



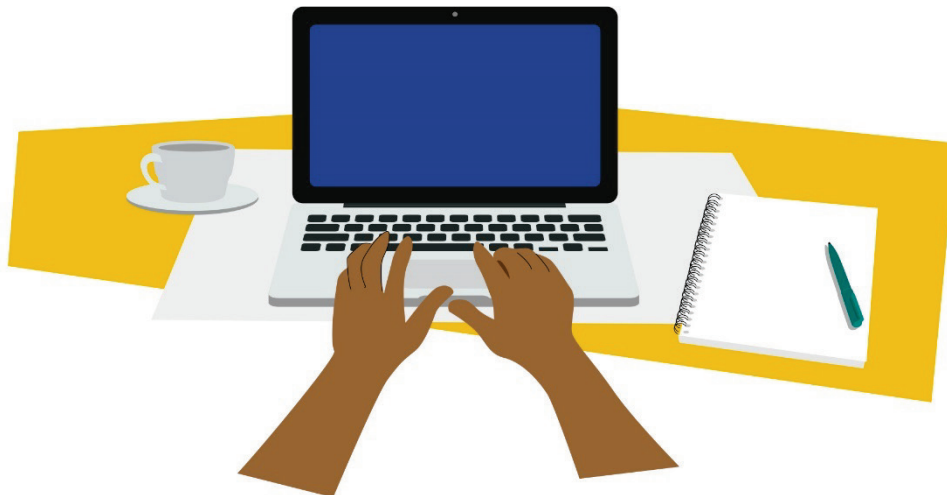
# The Swedish Market IT services



**Open Trade  
Gate Sweden**  
National Board of Trade

## The purpose of the market study

The purpose of this market study is to provide a comprehensive guide for companies from developing countries that are interested in entering the Swedish IT market. It aims to offer valuable insights and support actionable strategies for service providers and product/solution providers looking to sell their products and services or to establish a presence in Sweden. It outlines, among other things, important trends in the market, technical, regulatory and cultural requirements and where and how to find business partners.



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## Important trends in the market

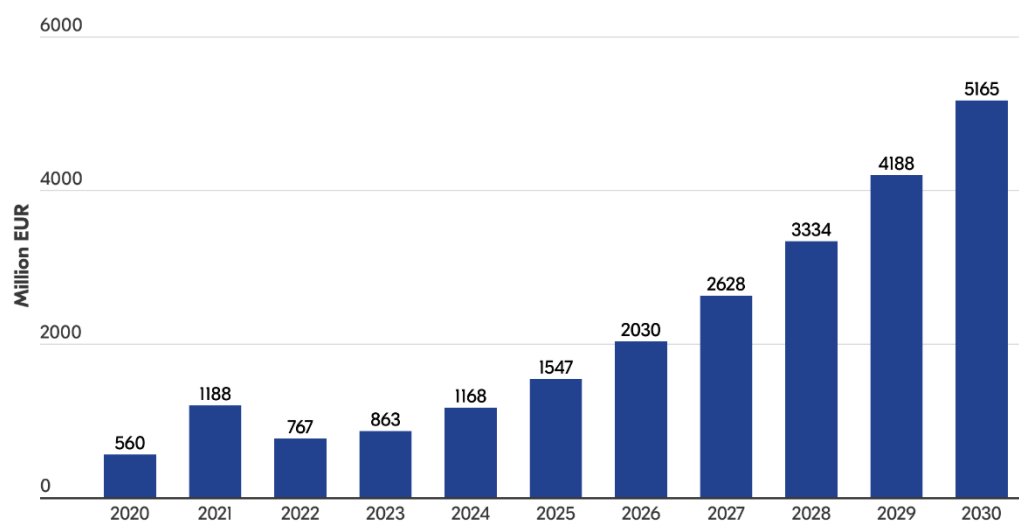
The Swedish IT market is characterised by rapid technological advancements and evolving business landscapes. This section delves into key trends shaping the industry, including the rise of artificial intelligence, the increasing adoption of blockchain and cryptocurrencies, and the impact of emerging regulations. It also explores how economic conditions, sustainability efforts, geopolitical tensions and cybersecurity challenges influence the market. Understanding these trends is essential for companies aiming to navigate and succeed in Sweden's dynamic IT sector.

### Artificial Intelligence (AI)

In Sweden, AI is significantly transforming key industries such as healthcare, automotive, and finance. Major corporations like Ericsson and Volvo are integrating AI into their operations to enhance automation, predictive maintenance and customer service. The Swedish government supports AI advancements through initiatives such as AI Sweden, a national centre for applied AI research and innovation.

As illustrated in Figure 1, the demand for AI-driven solutions in Sweden is expected to grow rapidly, particularly in areas like natural language processing, machine learning and computer vision applications. This demand presents a significant opportunity for IT service providers to offer advanced AI solutions tailored to the needs of Swedish businesses.

**Figure 1. AI market size in Sweden from 2020 to 2030**



Source: Statista Research Department 2024

“ *The challenge in expanding AI-driven solutions in Sweden, but at the same time opportunity, is the adoption of simple and usable tools. These to be ‘embedded everywhere’ so it becomes a ‘commodity’. To strengthen the growth of AI solutions, especially as an IT consultant working with clients in Sweden, one approach is to focus on ‘Explainable AI’. This has already begun to be adopted, helping to make AI feel more relevant and understandable in business operations.*”

Anders Norlin, Strategic Advisor and Venture Builder

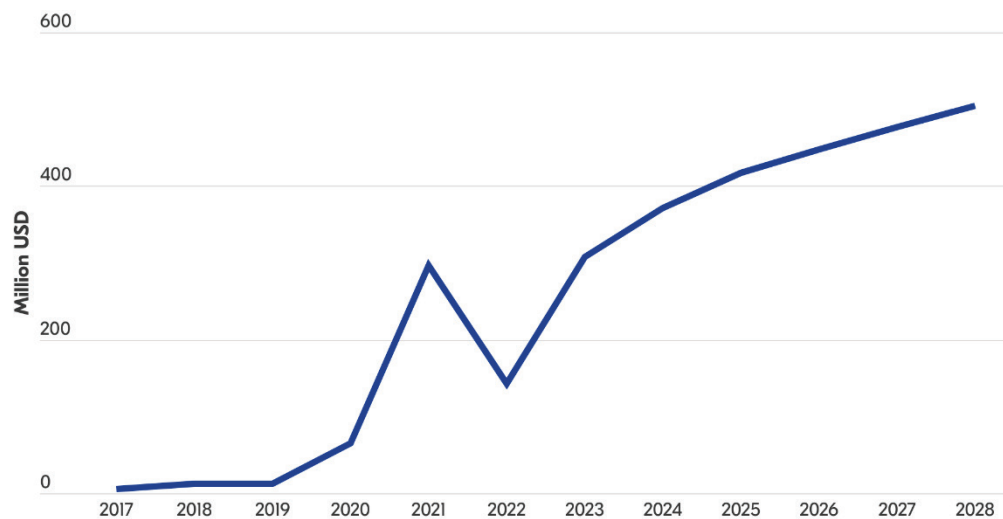
In a testament to the AI trend, in June 2024 Microsoft announced a substantial investment of SEK 33.7 billion (approximately USD 3.3 billion) over two years to enhance cloud and AI infrastructure in Sweden. This investment also includes an AI skills boost for a quarter of a million people and underscores the strategic importance of AI and cloud services in Sweden's digital transformation journey. It opens up further opportunities for IT service providers to collaborate on AI projects.

