

NEWXEL

IN-HOUSE TALENT ECONOMICS

DECODING THE TRUE FINANCIAL IMPACT

2023 Operations Team Cost in 12 Countries

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CEO'S FOREWORD

CEOs and IT leaders navigate uncharted waters in today's uncertain global economic landscape. Rising interest rates, inflation, and escalating business costs pose unprecedented challenges. Talent shortages and geopolitical complexities demand adaptability and strategic planning.

Economic uncertainty calls for optimal cost management, and the rise of project-based employment and skills-based hiring adds further nuance to workforce dynamics. An increased focus on remote work and agile talent models complicates traditional workforce structures.

Amidst this backdrop, new technologies accelerate, emphasizing cybersecurity and driving demand for specialized IT capabilities. To harness these technologies and stay competitive, businesses must strengthen their tech teams, recognizing that the productive work of a tech team requires the coordinated efforts of a strong operations team.

ANDRII BEZRUCHKO
Newxel CEO and Founder



Maintaining an in-house operations team becomes financially burdensome due to budget cuts and adjusted revenue projections. Enter IT staff augmentation — a beacon of adaptability for companies seeking flexibility while keeping operational costs in check.

As economic shifts prompt a reevaluation of plans, the demand for skilled tech workers remains high, making IT staff augmentation a vital ally in optimizing costs without long-term commitments.

The convergence of economic volatility, technological acceleration, and changing work dynamics positions IT staff augmentation as a cornerstone for businesses in 2024. Leveraging its benefits is no longer just a strategy; it's a necessity for businesses charting their course in the digital future.



EXECUTIVE SUMMARY

Strategic cost management has never been more crucial in a rapidly evolving global business landscape marked by economic uncertainties, supply chain disruptions, and talent shortages. According to the latest data from [S&P Global Market Intelligence](#), companies struggle to keep operating costs down, and the day-to-day costs of running a business are rising relative to US companies' revenues.

The report underscores the potential financial burden that operations teams may pose to companies, especially in the face of rising day-to-day business costs. It navigates the intricacies of operational costs across 12 countries: The USA, Canada, the UK, Portugal, Sweden, the Netherlands, Germany, Switzerland, Austria, Romania, Poland and Ukraine, shedding light on essential departments — Human Resources and People Management, Legal, Finance, and Office and Administration. It is an invaluable guide for businesses

striving for operational efficiency and a balanced allocation of resources for sustained success while adapting to varying market dynamics.

As businesses embark on a journey to navigate operational challenges, the insights derived from this report empower leaders to make informed decisions, optimize costs, and strategically position their organizations for sustained success in a dynamic global landscape.

TOP KEY INSIGHTS:

GLOBAL COST DISPARITIES:

Pinnacle and Base: Switzerland (\$86,350) emerges as the pinnacle with the highest average operational costs, while Ukraine (\$19,900) represents the cost-effective base, making it a strategic choice for operational efficiency.*

STRATEGIC CONSIDERATIONS:

Top-tier Operational Landscape:

Following Switzerland's lead, the USA (\$65,300), Canada (\$64,250), and the UK (\$62,050) carve out their competitive niche in the operational team cost spectrum. This trio not only reflects a robust environment but also provides a diverse array of options catering to varied budgetary considerations.

COST-EFFECTIVE SOLUTIONS:

Pivotal Alternatives: Eastern European countries, particularly Ukraine (\$19,900), Poland (\$25,500), Romania (\$26,350), and Portugal (\$27,750), provide cost-effective solutions for operational team costs, highlighting strategic alternatives for businesses.

TEAM INSIGHTS:

HR in Focus: Within the operational team costs, HR and People Management (up to 45%), along with Office and Administration (up to 38%), constitute the largest share. Effectively managing these components is crucial for achieving cost efficiency and operational excellence.

*Average Monthly Operations Team Cost

INTRODUCTION

Newxel has been a trailblazer in IT staff augmentation for over six years, consistently delivering transformative solutions globally. Our extensive industry experience, honed through assisting numerous clients in achieving growth, driving strategic change, and successfully navigating business cycles, underpins the foundation of our report.

As new technologies accelerate, driving demand for specialized IT capabilities, businesses must fortify their tech teams to stay competitive. Recognizing that the productive work of a tech team requires the coordinated efforts of a

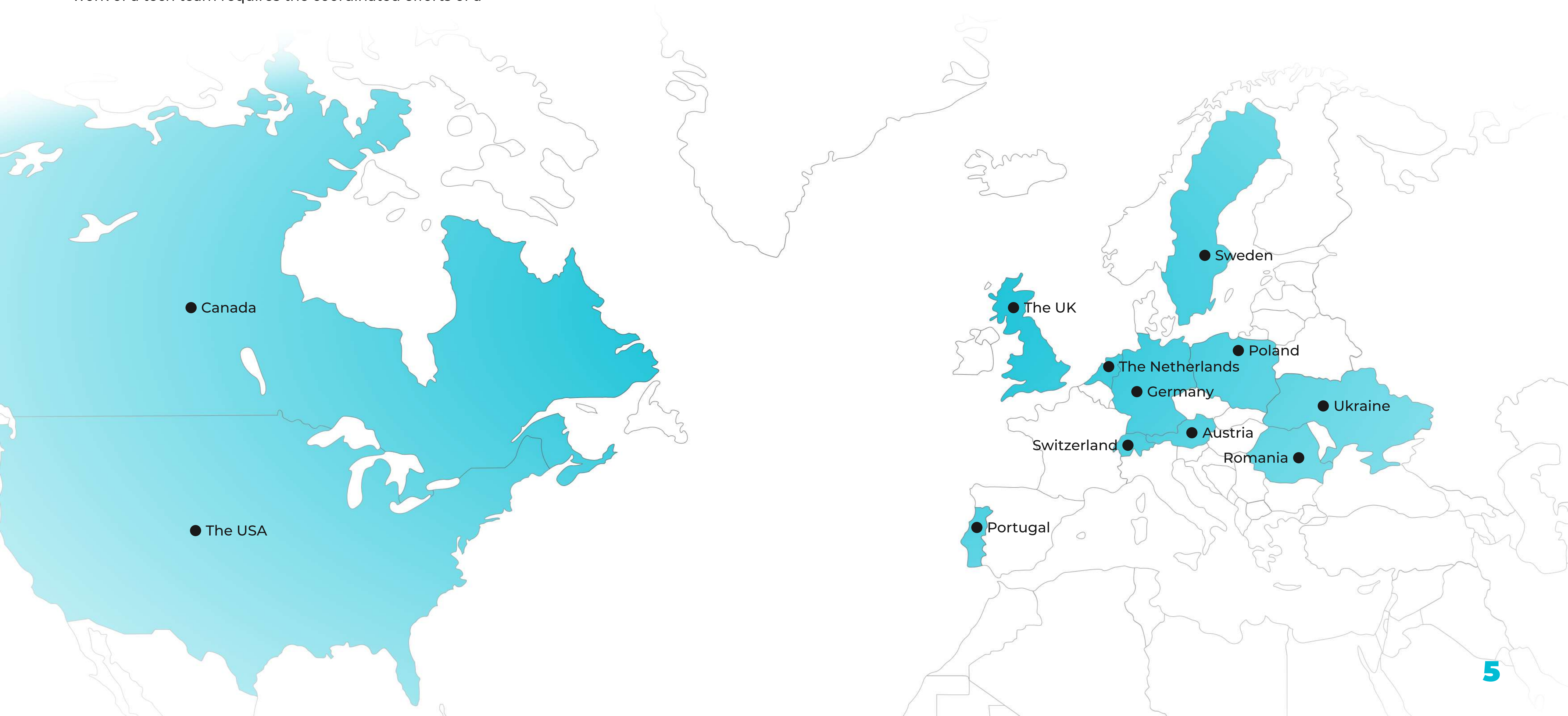
strong operations team, our report aims to illuminate the intricate dynamics of operational costs. We focus on critical components like HR and People Management, Legal, Finance, Office and Administration departments.

This perspective is meticulously shaped through extensive analysis of open data on a global scale and represents the culmination of a comprehensive research initiative, drawing insights from diverse sources to examine the operational costs of in-house teams.

Calculations draw from a diverse sample of 12 countries,

offering insights from companies maintaining an average workforce of 100 employees. Salaries considered in this report are for middle to senior-level positions, ensuring a nuanced understanding of the cost landscape.

This guide is designed to serve as a compass for businesses navigating the complexities of the current global climate. By unraveling the intricacies of departmental costs, we aspire to empower organizations with the knowledge needed to optimize operational efficiency and make informed financial decisions in the year ahead.

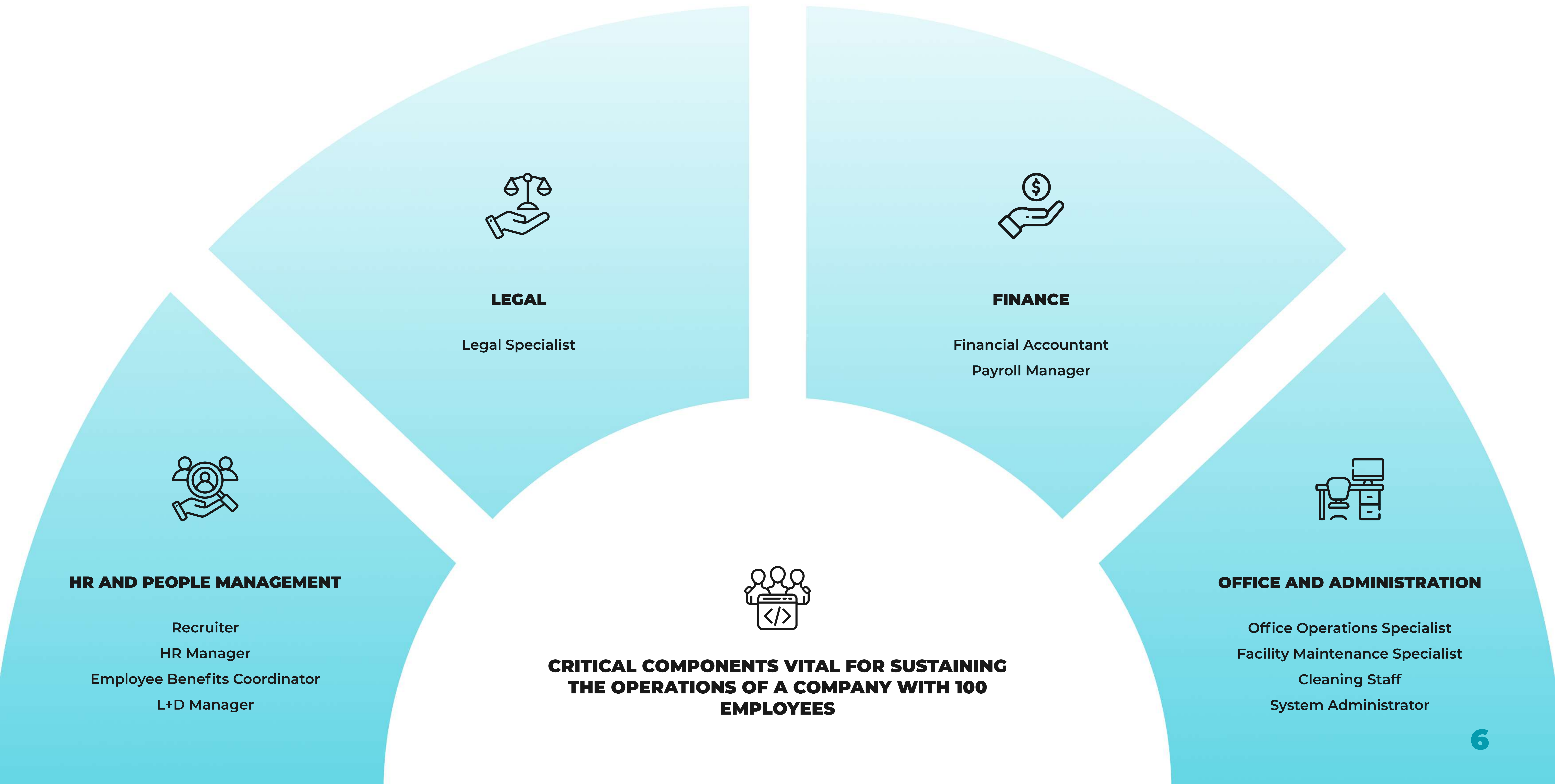


OPERATIONAL EFFICIENCY ESSENTIALS: RIGHT-SIZING TEAMS FOR BUSINESS SUCCESS

In the pursuit of operational excellence, organizations are continually challenged to define optimal team sizes, especially in crucial departments. This section goes beyond the surface, delving into the intricacies of establishing minimal yet efficient team configurations. These insights are particularly crucial for businesses operating in 12 distinct countries, where operational success hinges on striking the

