K&C

K&C GUIDE · EDITION 2027

IT Outsourcing Guide 2027

How to source engineering capacity in the year AI moves from pilot to production. Market data, talent figures, sourcing models, AI-driven development, AI enablement of existing systems and a vendor checklist for decision-makers in Europe, the MENA region and beyond.

Market & spending | Talent gap | Sourcing models | AI-driven development | AI enablement | NIS2 & AI Act | Vendor checklist

Beyond Outsourcing®
Krusche & Company GmbH · Munich

Published October 2026
All figures with source references

AT A GLANCE

Five findings that shape sourcing decisions for 2027

Budgets for IT services are growing worldwide, skilled engineers remain scarce in Europe's largest markets, and AI is now part of daily engineering work. What separates good sourcing decisions in 2027 is how well a partner turns AI into reliable delivery on the systems you already run.

$1.87T
IT SERVICES 2026

Demand for external IT services keeps growing

IT services is the largest category of worldwide IT spending, forecast to pass US$1.87 trillion in 2026. 80% of executives plan to maintain or increase their investment in third-party outsourcing.

Sources: Gartner, IT spending forecast, April 2026 · Deloitte, Global Outsourcing Survey 2024

72%
STRUGGLE TO HIRE

Talent stays scarce, and AI skills are the scarcest

72% of employers worldwide report difficulty filling roles, and AI skills are now the hardest to find. The EU is set to miss its 2030 target of 20 million ICT specialists by around 5 million.

Sources: ManpowerGroup, Talent Shortage Survey 2026 · Eurofound, July 2026

84%
DEVELOPERS USE AI

AI is standard in development. Trust is not

84% of developers use or plan to use AI tools, but only 33% trust the accuracy of the output. Google's DORA research finds that AI amplifies a team's existing strengths and weaknesses.

Sources: Stack Overflow Developer Survey 2025 · Google Cloud DORA, State of AI-assisted Software Development 2025

39%
SEE EBIT IMPACT

Most companies stand at the start of AI

Worldwide, 88% of organisations use AI, but only 39% report any EBIT impact and just 23% are scaling AI agents. Most of the work still lies in data and in connecting AI to existing systems.

Source: McKinsey, The State of AI in 2025 (n=1,993)

2 Dec
2027 DEADLINE

Regulation sets the 2027 calendar

NIS2 makes supply-chain security a management duty across the EU. EU AI Act obligations for stand-alone high-risk AI systems apply from 2 December 2027 to every provider serving the EU market, wherever it is based.

Sources: Directive (EU) 2022/2555 (NIS2) · Digital Omnibus on AI, provisional agreement of 7 May 2026

CONTENTS

01 The market in 2027 3
02 Talent: engineers stay scarce 4
03 Sourcing models & locations 5
04 AI-driven development 6
05 AI enablement of existing systems 7
06 Regulation & security 8
07 Vendor checklist 2027 9
08 About K&C · Sources 10

01 · THE MARKET IN 2027

Spending grows. The buying logic changes.

Worldwide IT budgets are expanding faster than forecast, driven by AI infrastructure, software and cloud. Outsourcing grows with them, but buyers now expect skilled talent and speed alongside lower cost.

Worldwide IT spending 2026

$6.31T +13.5%

Gartner, forecast of 22 April 2026

IT services, the largest spending segment

$1.87T

Gartner, forecast of 22 April 2026

Worldwide IT outsourcing revenue, 2026 projection

$634bn

Statista Market Insights, IT Outsourcing – Worldwide

Forecasts keep moving up

In February 2026, Gartner expected worldwide IT spending of US$6.15 trillion for the year. Two months later it raised the figure to US$6.31 trillion, citing sustained momentum in AI infrastructure, software and infrastructure-as-a-service. Data center systems show the fastest growth, at 55.8%. **(Gartner, Feb. & Apr. 2026)**

Outsourcing and insourcing now run in parallel

Deloitte's Global Outsourcing Survey of more than 500 executives shows a market that is rebalancing:

- **80%** plan to maintain or increase investment in third-party outsourcing.
- **70%** have selectively brought previously outsourced scope back in-house over the last five years.
- **83%** already use AI as part of their outsourced services.
- **70%** say their vendor management function is not fully mature.

