

STATESIDE WHITEPAPER

MAXIMIZING ROI WITH DISTRIBUTED NEARSHORE TEAMS

INTRODUCTION

Imagine having a team of skilled professionals just a few time zones away, ready to jump into your project with the same dedication as your in-house team. That's the essence of distributed nearshore teams. These teams consist of highly qualified experts located in nearby countries, offering cultural alignment, time zone compatibility, and cost-effective services. They are a strategic solution for businesses looking to maximize their return on investment (*ROI*) while maintaining high standards of quality and efficiency.

Why are distributed nearshore teams so important for businesses? For instance, companies can save up to 50% on operational costs compared to onshore teams in the U.S. By leveraging talent in neighboring countries, businesses can access top-tier skills at a fraction of the cost. This approach not only saves money but also enhances productivity, as the time zone overlap allows for real-time collaboration and quicker turnaround times. A report by Deloitte shows that 78% of companies are satisfied with their nearshore outsourcing partnerships, primarily due to cost-effectiveness and time zone alignment.

Distributed nearshore teams offer more than just cost savings; they provide a competitive edge. These teams provide access to a broader talent pool, as regions like Latin America produce over 450,000 *STEM* graduates annually, according to the World Economic Forum. This talent pool allows businesses to scale resources up or down based on project needs, enabling them to adapt swiftly to market changes without lengthy recruitment processes. Additionally, working with nearshore teams minimizes the risks associated with cultural and communication barriers, making project management smoother and more efficient.

We'll explore the benefits and strategies of using distributed nearshore teams in this whitepaper. We'll delve into real-world case studies showing how businesses have successfully implemented this approach to achieve significant *ROI*. By clearly defining the challenges that distributed nearshore teams address, we'll lay the foundation for understanding their substantial impact on business success and why they are a game-changer in today's global market.



WHY CHOOSE NEARSHORE DISTRIBUTED TEAMS?

Nearshore distributed teams stand out for several reasons:

Cost Savings: Utilizing teams in nearby countries can significantly cut down on recruitment, training, and salary expenses. U.S. companies hiring top talent from Latin America can save 30%-70% on salary costs, according to a report by *Accelerance*.

Faster Development: Real-time communication and quicker responses with nearshore teams speed up project timelines, enabling faster product launches and quicker revenue generation. Studies show that 70% of businesses report better project timelines with nearshore teams, as found in a survey by *Everest Group*.

Broader Talent Pool: Nearshore regions like Latin America produce over 450,000 STEM graduates annually, providing access to top-tier talent without lengthy recruitment processes.

Improved Collaboration: Time zone compatibility facilitates real-time collaboration and quicker feedback, enhancing productivity and project timelines. Research from Gartner highlights that businesses using nearshore teams experience 35% faster turnaround times compared to offshore teams. Additionally, these teams share similar cultural values and work ethics, leading to smoother communication and reducing the risk of misunderstandings.

Simplified Maintenance: A cohesive team in a nearby time zone simplifies project management and maintenance, reducing long-term costs and ensuring consistency.





CHALLENGES & SOLUTIONS

High operational costs can strain budgets, with the average cost of hiring a software developer in the U.S. around *\$110,000* per year, according to Glassdoor, not including benefits and overhead costs. There's also a significant shortage of tech talent in the U.S., with over *700,000* unfilled tech jobs as of 2023, according to *CompTIA*.

Distributed nearshore teams offer effective solutions to many of the challenges businesses face with traditional team setups. By leveraging skilled developers in nearby countries, companies can address high costs, difficulty in finding talent, communication issues, and technology integration hurdles. Here's how distributed nearshore teams solve these key problems:

HIGH COSTS

CHALLENGE
Hiring locally in the U.S. involves substantial salaries, benefits, and overhead expenses.

SOLUTION
Nearshore development costs significantly less than hiring in the U.S. offering substantial savings without compromising quality.

RESULT
Businesses can reduce operational costs by up to <i>50%</i> , allowing for better budget management and resource allocation.



FINDING SKILLED DEVELOPERS

CHALLENGE

The tech talent shortage in the U.S. makes it difficult and time-consuming to find the right expertise.

SOLUTION

Nearshore regions like Latin America have a diverse pool of talented developers, ensuring that businesses can access the necessary skills efficiently.

RESULT

Projects are completed more effectively and on time, reducing the stress of lengthy recruitment processes and enhancing overall productivity.

