

Mexican Nearshore Solutions

**GLOBAL  
SOFTWARE**  
AN OPTIMA TECHNOLOGIES COMPANY

IT DEVELOPMENT • BUSINESS PROCESS OUTSOURCING • CALL CENTER



## **GLOBAL SOFTWARE PUTS YOU IN CONTROL OF YOUR TEAM IN A CONVENIENT NORTH AMERICAN LOCATION, AT COSTS PREVIOUSLY ONLY OBTAINABLE IN DISTANT OFFSHORE LOCATIONS**

### **NORTH AMERICAN CONVENIENCE**

- Breakfast At Home, Lunch With Your Team Is Possible From Most U.S. Locations
- NAFTA Provides Border Transparency For Personnel Traveling Between Sites
- Common Time Zones Insure Ease of Communication

### **YOU, NOT THE VENDOR, CONTROL THE KEY ELEMENTS OF YOUR OPERATION**

- Selection, Hiring And Firing of Personnel Performing Core Business Process
- Employee Compensation and Motivational Strategies
- Workload and Size Of Staff

### **HIGHLY EFFECTIVE OPERATIONS AT A FRACTION OF THE COST**

- Skilled Personnel Seeking Employment Often at Less than Half the Salary of their U.S. Counterparts
- Hybrid Approach is a Highly Attractive Opportunity for the Mexican Professionals Seeking Employment
- Low Turnover
- Dollar has Historically Remained on Par or Strengthened Relative to the Peso Increasing Cost Advantages

### **OUTSOURCE ALL THE OPERATING OVERHEAD**

- Human Resources Management & Administration
- Payroll Management
- Accounting Services
- Facilities Management
- Logistics and Customs issues
- Procurement Services
- Environmental Regulations
- Government & Community Affairs
- Information Services
- Visiting Client and Employee Courtesy Services
- Consulting Services
- Local Purchasing
- Security
- Legal Support Services
- World Class Individual Office Space with Shared Common Services

## **AVOID OFFSHORE PAINS, REALIZE NEARSHORE GAINS**

# Now is the time to establish a Mexican Nearshore Operation: Top Talent, Low Turnover, and Savings

Global Software was one of the original pioneers of offshore development in the 1980's and 1990's leveraging Asian solutions that delivered significant savings and productivity improvements for Global's customers including companies like Federal Express, IBM and Lexmark. As global competition for talent has dramatically increased over the last decade, labor markets like India have consolidated and matured, all the while suffering a mass exodus of talent as individuals left their countries and immigrated to places like the United States, Australia and Western Europe. The result has left U.S. companies who originally outsourced expecting great cost savings and productivity gains instead with challenges of managing remote data centers operated by partners strapped with excessive turnover issues, rising costs, and an overall erosion of productivity.

In order to help customers regain control over their international human capital, Global has partnered with Vangtel and its parent the Offshore Group to offer a highly efficient and effective approach for U.S. Companies to start a Nearshore Operation right here in North America. With more than 15,000 skilled personnel in place performing varying business activities for its customers, Global's partner is the leading provider of Mexican Nearshore Services. Global offers a solution to its clients free from the typical headaches and challenges associated with outsourcing or maintaining a foreign location and workforce.

Did you know that Gartner Group recently ranked Mexico equal to India for establishing a data center operation? Part of the reason is that Mexico represents the same opportunity for talent that India did more than 20 years ago. Global provides the easiest and best way to take advantage of the Mexican personnel eager to join your operation. Once established, your Nearshore Operation is a short flight from almost anywhere within the United States or Canada. Experience how directly controlling your resources contributes to improved productivity and results while you benefit from favorable immigration laws, a familiar culture, and a stable workforce.

# Talent, Turnover and Security Are Top Priorities

## **Tap a Large Bilingual Talent Pool of Available Resources**

According to an *Information Week Magazine* survey of U.S. Corporate CIOs, 51% of those CIOs are deeply concerned about attracting, developing and retaining talent. Over the next several years U.S. Corporations are expected to add 1,000,000 IT jobs alone. There simply isn't enough domestic talent to go around. Companies will be forced to seek alternative methods to staff their businesses and projects.

Utilizing Global to establish a Mexican Nearshore Operation offers an ideal alternative. Your operation will be located in the city of Hermosillo in Sonora Mexico, just 360 miles south of Phoenix, Arizona. With more than 13 universities graduating more than 2,000 technical students alone, Sonora is quickly becoming one of the leaders in cultivating technical talent in the Western Hemisphere.

