



THE RACE FOR TECH TALENT

BEST LOCATIONS UNCOVERED

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STUDY OBJECTIVES

In the context of a difficult hiring environment for technology talent, we set out to answer a series of critical questions:



What is the availability, diversity and cost of tech talent across Europe?



How do traditional tech hubs compare to cheaper alternatives and which locations show the most promise?



Are there pockets of technology specialisms in certain locations?

Demand drivers



Top tech talent is still in high demand

Despite tech companies around the world laying off **160k+** employees in 2022, demand remains high as businesses across sectors seek to build up their tech capabilities. In a survey of tech leaders at the end of 2022, **39%** felt acquiring talent had become harder in the previous 12 months.



Tech salaries are increasing fast, pushing organisations to look for lower cost locations

Salaries in the CEE region can be **three times lower** than those in the UK, and the quality of the workforce remains high. Moldova, Romania, Poland and Ukraine ranked in the **top 10 countries in the world** to find developers in 2022, with Sofia, Bulgaria also a top 10 city.



Growing acceptance of remote working has created new options for building teams

Location has become less of a limiting factor post-pandemic, meaning organisations can tap into new locations with large, capable workforces and lower competition for talent.

THE STUDY IN A NUTSHELL

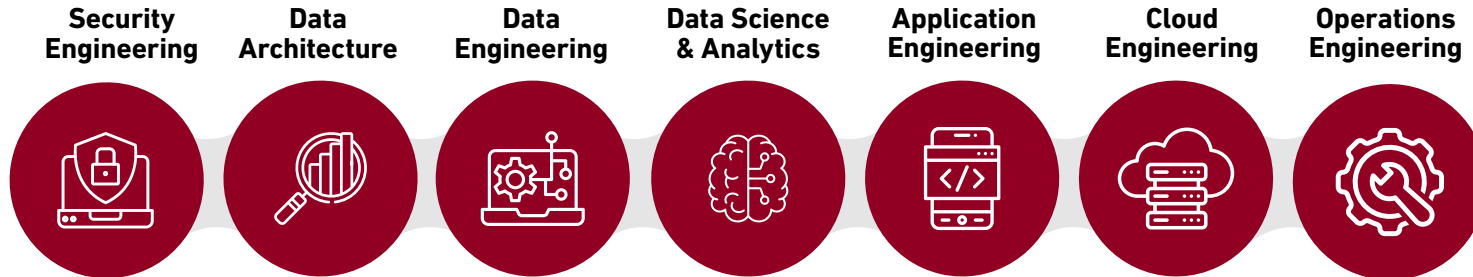
We have carried out an assessment in order to understand where to source and base technology talent across Europe.