Skilled talent and agility have joined cost reduction as key reasons to outsource. **(Deloitte, Global Outsourcing Survey 2024)**

OUR READING FOR 2027

Three shifts in how companies buy

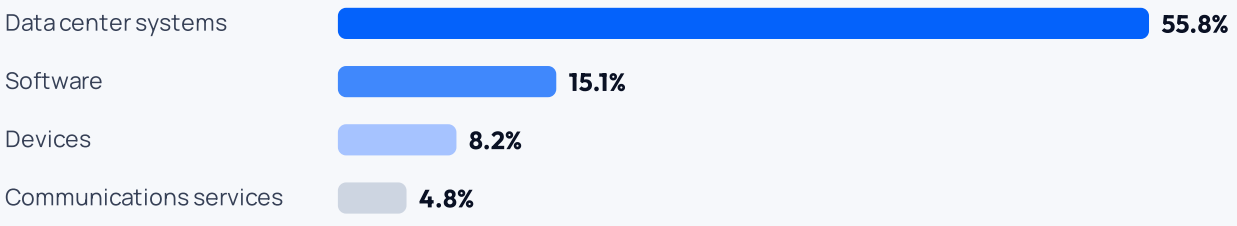
01 **From headcount to capability.** Buyers pay for teams that bring AI-ready engineering practices with them.

02 **Hybrid by design.** Core product knowledge stays in-house. External teams add capacity and specialist skills around it.

03 **Governance as a deliverable.** With vendor management still immature in most firms, the partner's reporting, security evidence and AI policy become part of what you buy.

Where 2026 IT budgets grow fastest

Growth vs. 2025, worldwide



Source: Gartner, worldwide IT spending forecast, 22 April 2026. AI infrastructure is the main driver of data center growth.

02 · TALENT

Engineers stay scarce. AI skills are now the scarcest.

Employers in almost every market struggle to hire skilled people, and for the first time AI skills top the list of hardest-to-find capabilities. Europe shows how wide the gap between demand and supply has become.

72%

of employers worldwide report difficulty filling roles

ManpowerGroup 2026, 39,063 employers, 41 countries

No. 1

AI skills are now the hardest skills to find, ahead of engineering and IT

ManpowerGroup 2026

57.5%

of EU enterprises recruiting ICT specialists had hard-to-fill vacancies

Eurostat, reference year 2023

~5M

ICT specialists the EU is set to fall short of its 2030 target of 20 million

Eurofound, July 2026

A shortage across markets and industries

The information industry faces the most severe shortage of any sector, with 75% of employers struggling to fill roles. Large organisations are hit hardest: 75% of companies with 1,000 to 4,999 employees report difficulties. Among Europe's largest economies, the rate reaches 83% in Germany, 74% in France and 73% in the UK. **(ManpowerGroup 2026)**

The EU employed 10.45 million ICT specialists in 2025, 5.0% of total employment. Growth continues, but too slowly for the Digital Decade target of 20 million by 2030. **(Eurostat 2025 data · Eurofound 2026)**

Employers look beyond borders

The share of ICT specialists in the EU coming from outside the EU rose from 9% in 2021 to 12% in 2024, and Eurofound calls labour migration an increasingly important recruiting channel. Globally, 18% of employers are expanding location flexibility to find talent. **(Eurofound 2026 · ManpowerGroup 2026)**

Why hiring stays hard

A representative survey in Germany, the EU's largest ICT labour market, names these obstacles among companies with open IT roles:

OBSTACLE	SHARE
Insufficient professional qualification	43%
Candidates lack knowledge of the latest technologies	33%
Virtually no applications at all	31%

Source: Bitkom, Arbeitsmarkt für IT-Fachkräfte, September 2026

The skill profile is moving, too: in the same survey, 63% expect AI skills to be required in every IT role, and 74% expect steering and controlling AI to become more important. **(Bitkom 2026)**

OUR READING FOR 2027

The question shifts from *"can we find developers?"* to *"can we find people who steer AI in delivery?"* Sourcing across several countries, with English as the working language in engineering, widens the pool considerably, wherever your headquarters is.