Salaries continue to remain low, and the number of technically skilled individuals seeking positions in the disciplines of development, quality assurance, help desk, inbound call centers and networking technologies remains high.

Talented professionals, many with international experience gained on projects in the United States, Canada, and Western Europe, are available to join your Nearshore Operation. Global's strong recruiting, combined with its partner Vangtel's tight relationships with the local universities, ensure that your company will have preferential access to the best talent for your team.

## **Significantly Reduce the Turnover Rate and Time and Money Wasted on Retraining**

Recently one of Global's prospects who is responsible for the results of an offshore call center in India was quoted as saying that they were experiencing a 150% resource turnover

rate. Although this may be higher than you are experiencing, it is common when outsourcing internationally to experience a high "churn" in the people working on your tasks. Replacement cost of a resource can be as high as 2.5 times their salary depending on the role that resource plays, your company's training investments, and the on-the-job knowledge needed to become a productive resource.

While the direct costs of turnover may be disguised because of pricing provisions in an offshore contract, the customer is never sheltered from the hidden costs of missed deadlines, reduced quality or decreased service levels resulting from churn. The Mexican workforce is loyal, productive and employers typically experience lower turnover rates.

## **Minimize Geopolitical Concerns and Enjoy Economic Stability**

The news is riddled with stories of doom and gloom often associated with the countries most often utilized for outsourcing by U.S. companies. When companies have made sizeable investment in offshore resources performing critical business processes, these geopolitical risks start to amplify. Although confrontation may be unlikely, India and Pakistan share a common border that is the most heavily militarized zone in the world with more than 1,000,000 troops and a nuclear arsenal pointed at each other. China along with Russia (former Soviet Union) have significant human rights and freedom challenges, maintain weak intellectual property protections and are known for having strained relations with the West. Finally, rumors have recently surfaced of sabotage in the Middle East relating to undersea internet cables that can disrupt services in Asia, Africa and Europe.

Diversification through a Nearshore Operation gains additional justification because it mitigates these risks. Mexico shares a common border with the United States and has normal, peaceful relations with its neighbors. Additionally, the Peso is directly tied to the dollar which insulates U.S. businesses from strong swings in the dollar's value thus making Mexico a stable trading and business partner. Finally, NAFTA (North American Free Trade Agreement) has enabled U.S., Mexican and Canadian companies to easily travel to and from each country. Visa and immigration procedures for professionals are simplified. Most import and export restrictions, controls and tariffs have been greatly reduced to ease commerce between the nations.





## Nearshoring Saves Time and Saves Money

### **Incredible Rates Bolster Incredible Savings**

Cost savings is the single most cited reason by customers for going offshore or outsourcing. Global's Mexico Solution typically brings 50% or greater reduction of costs over similar U.S. resources and infrastructure. Global is able to match India, China and other Eastern European countries because salaries in Mexico for professionals are extremely competitive, especially relative to the U.S. market.

Global rates bundle the services that ensure employee satisfaction and compliance to Mexican laws. Some of these management support services include:

- Human Resource Management
- Facilities Management
- Accounting & Tax Services
- Payroll and Employee Benefits Administration
- Customs, Immigration & Visa Expertise
- Mexican and US Recruiting & Screening Services

### **No Hassle Travel and Immigration Enable Wide Array of Options to Improve Results and Save Travel Time**

In most cases the price of a ticket, the loss of four full business days to travel to and from a remote offshore facility, and to adjust to a vast 10.5 to 13.5 hour time difference makes short trips cost prohibitive. Face-to-face coordination, training and basic business communications suffer when commuting to Asia, Europe and the Middle East. By contrast your first eight hours of your trip to your Mexican Nearshore site consists of having breakfast with your family, a direct flight to

Hermosillo, lunch with your team, dinner with your management, and a movie in the hotel room. All this is accomplished before the other person traveling overseas even leaves JFK.

With the offshore approach, when you and your team finally arrive at a common location, one of you is out of sync by 12 hours. Outsourced resources providing service to U.S. customers or employees are forced to work the "graveyard" shift. These issues do not exist with a Mexican Nearshore Operation. When comparing offshore and nearshore, nearshore is the clear winner. Switching leads directly to morale and productivity improvements.

Adding to the convenience, nine out of ten times a simple business visitor visa is all you will need for your Mexican or U.S. based personnel to travel. No fancy visa stamps or expensive time consuming immigration hassles, numerous passport photos, and mailing off your passport to a strange land. No shots, no malaria pills, and no armed escorts are needed when traveling to Sonora.