300,000 PROFILES ANALYSED

10 LOCATIONS



7 CRITICAL TECH SPECIALISMS



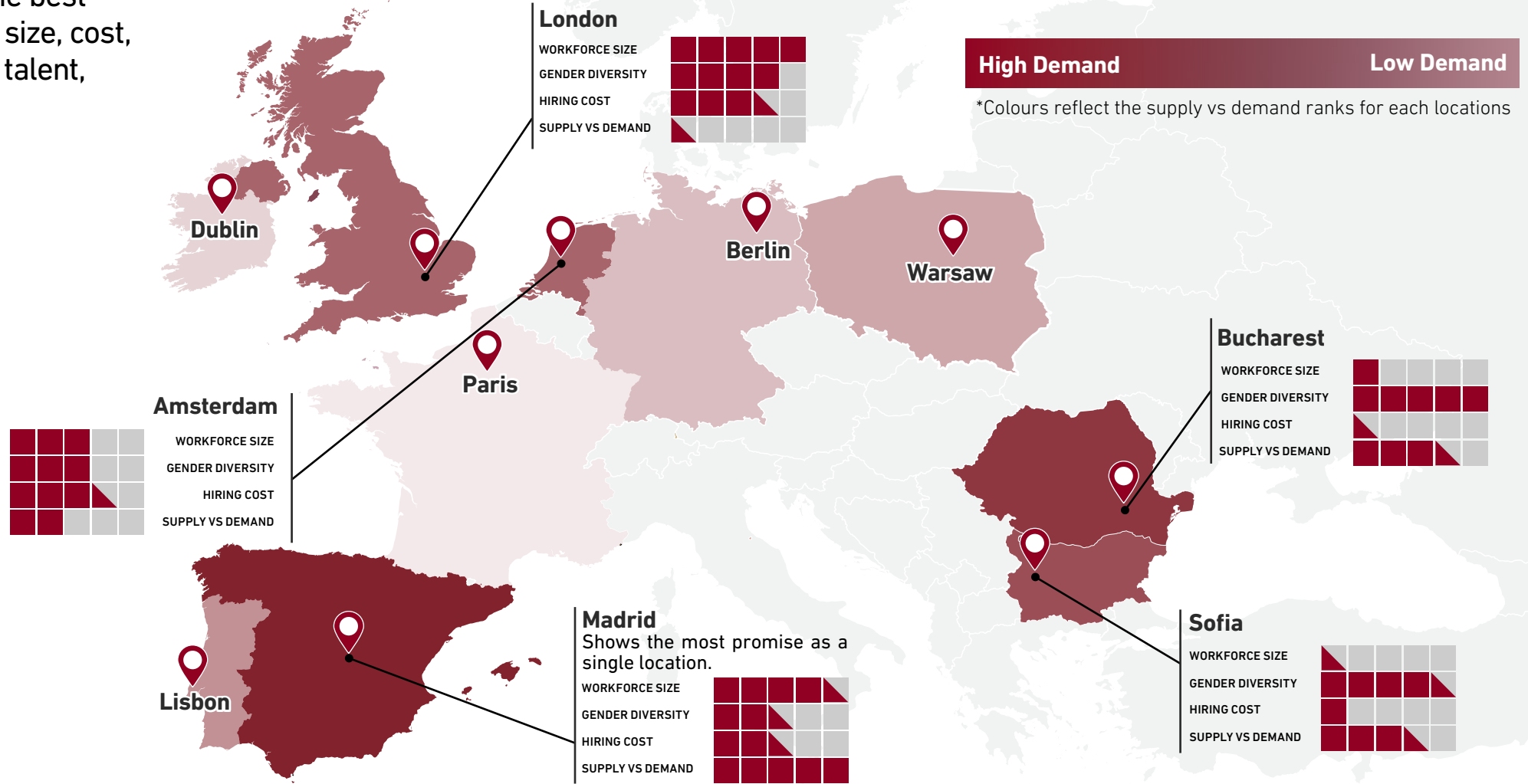
6 AREAS OF ANALYSIS



*measures factors including cost of living, safety, climate, purchasing power and health

BEST LOCATIONS FOR TECH TALENT 2023

The cities that offer the best balance of workforce size, cost, diversity, demand for talent, growth potential and quality of life.



BEST LOCATIONS FOR TECH TALENT 2023

Locations are ranked according to their overall relative strength.



Madrid ranks highest overall. It has a large workforce and low competition as well as ranking highly for quality of life. It also ranked consistently highly across all seven tech specialisms. Although not the cheapest of the locations analysed, Madrid still offers a significant cost saving.



Bucharest and **Sofia** also show significant potential as alternatives to the more traditional locations. Despite having smaller talent pools, they both have good growth potential and lower levels of competition, as well as being the most diverse locations assessed.



Paris and **Berlin**, often listed amongst Europe's top tech hubs, performed relatively poorly overall, sitting behind all of the alternative locations. Although Paris has a larger talent pool, diversity, growth potential and quality of life are lower.



Amsterdam falls in the middle of the range and has good growth potential, so could be a good option for longer-term hiring strategies. The high quality of life here also makes it an attractive location for people to live and work, although hiring costs are high.



According to data from Eurostat, labour costs in Central and Eastern Europe can be as little as 40% of those in the largest Western European economies. In our research we found that **the average salary for a data scientist in Bucharest is a third of that in Berlin.**



COST AND AVAILABILITY IN FOCUS

Availability and cost of talent are often key priorities when deciding where to hire. We considered the size of the workforce, demand for talent and average salaries across the locations.



London and Paris have large talent pools but high demand.

Madrid has the second largest talent pool and the least competition.

High Demand **Low Demand**

*Colours reflect the supply vs demand ranks for each locations

COST AND AVAILABILITY IN FOCUS

To understand how easy it is likely to be to hire in a location, we considered the size of the workforce and the demand for that talent.



Madrid has the second largest talent pool and the least competition as well as offering slightly lower cost than the traditional locations.



London and **Paris** have large talent pools but high demand, making them more challenging locations in which to hire.



Warsaw falls in the middle of the range in terms of talent availability, but the reduced cost of talent here is an advantage, ranking third lowest in our salary assessment. It is also worth noting that **“90% of Polish software developers have an intermediate or higher level of English proficiency”**, an important factor when building an international team.



