



Is technology nearshoring right for my organization?

Have you ever wished to be able to access an expanding pool of skilled technology professionals at an affordable cost?

You're most likely thinking of an outsourcing solution, whether it be through nearshore or offshore models. In essence, outsourcing is "the business practice of hiring a party outside a company to perform services or create goods that were traditionally performed in-house by the company's own employees and staff". Outsourcing is a practice usually undertaken when the company cannot find specialty talent within reach and sometimes as a cut-cutting practice.

The nearshore concept wraps around the process of outsourcing tasks or business processes to different neighboring countries, to accomplish a greater control over operational expenditures. In other words, nearshore outsourcing passes on specific operational activities to a third party. It can be to an independent worker or a professional consulting and outsourcing firm. It is very common to subcontract specific tasks to specialists that can be difficult to find locally or within an existing team. Of course, the location of outsourcing services can have a direct impact on their distribution, cost, and suitability.

As a result, businesses that work with nearshore outsourcing are the ones that benefit from geographic proximity, same time zones and cost savings.

The Benefits - Proximity, Time-Zone, Cost, Availability

Nearshore outsourcing offers all the benefits of offshore outsourcing, including lower costs and access to a global talent pool, but without potential drawbacks such as major time-zone differences and differences in cultural working practices.

To portray it better, a great example can be that of a USA organization that has specific project or support needs that they either do not have capacity to execute on or do not have the skills required in house.

Simultaneously, the organization is looking to carefully manage costs, but equally does not want to deal with time-zone offsets; what they can do is to look for a talent provider or professional services partner in neighboring countries – i.e. Latin America.

"59% of American companies reported that it is 90% more difficult to find the right talent in 2022 locally, than it was 5 years previously"
Manpower Group, 2022

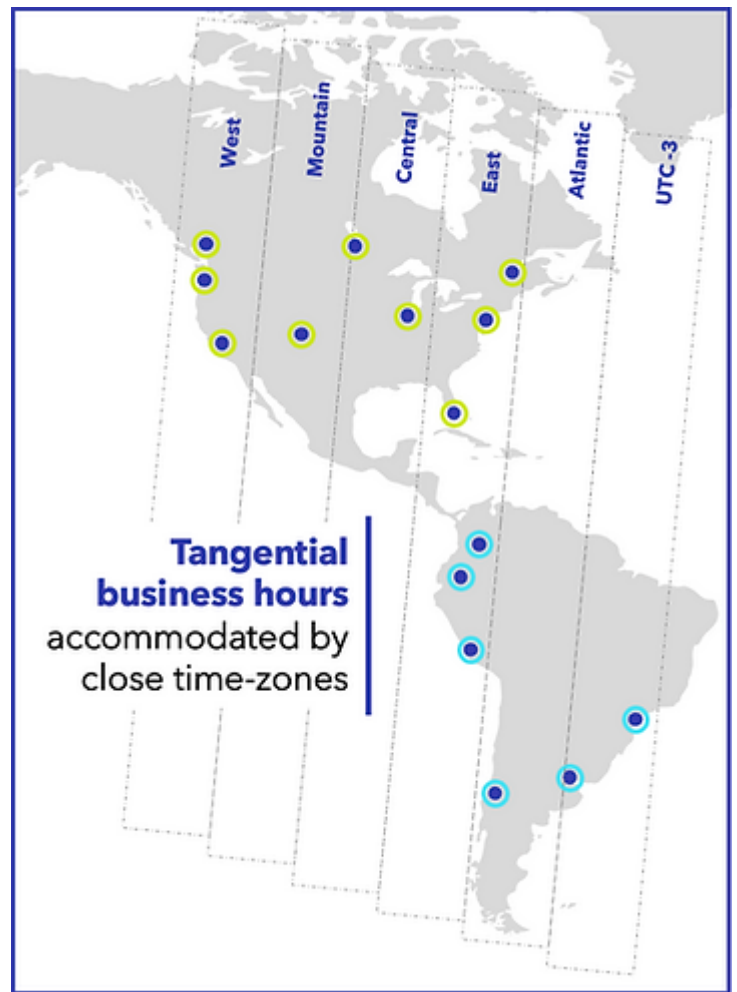
First Steps

The first step in readying for a nearshore partner relationship is to identify the specific specialty work you want to outsource. If you only need help with occasional tasks, you can hire through an on-demand outsourcing model.

