

DENMARK MARKET INSIGHTS — REPORT 2026

Nearshore Engineering Teams for Danish Companies

A decision guide for mid-market leaders
building high-quality technology teams in
Portugal

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EXECUTIVE SUMMARY

Add engineering capacity without giving up control

A practical decision guide for Danish mid-market companies considering integrated technology teams in Portugal.

Denmark has one of Europe's most advanced digital ecosystems. That strength creates demand for people who can develop, operate and secure increasingly important technology. The European Commission still identifies shortages of ICT specialists and STEM graduates, while Statistics Denmark reports persistent difficulty filling ICT roles. [1][2]

Nearshore Portugal, part of DevelopX, is an embedded engineering team partner that helps European companies overcome talent shortages by building and integrating high-performing teams in Portugal. It sources and screens senior professionals, manages employment, payroll and local HR and supports long-term retention while each client selects the people and directs their work within its own tools, processes and culture.†

1 in 3

Danish firms employ ICT specialists — enterprises with 10+ staff, 2024 [2]

8%

had ICT vacancies they could not fill — all surveyed firms, 2024 [2]

33%

could not fill ICT roles — information and communication, 2024 [2]

1 hour

working-day difference — Denmark and mainland Portugal

Inside this paper

Decision	Sections
Why consider nearshoring?	Denmark's capacity paradox What the model means Why Portugal
Which model fits?	Engagement models Integration High-value Danish use cases
How will the relationship work?	Danish ways of working Case evidence
How do we control value and risk?	Business case Security and compliance Buyer checklist
What is the next step?	FAQs Methodology and sources

† "Nearshore Portugal" is referred to as NP in this document.

➤ Digital maturity does not guarantee capacity in the right role at the right time

The evidence supports a selective execution constraint, not a claim that Denmark has run out of technology talent.

Denmark begins from digital strength. The European Commission describes an advanced ecosystem with robust infrastructure and a solid research base. Its 2026 national Digital Decade roadmap contains 67 measures with a total budget of EUR 1.07 billion. The same assessment warns that skills shortages, limited resources among SMEs and weak links between research and market deployment can slow adoption and competitiveness. [1]

Statistics Denmark reports that about one third of companies with at least ten employees employed ICT specialists in 2024. Eight per cent of all companies had ICT vacancies they could not fill. The figure reached 33% in information and communication and the recruitment problem became more prevalent as company size increased. [2]

Market signal	Implication for a mid-market buyer
Advanced digital ecosystem	A technology talent partner must meet a mature local standard rather than sell basic digitisation
Persistent ICT and STEM shortages	Test the exact role, seniority and location before choosing a sourcing route
8% of companies had unfilled ICT vacancies	Vacancy risk is material but not universal across every occupation

Market signal	Implication for a mid-market buyer
AI use rises sharply with company size	Capacity must support adoption, governance and production use rather than experiments alone
Limited SME resources	The operating model must be simple enough for a mid-market management team to absorb

In 2025, 37% of companies with 10 to 49 employees used at least one type of AI technology, compared with 75% of companies with more than 250 employees. The Commission says adoption of advanced technologies remains uneven. For mid-market leaders, the challenge is not only to hire. It is to move cloud, data, automation and AI into reliable operations. [1][2]

OUR JUDGEMENT Denmark does not need generic low-cost coding. The credible case is access to integrated technology professionals for specific client-owned roadmaps, platforms and specialist functions.

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Nearshore Portugal builds the team structure, while the client owns the engineering work

A precise definition prevents a talent and employment service from being mistaken for outsourced software delivery.

In Nearshore Portugal's model, professionals based in Portugal join the client's organisation. They use the client's tools and processes, report into its management structure and contribute to client-owned roadmaps. The model can begin with one specialist or expand into a dedicated team, branded hub or future client-owned operation. [16][17][18]

Nearshore Portugal recruits and employs the professionals. We manage Portuguese employment contracts, payroll, local HR and retention support. We do not scope, manage or deliver software projects. The Danish client chooses the people, assigns their managers, sets priorities and keeps accountability for architecture, quality, releases, security and business outcomes.