## Blockchain and cryptocurrencies

Blockchain technology is increasingly embraced in Sweden due to its potential to improve transparency, security and efficiency. The Swedish financial sector is particularly active, with institutions exploring blockchain for secure transactions and digital identity verification. Notably, Lantmäteriet (Swedish Land Survey Agency) has piloted blockchain for real estate transactions to enhance security and reduce fraud. With major corporations like BlackRock adopting blockchain for ETF (exchange-traded fund) offerings, the technology's credibility and areas of application are expanding. IT companies should focus on blockchain development and integration services to capitalise on this trend.

“ *Blockchain technology adoption in Sweden is currently smaller compared to other markets, but this may shift as more practical use cases emerge. In the future, blockchain is likely to become a core part of daily operations, seamlessly integrated into banks, corporations and various industries. While largely invisible to end users, it will serve as a trusted infrastructure supporting sectors such as finance, logistics and even the arts.*”

Isak Nyberg, Partnership Manager Centiglobe

**Figure 2. Revenues in the Swedish Cryptocurrency market, 2017–2028**

Source: Statista Research Department 2024

The Swedish cryptocurrency market is rebounding, as illustrated in Figure 2, driven by regulatory clarity and institutional interest. The introduction of the Markets in Crypto-Assets (MiCA) regulation in the EU aims to create a standardised regulatory framework, enhancing investor protection and market integrity.

Additionally, the tokenisation of real-world assets (converting ownership rights of an asset into a digital token on a blockchain), such as real estate and commodities, is gaining momentum. This trend offers opportunities for IT companies to develop secure, compliant platforms for cryptocurrency trading and asset tokenisation, addressing the needs of both consumers and institutional investors.

“ We believe that as more relevant use cases emerge, such as the tokenisation of real-world assets or verifying supply chains, the need for blockchain adoption will grow. The initial hesitation due to fears around cryptocurrencies has slowed progress, but this is expected to shift as practical applications gain traction. For instance, the Boston Consulting Group projects tokenisation to be a USD 16 trillion opportunity by 2030, and the World Economic Forum anticipates that 10 per cent of global GDP will be tokenised by 2027.”

Isak Nyberg, Partnership Manager Centiglobe

## Economic situation

The Swedish IT market is grappling with significant economic challenges. The aftermath of COVID-19 has disrupted supply chains and accelerated digital transformation, but it has also strained financial resources. The war in Ukraine has exacerbated instability, impacting energy supplies and increasing operational costs. Additionally, Sweden has been facing high inflation and rising interest rates, which is particularly troublesome for tech companies dependent on investment and consumer spending.

These economic pressures necessitate strategic adaptations by IT firms to navigate financial uncertainty and maintain competitiveness in a volatile market. The latest trends point towards decreasing interest rates, but there is still uncertainty regarding inflation trends going forward.

## Sustainability

Sweden is a global leader in sustainability, with a strong focus on cleantech and climate tech. The country tops the SDG (Sustainable Development Goals) Index Score 2023/2024 together with Finland and aims to achieve net-zero emissions by 2045, driving investments in renewable energy, energy-efficient technologies and sustainable urban development. IT companies can play a crucial role by developing solutions that support these goals, such as smart grids, IoT-enabled energy management systems and sustainable supply chain technologies. An emphasis on sustainability in product offerings can align with Sweden's environmental priorities and attract eco-conscious customers.

“Based in Stockholm, Sweden, the [Global Sustainability Innovation] lab will serve as a global research and development centre for climate conscious digital products and solutions, and support impact-driven startups and customers.”

Malin Berge, Head of Global Sustainability Innovation Lab, Mastercard

## Increased focus on cybersecurity

Geopolitical tensions, particularly with Russia, have heightened Sweden's focus on cybersecurity. The country is strengthening its cyber defences to protect critical infrastructure and private sector assets from potential cyberattacks. This environment presents opportunities for IT service providers specialising in cybersecurity. Companies must offer advanced security solutions, including threat detection and incident response, and ensure compliance with stringent regulations like the Network and Information Security Directive (NIS2).

In 2023, Europe was the global region that was most impacted by cyber threats, with 32 per cent of incidents according to the IBM X-Force Threat Intelligence Index. This share has increased steadily since 2021 and is marked by a significant increase in ransomware attacks. Europe's high usage of cloud platforms in itself contributes to

increased risk, as 30 per cent of incidents involve the use of valid accounts for cloud or local access. The main incidents reported in European organisations were credential harvesting (28%), extortion (24%) and data leaks (16%). The manufacturing sector was the most targeted industry, followed by professional services, and finance and insurance.

“*Early warning systems will be key in staying ahead of cyber threats, acknowledging that cyber threats will continuously develop. I envision early warning systems collecting information globally to enable the rapid distribution of information and experience. With the growing adoption of cloud services, I see companies keeping cybersecurity solutions up to pace with emerging threats by seeing it as a continuous process, meaning it's not one, or a few, fixes.*”

Anonymous cybersecurity professional

The increase in cyber threats has led to the adoption of the EU Directive NIS2, which sets stringent cybersecurity requirements for essential service providers in Sweden. This directive mandates comprehensive security measures, regular risk assessments and timely incident reporting. IT service providers need to offer solutions that help organisations comply with NIS2, such as robust cybersecurity frameworks, employee training programmes and advanced threat intelligence. These services are critical for businesses to safeguard their operations and maintain regulatory compliance.



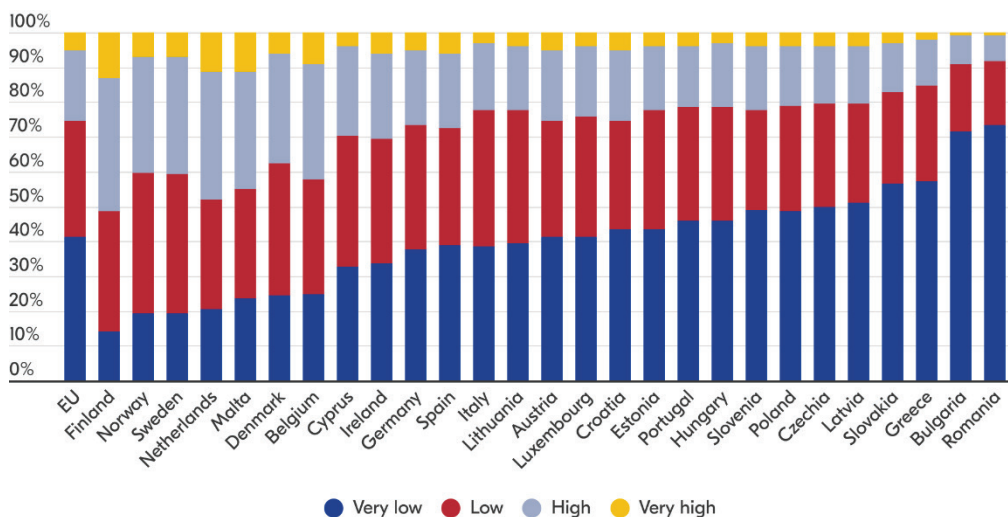
## The Swedish market for IT services

Sweden is one of the most technologically advanced countries in the world, which is illustrated by the country's high ranking in the EU's Digital Intensity Index (Figure 3). The categorisation is based on the extent to which twelve selected digital technologies are used in enterprises in each country (e.g. use of any AI technology, e-commerce sales accounting for at least 1% of total turnover, etc).

