

A Simple Introduction to

NEARSHORING



How nearshoring
can change the way
you think about
offshoring

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Outsourcing: Bad for Business?

Outsourcing IT Solutions and development has become a popular strategic move for companies. Traditionally, companies chose to utilize offshore companies for their outsourcing based on perceived lower costs of development. It makes sense: lower costs would result in higher return on investment.

However, firms began to observe a few downsides to offshoring for a few different reasons:

- **Low Oversight** : Offshore locations half-way across the globe limit how much supervision a company may have over development offshore.
- **Poor Quality**: As a result of low oversight, the quality of projects may suffer.
- **Poor Communication**: Traditional offshore locations like China and India present a challenge to U.S companies because of the time differences, which can be as much as 12 hours in certain parts of India.

There is no perfect outsourcing solution, but our clients are finding nearshoring to be a very alluring alternative to traditional offshoring.

"It's easy to come up with new ideas; the hard part is letting go of what worked for you two years ago but will soon be out of date."

-Roger von Oech



What is **Nearshoring**?

Nearshoring involves transferring IT solutions to a nearby location. Many North American firms choose to nearshore to locations in Latin America such as Mexico, Chile, and Brazil for this reason. In 2014, Brazil was ranked as the fastest growing IT country, by the European Information Technology report.

There are many factors that determine whether a company will nearshore such as:

- **Skilled vs. Unskilled Labor Pool:** Although a nearby country may have a large labor force, IT solutions require a large pool of skilled laborers.
- **Cost Savings:** A company must decide whether nearshoring is worth the investment.
- **Similar Time Zones:** Business is easier to do when a country has similar time zones.

What is Nearshoring?



Nearshoring is when you outsource to a nearby country. The benefits include similar culture and time zone, business practice compatibility, improved transit time and reduced trade barriers.

Factors	Nearshore	Offshore
 Similar Culture	✓	✗
 Competitive Costs	✓	✓
 Onsite Project Manager	✓	✗
 High Interaction	✓	✗
 Frequent Communication	✓	✗
 Faster time-to-market	✓	✓