The benefit is improved business results generated because of the effective, seamless combination of your United States and Mexican Nearshore Operations.

# “Easy Start” Options Put You on a Direct Path Towards a Successful Nearshore Operation, Providing Validation of Benefits Without Extended Financial Commitments

## **Two Easy Start Approaches Designed to Meet Differing Prospective Client Needs**

Global’s programs are designed to improve results by encouraging a high level of participation and face time between the nearshore team the customer’s domestic management and training resources. By integrating the teams early on, the nearshore employees learn the systems, methods, and standards that their U.S. counterparts are using. By learning and doing things the customer’s way, the nearshore team’s confusion is limited, inter-departmental communications improved, and a partnership quickly develops.

The pilot programs are also designed to reduce the risk to our customers by enabling them to test a Mexican Nearshore Operation prior to committing to a long term nearshore strategy. A small footprint can then be quickly expanded into a large operation with little risk and effort.

### **Option One: Mexican Nearshore Incubator with a Six Month Contract-to-Hire**

Global is making incubator facilities available that allow the evaluation of Nearshore Operation without the need for a capital commitment or an extended facility lease during the first six month contract period. Global will provide candidates and you will pick your team as though the team is going to be your employees. During this period you can evaluate performance and validate the benefits to your organization of permanently augmenting your business with a Nearshore Operation. You receive pre-built infrastructure and space to enable your resources to begin an operation in Mexico usually within a two to three week period from initial commitment. These facilities provide internet connectivity, office space, telecommunications, meeting rooms and office equipment.

Your Mexican team begins work at the designated facili-



ties and function exactly as you wish doing the work that you assign. It is recommended that one or several of your management team members come down to Mexico to aid in the new employee orientation and training. You should train your Mexican Resources on the same business processes, systems training, and employee education you provide a similar tasked employee working in the United States. Global handles all of the supporting services that are required from a management support prospective including payroll, benefits, taxes, customs, and facility management.

After completion of the six month period, the individuals on your team can be converted to your Nearshore employee, can be extended as a contractor or can be terminated. The likely outcome is they become the core of your Nearshore Operation and are moved to your company’s permanent facility built out to your exact specifications.

### **Option Two: 30 Day US Kick-Off and Five Month Nearshore Production Pilot**

Because of the close proximity of Mexico and the ease of business travel provided as a result of NAFTA, it is economically feasible to train your Mexican Team in the U.S. at your location. Using readily available business visitor visas, your Mexican team is able to come to the United States to be trained directly under your watchful eye with your skilled domestic employees. By doing so, you can run operational simulations, perform shadow training and mentoring, build cross border team cohesion, and nurture the new resources to become productive team members. The Mexican team learns first hand what it means to be a part of your company.

Upon completion of the first thirty days, the Mexican team then returns to Sonora to perform their duties through the remainder of the Pilot. As in the case of Option One, you then have the same flexibility with regards to terminating, extending or converting each of the members of your team at the conclusion of the pilot period.

### **Smooth Transition to Full Production Facility**

Upon achieving certain successful milestones during the Pilot, Global then assists you in preparing your long-term presence in Mexico. The facility is customize to your exact specifications. Your brand is integrated, your office environment is built out, and equipment and infrastructure installed.



## About Global Software and Vangtel Mexico

### **Global's Mexican Partner, Vangtel and the Offshore Group, Boast an Impressive Track Record of Success Since 1986**

Vangtel is the newest member of The Offshore Group. The company was established in 1986 and currently serves 53 companies operating in Mexico with an aggregate employment level of 15,000 plus workers. As the recipient of the Premio Nacional de Exportacion award (2000) given by the president of Mexico, The Offshore Group is ISO 9001:2000 certified and is Mexico's leading "Shelter" provider.

As the largest employer in the state of Sonora, The Offshore Group diligently supports its clients and the many employees who serve them. It is the first company to offer shelter services in Mexico for the Contact Center, IT Development, and Business Process Outsourcing. It is the Offshore Group's objective to help clients quickly establish operations in Mexico at reduced cost and risk.

World-class client facilities in Hermosillo, Mexico are 240 miles south of The Offshore Group U.S. headquarters in Tucson, Arizona. Close proximity to the U.S. allows clients quick access to operations in Hermosillo with a one-hour flight from Phoenix.

### **Global's Continuous Quality, Commitment and Value**

Global maintains a concentrated effort to meet our customers' demands for quality, timely delivery, and value for services rendered. We are proud of the value we have delivered to our clients and having maintained a steady track record of profitability. We look forward to continued success by repeatedly exceeding our customers' expectations.



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