Danish client retains	Nearshore Portugal manages	Shared activity
Product strategy and priorities	Recruitment and candidate sourcing	Role definition and team design
Daily work and delivery decisions	Portuguese employment contracts	Onboarding and integration plan
Architecture and engineering standards	Payroll and people administration	Feedback and continuity planning

Danish client retains	Nearshore Portugal manages	Shared activity
Security and risk acceptance	Local HR and employee support	Access readiness and role controls
Business outcomes and budget	Retention support	Capacity changes and succession needs

How the model differs from common alternatives

Local hiring: the client employs the professional and carries every local employment responsibility.

Independent contractor: the buyer contracts an individual and carries greater continuity and classification exposure.

Consulting: the provider supplies expertise for a period, often with a defined advisory or project remit.

Project outsourcing: the provider accepts responsibility for a specified output or service result.

Nearshore team: the people are employed and supported in Portugal while the client leads their work.

➤ Fit depends on the work, the time horizon and the client's readiness to lead

Location advantage cannot compensate for unclear priorities or slow client decisions.

Location advantages create the most value when supported by clear priorities, timely decisions and a thoughtful integration plan. Nearshoring is particularly effective when the capability need is long term and the Danish organisation is ready to welcome Nearshore Portugal professionals into its teams, tools and ways of working. Clear roles, open communication and shared expectations help the partnership become productive quickly and support lasting collaboration.

Strong-fit signal	Why it matters
Durable roadmap or capability need	The team has time to learn context and improve continuity
Named client manager	Work, feedback and escalation do not depend on the provider
Defined role outcomes	Candidates can be assessed against real work and decisions
Shared tools and access	Professionals can operate inside the client's delivery system
Need for specific seniority	A second EU talent market can widen the search
Multi-year capacity pressure	Talent access and location economics can compound over time

When another model may be stronger

Short intervention: specialist consulting may be more efficient for a brief diagnostic or recovery task.

Continuous physical access: local hiring can be stronger for factory, laboratory or customer-facing work.

Unresolved roadmap: clarify priorities and decision rights before adding capacity.

Provider-owned output: use a project or managed-service contract if the supplier must own delivery.

Price-only search: a rate target without a quality and integration model creates false economy.

Readiness test

Question	Ready signal
Who directs the work?	A named manager has time for interviews, onboarding and decisions
What is the first mission?	A bounded outcome or capability is visible early in the engagement
Which context is required?	Tools, documentation and domain experts are accessible
What stays in Denmark?	Local language, site and risk dependencies are mapped
How is value assessed?	The comparison includes total capability cost and delay risk

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➤ Portugal provides a strong European base for integrated technology teams

Nearshore Portugal combines access to Portugal's technology talent market with recruitment, employment and long-term team support.

Mainland Portugal is one hour behind Denmark and European clock changes are coordinated. This working-day overlap enables direct communication, shared meetings and close collaboration without relying on overnight handovers. As EU Member States, Portugal and Denmark also share a familiar regulatory environment for cross-border operations. [12]

Portugal employed 283.900 ICT specialists in 2025, representing 5.4% of total employment and exceeding the EU average of 5.0%. The country also benefits from strong connectivity, established technology centres and a growing international talent community. [3][4]

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With teams in Lisbon and Porto, Nearshore Portugal brings local recruitment networks, structured candidate assessment and knowledge of the Portuguese employment market. It sources professionals according to each client's technical and communication requirements, manages employment, payroll and local HR, and supports retention throughout the engagement. The Danish company selects every professional and integrates them into its own organisation. [16][18]

Portugal and Denmark are both ranked in the very-high-proficiency group of the 2025 EF English Proficiency Index. Nearshore Portugal also assesses communication skills during recruitment, helping professionals integrate into the client's tools, processes and working culture. [13][18]