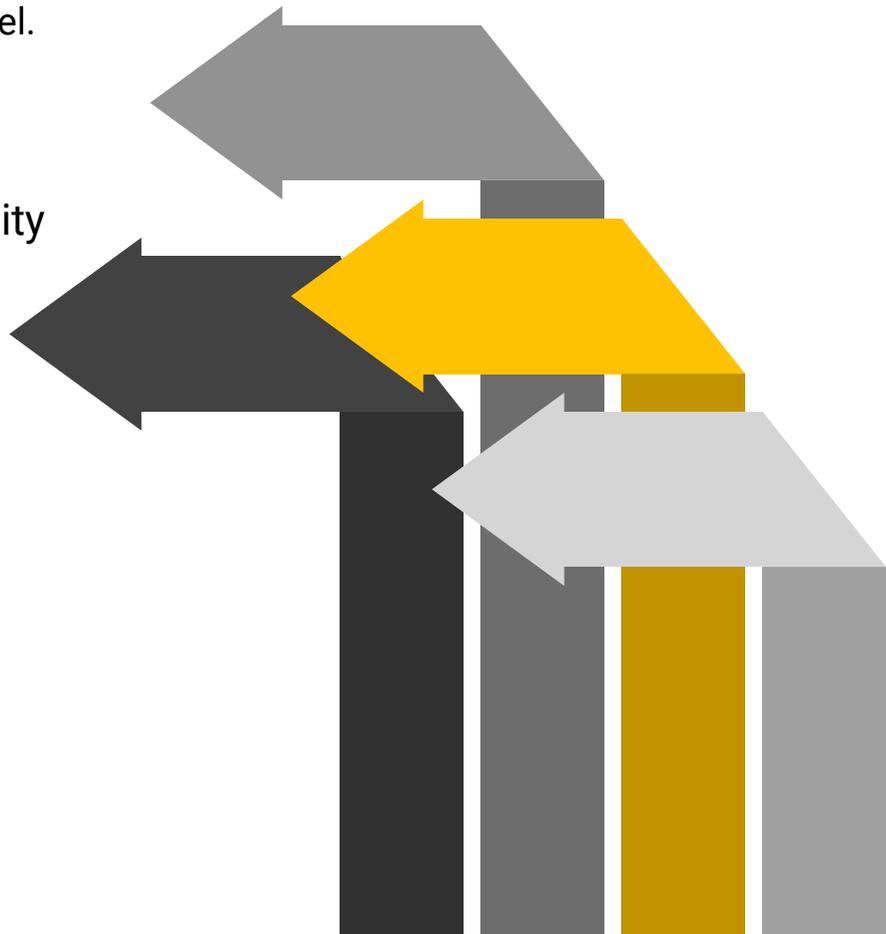
Nearshoring Benefits

One of the most significant advantages when it comes to nearshoring is the proximity to the onshore location. Closer time zones lead to better and more real-time communication. In addition to this, Language and business compatibility is a plus when nearshoring. For instance, English is spoken by the majority of professionals in Brazil and Costa Rica.

Easier communication will increase productivity as well as quality and less time is spent waiting to communicate.

Another benefit is travel expenses, or, lack of. Travel expenses, wages and other hidden costs will be reduced due to the proximity of your nearshore country and its ease of travel.

- Geographical Proximity
- Speed To Market
- Overall Cost
- High Retention Rate





What to look for in a Nearshore Partner

For all companies, whether a start-up or an established firm, picking the right nearshoring partner is a critical decision. The right partner can provide benefits related to quality, speed-to-market, and overall value and efficiency.

Before deciding, companies must consider whether the nearshore partner has:

- A Qualified And Innovative Staff
- Low Turnover Rate
- English Speaking Leads
- Compatible Time Zone
- Vendor Reliability And Stability
- Competitive Service Rates
- Secure Infrastructure
- A Successful Project Track Record
- Experience In Your Desired Technology

Nearshore with QAT Global

The QAT Global Tradition

- Creating productivity and code automation tools for developers to accomplish more in less time.
- Providing your project budgetary savings.
- Identifying issues quickly and diagnosing when the traditional approach does not apply to the issues.
- Having the flexibility and availability of searching for new solutions.



All of QAT Global's projects are guided by a US-based project manager or architect, so our clients always have an English-speaking primary contact.

The QAT Brazil Development Center in Uberaba, MG, and the Costa Rica Development Center in San Antonio de Belén, both provide ROI that has been well received by customers who have opted to take advantage of their technical resources. QAT Brazil and QAT Costa Rica bring a committed focus to the critical success factors and risk reduction methods in our software development approach.

