

Difference between offshore and nearshore

Nearshore

What is it: outsourcing of a project to a country that's geographically close to the hiring company's

Examples of countries with nearshore services: Mexico, Argentina, Colombia

Scenarios for which it's appropriate:

- › Projects of all kinds that require specific or hard-to-find talent
- › Large projects that call for an expanded development team
- › Development of complex solutions that need fast reaction times

Pros of nearshore outsourcing:

- › Access to a larger talent pool
- › Reduced language and cultural barriers
- › Same time zones that allow for calls or meetings
- › Fast ramp-up of expert teams

Cons of nearshore outsourcing:

- › Not as cheap as offshore outsourcing



Offshore

What is it: outsourcing to teams that are located far away from the hiring company's

Examples of countries with offshore services: India, China, Ukraine

Scenarios for which it's appropriate:

- › Projects with budget constraints
- › Projects which require very specific skillsets

Pros of offshore outsourcing:

- › Very competitive prices
- › Offers a vast talent pool
- › Working at different times keeps the project moving around the clock

Cons of offshore outsourcing:

- › Frequently the focus is put on quantity at the expense of the final quality
- › Depending on which country you choose to work with, numerous language and cultural barriers may arise
- › Meetings and calls are harder to arrange

How to pick the right model

Things to keep in mind

- › Outline the whole project in detail before reaching out to a potential partner
- › Define individual tasks and deadlines
- › Identify the level of expertise needed for completion

Questions to ask

- › How specific are the roles you're lacking? How hard is it to find them?
- › Will you need to meet with the external team on a frequent basis?
- › What type of workflow will the project need?
- › How complex is the project?