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UKRAINE'S IT OUTSOURCING COMPANIES PERFORMANCE

IT outsourcing can be defined as a multifaceted business strategy that covers the ability to outsource non-core work to an external vendor who has the required competence and experience to execute operations more effectively than the internal vendor (i.e., the company itself); not so much the opportunity to reduce costs, but the provision of strategic result orientation; the opportunity to release funds and invest them; fast access to constantly updated technical and market knowledge and experience in the industry; the possibility of solving a production problem outside the company, which makes it possible to increase the labour productivity of this company [1; 2; 3].

Rapid development of the Ukraine's IT outsourcing and its strong positions are proved by a series of worldwide known rankings (the Global Sourcing Association, A. T. Kearney Global Services Location Index, Gartner, Tholons Services Globalization Index, Fortune 500, HackerRank, TopCoder Ranking etc.). In 2019, 19 representatives of the Ukrainian IT market were included in Best of the Global Outsourcing100 list. They are N-iX, SoftServe, Ciklum, Eleks, Infopulse, Intellias, Sigma Software, Miratech, AMC Bridge, Softengi, Program-Ace, Epam, Luxoft, Svitla Systems, Team International Services, Intetics, and Softjour. In 2018, the rating included 18 IT outsourcing companies with development centers in Ukraine. This is 5 companies more than in 2017, and 8 more than in 2016 [4]. Several IT outsourcing companies originating in Ukraine grew into technology giants with offices worldwide (Ciklum, DataArt, Infopulse, Lohika, Miratech and SoftServe). At the same time a number of foreign outsourcing companies like EPAM, GlobalLogic, Luxoft have multiple offices in Ukraine, which now stands as a major R&D hub for these global IT service providers [5]. But the domestic demand for IT services is low, since for most local players, digitalization is not the priority tasks. In order to change this [5; 6], IT industry representatives need to take the first step by providing their services to local organizations or institutions pro bono and considering their work in the domestic market as corporate social responsibility, an investment in the future. One of the key issues remaining are also fiscal policy and the possibility to have preferential conditions for the IT industry development in particular.

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