CODETE

Software Development
& IT Outsourcing
for the Remote Reality

Discover the benefits of hybrid software development teams
and unlock your business potential with remote IT outsourcing
and nearshoring

delivered by Codete

Digital Transformation in the New Normal

The new normal brought about by the COVID-19 pandemic made organizations worldwide:

- ➔ **rethink their business strategies**
- ➔ **rework their budgets**
- ➔ **reassess their infrastructure**
- ➔ **revise their resources**

At the same time, it **accelerated their digital transformation.**

Right now, IT outsourcing is in revival as markets such as the U.S. or DACH open to delegating their tasks to Central and Eastern Europe (nearshoring) besides faraway countries like India or China. Collaboration with European partners has its advantages, not only in terms of geographical but also cultural closeness.

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IT Team Models

Companies can operate in three basic IT team models:

Organic team

The IT team is consists of
in-house engineers only, usually
working in-office (with occasional
remote work)

Hybrid team

The IT team consists of both in-house,
often in-office engineers and external,
often remote specialists

Fully remote team

The IT team consists entirely of
external specialists, usually
working remotely

At Codete, we can support you with both individual specialists extending your in-house teams or complete dedicated, cross-functional software development teams. We know from experience how to make distributed teams work well together.

Benefits of Remote Collaboration with External Software Engineers

By extending your software development teams or outsourcing some of your tasks to external engineers, your company can:

➜ gain more time to focus on the core tasks
➜ get quicker access to top talents
➜ scale up or down on the go

By collaborating remotely, it can:

➜ become part of the global digitalization
➜ gain access to high-class specialists worldwide
➜ optimize the operational costs

In times of the COVID-19 pandemic and social distancing, remote collaboration is also the safest possible option.

IT Outsourcing:
What's Really in the Price

The working hours are just a tip of the iceberg when it comes to what constitutes the cost of a software developer's hourly rate.
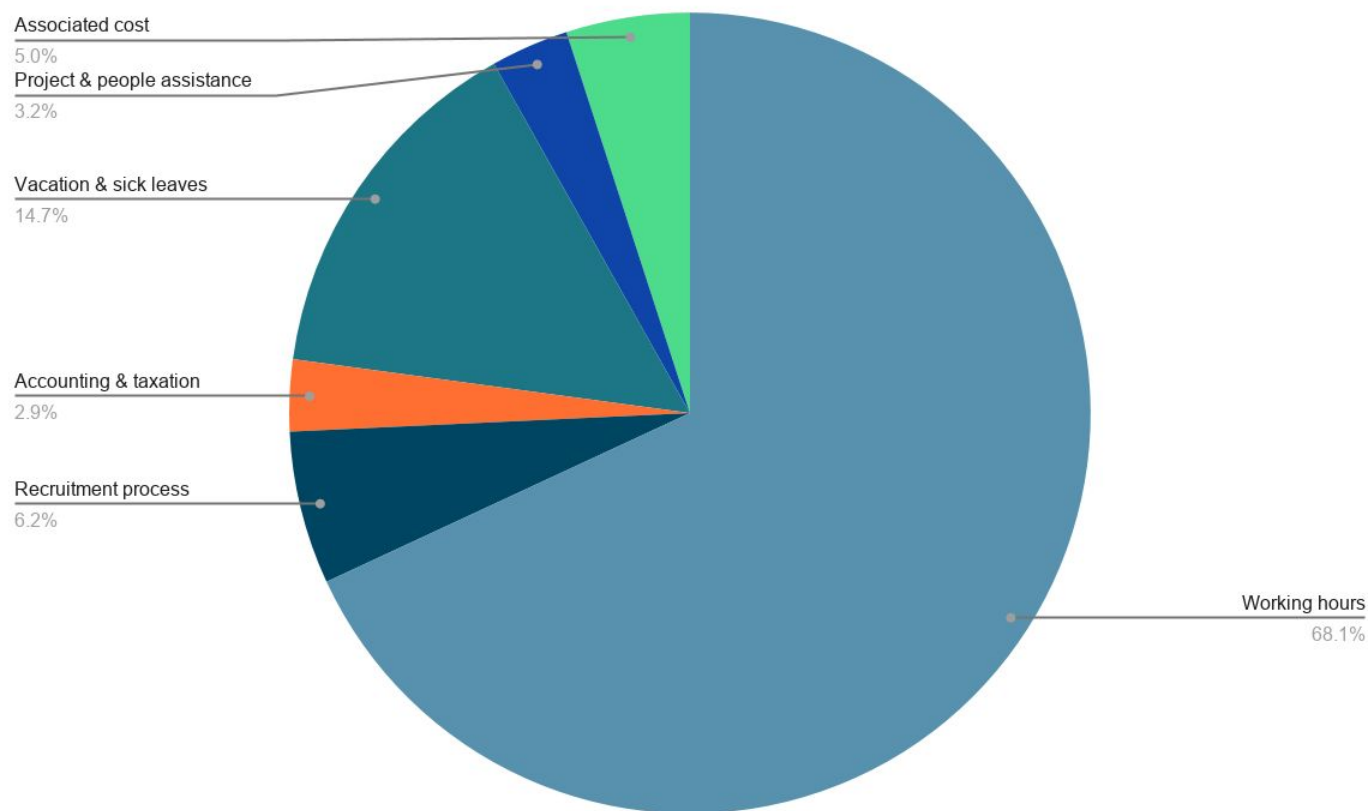
In reality, the hourly rate covers things such as:

- ➔ days off and sick leaves
- ➔ accounting and settlement of salaries and taxes
- ➔ currency risk

- ➔ sourcing, recruiting and evaluating new developers for the project
- ➔ exchanging developers in the project if necessary
- ➔ benefits and well-being of the engineers
- ➔ equipment and licenses

- ➔ professional development and knowledge exchange
- ➔ support in project management and problem solving
- ➔ the work per hour itself

What's really in the price of a software developer's hourly rate in the outsourcing model?

Associated cost
5.0%

Project & people assistance
3.2%

Vacation & sick leaves
14.7%

Accounting & taxation
2.9%

Recruitment process
6.2%

Working hours
68.1%

Outsourcing or nearshoring software development tasks to external engineers provided by a software company also means:

➜ one easy-to-terminate contract instead of multiple contracts
➜ flexible payment periods (up to three months instead of one month)
➜ additional resources guaranteed in case of delays

During the spring 2020 wave of the COVID-19 pandemic, we made sure to support our partners most affected by the lockdown.

When the circumstances allowed, we temporarily extended their payment periods. This enabled them to optimize their budgets for the time being, and all of the software specialists working for them on Codete's behalf still got their salaries on time.

It would've been more difficult if they hired all of their engineers directly on contracts of employment or as freelancers.

Monthly Cost Comparison: Outsourcing vs In-House Software Development

How does the total monthly cost of outsourcing a senior software developer compare with the cost of employing an in-house one?

Senior Software Developer			
Outsourcing Model **€7,650.00** Total monthly costs with Codete		**In-house Model** **€11,799.00** For a €6,000.00 monthly salary (net) based on Berlin	
Total monthly cost of outsourcing (including paid time off)	**€7,650.00**	Total monthly cost for the employer	**€11,799.00**
The average *effective* monthly cost of outsourcing (excluding paid time off)	**€6,525.00**	Monthly salary (gross)	**€10,640.00**
Working time	**€5,208.00**	Monthly salary (net)	**€6,000.00**
Total deductions	**€2,442.00**	Total deductions	**€5,799.00**

€45 = the average rate for an engineer's effective working hour

145h = the average number of effective working hours per month in 2020 in Poland

What's Behind the Cost of Hiring Dedicated Software Developers

What our clients are actually paying for when they hire our software developers?

Here's a breakdown of the average effective monthly costs of hiring a senior-level software engineer from Codete, excluding paid days off (like vacation, sick leaves, or parenting leaves as guaranteed by the Polish law) which are paid separately as-you-go in monthly invoices.