03 · SOURCING MODELS & LOCATIONS

Choose the model by the risk you want to keep.

Every sourcing model divides responsibility differently. Start with what you must control yourself, then pick the model and location that fit around it.

Engagement models compared

MODEL	WHAT YOU BUY	WHAT YOU KEEP	FITS WHEN
Freelancers	Individual specialists, short notice	Everything: management, quality, continuity	Narrow, short-term skill gaps
Team Extension	Vetted engineers who join your team and work in your process, short-term or long-term	Product ownership, delivery management	You have strong engineering leadership and need capacity fast, for a peak or permanently
Delivery Hub	A complete team with its own delivery management, accountable for results	Product vision, priorities, acceptance	New product streams, modernisation, AI enablement programmes
Fixed-scope project	A defined result at a fixed price	Requirements and acceptance	Stable, well-specified scope
Captive centre (GIC)	Your own entity abroad	All risk, setup and operations	Large, permanent scale and long horizon

Locations compared

LOCATION TYPE	TIME OVERLAP WITH CENTRAL EUROPE	DATA PROTECTION	TALENT DEPTH	COST LEVEL
Onshore (client's own country, EU)	● Full	● GDPR applies directly	○ Often tight (see p. 4)	○ Highest
Nearshore, EU (e.g. Poland)	● Same time zone	● GDPR applies directly	◐ Large, competitive	◐ Medium
Nearshore, non-EU (e.g. Egypt)	● +1 hour	◐ Needs transfer safeguards, e.g. SCCs	● Large, young, growing	● Lower
Offshore, far	○ Partial (+3.5 to +7 h)	◐ Needs transfer safeguards	● Large	● Lower

Qualitative comparison by K&C. ● favourable ◐ medium ○ limited. SCCs = EU Standard Contractual Clauses for transfers of personal data outside the EU/EEA. For clients in the Gulf region, delivery from Cairo or Sulaymaniyah means the same or an adjacent time zone.

ICT graduates in Egypt every year, out of 760,000+ university graduates

50,000

ITIDA, November 2025

Egypt's digital offshoring exports, 2025 (2022: US$2.4bn)

$4.8bn

ITIDA, November 2025

TIP

Combine locations. An EU hub for work on personal data and a non-EU hub for scale gives you both compliance comfort and capacity.

04 · AI-DRIVEN DEVELOPMENT

AI writes more of the code. Someone still owns the result.

AI coding tools are now part of daily engineering work. The research agrees on one point: speed gains depend on the process around the tools. When you outsource development in 2027, that process is what you are really buying.

90%
of software professionals use AI at work
DORA 2025, ~5,000 respondents

51%
of professional developers use AI tools daily
Stack Overflow 2025

46%
actively distrust AI output accuracy; 33% trust it
Stack Overflow 2025

90%
of enterprise engineers will use AI code assistants by 2028 (early 2024: <14%)
Gartner, July 2025

What the evidence says

AI amplifies. Google's DORA report finds that AI strengthens high-performing teams and magnifies the problems of struggling ones. More than 80% of respondents report higher productivity, and AI adoption now correlates with higher delivery throughput. (DORA 2025)

"Almost right" costs time. 66% of developers name AI answers that are almost right, but not quite, as their top frustration. 45% say debugging AI-generated code takes more time. (Stack Overflow 2025)

Perception is not measurement. In a randomised trial with 16 experienced developers on 246 real tasks in large codebases they knew well, using early-2025 AI tools made them 19% slower, while they believed they were 20% faster. (METR, July 2025)

Agents are spreading. Stack Overflow's May 2026 pulse survey reports that agent use has almost doubled since 2025, to 59%. Gartner expects 80% of the engineering workforce to need upskilling through 2027. (Stack Overflow, May 2026 · Gartner, Oct. 2024)

WHAT TO DEMAND FROM YOUR PARTNER

- **A written AI policy:** which tools, which models, which of your data may leave your systems.
- **Human review on every merge,** with clear accountability for AI-generated code.
- **Automated tests as the contract.** AI output is accepted when tests and quality gates pass.
- **Small batches.** DORA counts working in small batches among the capabilities that amplify the benefits of AI.
- **Measured outcomes:** lead time, change failure rate and cost per feature, not self-reported speed.

