Guide

10 TACTICS FOR COST-EFFECTIVE SOFTWARE DEVELOPMENT

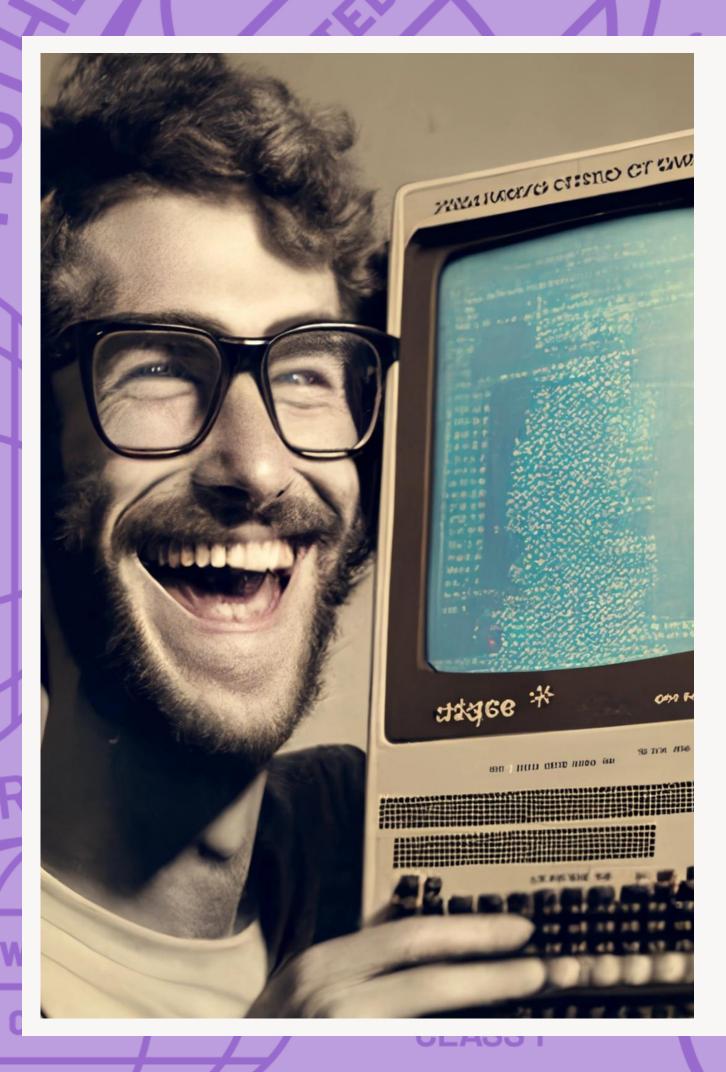WITTED INC. DEPARTMENT OF FORTUNE TELLING

ABOUT THIS GUIDE

This guide provides tips for cost-effective software development. First you'll learn which factors affect the price of software development. After that, 10 smart approaches for cost-conscious software development will be presented.

It's good to remember that every software project is different. The best way to achieve cost-efficiency is to carefully evaluate the requirements of your software project and choose suitable approaches based on them.

THE PRICE OF SOFTWARE DEVELOPMENT

The price of software development consists of several different factors, and the price of each factor can vary greatly between projects and organizations. Here are the most common ones:

➔   **Labor costs**

Software development projects often require a large number of developers, designers, test engineers and other personnel. The salaries, tools, bonuses and other benefits of these employees make up a large part of the total costs of software development. The skills and experience of the digital professionals as well as whether they are on the company's payroll or outsourced consultants also affect the amount of labor costs.

→ The scope of the project

The length, scope and complexity of the project affect the total costs of software development. Naturally, the bigger and more complex the project, the more resources, time and money are needed.

→ Used technologies and tools

Some software development technologies and tools are more expensive to use than others.

→ Hardware and software licenses

Software development and testing often require different kinds of hardware, such as computers, servers and testing devices. In addition, different software licenses, libraries and cloud services may be needed, which will cause additional costs.

→ Risks and schedule

If software project involves a lot of risks or has tight schedule, it is reflected in the pricing. For example, the lack of needed expertise is a significant risk that can delay the project. Schedule pressure, on the other hand, can increase the amount of work and thus increase costs.

→ Training

Training costs associated with software development projects can be significant, when organizations strive to ensure digital professionals are up-to-date with the latest tools and methods.