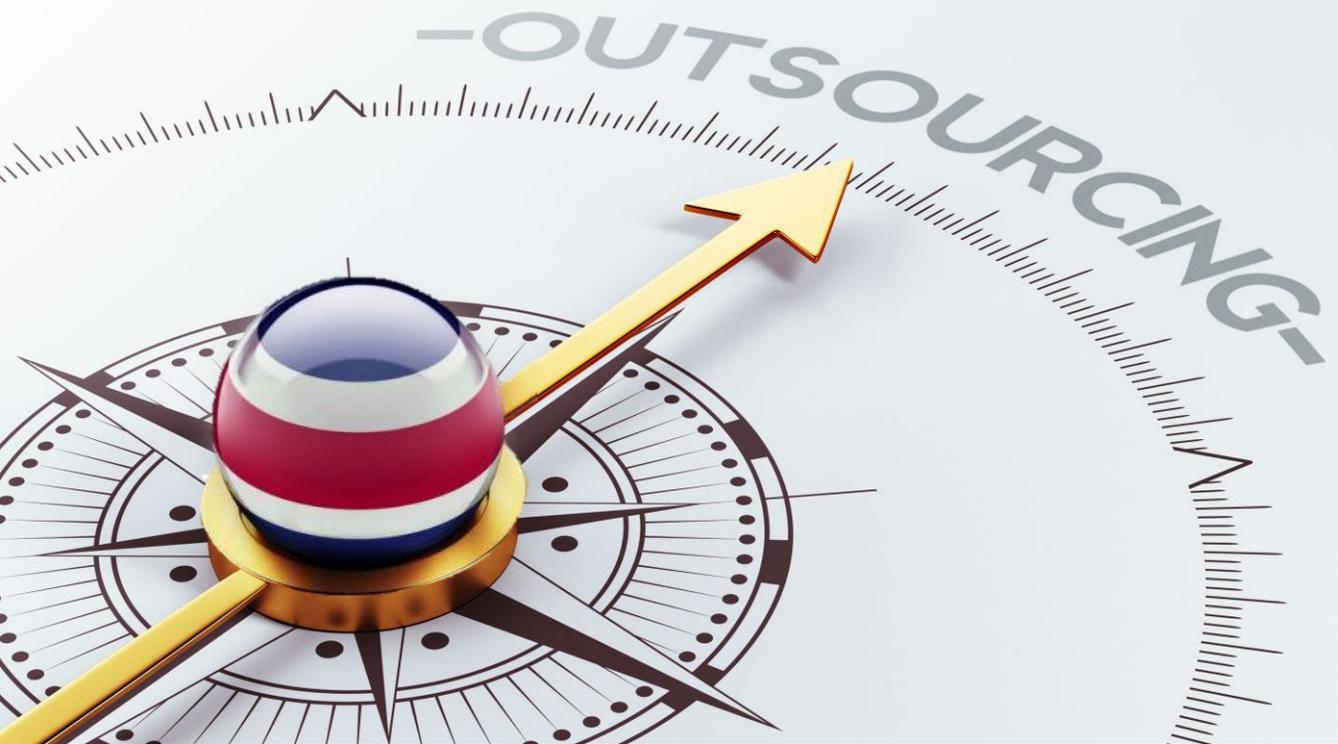


Nearshore to **Brazil**

A.T. Kearney's Global Services Index ranked Brazil 4th in 2016, moving up from 8th in 2014. The index ranks 51 different countries based on their capability to deliver information technology and business process outsourcing.

Brazil is becoming a software powerhouse, ranked as the fastest growing IT company this year by the European Information Technology Report. In addition to this, the Brazilian education system is also improving, with university enrollment nearly doubling in the past ten years. These students are performing well, with 78% of them doing better than the national average.

Brazil is becoming a major player in IT, and with an improving economy, business practices, and education system to field quality workers, it will continue to grow.



Nearshore to **Costa Rica**

A.T. Kearney's Global Services Index ranked Costa Rica 19th in 2016, moving up from 24th in 2014. Intel, Hewlett Packard, Emerson, and Microsoft are a few notable companies currently taking advantage of Costa Rica's nearshore software outsourcing potential.

Costa Rica has a large talent pool of excellent engineers, graduating more than 3,000 each year from their universities. Costa Rica is often called the "Switzerland" of Central America. They foster peace, with no military backing and spend the majority of government funds on educational improvements and institutions.

Costa Rican IT professionals are familiar with Western business practices and standards and comparable to US talent and Costa Rica is in the central time zone, making communication very convenient.

Global Client Success

QAT Global Nearshore Success Story

“ABS Pecplan, a division of ABS Global, finds success with first engagement and signs on for additional projects. Headquartered in DeForest, Wisconsin, ABS Global is the world leader in bovine genetics, reproduction services and technologies.

ABS' first experience with QAT Global was through an assessment of an existing web application for our technical services area. The application had been problematic for quite a while, generating multiple user's complaints. QAT performed the assessment and produced a final report pinpointing the application's technical and functional issues, along with a proposed plan to solve them. The assessment was delivered on time and on budget. ABS decided then to move ahead with the proposed plan and engaged a QAT Global team of developers for execution. At this point, QAT then presented its methodology and explained the different roles each person would play during the development cycles, also called sprints.



The project was started and we are currently in our sixth sprint.

During these sprints I have been personally involved in the project and dealt with the QAT team on a daily basis. I can attest the team is very professional and committed to the success of the project. My experience with all team members has been very positive and they are always open to suggestions for improvements and overall discussion. The deliverables so far are of high quality, and project management has been able to respond to all my questions in a timely fashion.

As a testament of the successful relationship, ABS has engaged with QAT on a second project, now in the Marketing area.

I would recommend QAT for your business needs for they have helped ABS remodel an outdated application so now it has a better future ahead. QAT met all our timelines and worked with us to offer solutions that were within our budget.”