The IT and telecom industry consists of companies focusing on the development of software, hardware and digital IT services, such as international streaming services for music, development of computer games and digitalisation of financial services.

Sweden is the birthplace of many well-known global tech brands in various sectors, which play a leading role in the world. These brands include Spotify, Skype, Ericsson, Electrolux, Truecaller, µTorrent, Klarna, Mojang, King, among others.

**Figure 3. EU's Digital Intensity Index 2023 (% of enterprises)**



Source: Eurostat

IT is an ever-growing industry with a high demand for expertise. Despite the fact that Sweden has come a long way, some major challenges still remain. The availability of large amounts of data is growing rapidly, and the need to process and analyse this data is becoming increasingly important.

One persistent challenge is the lack of IT skills. Although recent market challenges caused by COVID-19 and geopolitical tensions are having a negative impact on the market, many competencies are still in high demand (e.g. system developers). The shortage of skills is also significant in the rapidly growing gaming segment of the IT market and AI, which will create a lot of new opportunities. This makes Sweden an important destination for international digital talent.

## Sweden as a target market for IT services

According to McKinsey, the Nordic countries have long taken pride in their distinctive approach, and the recent tech boom is no exception. While technology adoption and the digital transformation have surged globally following the COVID-19 pandemic, software companies in Sweden, Norway, Denmark and Finland have experienced unprecedented growth, transforming the region into a significant net exporter of software in just a few short years (see Figure 4).<sup>1</sup>

Several factors account for the sudden growth of the Nordic region and may provide valuable guidance to software companies, founders, investors and policymakers worldwide. McKinsey's analysis of over 1,000 Nordic software companies from 2017 to 2022 reveals insights into revenue changes for various software growth strategies.

Key findings include:

- The Nordic countries are still in the early stages of their export S-curve,<sup>2</sup> with substantial growth potential.
- Sweden is on track to produce 7.4 times more, and Norway 4.7 times more, than local demand by 2030, up from 4.1 times and approximately 2.2 times, respectively, in 2022.
- Denmark and Finland, while trailing Sweden and Norway, still exhibit strong growth.
- High digital adoption rates, a growing base of founders and available funding, local industry and supportive social policies drive growth.

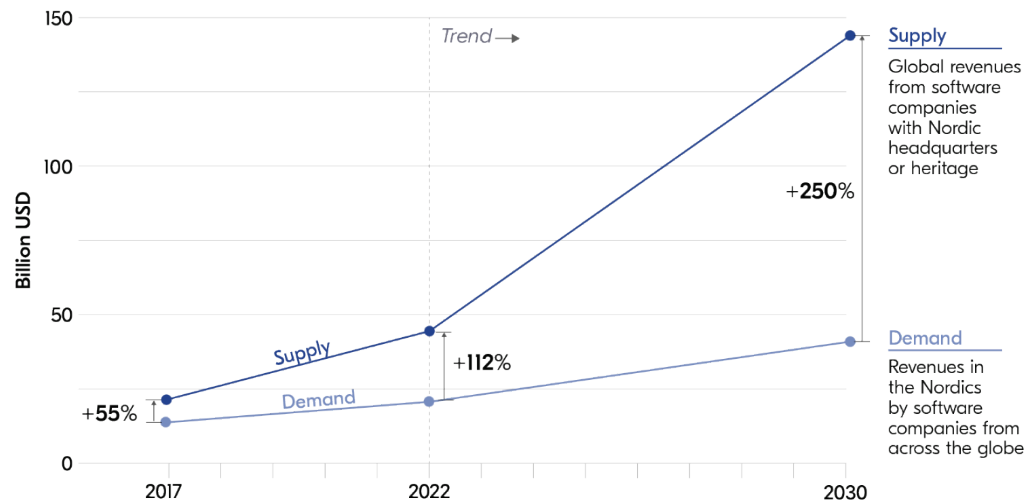
While more than 70 per cent of the software output is generated by the top ten companies in each Nordic country, including Sweden, the McKinsey study emphasises that there are considerable opportunities for new entrants and scale-ups.

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<sup>1</sup> McKinsey - What's driving the Nordic countries' software export surge? (2024)

<sup>2</sup> The S-Curve is a model that illustrates the lifecycle of a product, technology or industry through four phases: introduction, growth, maturity and decline. Early adoption is slow, but once momentum builds, growth accelerates. Eventually, the market or technology reaches saturation, and growth slows. Without innovation, it enters a decline. The S-Curve helps in understanding these stages and strategising for development or market positioning.

**Figure 4. Software becoming growing export for the Nordic countries**

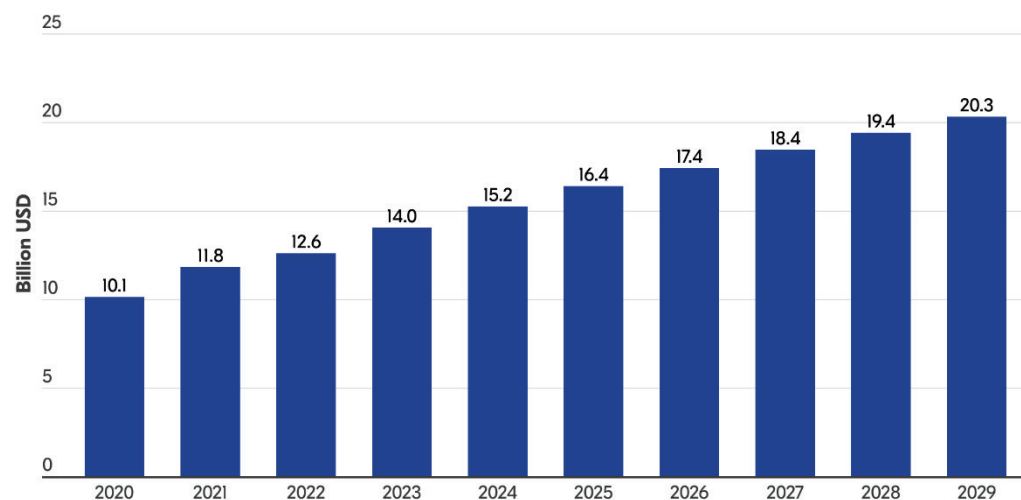


Source: McKinsey, 2024

Sweden's IT spending has shown a consistent upward trend, reflecting the sector's growth and importance to the economy. According to data from the IDC (International Data Corporation), Sweden's IT spending is projected to reach USD 24.5 billion in 2024, up from USD 23.2 billion in 2023. This growth is driven by investments in cloud services, AI and cybersecurity solutions, underscoring the dynamic nature of the Swedish IT market and its responsiveness to emerging technologies and challenges.

Figure 5 illustrates revenue in the IT services market in Sweden from 2020 to 2029, according to statistics from Statista. The IT services market is expected to amount to approximately USD 15.2 billion in 2024. Revenue is expected to show an annual growth rate (CAGR 2024-2029) of 5.9 per cent, resulting in a market volume of USD 20.3 billion by 2029. The category includes the segments cloud services, IT consulting, IT outsourcing and other services.

