The fallout of Brexit and COVID-19 could fuel a rise in outsourcing

The impact that Brexit will have on attracting talent to the UK's scaling tech businesses has been a primary area of concern as companies adjust to life outside of the European Union (EU).

Temps de lecture : minute

6 May 2021

Skilled workers from the bloc have helped to fulfil demand for digital experts in recent years: indeed, compared to the rest of the UK economy, the digital tech sector has a higher proportion of non-UK nationals working in it. Nationally, this figure hovers around _13%_, and jumps to almost a third (31%) in London.

Now, Brexit threatens to diminish the talent pool available to British businesses, at a time of a well-documented skills crisis. This impending challenge will likely resonate with many tech entrepreneurs, with _research_ carried out by Tech London Advocates (TLA) revealing that the majority of UK tech founders (55%) feel that Brexit is the biggest threat to startup and scaleup companies, owing largely to the prospect of missing out on top international talent.

With all this in mind, as the UK adapts to life after Brexit and the ongoing challenges posed by the COVID-19 pandemic, there is still good reason to believe that companies will be in a strong position to find the skills they need to scale. Here's why…

COVID-19 and the remote working revolution

The combination of Brexit and COVID-19 has created fresh opportunities to explore new avenues for growth, and fuelled the ability to leverage international talent.

Since the beginning of the pandemic, remote working has become the norm, offering an obvious solution to getting around Brexit restrictions and hiring European talent. For example, the IT workforce in particular has shown in the past year that most roles can be adapted to suit a fully remote environment.

At the same time, the swift transition to digital has increased demand for tech jobs: _Tech Nation's Jobs and Skills Report 2020_ revealed that the number of advertised roles in the digital tech sector increased by over a third (36%) between June and August alone.

Business leaders might be scratching their heads questioning how they can recruit the right people given the increasing competition for talent. Positively, COVID-19 has proven that remote working can be a viable option, which opens the doors to opportunities further afield: indeed, it has never been easier to outsource tech development to overseas teams.

UK tech businesses seeking software development services, for instance, may now be increasingly open to leveraging the skills and experience of international service providers, which can be effectively managed through videoconferencing tools and collaboration platforms. It is a trend that we have certainly noticed here at The Souring Hub over recent months, with a sharp rise in enquiries from British companies looking to outsource certain aspects of their tech development.

Three things to consider when outsourcing

For tech businesses that are looking to outsource work to skilled external service providers for the first time, it can be difficult to know how to separate the wheat from the chaff. Below is some advice on best practices to follow when it comes to finding the right fit for your business.

1. Don't choose a vendor based solely on price

One of the greatest pulls of outsourcing offshore is the ability to complete development in a cost-effective manner. Due to the lower overheads and labour costs involved in the likes of Eastern Europe, software development teams in these flourishing tech hubs can deliver products of a high quality, but for a much lower price tag.

It can therefore be tempting to go for the cheapest option in an effort to make the biggest cost savings. But be warned – failing to find the right balance between cost efficiency and quality can leave you disgruntled with the results. I would therefore encourage business leaders to take the time to conduct careful due diligence on potential partners, to ensure a fruitful partnership.

2. Look for demonstrable tech and sector experience

This leads me onto my next piece of advice - evaluate vendors just as you would assess a prospective employee. It can be difficult to gauge whether a partner will effectively meet your expectations when you are located miles apart, so don't be afraid to ask questions and check previous work experience.

Businesses should choose companies that can provide two things: firstly, multiple case studies of creating the kind of tech you need, as well as examples of working with businesses in your industry. Demonstrable tech

and sector experience will help you review the vendor's capabilities within the specific context of your business needs.

A service provider's market reputation should also be fairly easy to assess from online reviews and feedback from past clients, which will offer a good impression of a company's history and an insight into their past projects and results.

3. Don't overlook cultural alignment

In outsourcing, the cultural fit is vital for a successful partnership, yet this is a factor that is often overlooked in the evaluation process. Before committing to a vendor, it is important to determine whether your companies share cultural values and will be able to communicate effectively throughout the project or ongoing relationship.

Only a partner who understands the needs and mission of their client will be able to effectively fulfil their expectations, so both sides must be aligned on their goals. Considering whether your businesses share a similar style of communication and a drive to make the partnership a success should form an essential part of the selection process.

The double threat of Brexit and COVID-19 will no doubt force businesses to review their practices and processes. UK businesses considering their options in the face of a growing talent shortage would do well to consider cooperating with international partners, which could help them retain their competitive advantage and access the skills needed to grow.

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engagement.

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