right balance. Our focus extends to key departments — Human Resources and People Management, Legal, Finance, and Office and Administration. Recognizing the pivotal role of operations in ensuring the smooth and productive functioning of tech teams, we provide a comprehensive guide for constructing teams that not only balance effectiveness

with resource optimization but also enable tech teams to concentrate on their primary tasks with undivided focus. These recommendations are tailored for companies maintaining an average workforce of 100 employees, emphasizing the importance of aligning team structures with the specific needs of diverse organizations.



BENCHMARKING OPERATIONAL TEAM COST

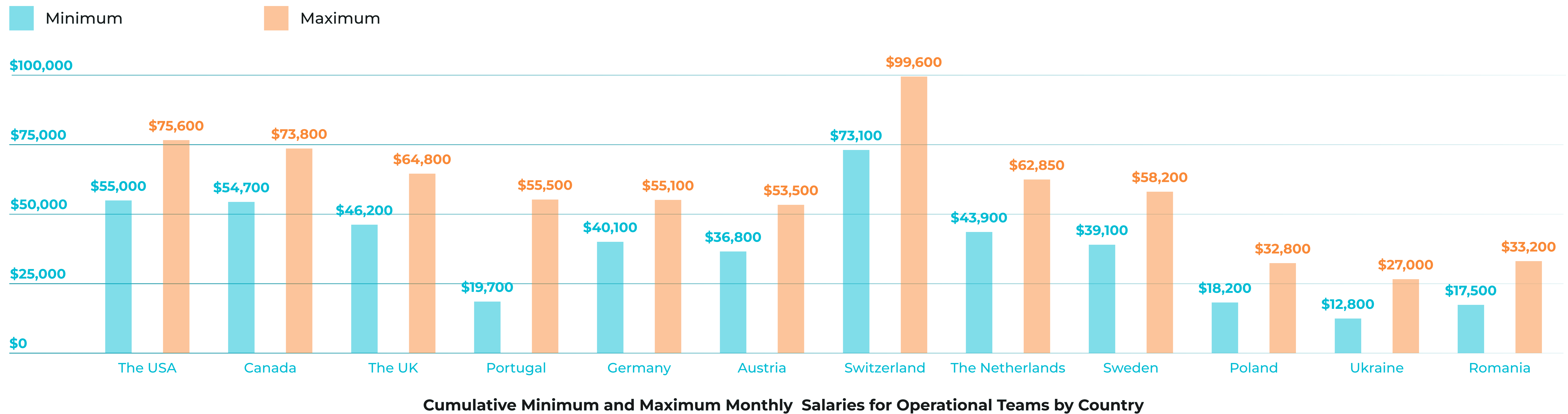
In our quest to unravel the complexities of operational team costs, we embarked on a global journey encompassing twelve diverse countries — the USA, Canada, the UK, Portugal, Germany, Austria, Switzerland, the Netherlands, Sweden, Poland, Ukraine, and Romania. This section sheds light on the minimum and maximum cumulative salaries for essential departments — Human Resources and People

Management, Legal, Finance, and Office and Administration — providing a comprehensive benchmark for businesses aiming to understand the variations in compensation across borders.

The graph visually presents the cost spectrum for operational teams in twelve countries, illustrating the cumulative minimum and maximum salaries, offering a comparative

view of compensation structures.

The variations presented underscore the importance of localized considerations in talent acquisition and operational cost planning. For a detailed breakdown of calculations, refer to the comprehensive table at the end of this document. (Appendix 1).



KEY INSIGHTS:

- Extraordinary Dynamics:** Portugal exhibits the highest operational cost range at an extraordinary 182%, presenting businesses with unique challenges. This emphasizes the need for meticulous financial planning and strategic adaptations to manage expenses effectively in the Portuguese business landscape.
- Stable Landscapes:** Developed economies such as the United States (37.45%), Canada (34.91%), and Western European countries exhibit relatively stable operational cost ranges, providing businesses with consistent and predictable options for managing their expenses.
- Strategic Cost Efficiency:** Eastern European countries, including Poland, Romania, and Ukraine showcase significant cost-effective solutions with operational cost differences ranging from 80.22% to 109.38%, providing businesses with strategic alternatives for managing operational expenses.

A DEEP DIVE INTO DEPARTMENTAL COSTS ACROSS BORDERS

Beyond the general analysis presented earlier, this section examines the minimum and maximum cumulative salaries for pivotal departments — HR and People Management,

Legal, Finance, Office and Administration. The goal is to furnish businesses with a detailed benchmark, offering insights into the nuanced variations in compensation

structures across international borders. Gain a profound understanding of the intricacies that shape operational expenses as we delve into the specifics of departmental costs.

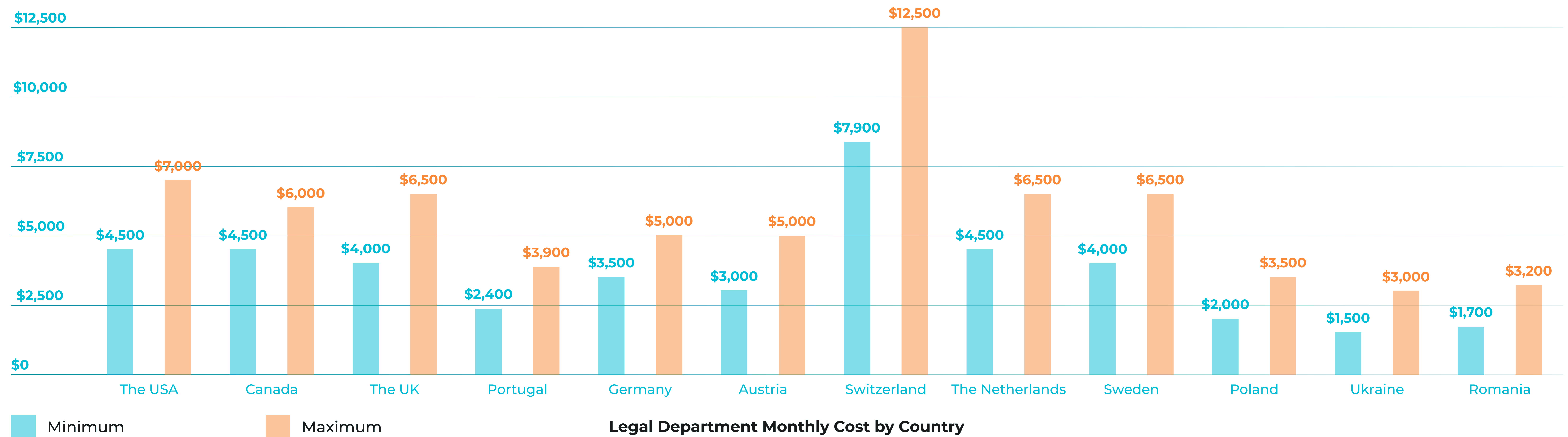


LEGAL DEPARTMENT COST

Delving deeper into the intricacies of operational costs, this section focuses on the monthly Legal department's

compensation structures across twelve countries. By isolating legal roles, we aim to provide businesses with targeted

insights into the salaries required to maintain legal expertise within their operational teams.



KEY INSIGHTS:

- Swiss Legal Excellence:** Switzerland stands out with the highest legal specialist costs, ranging from \$7,900 to \$12,500. This reflects the country's premium economic status, emphasizing the value placed on legal expertise. Businesses operating in Switzerland need to consider these elevated costs in their strategic planning.
- Western Edge:** Western European countries such as the UK and Germany exhibit competitive legal landscapes, with costs ranging from \$4,000 to \$6,500. This indicates a balance between legal expertise and cost-effectiveness, providing businesses with options based on budgetary considerations and the need for legal services.
- Eastern Efficiency:** Ukraine, Poland, and Romania, offer cost-effective solutions for legal specialists, with costs ranging from \$1,500 to \$3,200. This diversity underscores the strategic advantage of leveraging legal expertise in Eastern Europe, presenting businesses with efficient alternatives without compromising quality.

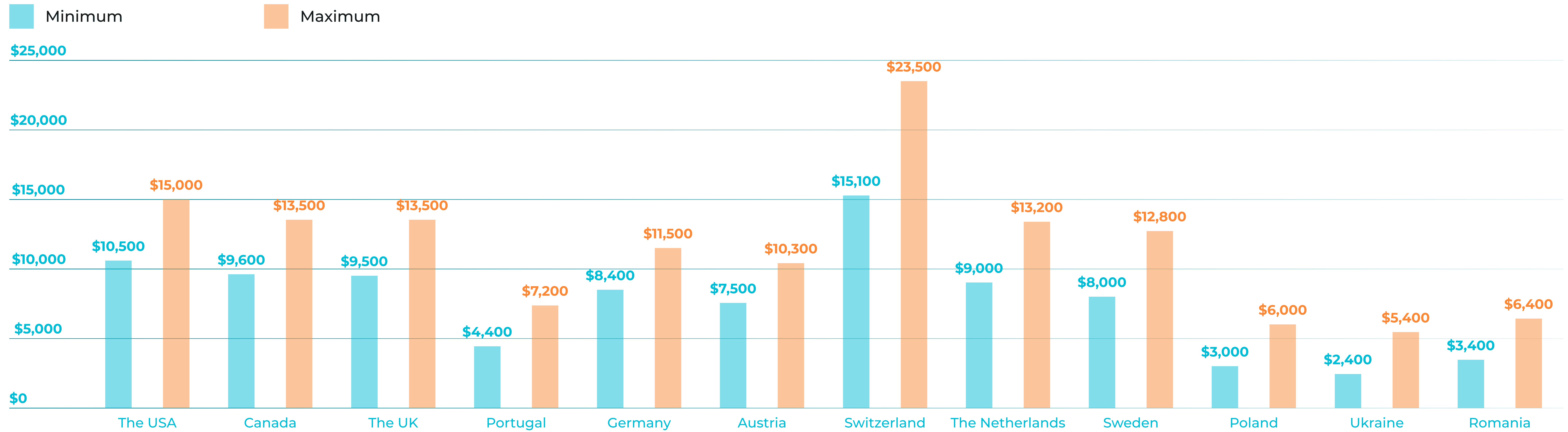


This section focuses on the Finance department's compensation structures across twelve countries. By isolating finance roles, we aim to provide businesses with tailored

insights into the salaries required to sustain financial expertise within their operational teams.