Fit criterion	Nearshore Portugal advantage	Value for Danish companies
Working-day overlap	Professionals collaborate during the same European business day	Faster communication, easier coordination and closer team integration
EU operating context	Employment and team support are managed within the European regulatory environment	Familiar legal framework and straightforward cross-border collaboration
Technology talent market	Local networks and structured sourcing across engineering, cloud, data, cybersecurity, infrastructure and UX/UI	Additional access to specialist technology capabilities
English collaboration	Candidates are assessed for technical expertise and communication fit	Smoother onboarding and effective daily collaboration
Operational support	Nearshore Portugal manages recruitment, employment, payroll, local HR and retention	Danish leaders can focus on team direction, product priorities and engineering outcomes
Scalable engagement models	Options range from one specialist to dedicated teams, Direct Hire, BOT and Nearshore Hubs	Capacity can grow according to the organisation's roadmap and operating needs

NEARSHORE PORTUGAL ADVANTAGE One partner combines local talent access, employment infrastructure and continuity support, helping Danish companies build and scale Portugal-based technology teams without establishing the local operating structure alone.

PART TWO

Choosing the Model & Building the Team

Five engagement routes into the Portuguese technology talent market, how integration actually works day to day and where Danish mid-market companies are finding the highest-value first scopes.

Choosing the right engagement model	12
How Nearshore Portugal builds and supports an integrated team	14
High-value Danish use cases	22

➤ The model should follow the capability need and the ownership you want to keep

Start with the lightest structure that solves the problem and has a credible path to evolve.

Nearshore Portugal offers five routes into the Portuguese technology talent market: Staff Augmentation, Dedicated Teams, Direct Hire, Build-Operate-Transfer and Nearshore Hubs. Each can be useful, but they solve different workforce and ownership needs.

Model	Best mid-market fit	Danish client retains
Staff Augmentation	One or a few specialist gaps	Team leadership and all delivery decisions
Dedicated Team	A sustained product, platform or data mission	Priorities, architecture and outcome accountability
Direct Hire	Permanent Portuguese roles with an employing setup	Employment and long-term people ownership

Model	Best mid-market fit	Danish client retains
Build-Operate-Transfer	A future client-owned operation	Product and technical direction during build
Nearshore Hub	Several teams or a branded capability centre	Portfolio direction and future ownership model

A practical sequence

01 Start

Begin with one role or a small team when the market and integration assumptions are still uncertain.

02 Stabilise

Measure role fit, decision speed, quality, continuity and full cost before expanding.

03 Scale

Add the next capability only when a manager and bounded mission are ready.

04 Transfer

Use Direct Hire or BOT when long-term ownership is part of the strategy.

➤ Integration combines strong recruitment and employment support with client-led engineering

The team needs role evidence, client access and explicit decision rights before proximity can create value.

The process begins with the real work. A useful requirement describes the decisions the professional will make, the systems involved, the expected seniority and the client manager. Nearshore Portugal can then test the Portuguese market, source candidates and assess technical and communication evidence. The Danish client conducts the last-phase interviews and approves every person.



Figure 1. Quality chain used in this paper. Country indicators support market selection but do not replace role evidence.

Stage	Nearshore Portugal contribution	Danish client evidence
Define	Market view, role calibration and sourcing plan	Business reason, real work, manager and assessment criteria
Assess	Technical screening, seniority and communication evidence	Interview panel, contextual questions and timely decision
Onboard	Employment setup, local HR and employee support	Equipment, identity, access, priorities and team introductions
Operate	People follow-up, retention support and continuity	Backlog, engineering standards, feedback and outcome data
Evolve	Workforce planning, replacement and transfer support	Role changes, scale decision and knowledge-transfer requirements

Operating disciplines that protect integration

One work system: use the client's backlog, repositories, documentation and communication channels.

Visible decisions: record who decides, what evidence is required and when the answer is due.