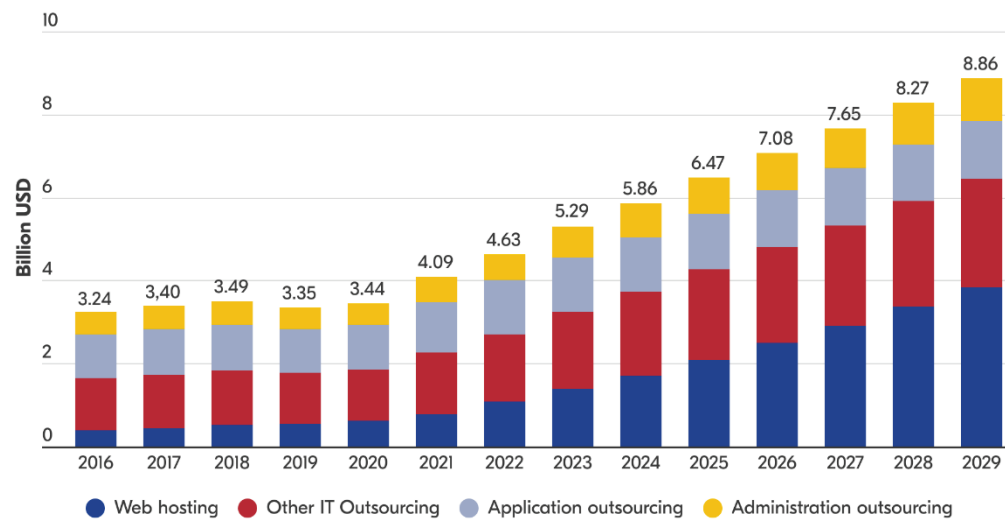
**Figure 5. IT services market revenue in Sweden**



Source: Statista Research Department 2024

IT outsourcing is a major part of the Swedish IT services market, accounting for more than a third of the IT services market revenue. Figure 6 illustrates revenue from the IT outsourcing services market in Sweden from 2016 to 2029. In 2024, revenue in the IT outsourcing market was estimated at USD 5.86 billion and is expected to show an annual growth rate (CAGR 2024-2029) of 8.6 per cent, resulting in a market volume of USD 8.86 billion by 2029. Web hosting is the segment expected to have the strongest growth, with estimated CAGR 2024-2029 of 17.6 per cent.

**Figure 6. IT outsourcing services market in Sweden**



Source: Statista Research Department 2024

## What services are in demand in Sweden?

### Software development

Software development remains a critical component for the functionality and competitiveness of Swedish companies. According to a Swedsoft<sup>3</sup> survey, nearly all companies in Sweden depend heavily on software for their operations. Approximately 22 per cent of Swedish companies have in-house software development, while a majority are fully or partly dependent on consultants.

With the acceleration of digitalisation, the demand for software development and new data services is rising, necessitating additional software solutions and development capacity. However, according to a recent study by Teknikföretagen (Association of Swedish Engineering Industries),<sup>4</sup> approximately 80 per cent of Swedish tech companies lack the necessary skills or resources, increasing the demand for outsourcing partners.

<sup>3</sup> Swedsoft is a business association for Swedish software companies (<https://www.swedsoft.se/en/what-we-do/>)

<sup>4</sup> <https://www.teknikforetagen.se/in-english/>

**Web and mobile application development**

The web and mobile application development industry in Sweden is robust, encompassing various professional roles, including web development, web applications and e-commerce systems. There is a high demand for front-end developers among web agencies, communication agencies and IT consultants, as well as companies in other sectors.

Mobile and tablet devices are the primary means for users to interact with companies and their websites, driving the need for mobile application development. This industry is growing rapidly, with an increasing number of users and customers, creating significant opportunities.

**IT support and maintenance**

IT support and maintenance services are experiencing a surge in demand as the economy continues to expand, driving the need for skilled IT professionals. Certain IT skills are in high demand, leading to a growing deficit in the workforce. Support technicians and service desk professionals who specialise in user support and IT assistance are particularly sought after. With expanding programme portfolios, the need for efficient support is paramount.

While a significant portion of support services occurs onsite in Sweden, many companies also rely on call centres located in other countries. Most often, the reason is to keep costs down, creating market opportunities for developing countries. Smaller Swedish firms typically require broad IT support, whereas larger enterprises often have more specialised needs.

Key competencies sought after in helpdesk roles include proficiency in operating systems, particularly Windows, familiarity with standard applications and software, configuration and management of cloud solutions like Office365, troubleshooting various operational and network issues, diagnosing hardware problems and resolving issues with business-specific applications. Additionally, managing user accounts and making changes in Active Directory are common tasks.

Effective communication is essential in IT support roles. While fluency in Swedish is typically required in Swedish workplaces to ensure clear communication with users, there is a rising trend towards providing support in English, either as a supplement or alternative.

The intersection of IT and business skills is increasingly relevant. As IT departments collaborate more closely with business units, there is a growing demand for professionals who possess both technical expertise and business acumen. Individuals capable of fulfilling roles as both business and systems analysts are highly sought after in the current job market.

**Game development**

Sweden's video game industry is renowned for its innovation and global impact. Despite its modest population, Sweden hosts the third-largest concentration of gaming companies in Europe. In 2022, the industry achieved global revenues exceeding EUR 8.1 billion, with domestic net sales reaching SEK 32.5 billion (approximately USD 3.2 billion), marking an 18 per cent increase from the previous year. Including earnings from foreign subsidiaries, global revenue grew by 23 per cent, reaching SEK 86.5 billion (approximately USD 8.5 billion). The number of gaming companies surged to 939 by the end of 2022, a 20 per cent increase from the previous year, with major players like King, creators of Candy Crush, leading the revenue charts.

The market is diverse and technologically advanced, with segments including online and mobile gaming, esports and indie games. Online gaming generated approximately SEK 8.5 billion in revenue in 2021 (around USD 940 million), supported by widespread high-speed internet access. Mobile gaming reached SEK 5.7 billion (around USD 630 million), driven by the popularity of smartphones and tablets. Esports has become a major phenomenon, with Sweden producing numerous champions and hosting prestigious tournaments. The indie gaming sector is thriving, with small studios gaining global recognition and fostering a culture of creativity and entrepreneurship. Sweden's gaming industry is a leader in innovation, leveraging emerging technologies like VR and AR.

**Cloud computing**

Cloud computing (or simply the cloud) is the delivery of computing services – including servers, storage, databases, networking, software, analytics and intelligence – over the Internet. Cloud services, such as email cloud services, work with documents in the cloud, data storage and backup, team and project management online, etc., have increasingly become an essential part of enabling digitalisation and the realisation of data-driven functions throughout Sweden, and these services are expected to show strong growth.

Through the digitalisation process, new opportunities are provided. Companies need support to make the digital transformation and build a structure that benefits internal processes while creating a better customer experience through the use of cloud services. Challenges caused by COVID-19 created new opportunities for cloud services, and the market has continued to grow after the market opened up. Companies are now moving to the cloud at an accelerating rate and need tailor-made solutions to do so.

**AI (Artificial Intelligence)**

AI adoption is rapidly increasing across various sectors in Sweden, driving automation, enhancing customer experiences and optimising operations. Investments in AI research and development are growing, with significant applications in healthcare, manufacturing and finance. AI-driven solutions are improving efficiency, fostering innovation and addressing complex challenges.