The graph visually represents the salary range specific to

Finance departments, offering a nuanced perspective on the financial compensation dynamics across diverse geographical locations.



Finance Department Monthly Cost by Country

KEY INSIGHTS:

- Financial Peaks:** Switzerland leads with financial prowess, showcasing the highest average monthly finance costs from \$15,100 to \$23,500.
- Economic Fortitude:** The USA and Canada demonstrate financial strength, with robust monthly finance costs that position them as stalwarts in economic stability.
- Financial Frontiers: West vs. East**
 A stark disparity unfolds between Western and Eastern Europe in finance department costs, underscoring the nuanced financial landscapes shaping operational strategies.

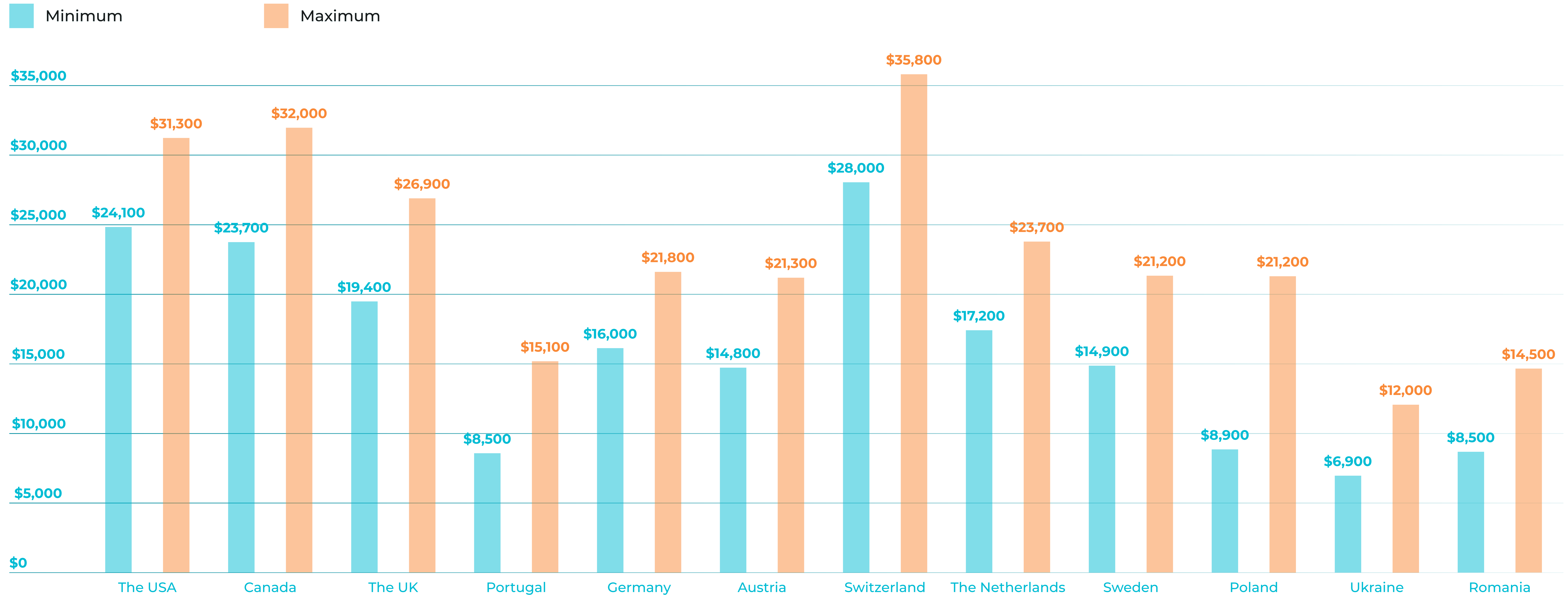


HR AND PEOPLE MANAGEMENT DEPARTMENT SALARIES: A COMPARATIVE ANALYSIS ACROSS COUNTRIES

Navigating the global landscape of Human Resources (HR) and People Management department salaries requires a comprehensive understanding of the diverse economic

conditions and standards across countries. This section conducts a comparative analysis of minimum and maximum

salaries in this department, offering insights into the remuneration disparities and trends.



HR and People Management Department Cost by Country

KEY INSIGHTS:

- **HR Heights:** Switzerland emerges as the pinnacle in HR and People Management costs, reflecting a commitment to fostering a high-quality workforce and positioning HR as a strategic investment.
- **Western Workforce Dynamics:** The USA, Canada, and the UK exhibit robust HR and People Management expenditures, highlighting a Western emphasis on effective talent management and employee engagement.
- **Ukraine's Strategic HR Edge:** Eastern European countries, led by Ukraine, showcase efficient HR and People Management costs, providing a strategic advantage for businesses seeking optimal workforce management with financial prudence.

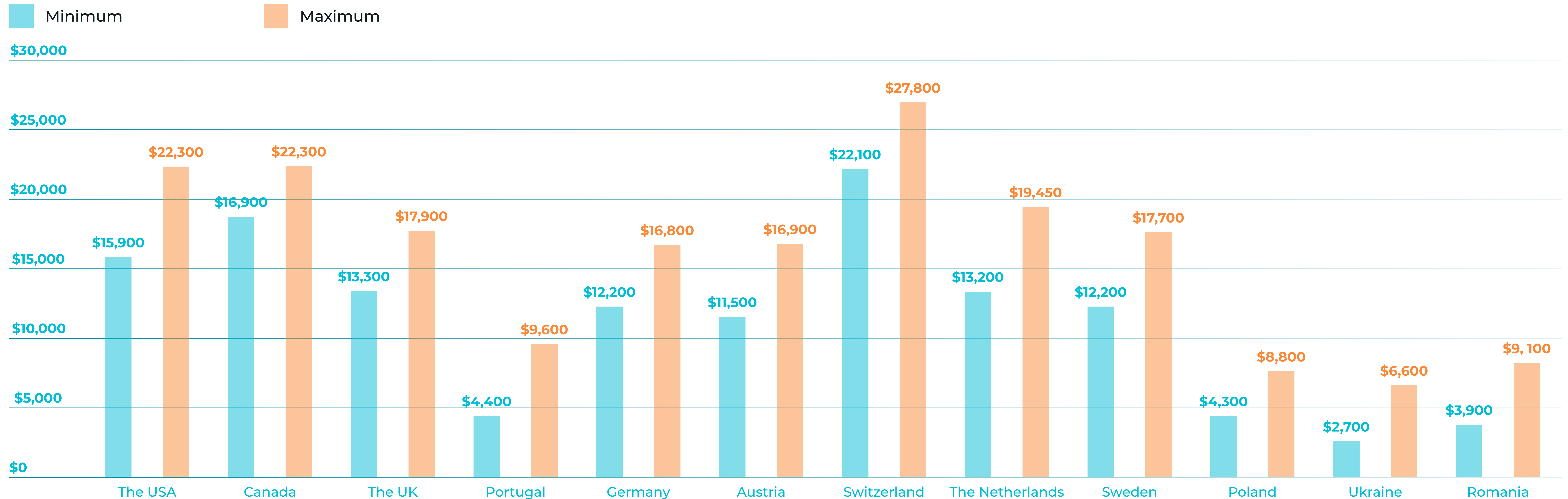


OFFICE AND ADMINISTRATION DEPARTMENT COST: A COMPARATIVE ANALYSIS ACROSS COUNTRIES

This segment delves into a comparative analysis of the costs associated with the Office and Administration department across 12 countries. As businesses navigate the complexities of cross-border operations, understanding the nuances of

administrative costs becomes paramount. From the bustling landscapes of North America to the cost-effective solutions in Eastern Europe, this analysis sheds light on the varying

financial landscapes, empowering organizations to make strategic decisions in aligning administrative excellence with budgetary considerations.



Office and Administration Department Cost by Country

KEY INSIGHTS:

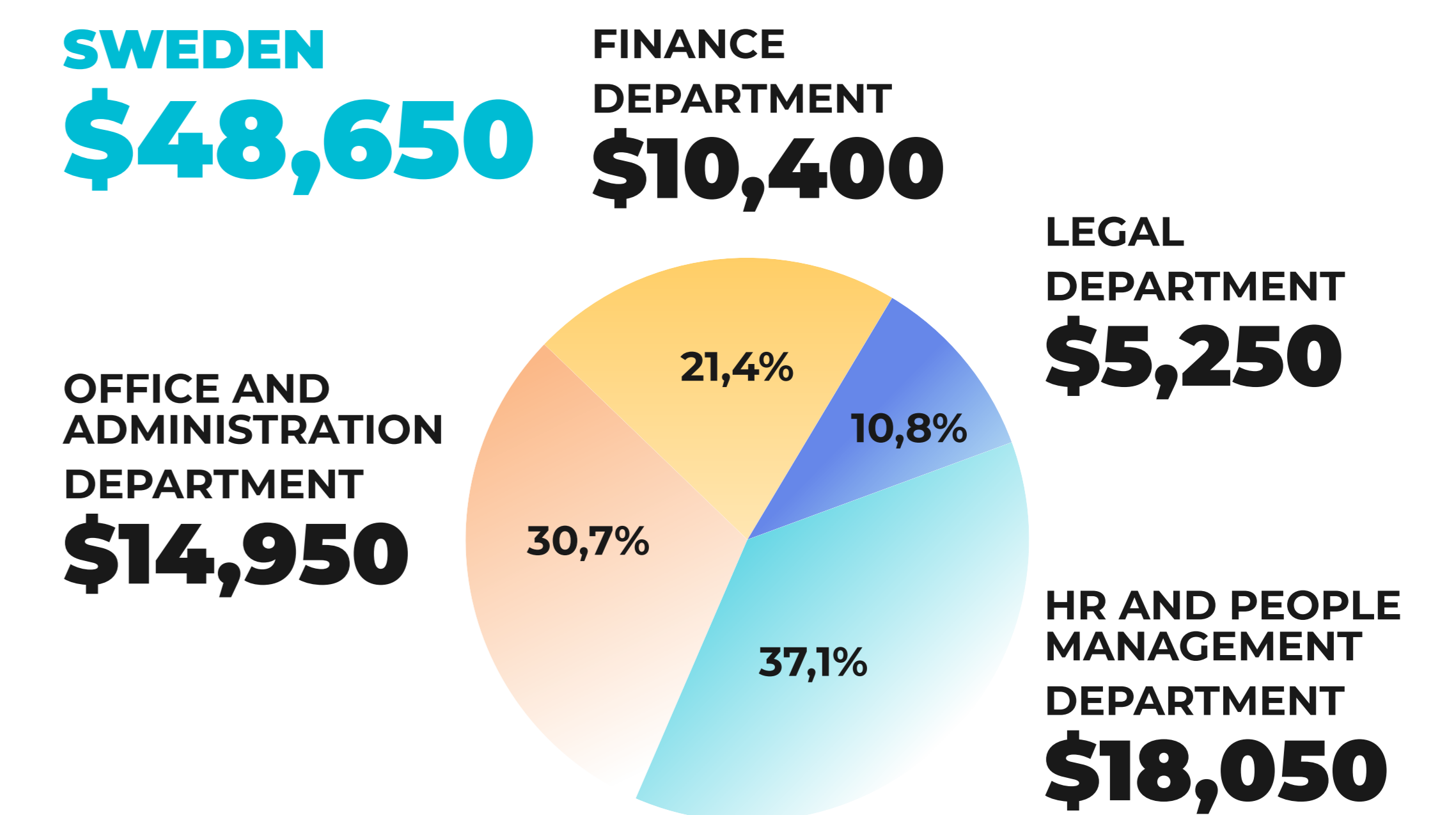
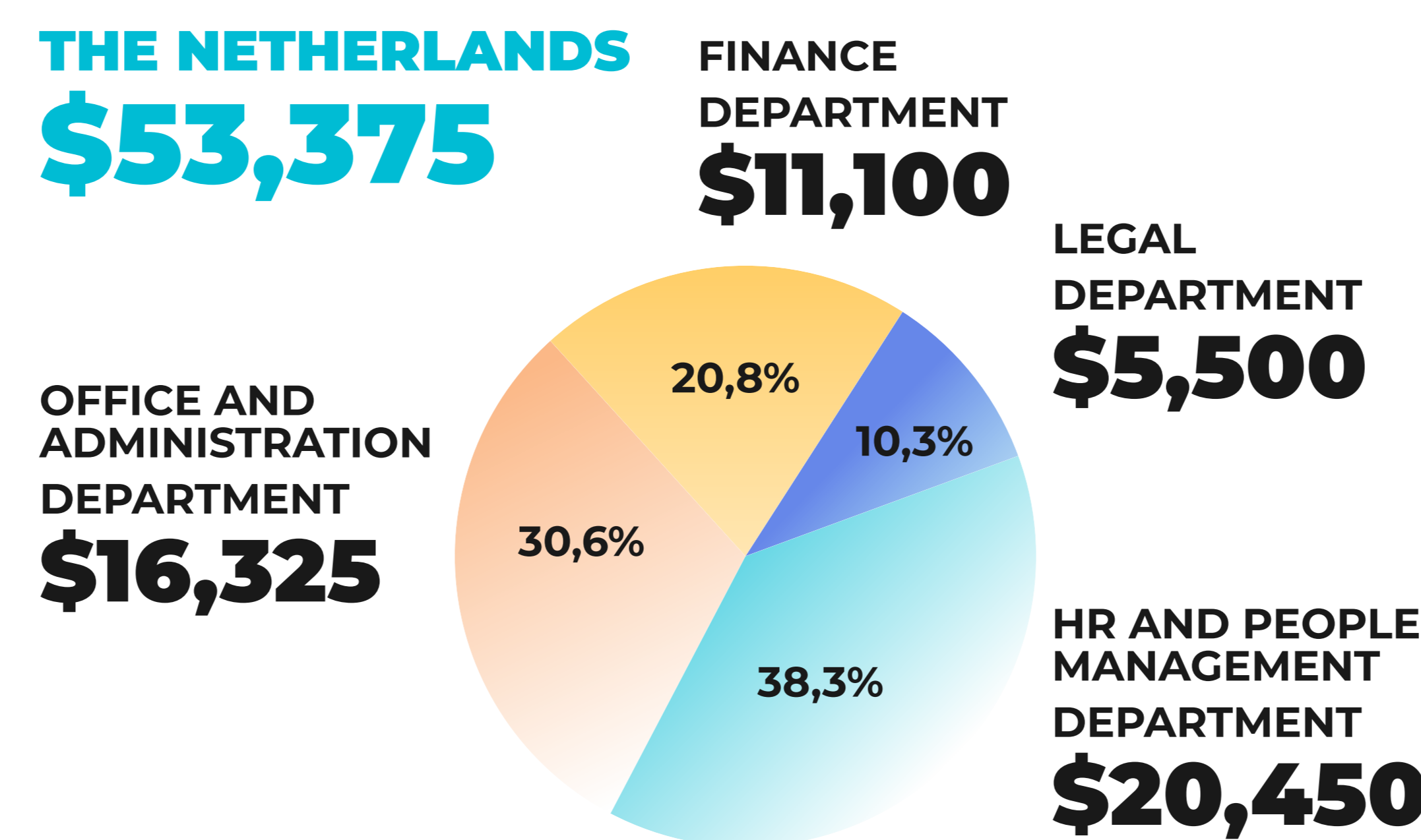
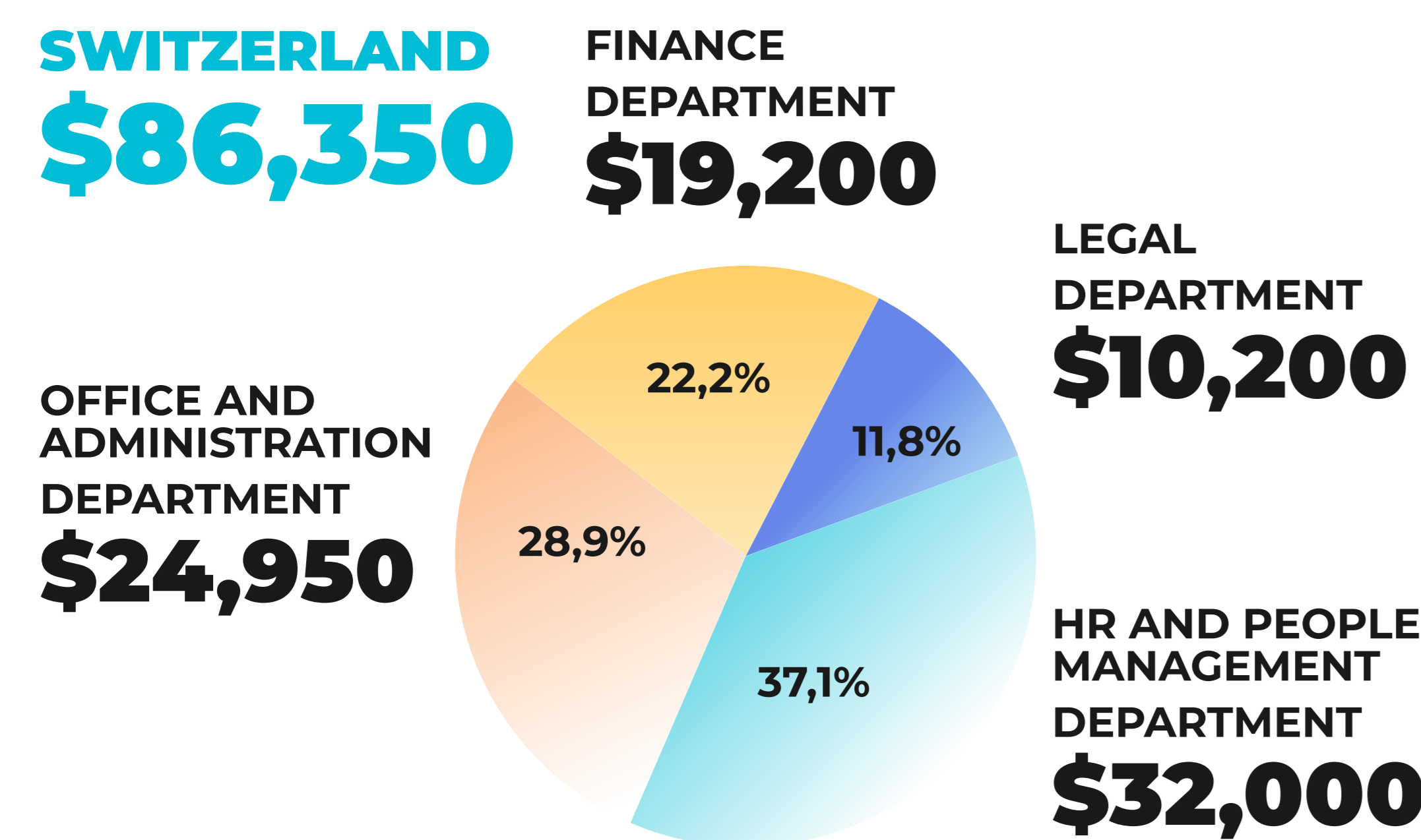
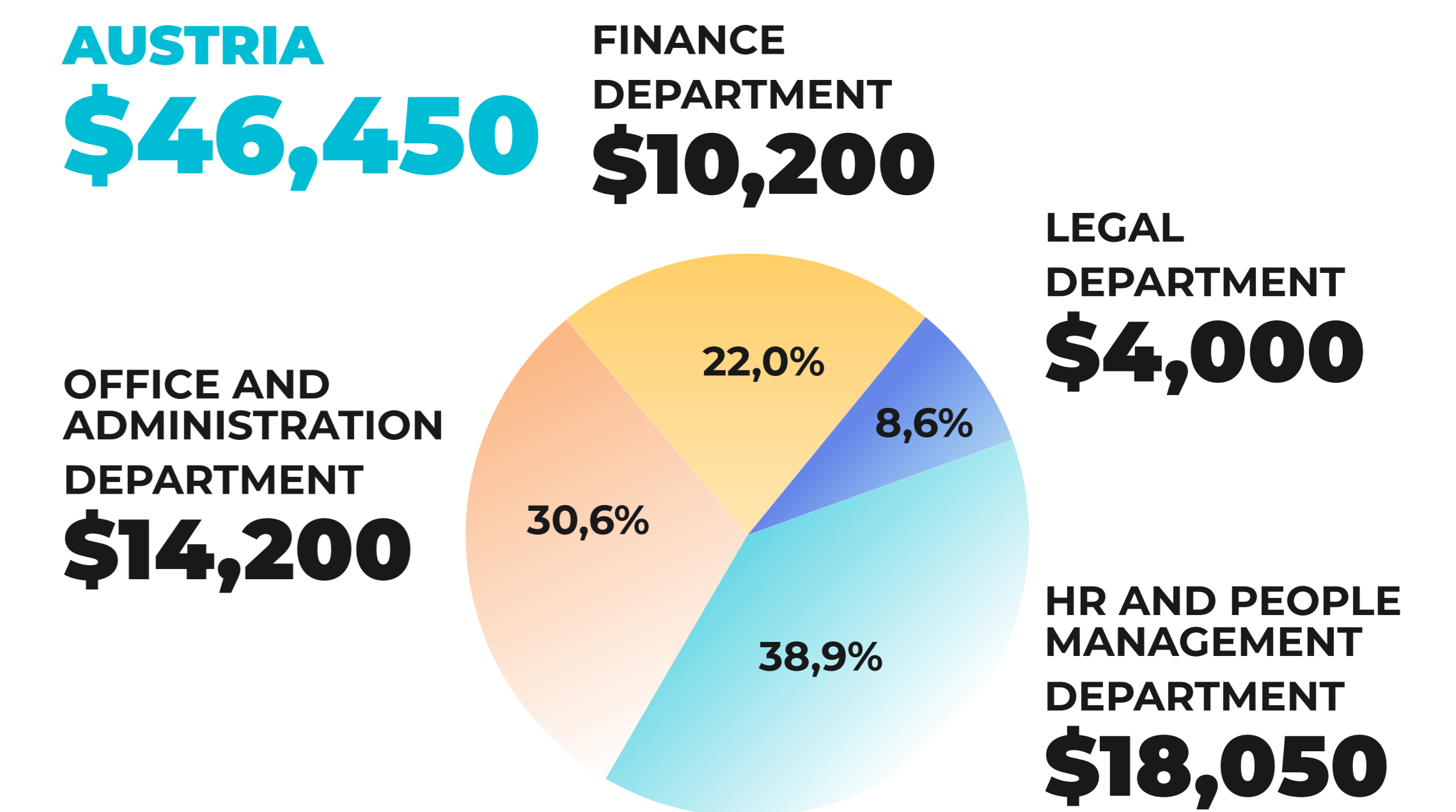
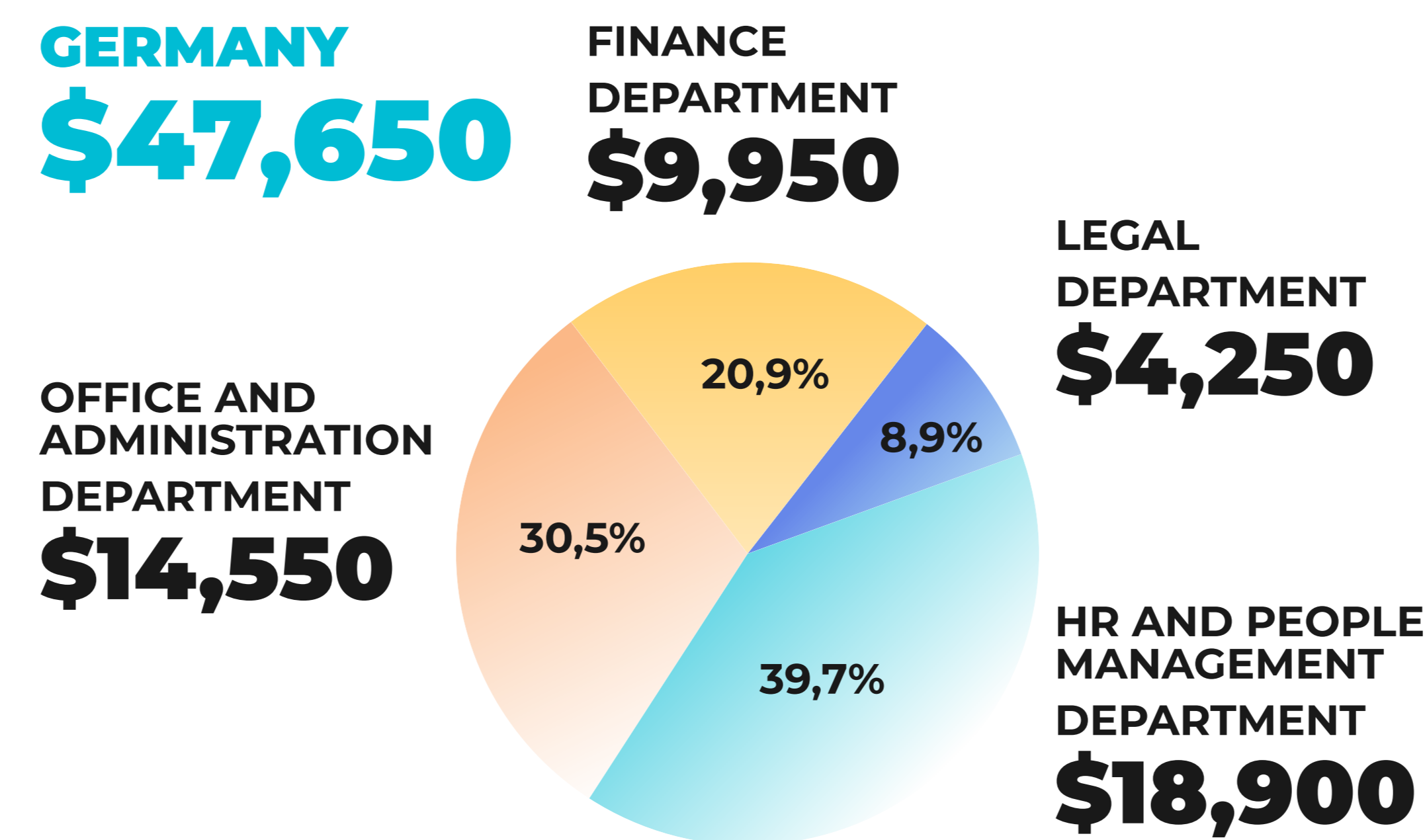
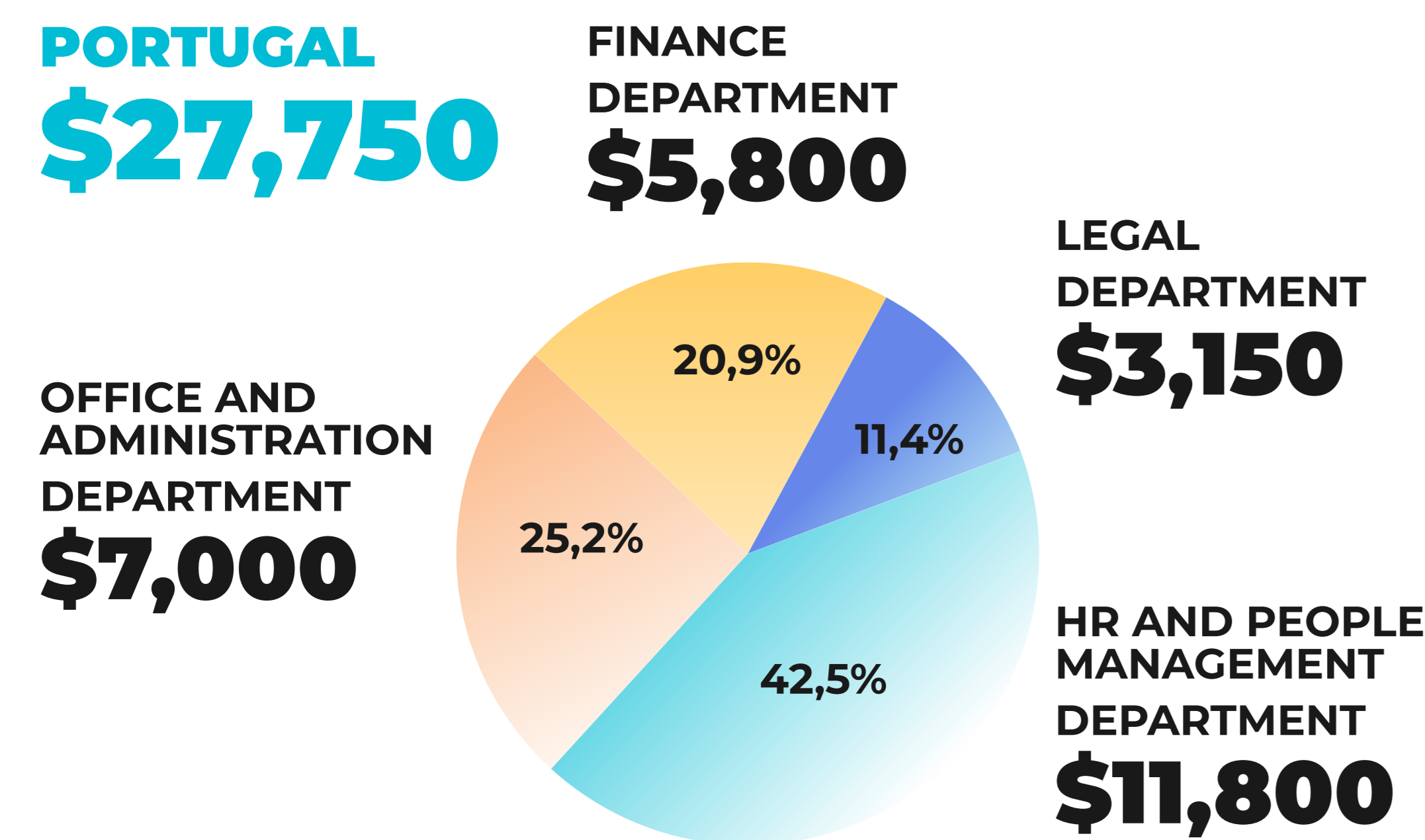
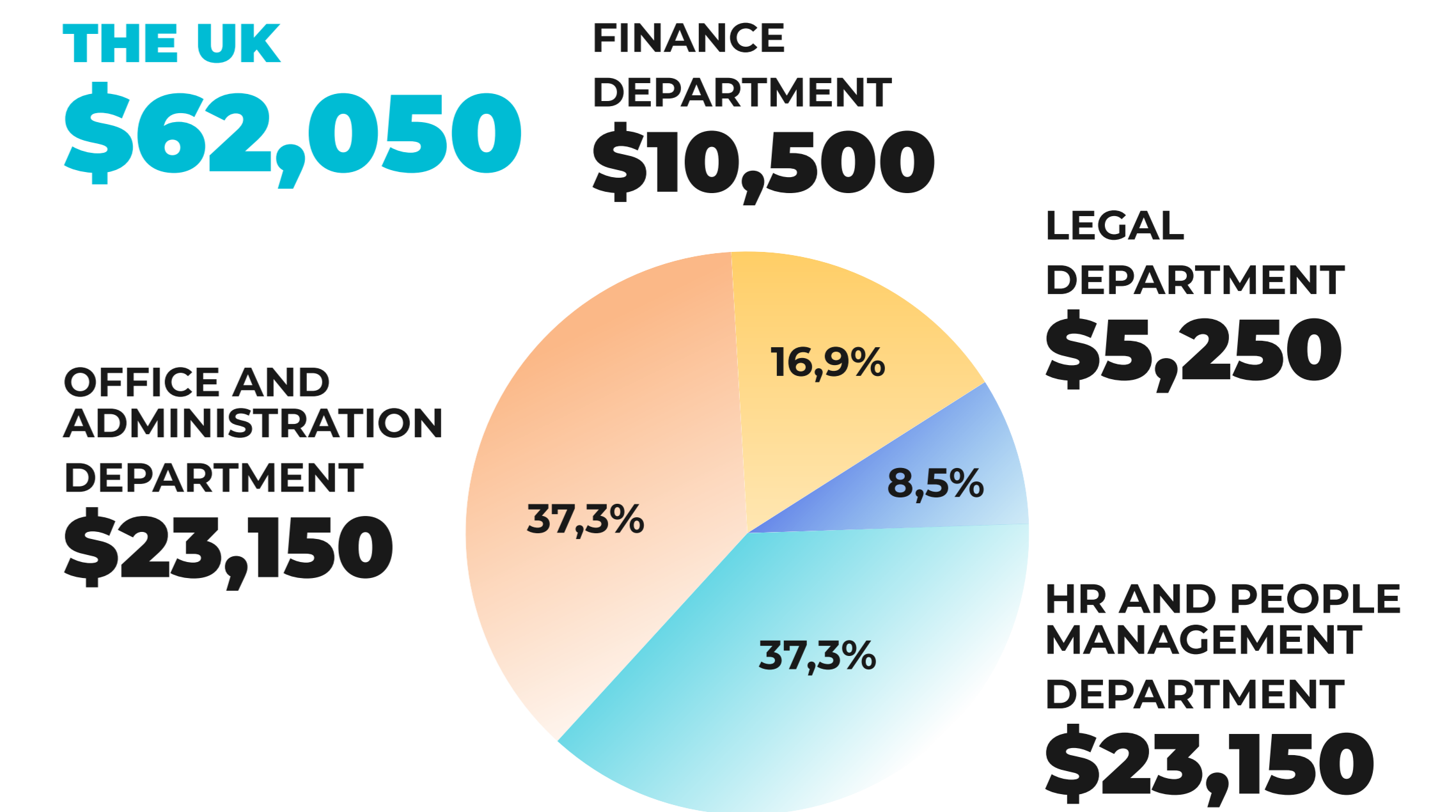
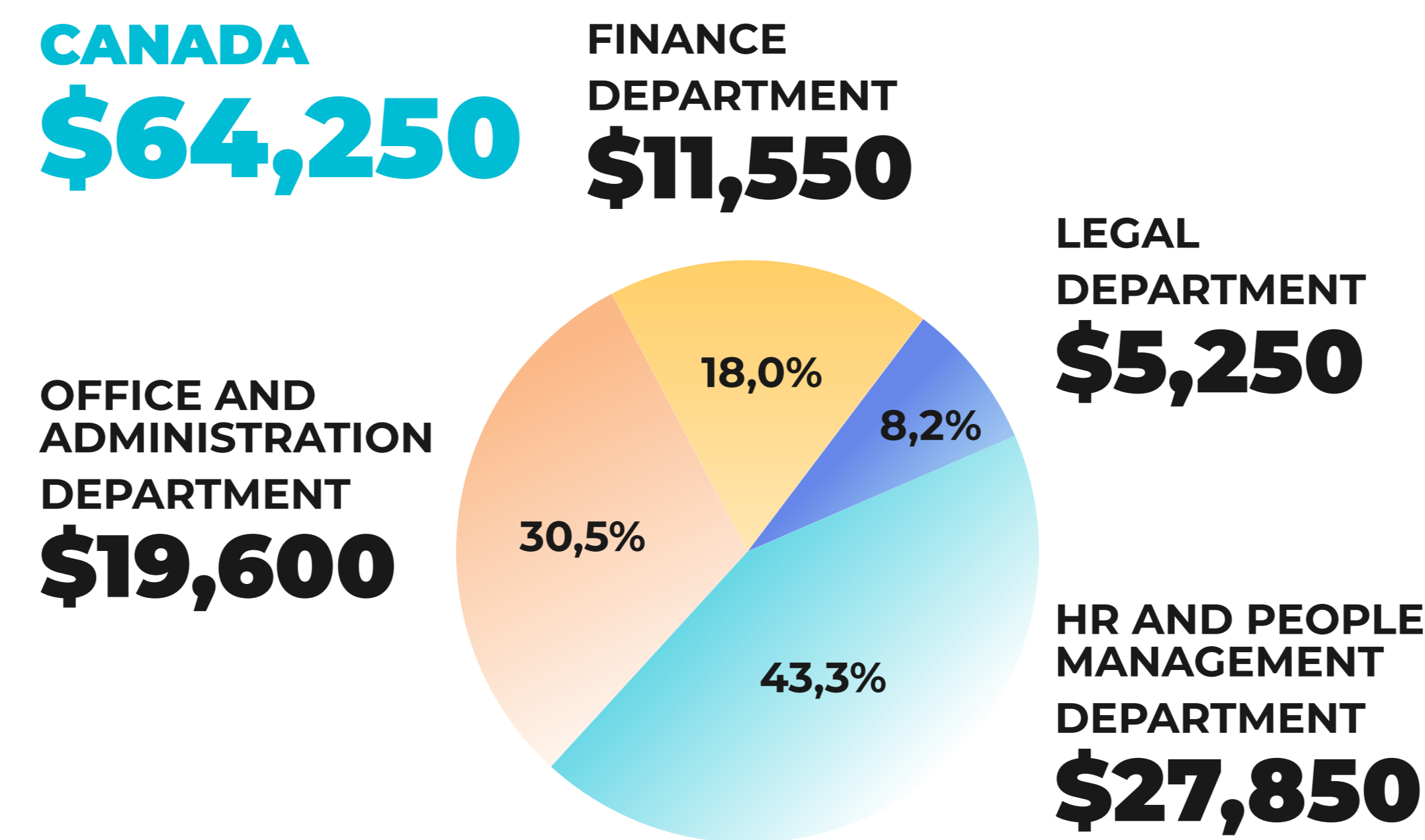
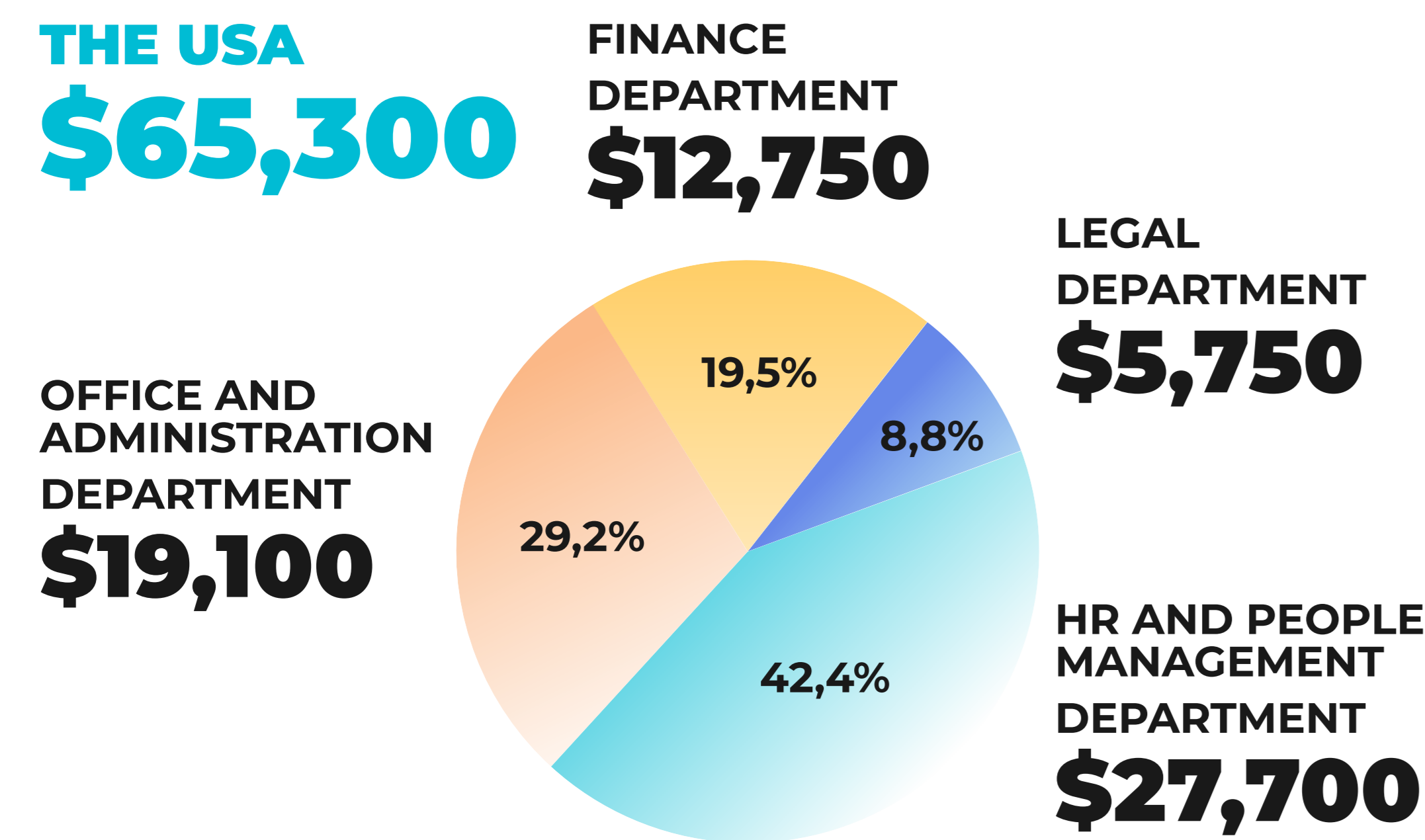
- **Solid Administrative Investment:** Switzerland, the USA, Canada, the UK, Germany, Austria, Netherlands, Sweden maintain solid administrative investments, indicating a commitment to efficient office and administration structures.
- **Elite Administrative Spending:** Switzerland stands out with highest office and administration department costs, aligning with its reputation for maintaining high compensation standards across various professional domains.
- **Strategic Cost Optimization:** Portugal, Ukraine, Poland and Romania strategically optimize costs in the office and administration sector, showcasing that businesses can achieve administrative efficiency while keeping costs below \$10,000.