Sofia and **Bucharest** have small current talent pools but offer low competition and cost, as well as having strong growth potential. They also sit in the Three Seas Region – the 12 EU countries that connect the Black, Baltic and Adriatic seas which includes Romania, Bulgaria and Poland. The region has been highlighted as an **area for significant future growth in tech skills.**



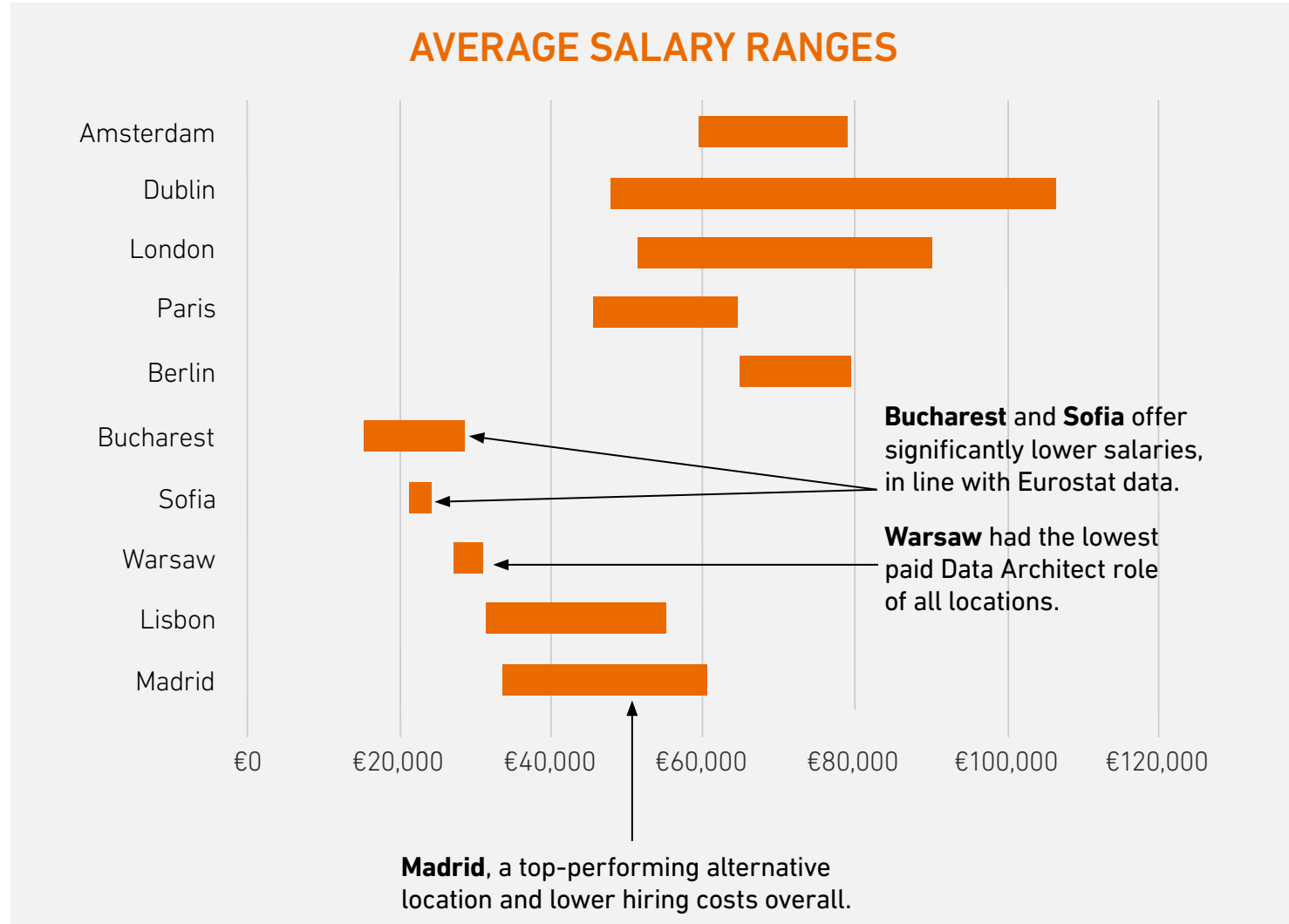
AVERAGE TECH SALARIES AT CONTRIBUTOR LEVEL

Cost of hiring is becoming an increasingly significant factor, considering the rising demand for tech capabilities and continued growth of salaries as a consequence.

We looked at the average salaries for a variety of roles across the locations to give a sense of the cost saving that could be achieved in the alternative locations.

The eastern European locations offer significantly lower salaries, in line with the data from Eurostat. Madrid, the top-performing location overall, also represents lower hiring costs, albeit falling slightly closer to the traditional locations.

With the exception of Warsaw, Data Architect was the highest paid role in each location. Despite having a wider salary range, Bucharest was the cheapest location overall.