SEAMLESS COMMUNICATION

CHALLENGE

Time zone differences and cultural barriers with offshore teams often lead to communication breakdowns and delays.

SOLUTION

Nearshore teams operate in similar time zones and share cultural values, enhancing collaboration and improving coordination.

RESULT

Real-time communication and quicker decision-making streamline project management, leading to faster and more efficient project execution.

TECHNOLOGY INTEGRATION

CHALLENGE

Integrating new technologies with existing systems can be complex and slow, especially with varying levels of technical expertise.

SOLUTION

Nearshore developers possess the necessary skills to ensure smooth integration of new technologies and streamline the adoption of innovations.

RESULT

Businesses stay competitive by quickly adopting and integrating new technologies, maintaining a leading edge in their industry.



CASE STUDY

SEPHORA SUCCESS STORY

INTRODUCTION:

Sephora, a global leader in the beauty retail sector, embarked on a staff augmentation journey, aiming to diversify and expand its talent pool. By opting for nearshoring, they targeted highly skilled tech talent in Latin America, resulting in over *40 engineers* and *10 capabilities staff* being onboarded, with a significant focus on cost savings.

CHALLENGE:

Sephora faced challenges in rapidly filling urgent and specialized tech roles, necessitating a diverse and cost-efficient talent acquisition approach. Traditional hiring methods were proving inadequate for meeting the company's evolving technological needs.

SOLUTION:

Sephora pursued nearshoring to tackle staffing challenges, targeting Latin America for its tech talent and cultural fit. The move aimed to diversify and enlarge their talent pool cost-effectively. Their strategy led to hiring over *40 specialized engineers*, meeting immediate tech and operational needs.

+40

engineers
currently staffed

SAVED

\$99K

on a Sr. Full-Stack
Developer

+8

successful years of
partnership

RESULTS:

The nearshoring initiative not only expanded **Sephora's** tech talent base by incorporating over *25 diverse and highly skilled professionals* but also led to a successful ongoing partnership of *+6 years* with the provider, saving thousands of dollars in hiring costs. This approach effectively met **Sephora's** urgent staffing requirements.



STRATEGY

At Stateside, we specialize in nearshore staff augmentation, providing a comprehensive customer experience and top-notch technical talent. Here's a behind-the-scenes look at how we ensure everything runs smoothly and efficiently, from the first contact to the final delivery.

1. INITIAL CONTACT UNDERSTANDING YOUR NEEDS

We kick things off with an initial discovery call where we listen carefully to understand your specific needs and gather all the details.

3. RECRUITMENT AND SELECTION

- **Finding the Right Talent:** Our recruiting team goes to work, sourcing and sending you profiles of candidates that fit your needs.
- **Client Interviews:** You get to interview the candidates and choose the ones that best match your requirements.

5. ONGOING SUPPORT

- **Engineer Starts:** Your new team members start working with you.
- **Staying Connected:** Our Account Management team stays in touch with regular calls, feedback checks, and ensures everything is running smoothly.

2. LEGAL FORMALITIES

- **mNDA:** To protect everyone involved, we send out a mutual Non-Disclosure Agreement (*mNDA*) for signatures.
- **Creating OTH:** Based on our discussion, we create new open positions (*OTH*) and send out a Master Service Agreement (*MSA*) for you to review and sign.

4. ONBOARDING

- **Approval and Start Date:** Once you've selected your candidates, we set a start date, agree on the rate, and send out Statements of Work (*SOWs*).
- **Kickoff Call:** We organize a kickoff call to go over all the details and explain how we'll work together.



WHY CHOOSE STATESIDE?

Choosing Stateside for nearshore staff augmentation offers unparalleled advantages. Our extensive experience ensures you get top talent quickly and efficiently. We provide a comprehensive customer experience with 1:1 communication, dedicated account managers, and tailored solutions. Our agile recruiting process finds the right talent fast while cutting costs without

sacrificing quality. Recognized for excellence and certified by U.S. *MBE* and *SBE* in California, we seamlessly integrate into your team, reducing attrition and enhancing the work environment. Partnering with Stateside means maximizing *ROI*, boosting productivity, and achieving your business goals with a reliable, customer-focused team.



Proven track record of working with Fortune **1000** companies since **2013** and placing over **500** tech positions.



Agile recruiting process that guarantees the right talent in less than one month.



Recognized for excellence with multiple awards and certifications, including **U.S. MBE** and **SBE** in California.