K&C IN PRACTICE · SHD SOLUTIONS

22 Jira tickets processed in about 20 minutes by 16 AI agents working in parallel.

Agentic fan-out: work is split across parallel agents instead of being processed one ticket at a time.

05 · AI ENABLEMENT OF EXISTING SYSTEMS

Make the systems you already run AI-ready.

Almost every company now uses AI somewhere. Very few have connected it to the ERP, CRM and core applications where the real work happens. Most of the effort sits in data and integration, which makes it a natural task for an engineering partner.

88%

of organisations worldwide use AI in at least one business function

McKinsey, State of AI 2025, n=1,993

39%

of organisations report any EBIT impact from AI, mostly below 5%

McKinsey, State of AI 2025

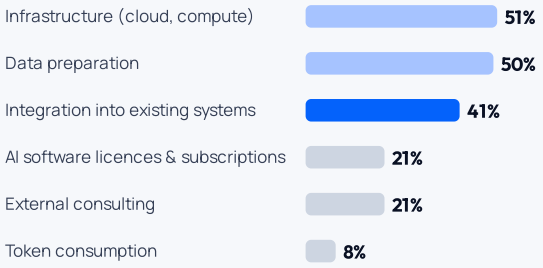
40%+

of agentic AI projects will be cancelled by end of 2027

Gartner, June 2025

Where AI costs actually arise: the German example

Share of German AI users naming each item a major cost



Source: Bitkom, KI in der deutschen Wirtschaft, September 2026

The gap between using and benefiting

A survey in Germany shows how early most companies still are: 57% use AI (2024: 20%), yet no AI user says it exploits AI's full potential, and 59% say they do not exploit it at all. 11% already use AI agents, 29% plan to. Bitkom's president points out that an agent acting on its own needs reliable data, connected systems and clear rules on what it may do. **(Bitkom, Sept. 2026)**

Globally, 23% of organisations are scaling AI agents somewhere in the enterprise, and 62% are at least experimenting with them. About 6% qualify as high performers with 5% or more of EBIT attributable to AI. **(McKinsey 2025, n=1,993)**

Gartner names legacy integration as a key reason agentic projects fail: connecting agents to existing systems can disrupt workflows and require costly changes. **(Gartner, June 2025)**

A four-step path that leaves core systems intact

1

Assess

Map data sources, interfaces and the processes with measurable value. Pick one use case with a clear owner.

2

Connect

Build an integration layer (APIs, events, retrieval over existing data) next to the legacy core instead of rewriting it.

3

Pilot

Run an agent with guardrails, human approval for critical actions and logging from day one.

4

Scale

Add monitoring, cost control and AI Act documentation, then extend to the next process.

Approach as applied by K&C in AI enablement projects: existing systems stay untouched, AI agents work through an integration layer on top.

06 · REGULATION & SECURITY

2027 is a compliance year. Choose vendors with it in mind.

NIS2 makes supply-chain security a management duty in every EU member state. The EU AI Act applies to anyone placing AI on the EU market, wherever they are based. Both reach directly into how you select and steer IT service providers.

Key dates

6 Dec 2025 NIS2 · EXAMPLE GERMANY

Member states transpose NIS2 into national law. In Germany, for example, the NIS2 Implementation Act applies without transition period to around 29,500 entities, up from about 4,500 under the previous law.

2 Dec 2026 EU AI ACT

Marking obligations for AI-generated content (Art. 50(2)) apply, after the Digital Omnibus shortened the grace period.

2 Aug 2027 EU AI ACT

Deadline for national AI regulatory sandboxes, postponed from August 2026.

2 Dec 2027 EU AI ACT · KEY DATE

Obligations for stand-alone high-risk AI systems (Annex III) apply, e.g. AI in recruitment, credit scoring, education and critical infrastructure.

11 Dec 2027 CYBER RESILIENCE ACT

Main obligations apply to products with digital elements, including software placed on the EU market.