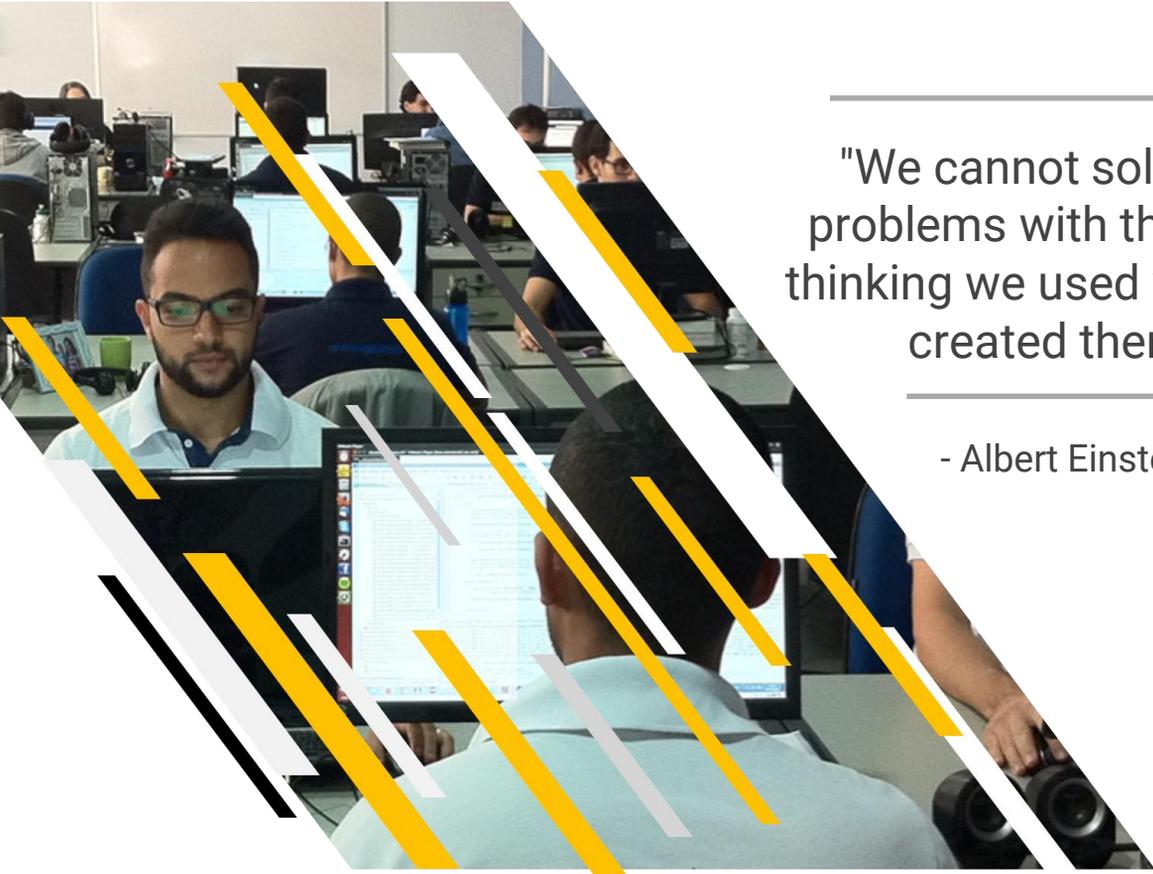
Helio Rezende, Technical Service Tools Manager, ABS Pecplan

Our Development Teams

At QAT Global's Development Centers in Uberaba, Brazil and Belén, Costa Rica, we employ people with high capability, potential, exceptional creativity, and determination.

Our Costa Rica Development team is made up of a highly educated workforce from a country dedicated to being the most technically savvy with the best engineers and developers in Central America.

The same goes for our Brazil team. We have found incredible success with our nearshore development site in Uberaba, MG, Brazil through an impressive retention rate of 97.6% over the last five years.



"We cannot solve our problems with the same thinking we used when we created them."

- Albert Einstein

Get Started Today

We'd love to connect with you and discuss your company's goals and what makes us the right partner for the future.

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