Engineering evidence: define review, testing, security and operational standards before the first task.

Continuity by design: avoid single owners for critical knowledge and keep runbooks current.

➤ Trust and autonomy work best when decision lines are visible across locations

The goal is to preserve Danish working strengths without leaving the nearshore team outside informal context.

Workindenmark describes Danish workplaces as relatively flat, team-oriented and informal. Employees are expected to contribute ideas, work independently, meet deadlines and act when problems appear. It also notes that the implied hierarchy can make decision lines difficult to observe. That combination is important in a distributed team. [6]

A Portugal-based professional may receive broad autonomy but miss the discussions that define its limits. The answer is not more meetings. It is a clearer mandate: the outcome, guardrails, decision owner, escalation point and deadline should be visible in the same system as the work.

Danish working expectation	Distributed risk	Design response
Flat hierarchy	The real decision-maker is not obvious	Publish a responsibility map and escalation route
Autonomy	The team acts without enough context	Define guardrails, interfaces and risk limits
Team contribution	Portugal joins after the important discussion	Invite early challenge and document the decision

Danish working expectation	Distributed risk	Design response
Informal communication	Local shorthand excludes remote colleagues	Capture conclusions and owners in the shared work system
Punctuality and deadlines	Blocked work is surfaced too late	Escalate dependencies early and measure decision latency
Work-life balance	Meeting sprawl consumes the overlap	Use async preparation and protect focused work

A cadence that protects flow

Cadence	Purpose	Rule
Daily	Blockers and urgent decisions	Short, direct and not a status theatre
Weekly	Outcomes, flow and upcoming decisions	One shared scorecard with owners and dates
Fortnightly	Working value and priority changes	Bring domain experts only when evidence can change direction
Monthly	People health, risk and commercial variance	Review team performance and continuity together

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➤ The location cost gap is relevant only after the full capability is compared

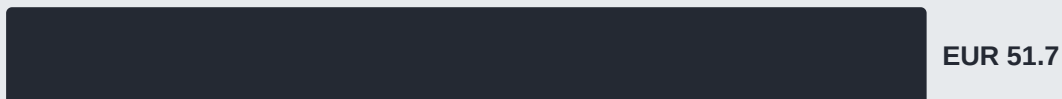
A credible model includes vacancy time, provider fees, client leadership and transition risk.

Eurostat estimated average hourly labour cost in 2025 at EUR 51.7 in Denmark and EUR 19.4 in Portugal for enterprises with at least ten employees. The gap is large, but it does not mean a Portugal-based technology team is automatically 62% cheaper. These are whole-economy location estimates, not technology salaries, provider rates or like-for-like team costs. [5]

AVERAGE HOURLY LABOUR COST, WHOLE ECONOMY, 2025

Eurostat estimate for enterprises with 10 or more employees

Denmark



Portugal



Figure 2. Eurostat 2025 estimate. Whole-economy labour cost for enterprises with 10 or more employees. It is not a technology rate card.

Cost layer	Include	Common omission
Local alternative	Compensation, recruitment, vacancy time, equipment and management	Comparing only gross salary
Enablement	Security, access, travel, onboarding and domain transfer	Assuming integration is free
Client-retained work	Product, architecture, management and risk acceptance	Pretending the provider replaces leadership
Performance risk	Quality, rework, attrition and replacement delay	Assuming equal productivity from day one

➤ EU location reduces some friction but does not make the engagement compliant by default

Classify the work, assign legal roles and design access before candidate onboarding begins.