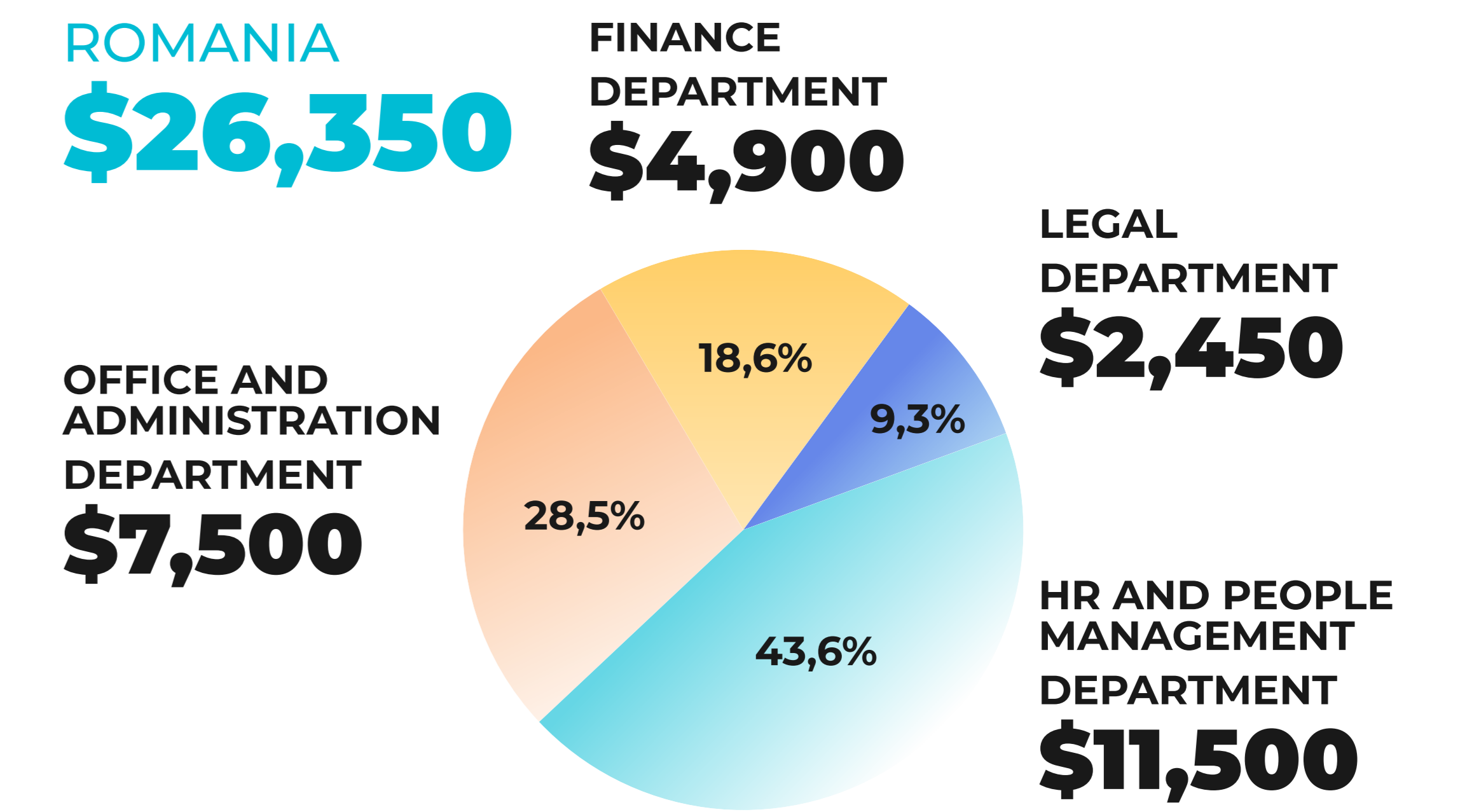
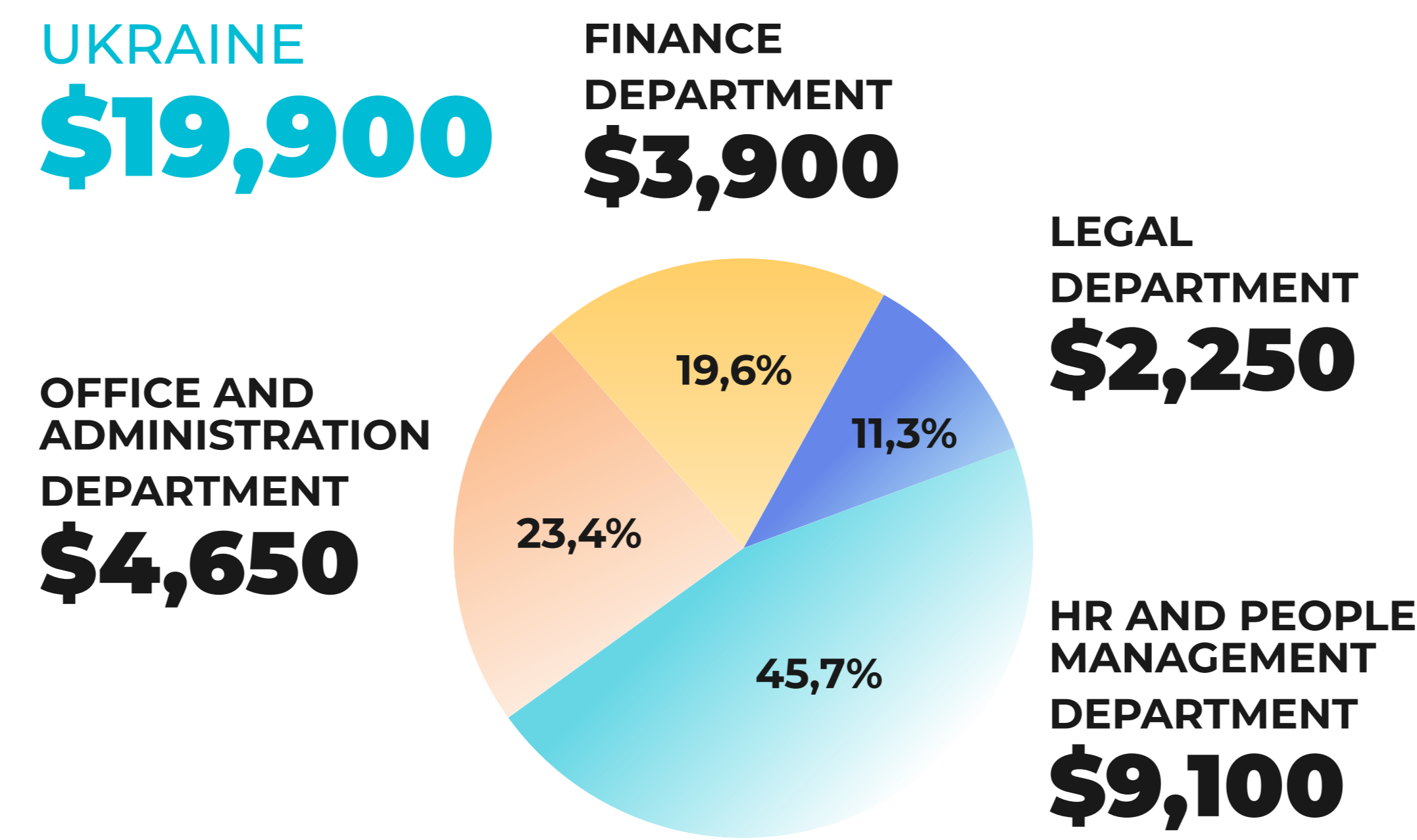
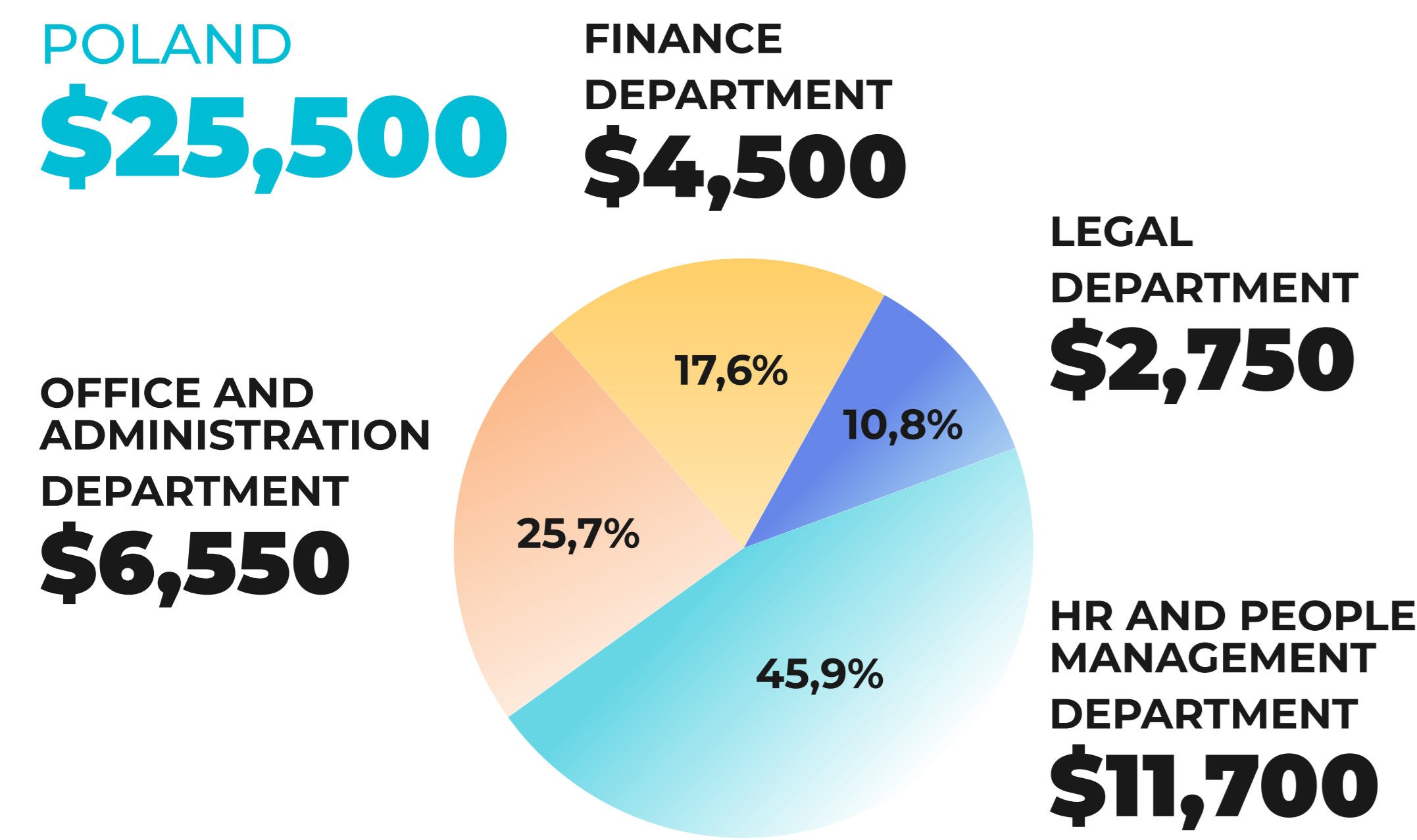
UNVEILING FINANCIAL HORIZONS GLOBALLY