### AI-driven solutions – examples

- **Healthcare:** AI is being used for predictive analytics, personalised medicine, and to improve diagnostic accuracy.
- **Manufacturing:** AI enhances automation, quality control and supply chain optimisation.
- **Finance:** AI applications include fraud detection, risk management and personalised financial services.

“Smaller private organisations, from startups to scaleups, are currently most receptive to adopting AI solutions. By their nature, they manoeuvre quickly, and much of their business relies on being fast and agile. For larger organisations to follow suit in adopting AI, the main barriers are the general slowness in processes and leadership issues. It's often not just a knowledge problem, but a fear within leadership – where the risk of making mistakes seems to outweigh the potential benefits.”

Anders Norlin, Strategic Advisor and Venture Builder

### Blockchain

Blockchain technology is gaining traction in Sweden, especially in financial services and supply chain management. It offers transparency, security and efficiency, attracting interest from large corporations and institutional investors. Applications include digital identity verification, real estate transactions and secure data sharing. Emerging regulatory frameworks, such as the EU's MiCA (Markets in Crypto-Assets), are shaping the blockchain landscape, ensuring compliance and fostering innovation.

### Application of blockchain technology – examples

- **Financial services:** Blockchain is used for secure transactions, smart contracts and decentralised finance (DeFi) applications.
- **Supply chain management:** Blockchain enhances traceability, reduces fraud and improves efficiency in logistics.
- **Real estate:** Blockchain facilitates secure property transactions and efficient management of real estate assets.

“In addition to the financial sector, ownership provenance and supply chain management are two of the most promising areas for blockchain adoption in Sweden. For instance, Finland has implemented blockchain technology for land registries, ensuring a transparent and secure way to verify property ownership. Another notable example is an EU project using blockchain to trace the origin of fabrics, allowing the entire supply chain of individual items to be recorded immutably, enhancing transparency and trust in product sourcing. These examples highlight potential areas where Sweden could embrace blockchain technology for enhanced transparency and security.”

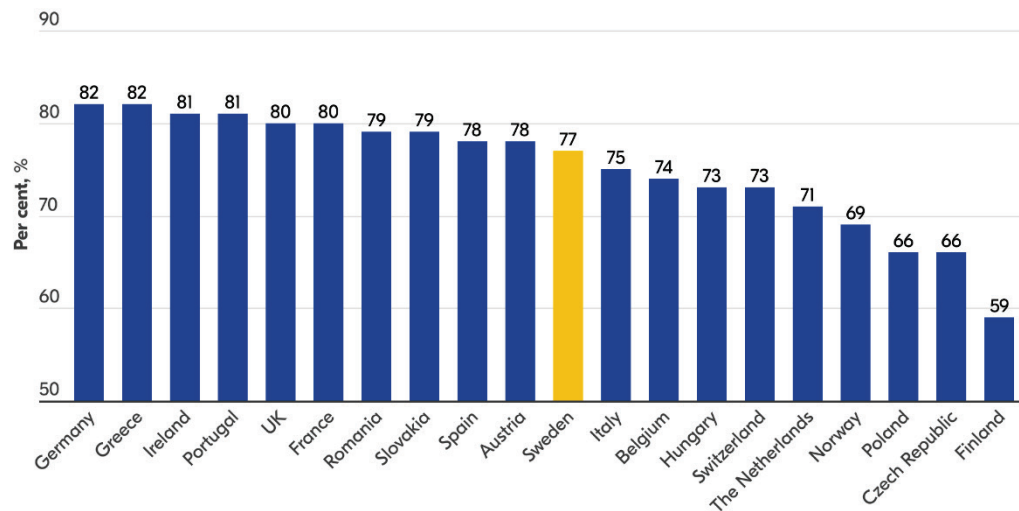
Isak Nyberg, Partnership Manager Centiglobe

## IT outsourcing and consulting

The need for digital competence in Sweden remains great. However, the current increased focus on profitability and slimming organisations within the IT sector has led to a slight downturn in talent shortages, both globally and in Sweden.

Compared with other European countries, Sweden is in the mid-range of talent shortages, with a level of 77 per cent, as illustrated in Figure 7. Germany has the highest reported shortage at 82 per cent, while Finland clearly stands out as the country with the lowest talent shortage.

**Figure 7. Talent shortages by market (Europe)**



Source: Manpower Group

This is in line with figures from Tech Sverige (Tech Sweden), showing that 8 out of 10 member companies are experiencing difficulties in attracting the right competence. Particularly among large companies, the following areas are mentioned:

- Advanced competence in Integrated systems architecture and design
- AI/Machine learning
- Business intelligence
- Business intelligence analyst
- Data engineer



According to a Tech Sverige (Tech Sweden) report<sup>5</sup> from 2024, the main drivers of competence needs in Sweden in the coming 3 to 5 years are:

1. AI science & Data science
2. IT security
3. System/Other architecture (e.g. cloud integration)
4. Information security
5. Development of integrated systems
6. System development, back-end
7. DevOps
8. IT infrastructure
9. User experience (UX)
10. System development, front-end

The talent shortages in Sweden create significant opportunities for international digital talent. Due to the persistent lack of technical professionals, Swedish employers are increasingly seeking talent outside Sweden. In selecting partners, cost levels are often of high importance, creating opportunities for developing countries. The economic situation, with high inflation in Sweden over the last few years, has added to the importance of this factor.

One way to simplify immigration and compliance is to partner with Swedish companies. Some outsourcing firms offer nearshore services. Others subcontract to foreign suppliers. Examples of sought-after IT skills in Sweden:

1. **Programming.** A large number of companies are adapting their programmes to the web, which leads to an increased demand for, for example, Ajax, Dotnet and PHP.
2. **Project management.** The need is great for people who can lead projects that are both business and tech driven.
3. **Helpdesk.** As programme portfolios increase, better support is needed. A large part of the support must take place on site and only parts can be outsourced to call centres in low-cost countries.
4. **Security.** Primarily intrusion protection and control, but expertise in databases and wireless security are also in demand.
5. **Datacenter.** This requires people with expertise in virtualisation, automation and storage.
6. **Business skills.** IT departments need people who understand business, whether it is specialised business analysts or technicians with business-specific knowledge.
7. **Network.** This applies above all to administration, convergence, wireless systems and security.

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<sup>5</sup> The report is available [here](#) (in Swedish).

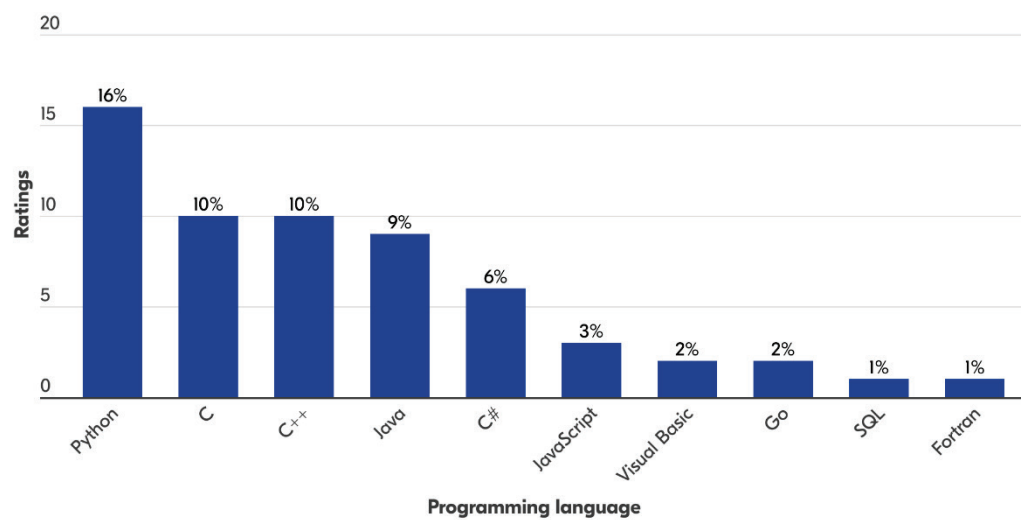
## What technical requirements do suppliers need to meet?