Alternatively for example, if you're a growing startup or have complex scalable growth

forecasts, you may want a dedicated team that only works with your business and can be closely integrated with your on-site staff. This guarantees that your nearshore associates are available in your usual work hours and exclusively dedicated to your project – just like an extension of your team who are probably already distributed in some capacity. Traditional outsourcing often describe that they work in your time-zone but this is not the natural working hours for their employees, disrupting their social and family lives.

If you are wondering if nearshore outsourcing is right for your business, it is important to cautiously consider the benefits and disadvantages.



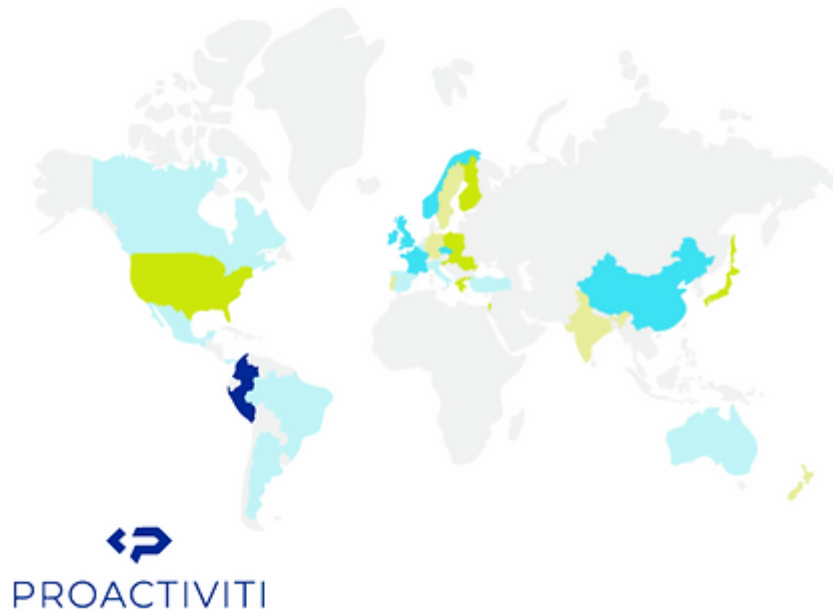
✓ *Do you need to grow your technical team but have limited resources to do so?*

One of the principal motives to consider nearshore outsourcing is because the business needs are increasing and you need more resources to sustain the operation, however, to make your growth more sustainable you need to control costs.

Nearshore outsourcing gives you the opportunity to supplement your business needs with the right talent at the right cost. Professionals beyond US and Canadian borders, have very good quality education, good English and communication skills and can be hired for a fraction of the costs of talent in developed countries like the US and Canada. Besides the current talent market in North

America has proven to have a shortage in technical professionals and is becoming increasingly hard to find at the right cost.

A study executed by the Manpower Group, 59% of American companies reported that it is 90% more difficult to find the right talent in 2022 locally, than it was 5 years previously.



Statistics Source and Credit: Manpower Group, 2022.

- > *Finding the right talent, at the right time*
- > *Readiness to collaborate with a remote team*
- > *Economic and Cultural Diversity*
- > *Is Nearshoring suitable for all organizations?*
- > *But, why don't I just hire a freelancer or an offshoring agency?*

In summary, prime nearshore professional services providers can really be viewed as similar in stature to traditional technology consulting and staff augmentation partners. This is ever more relevant with the

acceptance across industries of remote working practices, the advantages of using local staff augmentation partners exclusively have all but disappeared.

When you consider the significant cost savings, maturity of the best nearshore providers, and the time-zone proximity, it's very hard to ignore the advantages offered by nearshoring.

If you are interested in hearing case studies from some of Proactiviti's clients, or more about what you have read, please email us at hello@proactiviti.com or visit our website at www.proactiviti.com.

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