

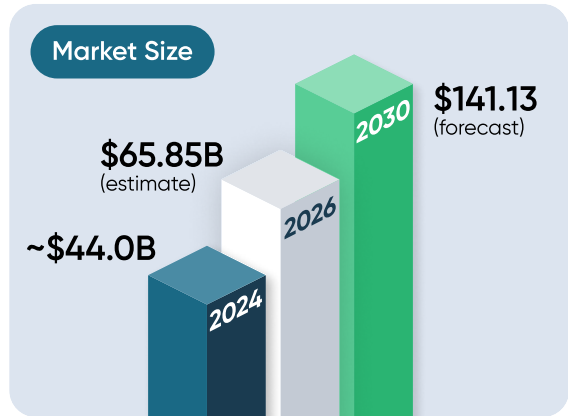


# Why Companies Choose External Tech Teams in 2026

## Why Companies Are Shifting to Custom Development

Off-the-shelf software often fails to match unique business processes, especially during digital transformation. Companies are actively investing in IT to stay competitive.

The global IT skills gap (especially in cybersecurity and AI) forces companies to seek external talent. Global software spending remains high, while demand for custom solutions grows because they provide a competitive advantage.



**22%** CAGR (2025-2030)

Source: The Business Research Company / GII

### Who Buys Custom Development?

#### Company size

##### Enterprise

- 60+ of revenue.
- Complex legacy systems require deep customization

##### SMEs

- Fastest-growing segment.
- Seeking flexible solutions without overpaying for mass-market products.

#### Industry

##### Leaders



**BFSI**  
(Banking & Finance)



**Healthcare**  
(EHR/EMR integration)



**Retail & E-commerce**

##### Growth sectors

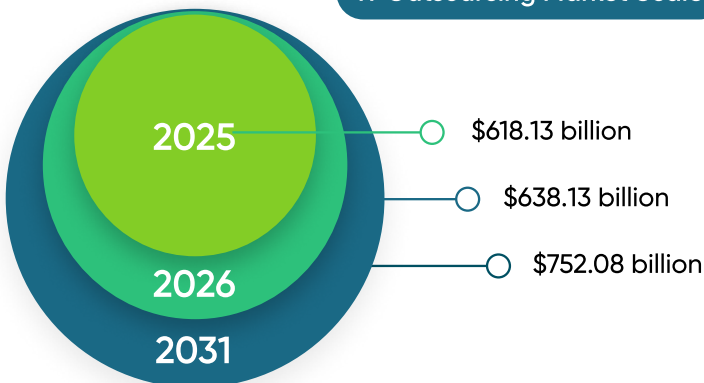


Logistics



Manufacturing

### IT Outsourcing Market Scale



**3.32%** CAGR (2026-2031)

Source: Statista, Mordor Intelligence

### What Is Most Often Outsourced?

#### Infrastructure Outsourcing

~45% of the market. Data center management, hybrid clouds and network security.

#### App Development & Maintenance

High demand for legacy system modernization.

#### Cloud-managed services

Fastest-growing segment (CAGR 3.44%) due to multi-cloud complexity (AWS, Azure, GCP).

#### Cybersecurity

Explosive demand (81% of companies outsource some security functions) due to staff shortages.

**Why Companies Choose Outsourcing**

**Access to Talent**

The #1 reason is access to external expertise in AI, cloud, and cybersecurity not available locally.

**Focus on Core Business**

Offloading non-core IT functions allows companies to focus on their product and strategy.

**Cost Efficiency**

51% cited savings as a driver for insourcing.