### Programming languages

There are about 600 programming languages, and the demand and popularity vary from year to year. New trends, such as AI and machine learning, mean that certain programming languages have increased in popularity – especially Python.

According to the TIOBE programming index (Figure 8), which is based on the most sought-after programming languages online, the most widely used programming languages are Python, C, C++ and Java.

**Figure 8. Global programming languages**

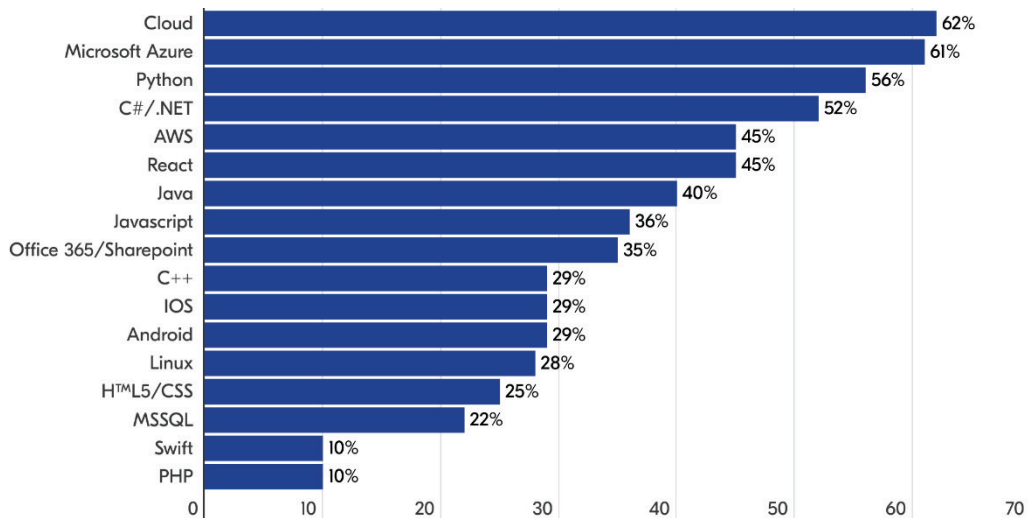


Source: TIOBE programming index



A Tech Sverige (Tech Sweden) report from 2024<sup>6</sup> shows that the competence need that will increase the most in the coming 3-5 years is general programming knowledge, regardless of language, followed by cloud and Microsoft Azure (as depicted in Figure 9).

**Figure 9. Strongest increasing competence requirements in Sweden within 3–5 years**



Source: Tech Sweden

### Software development methodologies

The selection of a specific software development methodology largely depends on the project requirements and the company's preferences. Over the past decade, agile methodologies have gained popularity in Sweden, while interest in sequential methods like the waterfall model has declined. Research by The Standish Group indicates that the increase in agile project methods has coincided with a decrease in project failures.

The traditional waterfall model is typically employed in projects with well-understood problems, where requirements are clearly defined from the outset and are unlikely to change. This approach is suitable for smaller projects with shorter development times. However, modern software development projects often require a more flexible project management approach that accommodates ongoing testing, iterative development and feedback from real users.

Agile methodologies, such as Scrum, Kanban and Extreme Programming (XP), offer this flexibility. Instead of relying on rigid, time-consuming processes and extensive documentation, agile methods address unpredictability by emphasising people, their interactions and creativity. These methodologies allow teams to adapt quickly to changes and continuously improve their processes and products.

<sup>6</sup> The report is available [here](#) (in Swedish).

### Agile methodologies used in Sweden

- **Scrum:** Focuses on iterative development through sprints, which are time-boxed periods for completing specific work. Teams meet regularly for short stand-ups to discuss progress and obstacles.
- **Kanban:** Emphasises visualising work, limiting work in progress and enhancing flow. Tasks are represented on a Kanban board, allowing teams to manage workflows efficiently.
- **Extreme programming (XP):** Prioritises customer satisfaction, simplicity and continuous feedback. Practices include pair programming, test-driven development and frequent releases of small, functional software increments.

Overall, agile methodologies provide the flexibility and adaptability needed for today's dynamic software development environment, fostering creativity and efficiency while reducing the risk of project failure.

### Other tech stack considerations

A tech stack (or Technology Stack) refers to the set of technologies an organisation uses to build a web or mobile application. It is a combination of programming languages, frameworks, libraries, patterns, servers, UI/UX solutions, software and tools used by its developers.

In addition to programming languages and software development methodologies, there are a host of tech stack considerations to make. IT Service providers need to be versatile and have knowledge of a broad range of tech stack aspects in order to be able to respond to the unique preferences of clients.

### Quality assurance

Quality assurance (QA) in Sweden involves developing, documenting and following up on processes and using various tools to ensure the quality of products and services. Organisations can achieve this by obtaining certification from recognised bodies according to international standards or by establishing internal quality assurance policies, processes and procedures.

Swedish organisations, particularly those in the IT sector, typically specify their QA standards and requirements when purchasing IT services. While ISO 27001 or ISO 9001 may not always be mandated by law, many Swedish companies require these certifications when selecting IT vendors. For certain sectors, such as financial services or government procurement, these certifications may be must-have standards.

Depending on the product and service variations, there are various standards and certification programmes to help suppliers demonstrate compliance with these standards. For example:

- **ISO 9001 (Quality Management Systems):** A globally recognised standard for quality management, ensuring that organisations meet customer and regulatory requirements while aiming to enhance customer satisfaction through effective process management.
- **ISO/IEC 27001 (Information Security Management):** This standard specifies requirements for establishing, implementing, maintaining and continually improving an information security management system (ISMS), ensuring that organisations manage the security of assets such as financial information, intellectual property, employee details and information entrusted by third parties.
- **ISO 37500:2014 (Guidance on Outsourcing):** Provides guidelines for outsourcing across various industries, ensuring that outsourcing arrangements are effective and mutually beneficial.
- **ISO/IEC 20000-1 (IT Service Management):** The international standard for IT service management, which sets out the requirements for an organisation to establish, implement, maintain and continually improve a service management system (SMS).
- **ISO 22301 (Business Continuity Management Systems):** Specifies requirements to plan, establish, implement, operate, monitor, review, maintain and continually improve a documented management system to protect against, reduce the likelihood of and ensure the business recovers from disruptive incidents.

Swedish customers expect high standards from suppliers for the quality of both IT products and services. For small and medium-sized enterprises (SMEs), quality assurance may not be established through formal standards but is ingrained in the business culture. In contrast, larger companies often adopt a formal approach to QA, requiring service providers to have certifications from international bodies such as ISO.