2 Aug 2028 EU AI ACT

High-risk obligations for AI embedded in regulated products (Annex I), such as machinery and medical devices.

€10M

or 2% of worldwide turnover: maximum NIS2 fine for essential entities, whichever is higher

Directive (EU) 2022/2555, Art. 34

€15M

or 3% of worldwide turnover: maximum AI Act fine for breaching high-risk and other obligations

Regulation (EU) 2024/1689, Art. 99

89%

of companies affected by the AI Act, or still checking, expect high implementation effort (survey in Germany)

Bitkom, Sept. 2026

Sources: BSI via ComputerWeekly (Dec. 2025) · Digital Omnibus on AI, provisional agreement of 7 May 2026 (Council of the EU; Gibson Dunn analysis) · Regulation (EU) 2024/2847 (CRA)

WHAT THIS MEANS FOR YOUR SOURCING

- **Supply chain is in scope.** NIS2 requires risk measures covering the security of relationships with direct suppliers and service providers (Directive (EU) 2022/2555, Art. 21).
- **24 hours matter.** Significant incidents need an early warning within 24 hours (Art. 23). Your partner's incident SLA must support that.
- **Certifications as evidence.** An ISO 27001-certified partner shortens your due diligence and audit preparation.
- **AI documentation from day one.** If a partner builds or operates AI for you, ask for a record of models, data and human oversight that will hold up under the AI Act.

07 · VENDOR CHECKLIST 2027

Twelve questions to ask before you sign.

Use these questions in your RFP or first workshop. A strong partner answers them with documents, examples and named people.

A Delivery & AI

- [ ] **How do you use AI in delivery?**
  Ask for the written AI policy: tools, models, data handling and review rules.
- [ ] **How do you measure productivity?**
  Expect delivery metrics such as lead time and change failure rate, reported regularly.
- [ ] **Can you show agentic work in a real project?**
  Ask for a reference case with scope, setup and measured results.
- [ ] **How do you work with our legacy systems?**
  Look for integration-first approaches that avoid risky big-bang rewrites.

B Security & compliance

- [ ] **Which certifications do you hold?**
  ISO 27001 for information security and ISO 9001 for quality management, with current certificates.
- [ ] **Where is our data processed?**
  Location per team, legal basis for transfers (e.g. SCCs) and access controls.
- [ ] **What is your incident process?**
  Notification times that support NIS2's 24-hour early warning, plus a named contact.
- [ ] **How do you document AI systems?**
  Models, training data, human oversight and logs, ready for AI Act requirements.

C People & commercials

- [ ] **How fast can you staff, and how?**
  Ask for time to onboard, the selection process and whether you interview candidates.
- [ ] **How do you retain knowledge?**
  Attrition figures, documentation standards and handover rules when people change.
- [ ] **Who manages delivery on your side?**
  A named delivery manager, escalation path and steering cadence.
- [ ] **How do you price AI-driven work?**
  Time and materials, fixed price or outcome-based: understand who benefits from AI speed-ups.

Pricing models at a glance

MODEL	BEST FOR	WATCH OUT FOR
Time & materials	Evolving scope, Team Extension	Productivity gains need transparency
Fixed price	Well-defined scope	Change requests, risk buffers
Outcome-based	Mature teams, measurable KPIs	Clear baselines and KPI definitions

RED FLAGS

- AI productivity claims without a baseline or measurement method.
- No answer on where your code and data go when AI tools are used.
- Security questions answered with policies that have no certification or audit behind them.

08 · ABOUT KRUSCHE & COMPANY

Beyond Outsourcing®: engineering teams that make your systems AI-ready.

Krusche & Company (K&C) is a Munich-based IT nearshoring and AI enablement company working with clients in the DACH region, across Europe and in the MENA region. We combine nearshore and offshore engineering teams with AI-driven development, so clients get more delivery capacity and a practical path to AI on the systems they already run.