**Scalability**

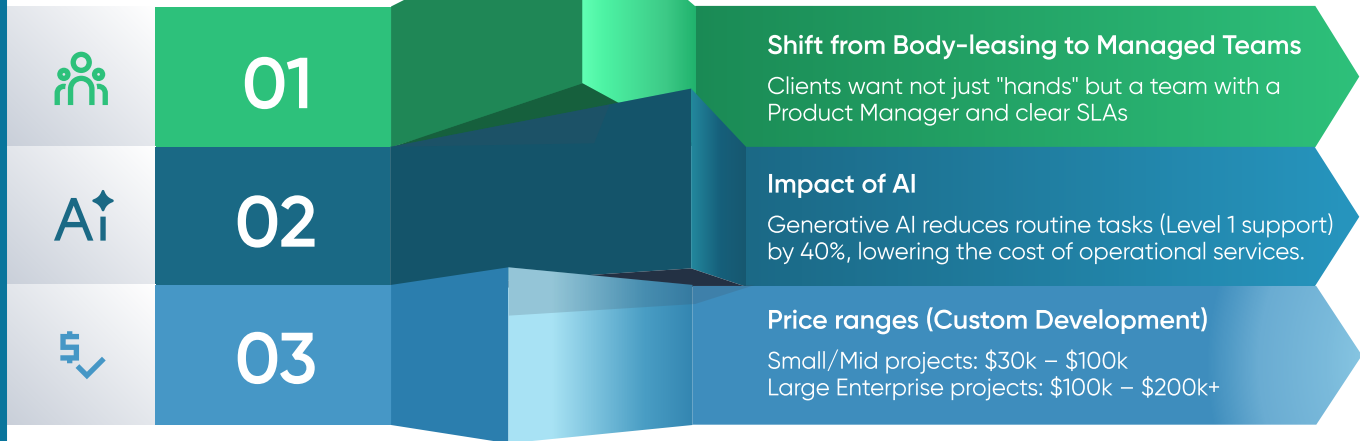
Organizations increase outsourcing specifically to scale teams flexibly based on business needs.

**Faster Time-to-market**

Outsourcing accelerates development through ready-made teams.

**Pricing Models and Costs  
(2026)**

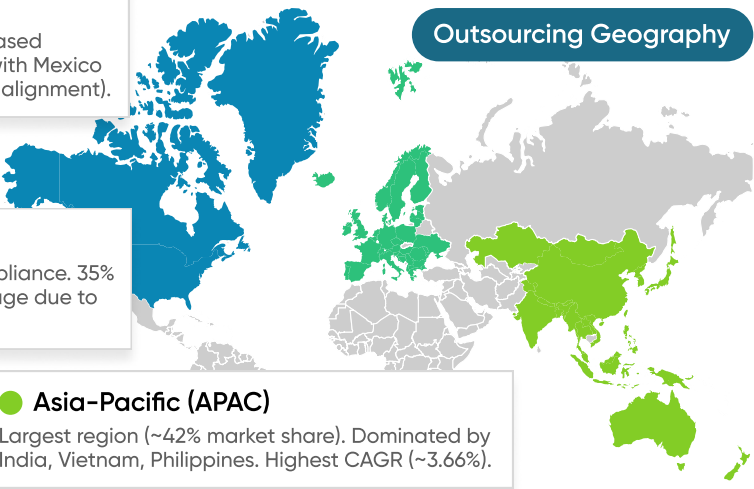
The market is moving away from simple time-and-materials toward outcome-based contracts.



**● North America**  
~24% market share. Shift toward outcome-based contracts. Growing nearshore partnerships with Mexico and Latin America (reduced latency, cultural alignment).

**● Europe**  
Demand for sovereign cloud and GDPR compliance. 35% of companies plan to increase nearshore usage due to geopolitical risks.

**● Asia-Pacific (APAC)**  
Largest region (~42% market share). Dominated by India, Vietnam, Philippines. Highest CAGR (~3.66%).



**IT outsourcing and custom development are strategic growth tools, not just cost-saving measures.**

1. In-house core for strategic tasks.
2. Outsourcing (preferably nearshore) for scaling, accessing AI/cloud expertise, and accelerating time-to-market.

Compiled using data from GII, Mordor Intelligence, Whitelane Research, The Business Research Company

*"As a partnership manager who is responsible for building relationship with clients, I see clients' main fear. It is a loss of control over quality and deadlines. But the reality of 2026 is this: companies are turning to outsourcing because it has high ROI."*



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