Percentage	Cost	Sum total in EUR	Calculation
79.82%	Working hours	€5,208.00	
7.25%	Recruitment process	€473.00	*recruitment team costs + job advertisements costs + employer branding costs + recruitment events costs + more /* *9 (average monthly number of new employees)* *= €5,210/employee* *On average, an engineer changes their project once per 11 months =* *€5,672/year = €473/month per job position*
3.69%	Associated cost	€241.00	*office costs + equipment + tools and subscriptions + more /* *151 (number of engineers) / 12 months* *= €382/month per engineer*

What's Behind the Cost of Hiring Dedicated Software Developers

Percentage	Cost	Sum total in EUR	Calculation
5.85%	Project & people assistance	€382.00	*operations team costs + overlaps + probation periods + more / 151 (number of engineers) / 12 months = €241/month per engineer*
3.39%	Accounting & taxation	€221.00	*accounting team costs + payroll team costs + employer taxation costs / 192 (number of all employees) / 12 months = €221/month per employee*
		€6,525.00	

€45 = the average rate for an engineer's effective working hour

145h = the average number of effective working hours per month in 2020 in Poland

The Cost of Hiring In-House Software Developers on the example of Berlin

Depending on seniority level, software engineers in Berlin can earn between €4,000.00 and €7,500.00 net monthly on employment contracts.

Here's a breakdown of the total costs for the employer (based on custom research).

Percentage (ca.)	Cost	Sum total in EUR	Calculation
90.2%	Employee's gross salary	€10,640.00	*Total cost for the employer minus the employer's part of social security cost.*
49.2% ↓	Total deductions ↓	€5,799.00 ↓	
9.9%	*Employer's social security cost*	*€1,159.00*	*The social security cost is split approximately 50/50 between the employer and the employee.*
9.9%	*Employee's social security cost*	*€1,171.00*	
29.4%	*Payroll taxes*	*€3,469.00*	
50.8%	Employee's net salary	€6,000.00	
	Total cost for the employer	**€11,799.00**	

Employment contracts come with:
  ➔ unlimited contract period (most often)
  ➔ trial periods and notice periods
  ➔ strict rules for contract termination
  ➔ overtime limits and high statutory overtime rates

Additionally, hiring a team of in-house software engineers equals signing multiple contracts.

With outsourcing, one contract seals the deal.

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IT Outsourcing Contracts

There are three basic types of contracts for hiring external software engineers:

Hybrid contract

Fixed-price contract

Client pays for the time of work of hired software developers and their expertise, but monitors their progress in weekly or bi-weekly sprints (based on Agile methodologies)

Time-and-materials contract

Client pays for a product developed within a given timeframe

Client pays for the time of work of hired software developers and their expertise

We're flexible, but for most of our collaborations, we recommend a hybrid contract. It's the right choice for clients that want to have the most control over the project, especially for companies that hire external specialists for the first time. This model allows our partners to pay precisely for hours spent on development while still keeping an eye on the progress of their project.

Why Codete?

Codete is more than a software house.

We're a trusted partner in software development and IT consulting. We focus on delivering the best solutions for our clients, not just on writing code.

Our services include:
➔ audit and consulting
➔ research and development
➔ dedicated software developers
➔ workshops and trainings

We're always ready to provide our clients with additional resources and expertise.

➔ 90+ IT specialists on board
➔ 70+ projects in portfolio
➔ 10+ years on the market

Top languages and frameworks:

JavaScript, Angular

React, Vue.js

Java, Python, PHP, Node.js

.NET, Ruby on Rails

Kotlin, Swift

... and beyond!

More than 50% of our employees are senior-level specialists or higher!