MULTI-LOCATION STRATEGIES

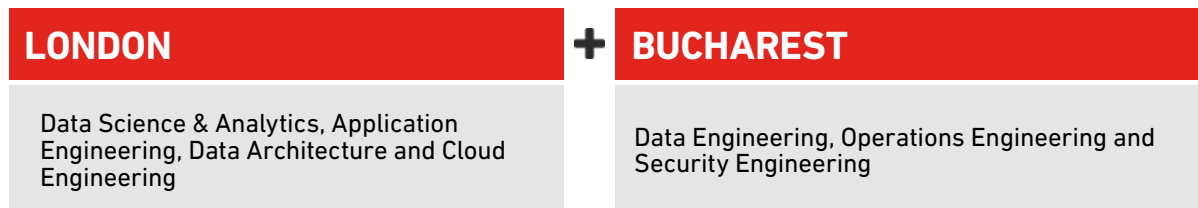
Organisations looking to build the strongest teams at lower cost would be wise to consider hiring in different locations for specific tech specialisms. Below are three potential combinations which bring together the highest-ranking cities across different specialisms and provide cheaper talent overall.

Lisbon is a strong location for **Data Engineering** and **Data Science & Analytics** talent across the five dimensions assessed. Sofia and Bucharest perform well on the other five specialisms, offering a promising three-location strategy.



Madrid scores highest across the board but could be supplemented with **Sofia** and **Bucharest** to provide additional Security Engineering capabilities and lower overall talent cost.

London and **Bucharest** rank first or second across all seven specialisms and combining these two locations could offer a significant cost saving versus hiring in London alone.



DATA IN DEPTH

Figure 1: Full relative ranking analysis by location

This table shows the ranking of the 10 locations for each of the dimensions assessed and their overall ranking.

Locations	Gender Diversity	Workforce Size	Growth Potential	Supply vs Demand	Quality of Life	Hiring Cost	Total
Madrid, Spain	6	2	7	1	2	5	1
Bucharest, Romania	1	8	3	4	10	1	2
Sofia, Bulgaria	2	10	4	2	8	2	3
London, UK	3	1	1	10	7	7	4
Amsterdam, Netherlands	5	5	2	7	1	9	4
Lisbon, Portugal	8	6	6	3	4	4	6
Warsaw, Poland	10	4	8	5	6	3	7
Berlin, Germany	4	9	5	8	3	10	8
Dublin, Ireland	7	7	9	6	5	7	9
Paris, France	9	3	10	9	9	6	10



*Numbers in table are a comparative ranking between the 10 locations

DATA IN DEPTH

Figure 2: Full relative ranking analysis by specialism

This table shows the ranking of the cities for each technology specialism to consider, excluding cost, which are the most attractive locations for specific technology talent.











Locations	Data Architecture	Data Engineering	Data Science & Analytics	Application Engineering	Cloud Engineering	Operations Engineering	Security Engineering
Madrid, Spain	1	1	1	1	2	2	4
Lisbon, Portugal	8	3	3	7	8	6	7
Warsaw, Poland	9	4	5	5	10	9	6
Sofia, Bulgaria	3	7	10	3	8	3	1
Bucharest, Romania	6	2	7	3	2	1	1
Berlin, Germany	5	8	7	8	6	8	8
Paris, France	7	9	6	8	6	10	10
London, UK	2	5	1	1	1	6	3
Dublin, Ireland	10	9	7	8	5	4	9
Amsterdam, Netherlands	4	6	4	6	4	5	5



*Numbers in table are a comparative ranking between the 10 locations

DATA IN DEPTH

Figure 3: Compensation Comparison

	Approximate Media Based Pay (in EUR)	Data Scientist	Data Architect	Data Engineer	Application Engineer
	Madrid, Spain	33,000	60,000	36,000	34,000
	Lisbon, Portugal	31,000	54,000	35,000	37,000
	Warsaw, Poland	27,000	29,000	30,000	28,000
	Sofia, Bulgaria	21,000	24,000	22,000	23,000
	Bucharest, Romania	21,000	28,000	17,000	15,000
	Berlin, Germany	65,000	79,000	65,000	67,000
	Paris, France	46,000	64,000	46,000	52,000
	London, UK	62,000	89,000	59,000	51,000
	Dublin, Ireland	54,000	106,000	55,000	48,000
	Amsterdam, Netherlands	63,000	78,000	62,000	59,000



Transformation Consultants

Matching you with Top tier consultants who diagnose how to tackle a necessary transformation



Talent Strategy

Answering the talent implications of your business strategy



Interim Management

Deploying proven executives, at pace



Savannah is a next generation executive search and leadership consulting firm. Our solutions are diagnosed, designed and delivered by a team of experts in executive search, interim management, talent intelligence and transformation consulting. Our team, enhanced by Savannah's revolutionary AI-powered technologies, collaborate to bring competitive advantage through transformational leadership.



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Know the pool of talent that exists necessary to achieving your company's goals



Succession Planning

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Executive Search

Delivering transformational leaders

A unique combination of data & analytics + knowledge & insight



An innovative team of trusted leadership advisors



Enhanced by revolutionary **AI technology**



Reducing the limitations imposed by geography, sector, tradition or bias.

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