Under GDPR, the controller determines why and how personal data is used. A processor acts on the controller's instructions. The Danish Data Protection Agency stresses that the controller remains responsible for compliance and must have appropriate agreements and technical or organisational measures. The role of Nearshore Portugal depends on the actual processing, not the commercial label. [7][8]

Denmark's NIS 2 Act entered into force on 1 July 2025 and covers public and private entities in listed sectors, with scope rules that can include medium-sized organisations. DORA has applied to covered financial entities since 17 January 2025 and places specific attention on ICT third-party risk. The EU AI Act already applies some rules, while transparency obligations apply from 2 August 2026. [9][10][11]

Control area	Decision before launch	Evidence to retain
Legal roles	Controller, processor, independent controller or no personal-data role	Agreement, instructions and record of processing
Identity and access	Least privilege, environment boundaries and joiner-mover-leaver flow	Approvals, access logs and periodic reviews
Secure development	Repositories, review, secrets, dependencies and release controls	Client-owned code history and control evidence
AI-assisted work	Approved tools, data restrictions, review and provenance rules	Policy, tool inventory and human review
Third parties	Subprocessors, hosting, support locations and change process	Current register, due diligence and notification terms
Resilience	Incident duties, continuity, backup and exit	Test results, runbooks and knowledge handback

➤ The best first scope is bounded, durable and measurable

Choose work that can absorb context and create leverage without depending on constant physical access.

Invest in Denmark highlights technology, cleantech, life sciences, maritime and transport among the country's important business environments. These sectors create different constraints, but the nearshore selection test is consistent: can integrated professionals work within a clear capability boundary while the Danish organisation retains management, strategy, domain decisions and risk acceptance? [14]

Danish context	Credible first scope	Conditions for success
SaaS and digital products	Product engineering, quality automation, platform enablement and analytics	Decisive product owner, outcome data and shared observability
Financial services and fintech	APIs, test automation, data engineering, IAM and reliability tooling	DORA-aware supplier controls, data boundaries and client risk ownership
Energy and cleantech	Cloud back ends, telemetry, data platforms and operational dashboards	Clear IT and OT boundary, domain access and realistic test environments
Life sciences and health technology	Data engineering, platforms, QA tooling and selected digital product work	Workload classification, validation needs and protected data controls
Maritime, logistics and industry	Integration, optimisation, platform engineering and support automation	Site dependencies, asset context and production-like testing

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Technology profiles that can form a first team

Software and product engineering: professionals join a client-led product or service mission.

Cloud, DevOps and platform engineering: specialists work within the client's platform priorities and standards.

Data engineering and production AI: roles support client-governed data, evaluation and operational adoption.

Cybersecurity: security professionals join the client's engineering and risk processes.

Infrastructure and support: stable roles can automate operations and retain service knowledge over time.

UX, UI and quality engineering: specialists work with client product leaders, evidence and release decisions.

PART THREE

From First Conversation to Proof

Insights and evaluation checklist Danish buyers should use to compare proposals.

From first conversation to integrated team	25
Evidence in practice	28
The Danish buyer's evaluation checklist	29

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➤ The first 90 days will confirm the people, the integration model and the cost case

A staged launch gives a mid-market buyer decision points before capacity expands.

The journey begins with a role or team hypothesis. Nearshore Portugal tests the market, sources and assesses candidates and supports client interviews. After approval, we complete employment, payroll and HR setup while the Danish client prepares access, equipment, work and management attention.



Figure 3. Recommended sequence. Actual timing depends on role scarcity, interviews, notice periods and client access readiness.

Phase	Nearshore Portugal	Danish client evidence
Days 0–15 Align	Tests role, market, seniority and employment assumptions	Named manager, role outcomes, budget logic and interview plan
Days 16–30 Select	Sources and assesses the first candidate group	Timely interviews, documented feedback and approval
Days 31–60 Integrate	Completes employment setup and people onboarding	Equipment, access, priorities and first reviewed work
Days 61–90 Stabilise	Runs HR follow-up, retention support and capacity review	Working cadence, quality feedback and scale decision

Scale and evolve

As role fit and integration strengthen, Nearshore Portugal helps the client expand capacity through structured sourcing, workforce planning and continuity support. The team can evolve by adding new skills, adjusting seniority or refining responsibilities as business needs change. With local recruitment expertise and flexible engagement models, Nearshore Portugal supports sustainable growth while the client retains control of priorities, engineering direction and team outcomes.