We're at the heart of Europe with offices in:

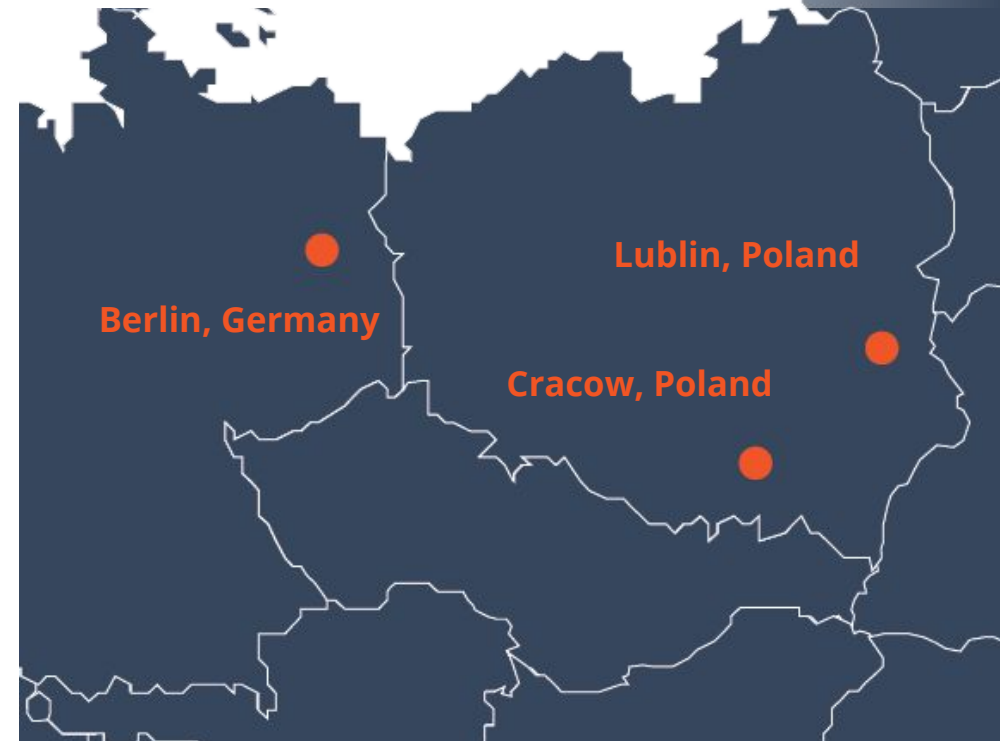**We're flexible, client-oriented, and agile in remote.**

We're experienced in working:

➔   with companies of all sizes, from startups to corporations
➔   with partners across the globe, from the U.S. to Hong Kong
➔   with top technologies, such as Big Data, AI and machine learning, Blockchain, or cloud
➔   on projects from a wide range of industries like e-commerce, fintech, healthtech, and more!

Here are some of the challenges being solved by Codete's software engineers daily:

➔   processing 5,000 images and videos per second
➔   comparing 45,000 language courses on the go
➔   gathering and analyzing research data from 100 countries in real time
➔   helping 30,000 users worldwide manage their intelligent energy systems
➔   making cloud printing possible for 1,000,000 users globally

Lublin, Poland

Berlin, Germany

Cracow, Poland

We care for our clients and our developers!

We've got years of experience in building location-independent software development teams in tune with our partner's company culture.

The Perfect Blend

From our decade-long experience, we can say that there are two types of software developers:

➔ engineers who focus on the growth of their employer more than their own
➔ engineers who focus primarily on their own professional growth as a technology specialist

Both of them are fantastic specialists, but they're best suited for different kinds of jobs.

Business-oriented engineers:

➔ make great in-house specialists
➔ are interested in multiple topics in the company (even outside technology)
➔ are willing to make extra effort for the good of their company
➔ can hinder their own professional growth for the benefit of their employer

Technology-oriented engineers:

➔ make great dedicated engineers
➔ are driven by making progress and acquiring new skills in their field
➔ put their own professional growth before the benefit of their employer
➔ can bring unique know-how to the company they work for

To make the best out of both types of software developers for your business, consider a **hybrid model**.

