, working with CEE marketing freelancers may be a great option for your business. For reference, marketing professionals in **Poland** earn about an annual [USD\\$20,029](#). Similar positions in **Hungary** ([USD\\$22,924](#)) and the **Czech Republic** ([USD\\$26,040](#)) are somewhat more expensive, while in the **Ukraine** a marketing professional earns about [USD\\$21,000](#).





Asia

The **Philippines** is an excellent location if you're looking for knowledgeable, **dedicated marketing specialists with great English skills** at a lower cost to your business. A typical marketing annual salary is only **USD\$11,701**, roughly a fourth of what you'd have to pay an average employee in the US.



Summary

Country	Typical Wages (USD)	Level of English	Reputation of IT workers
Canada	\$31,725	High	Good
Poland	\$20,029	High	Good
Hungary	\$22,924	High	Good
Czech Republic	\$26,040	High	Good
The Ukraine	\$21,000	Moderate	Good
The Philippines	\$11,701	High	Good



The best regions to outsource professional services

Professional services is one of the trickiest parts of outsourcing, especially if you're looking for near and offshore outsourcing partners.

Many professional services like bookkeeping, law, HR, and healthcare administration are strictly governed by local regulations. This means that what flies in a Filipino tax office may not fly with the IRS, and vice versa.

That being said, the general advantages of outsourcing (cost savings, a flexible workforce, access to larger talent pools) still applies to professional services. And, as in marketing, if you want to access a foreign market, outsourcing professional services to a team in that country may be the best way forward for your business.

However, you have to be extra careful to comply with all applicable regulations, both domestic and foreign. Paying penalties for noncompliance is nobody's dream outsourcing scenario. And when you hire someone offshore or nearshore (or even out-of-state) to complete accounting or legal tasks for you, make sure your freelancer is familiar with the specific federal, state, and local regulations applicable to your business.

Despite these difficulties, the global market for professional services outsourcing is flourishing. For example, the value of outsourcing legal work is [projected to reach \\$8.7 billion by 2022](#).





North America

If you want to make use of the lower value of the Canadian dollar compared to USD, outsourcing professional services to **Canada** provides a great opportunity for you. With all the advantages of nearshore outsourcing, you can enjoy the safety of familiar business and legal environments, no language barrier, and high quality education. A Canadian lawyer earns on average about USD\$54,831 annually. (For reference, a similar position in the US pays around [USD\\$98,036](#) per year.)





Asia

India's legal system is largely based on the Anglo-Saxon law, **due largely to colonization and the region's relatively recent independence from British rule.** This history makes legal and other regulatory structures very similar to the US. This, combined with mostly satisfactory English skills, a big workforce and generally lower salaries creates excellent grounds for outsourcing. A corporate lawyer in India earns around **USD\$10,102** annually.

The **Philippines** provides similar advantages, enhanced by superior English skills. **Well-educated, flexible, and productive workers** are available to outsource your legal, accounting, HR, and any other professional tasks to. Hiring a lawyer in the Philippines would cost your business around **\$13,082** per year in wages.





Eastern Europe

Similarly to marketing and IT, Eastern European countries are an excellent source of well-educated legal, HR, accounting, etc. professionals with high-level English skills. Since salaries in the region are generally below the US salary level, you can save a considerable amount of money by employing Eastern European freelancers for professional services.

For reference, an accountant in **Poland** earns an average of **USD\$16,368** per year. The same position pays **USD\$15,433** in the **Czech Republic**, **USD\$17,112** in **Slovakia**, **USD\$8,772** in **Bulgaria**, and **USD\$13,223** in **Hungary**. All of these countries boast high English skills, an excellent education, and **cost-effective solutions to your business needs**.



Summary

Country	Typical Wages (USD)	Level of English	Reputation of IT workers
Canada	\$54,831	High	Good
Poland	\$16,368	High	Good
Hungary	\$13,223	High	Good
Czech Republic	\$15,433	High	Good
Bulgaria	\$8,772	Moderate	Good
Slovakia	\$17,112	High	Good
India	\$10,102	Moderate	Moderate to Good
The Philippines	\$13,082	High	Good

Conclusion



Whether you believe the overly optimistic forecasts about the growth of the global outsourcing market or not, it's hard to deny that outsourcing has far-reaching potentials for businesses and freelancers alike.

Onshore, nearshore, and offshore outsourcing all create many new jobs and previously unimagined opportunities for professionals around the globe. This corresponds to the expectations of the next generation of workers, who place an **extremely high value on workplace flexibility**.

Thus, outsourcing creates a perfect win-win situation for businesses looking for a dynamic, flexible workforce, and workers seeking flexible and challenging employment options.

Take the plunge and immerse yourself in the business opportunities outsourcing brings for your company.





50 Osgood Place,
Suite 220 San Francisco, CA 94133

start@veem.com
www.veem.com