## What legal requirements do suppliers need to meet?

As an IT service provider for a Swedish company, it is crucial to be aware of the legislation that applies in Sweden that is relevant to the IT sector. Although this legislation directly impacts your Swedish partner, it will likely translate into requirements you must fulfil to start and maintain a collaboration.

Sweden is part of the EU, and many rules and regulations for the IT sector are regulated at the EU level and apply to all EU countries. Other regulations are specific to Sweden. Below is a summary of the most noteworthy EU regulations and directives, as well as national laws and regulations in Sweden.

## Data protection

The General Data Protection Regulation (GDPR) (Regulation (EU) 679/2016): All outsourcing of business must adhere to the provisions of the GDPR. Businesses are prohibited from transferring personal data outside the EU if the recipient does not have an adequate level of protection. Suppliers must develop high-standard, compliant IT systems to ensure data security during transfers.

“ Companies approaching the integration of AI with Sweden’s strong emphasis on data privacy and GDPR compliance should use “common sense” and realise that there will be cases where issues will develop related to privacy/GDPR. If that happens, be open and transparent. If you strive for perfection, it will be a much slower adoption. Furthermore, the development is so fast. AI can pose bigger risks for larger companies, as mistakes may be sensitive. However, AI solutions can also serve as a second line of defence to monitor GDPR compliance, but human oversight is still essential for ensuring accuracy.”

Anonymous fintech manager

## Cybersecurity

The Cybersecurity Act (Regulation (EU) 2019/881): This regulation aims to achieve a high common level of cybersecurity across Europe. IT service providers targeting the Swedish market should familiarise themselves with this regulation and align their operations accordingly.

The NIS2 Directive: The updated Directive on Security of Network and Information Systems (NIS2) strengthens cybersecurity requirements across the EU. It includes stricter measures for incident response, supply chain security and risk management. IT service providers must ensure compliance with NIS2 to avoid penalties and enhance their cybersecurity posture.

## National regulations

In Sweden, national law does not specifically regulate IT outsourcing transactions, but several sectoral regulations apply. Outsourcing covers a broad range of sectors subject to sector-specific regulation, including:

- **Consumer credit:** Regulated by Finansinspektionen (Sweden's financial supervisory authority).
- **Energy:** Subject to specific national regulations.
- **Financial services:** Regulated by FFFS 2005:1, FFFS 2007:16, FFFS 2014:1.
- **Gambling:** Subject to national regulations.
- **Health and social care:** Governed by the Patient Data Act (2008:355).
- **Medicines and medical devices:** Also regulated under the Patient Data Act (2008:355).
- **Telecommunications, Broadcasting and Postal Services:** Regulated by the Electronic Communication Act.

Depending on the activities of the outsourcing service provider, licences, permits or approvals may also be required from various bodies, such as local authorities or government departments.

## Business related requirements

### Governance and ethical business practices

Swedish companies maintain high standards of business ethics and prefer to engage with ethical partners. Service providers aiming to work with Swedish firms must demonstrate good governance and ethical business practices.

With the rise of global and local anti-corruption regulations, Swedish companies are increasingly vigilant about minimising anti-corruption risks within their supply chains. Therefore, they seek to collaborate with trusted service providers who meet the following criteria:

- **Legal compliance:** Service providers must be duly registered and adhere to all relevant laws and regulations.
- **Transparent business structures:** Companies should have clear business structures with identifiable Ultimate Beneficial Owners (UBOs).
- **Ethical financial practices:** Providers must maintain ethical financial and accounting practices.
- **Tax compliance:** Adherence to tax laws and regulations is essential.
- **Respect for human rights:** Providers must respect human rights in their operations.
- **Commitment to transparency and anti-corruption:** Companies should demonstrate transparency in their operations and a commitment to anti-corruption measures.
- **Financial soundness:** Providers should be financially sound to ensure long term business viability

By aligning with these principles, service providers can establish trust and foster strong business relationships with Swedish companies.

### Legal structure for business relationships

In Sweden, the most common outsourcing structure is direct outsourcing, which involves a straightforward contract between the customer and the supplier. However, indirect structures are also frequently used. These can include appointing a primary supplier who then subcontracts to another supplier or using a multi-sourcing approach, where the customer enters into separate contracts with various suppliers for different parts of their requirements.

Another option, though less common due to its complexity and cost, is establishing a joint venture. This can take the form of a joint venture company, partnership or contractual joint venture. Joint venture outsourcing is particularly utilised in large transactions within sectors such as banking and insurance.

## **Sustainability**

The focus on sustainability in Sweden has intensified, driven by the United Nations Sustainable Development Goals (SDGs) and an evolving regulatory landscape. Recent legislative developments, such as the European Green Deal and Sweden's own climate policies, emphasise the need for robust digital systems to manage compliance, sustainability and transparency effectively.

Businesses in Sweden are increasingly relying on digital platforms to enhance efficiency and profitability while aligning with the SDGs. These platforms help organisations track and report their environmental, social and governance (ESG) metrics, ensuring compliance with both international and national standards. The integration of advanced technologies like AI and blockchain into these platforms has revolutionised how companies manage their sustainability efforts, providing real-time data analysis and transparent reporting mechanisms.

The pressure from investors and consumers for greater ESG efforts has grown substantially. Investors are prioritising companies that demonstrate strong ethical standards and sustainable practices, leading to a surge in ESG-focused investments. Similarly, consumers are choosing brands that are transparent about their sustainability initiatives and are committed to making a positive impact on society and the environment.

This shift towards sustainability presents significant opportunities for IT service providers. Companies are looking for IT partners who can offer technologies and services that support sustainable growth. This includes developing software for efficient resource management, creating digital platforms for ESG reporting and implementing AI-driven solutions for sustainability analytics. By helping businesses integrate sustainability into their core operations, IT service providers can play a crucial role in driving the transition towards a more sustainable future.

## **Swedish business culture**

Swedish business culture places a strong emphasis on consensus decision-making, where decisions are typically made collectively with input from all team members. This inclusive approach ensures that everyone feels valued and contributes to the final outcome.

Punctuality and reliability are also crucial aspects, with a high importance placed on being on time and meeting deadlines consistently.

The organisational structures in Sweden are generally flat, minimising hierarchical barriers and promoting openness and direct communication among all levels of the organisation. Swedes generally communicate directly, short and to the point, and this is a big difference compared to other countries.

Additionally, there is a significant emphasis on work-life balance, with professionals striving to maintain an equilibrium between their professional responsibilities and personal lives.



## Recommendations for IT companies in developing countries

### **Services providers**

For service providers aiming to enter the Swedish market, compliance with local and international regulations is paramount. Adhering to the General Data Protection Regulation (GDPR), the EU Cybersecurity Act and other relevant regulations ensures that the services provided meet the high standards expected in Sweden. Quality assurance is another critical factor, with a focus on delivering high-quality services and excellent customer support. Establishing a local presence or partnering with local firms can significantly enhance trust and market penetration, helping to build strong business relationships. Furthermore, cultural competence is essential, as understanding and integrating into the Swedish business culture can facilitate smoother interactions and better alignment with local business practices.

