



HOW TO ACCELERATE YOUR DIGITAL TRANSFORMATION WITH NEARSHORE OUTSOURCING

Learn how nearshore outsourcing accelerates digital transformation by leveraging top Latin American IT talent to boost efficiency and cut costs.

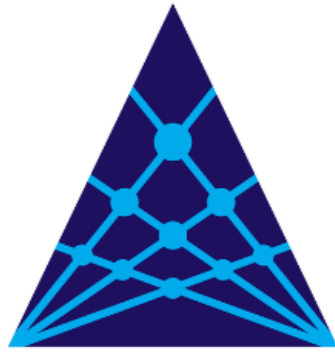
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DIGITAL TRANSFORMATION WITH NEARSHORE

This e-book reveals how U.S. companies can speed up innovation and reduce costs by partnering with top IT talent in Latin America.

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ASCEND

WHO WE ARE

ASCEND MANAGEMENT CONSULTING

With 20+ years of experience, Ascend Management Consulting delivers tailored IT solutions that help insurers modernize, grow, and innovate.

We build long-term partnerships through advanced technology and nearshore outsourcing, connecting U.S. companies with top Latin American IT talent for cost-effective, high-quality results.

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1

INTRODUCTION

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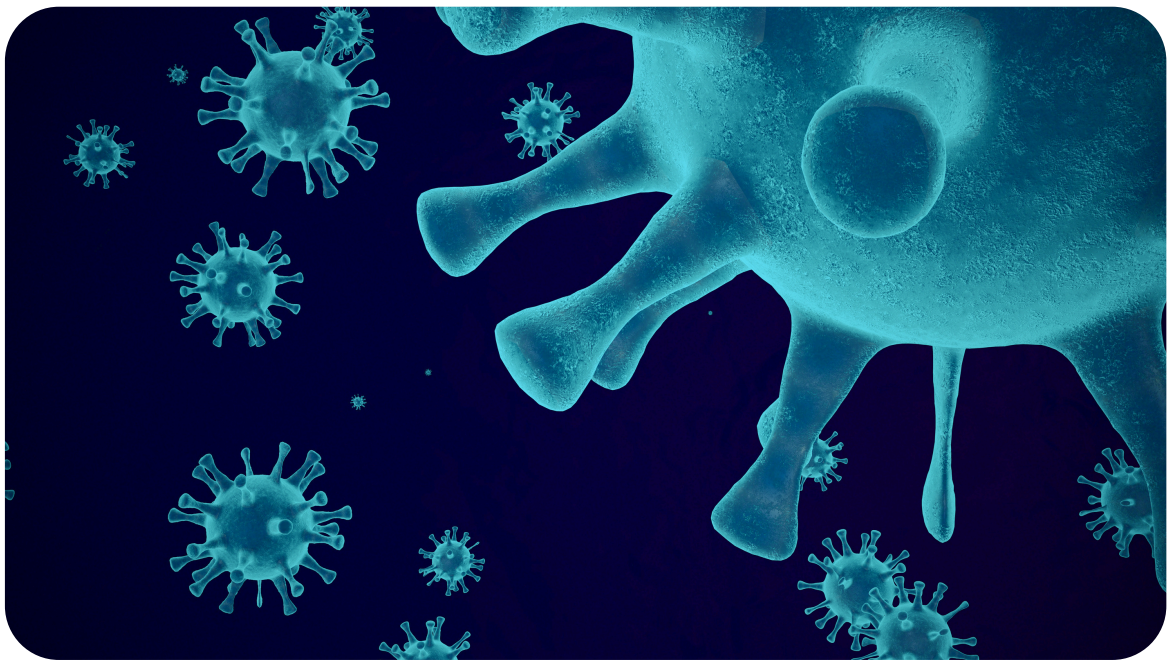
TIMES HAVE CHANGED

If you're reading this, you already know that the world has faced a radical change during last year.

This may be getting repetitive, but the Covid-19 pandemic and social isolation rocked all companies in the global market, quickly changing the rules of engagement.

The responses to Covid-19 have speeded the adoption of digital technologies by several years, and many of these changes could be here for the long haul.

In just a few months' time, the COVID-19 crisis has brought about years of change in the way companies in all sectors and regions do business.



TIMES HAVE CHANGED

Overnight, corporations had to adapt their business plans and strategies in order to continue operating and survive the crisis.

Digital Transformation – which was already knocking on our doors – has become more than mandatory: inevitable. And that’s where nearshore outsourcing solutions come into play.

So, to accelerate that evergoing transformation, companies are looking outside for help and, most notably, to nearshore software outsourcing partners to help them keep up.





CHAPTER 2

LET'S TALK ABOUT
NEARSHORE

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WHAT IS NEARSHORE OUTSOURCING?

Nearshore outsourcing is delegating business processes to companies located in a similar time zone and geographical proximity to your country.

Companies around the globe use nearshore outsourcing to cut costs and enhance their capabilities.