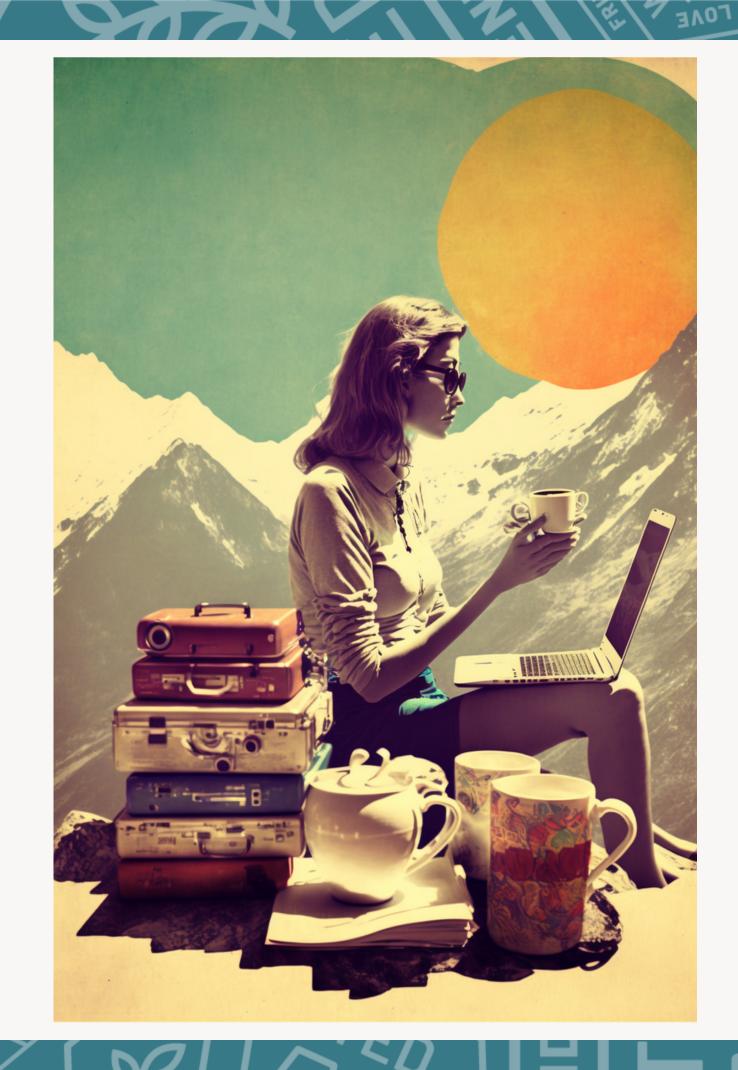### → Project management and documentation

Project administration and documentation costs include, for example, the use of project management tools, documentation maintenance and version control.

10 TACTICS FOR COST-EFFECTIVE SOFTWARE DEVELOPMENT

→ **1 Hire the right person at the right time**

When you need an expert urgently or for a short period of time, consultants are an excellent option. On the other hand, if the need for talent is longer and more stable, you can recruit an employee. You could also hire a consultant to get the work started while you look for the perfect employee. This way the project will not be delayed.

Recruiting requires significantly more time and money: You pay for the time spent on recruitment, onboarding, wages, equipment, fringe benefits, and more. With consultants, you only pay for the work done. If there are intermediaries between the consultant and you, make sure that the supply chain is as short as possible to guarantee cost efficiency.

➔ ## 2 Boost project management

Effective project management helps ensure that the project stays on budget and on schedule. To secure this, appoint both a project manager and project owner for the project. Another factor smoothing the project is the ability to find the needed experts quickly for different phases of the project. The key factor here is the extent of your network.

➔ ## 3 Automate testing and quality assurance

Save time and resources by automating testing and quality assurance. With test automation, you can speed up the process and reduce the costs of manual testing.

➔ ## 4 Take advantage of ready-made libraries and modules

Instead of developing everything from scratch by yourself, take advantage of ready-made and tested modules and libraries.

→ ## 5 Update regularly

Keep your software up-to-date with regular updates. This helps you to avoid problems and unexpected costs in the future.

→ ## 6 Pay attention to documentation

'Open communication and clear documentation reduce the possibility of errors and save time and resources.

→ ## 7 Use agile methods

By using agile development methods such as Scrum or Kanban, you can effectively adapt to the changing requirements of the project and reduce redundant work in the development process.

→ ## 8 Use cloud services

By using cloud services, you can reduce the maintenance costs of your own infrastructure and servers. You can choose the service provider that suits your needs and pay based on usage.

→ ## 9 Take advantage of remote work

You can reduce the need for office space and related costs by offering remote work opportunities to your staff. You can also save on costs by using near - or offshore services.

→ ## 10 Focus on essential functionalities

Clearly define the functionalities that are necessary for your product or software. Avoid excessive feature overload as it can increase the development and maintenance costs unnecessarily.

→ ## Extra: Use open source solutions

Avoid the costs associated with software licenses by using open source solutions whenever possible. In addition to cost-effectiveness, the benefits of open source include security, transparency, as well as flexibility and adaptability.

WITTED

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- A 500+ strong Nordic software consulting company, offices in Finland, Norway, Sweden, Denmark and US.

- Revenue 53 MEUR in 2022

- Listed on NASDAQ First North Growth Market.

- Winning the talent war with unique employee offerings in several Witted companies including Witted Partners, Mavericks, Talented and NeXec.

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Hire the right people and become a more appealing employer

BUSINESS AND DIGITAL TRANSFORMATION

Secure your competitive advantage

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