- **Flexible engagement:** from individual specialists to complete delivery teams, short-term or long-term.
- **AI-driven development:** engineers who orchestrate AI agents with review and quality gates.
- **AI enablement for existing systems:** an integration layer with AI agents on top, legacy cores stay untouched.
- **Delivery centres** in Kraków, Cairo and Sulaymaniyah, managed from Munich.
- **ISO 27001 and ISO 9001 certified.**

Clients include Bosch, Nestlé, Informa and Finanz Informatik, which has worked with K&C since 1999.

Plan your 2027 sourcing with us.

We review your roadmap, team setup and AI use cases with you and outline which delivery model and location fit.

Book a sourcing session

kruschecompany.com

SOURCES

1 Gartner: Worldwide IT Spending to Grow 13.5% in 2026, Totaling $6.31 Trillion. Press release, 22 Apr 2026. gartner.com

2 Gartner: Worldwide IT Spending to Grow 10.8% in 2026, Totaling $6.15 Trillion. Press release, 3 Feb 2026. gartner.com

3 THE Journal: Gartner: Worldwide IT Spending Estimated at $6.31T for 2026 (segment growth rates). 20 May 2026. thejournal.com

4 Statista Market Insights: IT Outsourcing – Worldwide. Accessed Oct 2026. statista.com

5 Deloitte: Global Outsourcing Survey 2024, 500+ executives. deloitte.com

6 ManpowerGroup: 2026 Global Talent Shortage Survey, 39,063 employers in 41 countries. 26 Feb 2026. manpowergroup.com

7 Staffing Industry Analysts: AI displaces IT as hardest skill to find (ManpowerGroup details). 2 Mar 2026. staffingindustry.com

8 Eurostat: ICT specialists – statistics on hard-to-fill vacancies in enterprises. ec.europa.eu

9 Eurostat 2025 data on ICT specialists in employment, as reported by Eunews, 27 May 2026. eunews.it

10 Eurofound: IT sector in focus – evolution of the digital workforce. 20 Jul 2026. eurofound.europa.eu

11 Bitkom: IT-Fachkräftemangel hat sich in den letzten drei Jahren halbiert. Press release, 3 Sep 2026 (n=853/602). bitkom.org

12 ITIDA: Egypt Doubles Digital Offshoring Exports to $4.8B. Press release, 11 Nov 2025. itida.gov.eg

13 Stack Overflow: Developer Survey 2025, AI section. survey.stackoverflow.co

14 Stack Overflow: Agents on a leash. Pulse survey, 27 May 2026. stackoverflow.blog

15 Google Cloud DORA: State of AI-assisted Software Development 2025. services.google.com

16 METR: Measuring the Impact of Early-2025 AI on Experienced Open-Source Developer Productivity. 10 Jul 2025. metr.org

17 Gartner: Top Strategic Trends in Software Engineering for 2025 and Beyond. Press release, 1 Jul 2025. gartner.com

18 Gartner: GenAI will Require 80% of Engineering Workforce to Upskill Through 2027. Press release, 3 Oct 2024. gartner.com

19 McKinsey / QuantumBlack: The State of AI in 2025: Agents, innovation, and transformation (n=1,993). mckinsey.com

20 Bitkom: Erstmals nutzt die Mehrheit der Unternehmen KI. Press release, 14 Sep 2026 (n=603). bitkom.org

21 Gartner: Over 40% of Agentic AI Projects Will Be Canceled by End of 2027. Press release, 25 Jun 2025. gartner.com

22 Gibson Dunn: EU AI Act Omnibus Agreement – Postponed High-Risk Deadlines (provisional agreement of 7 May 2026). gibsondunn.com

23 ComputerWeekly: NIS2 ist in Kraft – Was Unternehmen beachten müssen (BSI figures). Dec 2025. computerweekly.com

24 Directive (EU) 2022/2555 (NIS2), Art. 21, 23, 34. eur-lex.europa.eu

25 Regulation (EU) 2024/1689 (AI Act), Art. 50, 99. eur-lex.europa.eu

26 Regulation (EU) 2024/2847 (Cyber Resilience Act). eur-lex.europa.eu

Figures as published by the sources at the time of writing (October 2026). Sections marked "Our reading" and the location comparison reflect K&C's assessment. This guide is not legal advice.

© 2026 Krusche & Company GmbH · Beyond Outsourcing® is a registered trademark