

Witted

Guide

THE STATE OF NORDIC SOFTWARE CONSULTING IN 2023



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SUCCEED BY ADAPTING TO THE NEW RULES OF THE CHANGED MARKET

This guide discusses the observations from the Nordic software consulting market from the first half of 2023. How has the market landscape changed and what are the new realities?

By understanding the new environment you operate in, you can adapt and succeed.



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MARKET LANDSCAPE REVIEW

The Nordic software consulting business dealt with a challenging environment in the first half of 2023: Less projects, more available consultants, more competition over projects, heated price competition, and even change negotiations. Read on to grasp the key elements of the changed market environment.

→ More competition over projects

Steady decrease of the project supply was present throughout the first half of 2023 in Finland, Norway and Sweden. Less projects means more available consultants, both software freelancers and consultancies' employees, and more competition over projects. Sadly, the market also saw change negotiations, which also freed super experienced talent to the market.

→ Price competition

Consultancies' growing bench increases the number of available consultants on the market notably. As a response to increased competition, consultancies try to win projects by offering lower prices. The price competition affects software freelancers, too.

In Sweden, consultancies have been selling their benched consultants with significantly lower prices. Also software freelancers have had to decrease their pricing to remain competitive.

In Finland, software freelancers' hourly price requests haven't yet fully adapted to the changed market environment and are still rather high. In order to minimize time between projects and to stay competitive, freelancers have to eventually adapt to the current market price level. Some consultancies, in turn, try to empty their bench by selling consultants even at unsustainable prices.

In Norway, the price competition hasn't yet heated us as much as in Finland and Sweden. Even though the competition for projects has increased in the private sector, software freelancers haven't dropped their prices notably. Like their Finnish peers, also Norwegian software freelancers have to keep an eye on the market and make adjustments in order to stay competitive and minimize the time between projects.



→ Thriving industries

There are a few clear successes on the market: Finance, defense industry, energy, climate tech, and health tech industries thrive despite the challenging market environment.

→ Aware clients

Clients' capability to lead software projects, purchase consultants and utilize the current market environment has increased notably. For example, clients are aware of the current price level and suppliers don't stand a chance if they try to sell overpriced talent.

Moreover, clients don't rush with decision-making. Clients are willing to see what kind of talent and skills are out there available for gigs, but are not in a hurry to outsource. Preferably, clients aim to solve their talent needs internally. The most important thing, however, is to find a talent that matches the client's needs 100% and retain a good price-quality ratio.

HOW TO ATTRACT THE BEST SOFTWARE CONSULTANTS TO YOUR PROJECTS

If your company secures its software development by filling in the development team's missing resources and competence with external software consultants, this part is for you. Here we share our insight on what kind of companies and projects are the most appealing for Nordic senior software consultants.



Greenfield

Building something completely new from scratch is exciting! If the technical problem to be solved is new and innovative – even the first of its kind – or otherwise exceptional, software consultants are dying to work on the project.



Trending domains

Like mentioned earlier, finance, defense industry, energy, climate tech, and health tech industries thrive despite the challenging market situation and are therefore appealing for talents. Accountable and ethical companies and industries are also very attractive at the moment – software professionals want to make the world a better place.

→ Modern technologies

Companies that use modern programming languages like React, TypeScript, JavaScript, Vue, Node, Go, Rust, Swift, and React Native, attract software consultants better than those using old-fashioned technologies.

Of course, not everything that's old is bad. For example, Java, C++, C and Python have been around for a long time and are most likely not going anywhere any time soon, if ever.

→ Inclusiveness

Companies that have succeeded in creating an inclusive and relaxed atmosphere – no gap between internal team members and external consultants – receive praises from software consultants. No one likes a workplace where you have to be on edge or feel like an outcast.

→ Experienced team

Top talents attract other top talents. Moreover, experienced teams often come with fit development practices such as quality assurance, modern development environment and open communication. Also psychological safety is super important – even the most experienced talents don't know everything and like to spar with and learn from others.

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Building software capabilities and teams

- 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
- Building the best IT work life with unique employee offerings in several Witted companies including Witted Partners, Mavericks, Talented and NeXec.

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DEVELOPERS & DIGITAL TEAMS

Accelerate your software development and secure its continuity

TALENT ACQUISITION AND EMPLOYER BRANDING

Hire the right people and become a more appealing employer

BUSINESS & DIGITAL TRANSFORMATION

Secure your competitive advantage

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A light blue map of the Nordic region and the United States. The map shows the outlines of Norway, Sweden, Finland, and Denmark, as well as the eastern part of the United States. Black dots indicate office locations, with labels in all caps: OSLO, STOCKHOLM, COPENHAGEN, TURKU, HELSINKI, TAMPERE, OULU, and NEW YORK CITY.

OSLO ● STOCKHOLM ● COPENHAGEN ● TURKU ● HELSINKI ● TAMPERE ● OULU