As businesses strive for financial acumen, the average cost of Operations Teams stands as a pivotal metric. The following charts offer a granular view, breaking down these costs into categories, and revealing insights that can shape strategic

financial decisions. From Human Resources and People Management to Legal, Finance, and Office and Administration, embark on a visual exploration of the financial landscapes across diverse countries. Each chart

unfolds a unique country narrative, guiding organizations toward informed decision-making in their pursuit of operational excellence.





KEY INSIGHTS:

- Swiss Summit:** Switzerland emerges as a financial pinnacle, boasting the highest average costs (\$86,350) across all departments, particularly in Finance and Legal. This aligns with its global reputation for high compensation standards.
- HR Peaks:** HR department costs showcase significant variability, with the USA and Switzerland leading in expenditure. This variance suggests diverse strategies in managing human capital, possibly influenced by local labor market dynamics.
- NA High Operational Costs:** The USA (\$65,300) and Canada (\$64,250) showcase a diverse cost structure, with significant expenses across all departments. While having the second-highest total cost, it highlights the multifaceted nature of operational expenses in one of the world's largest economies.
- Financial Frontiers: West vs. East** A stark disparity unfolds between Western and Eastern Europe in finance department costs, underscoring the nuanced financial landscapes shaping operational strategies.
- Western European Dynamics:** Western European countries showcase diverse operational cost structures. While the UK (\$62,050) has the highest total cost among them, the dynamics reveal varied expenditure patterns, providing insights into the operational landscapes of these key European economies.
- Office and Admin Trends:** The UK and the USA anchor the Office and Administration department costs, reflecting their roles as economic hubs. However, Eastern European countries, including Ukraine and Poland, provide cost-effective solutions without compromising administrative efficiency.
- Strategic Adjustments:** Each country's unique economic landscape contributes to strategic variations in operational costs. While Western countries prioritize legal and HR investments, Eastern European nations demonstrate a balance between cost-effectiveness and maintaining operational efficiency.
- Uniform Ranges:** Legal department costs exhibit relatively consistent ranges across countries, indicating a standardized approach to legal expenses. The UK and the USA maintain steady figures, reflecting a balance between legal expertise and cost-effectiveness.