For instance, US companies often look to Mexico to fulfill their outsourcing needs, especially when it comes to software development.

In this ebook, we explain how businesses can maximize the value of their nearshore outsourcing partnerships when it's time to accelerate their digital transformation and keep pace with technological changes.



OFFSHORE, ONSHORE, NEARSHORE – WHAT SHORE?!

Offshore, onshore, nearshore – you must have heard these buzzwords many times. But do you know what they stand for? Before we dive into the topic, let's get a better grasp of these concepts.

If your answer is “yes” – well-done. If you are not sure or just suppose which “shore” is the “off”, “on”, or “near” – don't worry. You are definitely not the only one.

So, let's start with an explanation, to be sure that we are on the same track...

We will take the U.S. as the starting point. In this context, onshore outsourcing means that you're hiring talent in your own country.



OFFSHORE, ONSHORE, NEARSHORE – WHAT SHORE?!

Offshore stands for outsourcing software development from the countries that are overseas (in Eastern or Southern Europe, and Asia), and usually in different time zones.

Nearshore covers outsourcing from the bordering countries, or from those which are a short distance away.

In relation to North America, it is Latin America, with Mexico as the top country for nearshore outsourcing IT services.





3

C H A P T E R

REASON TO CHOOSE NEARSHORE

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BENEFITS OF NEARSHORE OUTSOURCING

- Cost Efficiency

The lower cost of nearshore outsourcing is the main factor for US companies to choose nearshoring. The rule of thumb is that in the most common roles, the cost in most countries in Latin America is 50% of the cost of the USA.

For example, hiring a developer in the United States will cost you \$81,657 with taxes. Meanwhile, if you hire a developer in Mexico, you'll pay \$40,000–45,000 a year (including taxes) on average for a mid-level developer.



BENEFITS OF NEARSHORE OUTSOURCING

- Little (or no) time zone difference

Only a 0–2 hours time difference provides for better synchronization between in-house and nearshore teams. Time zone compatibility with a nearshore outsourcing country as Mexico makes it easy to develop quality software in an Agile environment

When you're working with a team that operates in a nearby country, neither your in-house, nor nearshore developers will have to work at night, so their risk of burnout will be much lower, and in turn, the quality of the end product will be much better.



BENEFITS OF NEARSHORE OUTSOURCING

- Compensation of staff shortages

Talent is scarce nowadays. Adding a Nearshore strategy opens your possibilities to a large talent pool. Mexico has close to 1 million IT Professionals in the market while Latin America accounts for over 3 million.

Nearshore software development companies are the best option to partner with for augmenting your team. This process is naturally faster and easier with nearshore outsourcing due to the same language and cultural similarity.



BENEFITS OF NEARSHORE OUTSOURCING

- Similar Work Culture

A partnership also needs team members to be culturally aligned with your values, goals, and overall working culture. That's something you can expect with nearshore developers because they come from a country or region that's close to you, so they see work in the same way as you.

Since you're looking to accelerate your pace, you need to reduce the friction between your core team and the remote collaborators. That's why nearshoring is your best option, as there will be slight differences between both teams, which will make it easier for the ongoing processes to succeed.



BENEFITS OF NEARSHORE OUTSOURCING

- Improving company efficiency through load distribution to outsourcing companies

If your company has large software development and maintenance needs, you can outsource its different integral parts to a nearshore software development company and rearrange your core team for the main tasks.

These hired teams will work as sub-teams of your projects to some extent and will add flexibility to your development and maintenance process.



BENEFITS OF NEARSHORE OUTSOURCING

- Intellectual Property Laws are Similar to the US

For companies whose key product offering is a software product, or whose application contains proprietary functionality, protecting your intellectual property is critical. This is one of the riskiest points when it comes to offshoring software development. But here lies another advantage of nearshore.

Many nearshore countries, like Mexico, have strong intellectual property laws that closely resemble the US. In addition, many nearshore partners are headquartered or have a legal presence in the United States, providing you with the exact same protection you count on at home.





CHAPTER

CONCLUSION

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BENEFITS FOR YOUR COMPANY

And while you significantly lower costs, you still retain good control, high responsiveness, and having correctly chosen the location in a neighboring country, a team that will understand your market.

Also, by choosing a company closer to home, you make business faster, as you avoid time-zone differences.

This also translates into better quality and motivation, since the workers are more likely to be awake and alert and don't have to adjust their schedules to another country's hours of business.



BENEFITS FOR YOUR COMPANY

Benefits like lower operating and nonexistent traveling costs are pretty obvious, but is this enough reason to choose nearshore services?

Nearshoring also allows your company to take on more work and either delegate whole projects to workers in countries with substantially lower wages, or delegate only the most tedious tasks while assigning the important projects to the in-house specialists.

And while you significantly lower costs, you still retain good control, high responsiveness, and having correctly chosen the location in a neighboring country, a team that will understand your market.





WE'RE HERE FOR YOU

Have a question or need more info about Nearshore Outsourcing? Connect with our team!



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