In-house business-oriented engineers	**+**	External technology-oriented engineers	**=**	The perfect blend of engagement and innovation

Space Where Talents Thrive

We make sure to attract top talents to Codete and provide them with a growth-friendly environment.

We offer continuity and stability of employment

➔   Thanks to our vast portfolio, our developers always have a project to join. If the need arises to wait between projects, we keep them on the bench!

➔   Our developers can switch between projects and technologies.

We support professional and personal growth

➔   We're actively building a knowledge-sharing culture within our company, but also outside it.

➔   We organize and participate in many IT community events. We even have our own meeting space and series of online talks (*Codete Speech & Teach*).

Our developers are always well-rewarded for their work

➔   Our engineers receive a fixed monthly salary with all social benefits guaranteed by the Polish labor code (vacation, sick leave, etc.) and it's always on time!

➔   We offer private healthcare access, sports cards, and provide all the necessary equipment and licenses.

Our teams are not just colleagues, they're friends

➔   We do our best to build a supportive environment for our team.

➔   There's always something happening at Codete: team-building initiatives, sports challenges, away days, or charity events.

What draws senior-level, professional growth-oriented engineers to software houses like Codete?

The answer is: a safe and stable environment for growth.

Software house developers:

➔ can switch between technologies and projects while having a stable job in one company

➔ are a part of a knowledge-sharing community and can draw from the know-how of engineers in different projects

➔ can work for clients across the globe while having a stable job in their country of choice

➔ can count on their company to facilitate regular, effective communication between them and the client they work for

➔ consider change as something natural

In-house developers in product companies:

➔ changing technologies or projects usually means changing their job

➔ can learn only from software engineers in their product team or outside the organization

➔ are usually limited to working in countries their company operates in

➔ have no mediator between them and their employer

➔ may consider change as a challenge and source of anxiety or frustration

Freelance developers:

➔ changing technologies or projects usually means changing their client

➔ can't rely on any internal knowledge-sharing communities

➔ can work for clients worldwide, but their job isn't stable

➔ have no mediator between them and their client

➔ consider change as something natural, yet it may be a source of anxiety due to the lack of a safe environment

Client Testimonials

See why our clients enjoy working with us:

Michael Reich
Co-Founder, Language International

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„The quality of the people that they put on our project was really good, which leads to good communication, high productivity and high output. They're very flexible in arranging the process so it works for us. We moved from a haphazard to a much more systematic process as a result of their work."

Franco Sterl
Former Director of Digital Marketing, Leonardo Hotels

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„Since working with them, our company has become much more flexible and agile in our development methodologies. Additionally, they implemented much more cost-effective technological solutions that have modernized our company. (…)
They're everything we could want from a project management standpoint: agile, flexible, and transparent. There aren't any surprises when working with them, which is ideal. We communicated through Jira and Confluence."

Michel Gagnon
Strategic Advisor, Stun and Awe

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„Working with Codete is a real pleasure. The team always truly listened to our ideas and needs. We had weekly calls to track our progress on the project, exchange ideas, and plan the next steps. It didn't feel like working with a vendor, but rather working as one team."

Sebastián Nepote
CTO, Helpling

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"We're very satisfied with the workflow that we established. For daily collaboration, we used Confluence and JIRA. Overall, the Codete team and the engineer that we worked with on a daily basis are very communicative and easy to get along with."

Maria Gabriella Brodi
EVP DevOps, WeSuite

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„The time shift was a bit of a challenge at the beginning, but we found a proper rhythm pretty soon and the communication has been smooth. (...) The expertise of each member of Codete team has always been solid and they set a high bar for any members of the group. Codete created a nice work environment providing intellectual challenges and fairness to their employees."
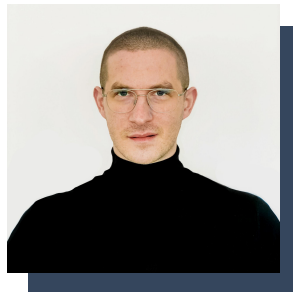
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CODETE

How can we help you?

Let's talk about your project!

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