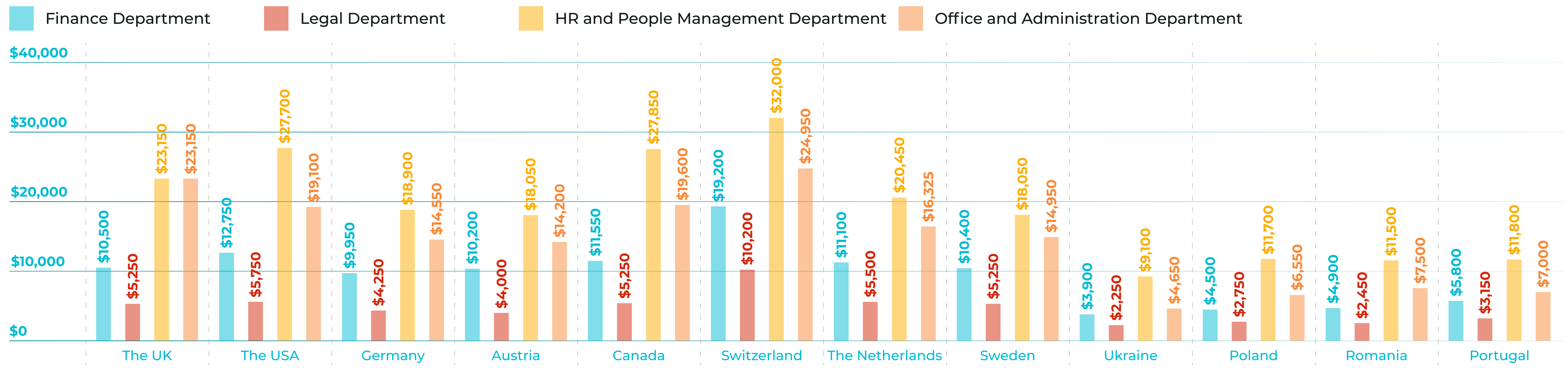
GLOBAL COMPARISON: OPERATIONS TEAM COSTS ACROSS DEPARTMENTS

In the culminating section of our comprehensive report, we present a holistic view of operational team costs across four key departments—Finance, Legal, HR and People Management, and Office and Administration—in 12 diverse countries. This comparative analysis aims to offer businesses

a strategic perspective on the financial landscapes, guiding them in making informed decisions for efficient global operations.

This comprehensive analysis serves as a compass for

organizations seeking to optimize their operational efficiency globally. The data presented here is a valuable resource for businesses aiming to align their financial strategies with the diverse landscapes of the countries considered, fostering sustainable and strategic growth.



Average Department Cost: A Comparative Analysis Across Countries

KEY INSIGHTS:

HR DOMINANCE:

- HR stands out as the most consistently impactful in terms of costs. The USA (\$27,700), Canada (\$27,850) and Switzerland (\$32,000) exhibit the highest HR department costs, reflecting strategic investments in managing human capital, possibly influenced by local labor market dynamics.

LEGAL LENSES:

- Legal department costs exhibit relatively consistent ranges across countries, indicating a standardized approach to legal expenses. The UK (\$5,250), the USA (\$5,750), Canada (\$5,250), the Netherlands (\$5,500) and Sweden (\$5,250) maintain steady figures, balancing legal expertise and cost-effectiveness.

FINANCIAL LANDSCAPE:

- Switzerland leads with the highest costs for financial services at \$19,200, reflecting its premium economic status. Following closely are the USA (\$12,750), Canada (\$11,550), the UK (\$10,500), the Netherlands (\$11,100), and Sweden (\$10,400), each contributing to a competitive landscape in financial services expenses.

ADMINISTRATIVE ANCHORS:

- The UK (\$23,150) and the USA (\$19,100), following Switzerland (\$24,950), anchor the Office and Administration department costs, reflecting their roles as economic hubs.

COST-EFFECTIVE GROWTH STRATEGIES: UNLOCKING BUSINESS POTENTIAL WITH AUGMENTED TEAMS

In the dynamic landscape of global business, where operational costs weigh heavily on the trajectory of enterprises, strategic decisions become paramount. Whether concerning compensation, benefits, or office administration, these expenses can either bolster or imperil a business, contingent on how effectively they are managed. In the era of

rapidly advancing technologies, the significance of cultivating robust tech teams becomes even more pronounced. Winning the digital race hinges on businesses fortifying their tech capabilities, emphasizing the need for adept management of operational costs to navigate the evolving challenges of the technological era.

Expanding tech teams and increasing in-house operations can only exhaust some business revenue. While thinking of cost-effective growth strategies, consider partnering with a reliable vendor that provides dedicated development team services. IT staff augmentation enables you to shift the burden of back-end office routines to others, cutting costs.

Newxel relieves you from the operational routine, allowing you to focus on business growth
We hire skilled talent, set up a research and development hub, and manage operations efficiently.



METHODOLOGY

The Newxel report is a culmination of a comprehensive research endeavor, meticulously designed to provide a nuanced understanding of the operational costs of in-house teams across diverse countries. The selection of these countries followed a strategic logic driven by insights derived from the analysis of 12,000 tech vacancies in Q3 2023. Recognizing The UK, The USA, Germany, Austria, Switzerland, Canada, The Netherlands, and Sweden as actively hiring

countries formed the basis of our investigation, ensuring a representation of regions with robust tech industries. Building on Newxel's deep knowledge of identifying the most cost-efficient countries, Ukraine, Poland, Portugal, and Romania were purposefully included in the study for comparative analysis. This intentional selection aimed to offer businesses insights into the spectrum of operational costs, balancing the perspectives of both highly active and cost-

efficient tech hubs. Furthermore, salaries considered for analysis predominantly focused on middle to senior-level positions, providing a comprehensive overview of the compensation landscape for experienced professionals in these key departments. Our commitment to precision and relevance underscores the robustness of the Newxel report, contributing valuable insights for strategic decision-making in the ever-evolving global business landscape.

SOURCES:


- [Talent.com](#)
- [Glassdoor](#)
- [SalaryExpert](#)
- [PayScale](#)
- [ARC](#)
- [Economic Research Institute](#)
- [DOU](#)
- [BuiltIn LA](#)
- [Jobted](#)
- [Djinni](#)

SALARY RANGE FOR OPERATIONS TEAM IN DIFFERENT COUNTRIES

MINIMUM AND MAXIMUM SALARY IN USD PER MONTH						
ROLES	THE UK	THE USA	GERMANY	AUSTRIA	SWITZERLAND	CANADA
Legal Specialist	4,000 – 6,500	4,500 – 7,000	3,500 – 5,000	3,000 – 5,000	7,900 – 12,500	4,500 – 6,000
Financial Accountant	4,500 – 6,500	5,500 – 7,000	3,900 – 5,000	3,500 – 4,800	7,500 – 12,500	4,600 – 7,000
Payroll Manager or PE Accountant	5,000 – 7,000	5,000 – 8,000	4,500 – 6,500	4,000 – 5,500	7,600 – 11,000	5,000 – 6,500
Recruiter	6,000 – 8,000	6,500 – 8,500	4,700 – 6,300	4,500 – 6,000	7,500 – 10,000	6,500 – 8,500
HR Manager	5,000 – 7,000	6,300 – 8,000	4,500 – 6,000	4,000 – 6,000	7,000 – 9,500	6,500 – 9,000
Employee Benefits Coordinator	2,900 – 3,900	5,300 – 6,500	2,500 – 4,000	2,300 – 4,000	6,000 – 7,300	5,000 – 6,500
L+D Manager	5,500 – 8,000	6,000 – 8,300	4,300 – 5,500	4,000 – 5,300	7,500 – 9,000	5,700 – 8,000
Office Operations Specialist	4,000 – 5,500	4,000 – 6,000	3,500 – 5,000	3,500 – 5,000	6,000 – 7,800	4,300 – 5,800
Facility Maintenance Specialist	3,900 – 5,500	4,300 – 6,500	3,500 – 5,000	3,000 – 4,700	5,700 – 7,000	5,700 – 7,200
Cleaning Staff	2,400 – 2,900	2,400 – 2,800	1,900 – 2,500	1,600 – 2,400	2,900 – 3,500	2,300 – 2,800
System Administrator	3,000 – 4,000	5,200 – 7,000	3,300 – 4,300	3,400 – 4,800	7,500 – 9,500	4,600 – 6,500
TOTAL	46,200 – 64,800	55,000 – 75,600	40,100 – 55,100	36,800 – 53,500	73,100 – 99,600	54,700 – 73,800


MINIMUM AND MAXIMUM SALARY IN USD PER MONTH

ROLES	THE NETHERLANDS	SWEDEN	UKRAINE	POLAND	PORTUGAL	ROMANIA
Legal Specialist	4,500 – 6,500	4,000 – 6,500	1,500 – 3,000	2,000 – 3,500	2,400 – 3,900	1,700 – 3,200
Financial Accountant	4,500 – 7,200	4,000 – 6,300	1,200 – 2,700	1,500 – 3,000	2,200 – 3,600	1,700 – 3,200
Payroll Manager or PE Accountant	4,500 – 6,000	4,000 – 6,500	1,200 – 2,700	1,500 – 3,000	2,200 – 3,600	1,700 – 3,200
Recruiter	5,500 – 7,500	5,000 – 7,000	1,200 – 2,800	2,200 – 3,500	2,000 – 3,800	2,000 – 3,500
HR Manager	4,800 – 6,600	5,000 – 7,000	1,500 – 3,000	2,200 – 3,500	2,000 – 3,800	2,000 – 3,500
Employee Benefits Coordinator	2,400 – 3,800	1,600 – 2,900	1,500 – 2,700	2,000 – 3,500	2,000 – 3,500	2,000 – 3,500
L+D Manager	4,500 – 5,800	3,300 – 4,300	2,000 – 3,500	2,500 – 4,000	2,500 – 4,000	2,500 – 4,000
Office Operations Specialist	3,400 – 5,000	3,600 – 5,200	800 – 1,800	1,200 – 2,300	1,000 – 2,400	1,000 – 2,400
Facility Maintenance Specialist	3,600 – 5,800	3,700 – 5,800	800 – 1,500	1,000 – 2,200	1,000 – 2,200	1,000 – 2,200
Cleaning Staff	1,900 – 2,750	1,600 – 2,400	300 – 800	800 – 1,300	900 – 1,500	600 – 1,200
System Administrator	4,300 – 5,900	3,300 – 4,300	800 – 2,500	1,300 – 3,000	1,500 – 3,500	1,300 – 3,300
TOTAL	43,900 – 62,850	39,100 – 58,200	12,800 – 27,000	18,200 – 32,800	19,700 – 55,500	17,500 – 33,200



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