### **Products/solution providers**

Products and solutions providers must ensure regulatory compliance, making sure that their products meet EU and Swedish regulations, including safety, environmental and data protection standards. Localisation is also key, as products need to be adapted to the local language, culture and user preferences to be well-received in the Swedish market. Demonstrating a commitment to sustainability is increasingly important, with customers and investors alike expecting products to be developed and managed in an environmentally responsible manner. Providing robust customer support, including after-sales services and maintenance, is crucial for building and maintaining customer trust and satisfaction in the Swedish market.

## Where and how to find business partners

After Silicon Valley, Stockholm is the second largest IT hub in the world with a vibrant and active ecosystem. Companies are connected through different networking platforms, and there are different activities that offer opportunities for businesses to meet, share ideas, develop partnerships and promote their products and services. Below are a few descriptions of where and how you can come in contact with potential business partners.

### Trade fairs and conferences

Sweden hosts a variety of trade shows and conferences in the IT and Technology fields, offering excellent opportunities for networking and discovering potential customers. Below we list some of the prominent annual events.

#### Major IT trade shows

- **Stockholm Tech Show (May):** This event is a central hub for the latest in technology and innovation, covering various topics including AI, cybersecurity, cloud computing, and more.
- **E-commerce Expo Nordic (May):** This trade show targets e-commerce and retail technology, providing insights into the latest digital commerce strategies and technologies.
- **The DEVOPS Conference (November):** Focused on DevOps practices, this conference brings together developers, IT professionals and thought leaders to discuss the latest trends and tools in DevOps.
- **CyberSec Nordic (November):** This event focuses on cybersecurity, discussing threats, solutions and the future of security in the digital age.

#### Major IT conferences

- **The Tech Arena (February):** A platform for tech innovators and startups to present their ideas, network and seek investment opportunities.
- **Webbdagarna Stockholm (April):** A conference for digital marketers and tech enthusiasts, focusing on the latest trends in digital communication, marketing and technology.
- **Data Innovation Summit (May):** An event in Stockholm focusing on data science, AI and analytics, gathering global experts to discuss the latest trends, technologies and best practices in data-driven innovation and AI.
- **DevSum (June):** A developer-focused event that covers various programming languages, development practices and the latest in software development.

## Business associations

There are a number of platforms, business organisations and associations with relevant membership base where companies from outside Sweden can meet potential partners in Sweden. These organisations are also usually a good source of information about the Swedish market. Some notable organisations are listed below.

### **TechSverige**

Tech Sweden – [www.techsverige.se](http://www.techsverige.se)

Tech Sweden is an industry and employer organisation for all companies in the tech sector, with the task of creating the best possible conditions for a competitive Swedish IT and telecom industry. It has over 1,400 member companies – which in total have almost 100,000 employees in Sweden. TechSverige publishes reports and insights that may be relevant for IT service providers looking to sell their services to the Swedish market.

### **Teknikföretagen**

Association of Swedish Engineering Industries – [www.teknikforetagen.se](http://www.teknikforetagen.se)

Teknikföretagen is a leading industry organisation representing over 4,300 tech and industrial companies in Sweden, aiming to strengthen innovation, sustainable development and global competitiveness across a range of industries, including IT, engineering and manufacturing. The organisation focuses on helping Swedish companies remain globally competitive through policy advocacy, technical expertise and support for sustainable practices.

The association actively engages in shaping industry policies to ensure a favourable business environment for Swedish companies and promotes technological advancements and innovation to keep Swedish industries at the forefront of global trends.

### **Business Sweden**

[www.business-sweden.com](http://www.business-sweden.com)

Business Sweden is jointly owned by the Swedish state and the Swedish business sector with a mandate and a mission to help international companies gain access to the Swedish market and help domestic companies by creating a platform for expansion. Although Business Sweden's mandate is to primarily help Swedish companies expand in international markets, some of its activities could be helpful for service providers looking to enter the Swedish market.

## Company databases

How do I find the right company? Here you can find companies that may be relevant to your business.

- **LinkedIn:** Many Swedish companies have a presence on LinkedIn, and it is possible to search and find companies in different sectors, such as IT.
- **Bolagsverket:** Swedish Companies Registration Office.
- **Hitta.se** is a website with information on Swedish businesses (only available in Swedish).
- **Allabolag.se:** A website that provides detailed information about companies registered in Sweden. It offers a wide range of data, including company financials, board members, corporate structure and business activities. Users can access annual reports, financial statements and other key documents (only available in Swedish).
- **International company databases**, for example: [opencorporates.com](https://opencorporates.com), [vainu.io/search](https://vainu.io/search), [crunchbase.com](https://crunchbase.com).

## Summary: What you need to do to get business

To successfully enter the Swedish market, companies need to follow a strategic approach tailored to their specific offerings. Below we list general and specific aspects that companies interested in entering the Swedish market should focus on in order to be successful.

### General aspects

- **Market research:** Conduct thorough market research to understand the Swedish market, including demand, competition and consumer behaviour. Utilise resources like Business Sweden, Swedenabroad.se and Allabolag.se for insights and data.
- **Identify product/market fit:** Find the right niche in the Swedish market and adapt your offering accordingly. This is critical for building trust.
- **Business communication:** Develop clear and well adapted business communication in order to successfully reach out to potential partners in Sweden.
- **Regulatory compliance:** Familiarise yourself with Swedish and EU regulations, including data protection (GDPR), cybersecurity laws and industry-specific standards. Ensure compliance to avoid legal issues.
- **Business registration (when applicable):** Register your business with relevant Swedish authorities. This may involve obtaining necessary permits and licences, which can be facilitated through platforms like Verksam.se.
- **Networking and partnerships:** Establish connections with local businesses, industry associations and potential partners, for example, through trade shows, conferences and networking events. Build a network of contacts and potential clients.
- **Cultural competence:** Ensure that you understand Swedish business culture, which emphasises consensus decision-making, punctuality and work-life balance. Adapting to these cultural nuances can enhance business relationships.
- **Good online presence:** Use website, LinkedIn and Social Media platforms.

### Additional aspects for service providers

- **Local Presence:** Consider establishing a local office or partnering with a Swedish firm to build trust and credibility. This can also help you navigate local business practices more effectively.
- **Quality Assurance:** Ensure high standards in service delivery and customer support. Swedish businesses prioritise quality and reliability, so demonstrating these attributes can give you a competitive edge.
- **Compliance and Certifications:** Ensure adherence with relevant regulations such as the GDPR and the Cybersecurity Act. Obtaining certifications that demonstrate compliance can be advantageous.

## Additional aspects for product/solution providers

- **Regulatory Compliance:** Ensure your products meet EU and Swedish regulations, including safety, environmental and data protection standards. Compliance is critical for market entry and customer trust.
- **Customisation:** Adapt your products to the local language, culture and user preferences. This includes translating product manuals and ensuring that products are suitable for the Swedish market.
- **Sustainability:** Demonstrate a commitment to sustainable practices in product development and lifecycle management. Swedish consumers and businesses value sustainability highly.
- **Customer Support:** Provide robust after-sales support and maintenance services. Having a local support team or a reliable partner in Sweden can enhance customer satisfaction.
- **Market Entry Strategy:** Develop a clear market entry strategy, which may include direct sales, partnerships or establishing a local subsidiary. Tailor your approach based on market research and competitive analysis.

By working actively with these areas, companies from developing countries can effectively navigate the Swedish market, ensuring compliance, establishing strong partnerships and driving sustainable growth.