➤ Long-term teams show the value of continuity

These examples use our internal engagement records, reviewed in July 2026. The strongest evidence in a nearshore relationship is team continuity as business needs change. We can provide fuller context and reference availability during the sales process.

11 FTE
Global Blue
Infrastructure and support · BOT · 5+ years

5 FTE
Infinitas Learning
.NET and React · Dedicated Team · 6+ years

12 FTE
EnBW
.NET Core, Vue, React and Azure · 4+ years

10 FTE
müller x net
Multi-stack · Nearshore Hub · 6+ years

5 FTE
RB2
Microsoft Stack · B.O.T · 4 years

4 FTE
OTRS
Perl, Linux, Vue.JS · Dedicated Teams · 7+ years

Partnership	What the engagement demonstrates	What to explore with us
Global Blue	A multi-year infrastructure and support team using a BOT model	Team evolution, service scope, governance and transfer path
Infinitas Learning	A focused engineering team retained across a long roadmap	Team boundary, continuity and integration
EnBW	A larger multi-profile engineering team in the energy sector	Capability mix, technical leadership and security boundaries
müller x Net	A nearshore hub supporting several technologies	Hub structure, scaling model and knowledge retention
rb2	Digital Agency & E-Commerce Development	A build-operate-transfer model applied to e-commerce delivery at smaller team scale
OTRS	Software Development	A long-tenured, compact team sustaining a specialized software product

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➤ A credible partner makes assumptions easy to inspect

Use the checklist before price becomes the only visible difference.

Five red flags

CV volume without role understanding: a large shortlist can hide weak assessment.

Unclear employer responsibilities: the proposal should state who manages contracts, payroll, HR and support.

Delivery claims from a talent partner: do not confuse employment support with client-owned technology delivery.

A saving promised before team design: cost depends on actual roles, fee and retained client effort.

Certifications as the main quality proof: quality still depends on candidate evidence and client controls.

Three final checks

Check	Pass condition
Need	The business reason and required capability are clear
Ownership	Product, technical, employment and risk decisions have named owners
Evidence	Candidate quality and the operating model can be tested before scale

PART FOUR

Questions & Evidence

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Direct answers to the questions Danish mid-market leaders ask most often, followed by the evidence and sources behind this paper.

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Methodology, definitions and sources	33

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➤ Direct answers to the questions Danish mid-market leaders ask most often

The final answer depends on the role, market conditions and the client's operating environment.

Is Nearshore Portugal a software development company?

No. It recruits, employs and supports technology professionals who join the client's organisation. The client directs their work and owns software delivery.

Is it the same as project outsourcing?

No. In this model the client directs the people and owns delivery. A project supplier owns a defined output or service result.

Why do Danish companies consider Portugal?

Portugal adds an EU talent market, a one-hour time difference and a structurally lower employment-cost base.

Can we begin with one specialist?

Yes. Staff Augmentation can address one defined gap when a client team and manager already exist.

Which profiles can Nearshore Portugal search for?

Technology roles required by the client, subject to a market test for seniority, depth, availability and cost.

Do we choose the candidates?

Yes. Nearshore Portugal screens and interviews candidates and the client runs the final step to approve every professional.

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Who employs the professionals?

Nearshore Portugal employs them in Portugal under the selected model and manages payroll and local HR.

How long does it take to build a team?

Timing depends on role scarcity, interviews, notice periods and client access readiness. It should be estimated after role calibration.

Does nearshoring save money?

It can lower total capacity cost. The result depends on the team, provider fee, vacancy time and retained management effort.

Can a regulated company use the model?

Potentially. The workload and entity must be classified under GDPR, NIS2, DORA and sector rules before launch.

Can the team become ours later?

Yes, through delivery models such as Direct Hire and Build-Operate-Transfer.

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