

Why Costa Rica is an ideal Nearshore Destination?

A SCALABLE SYSTEMS WHITE PAPER



SCALABLE | Inspiring
SYSTEMS | Innovation

TABLE OF CONTENT

INTRODUCTION.....	3
NEARSHORE VS. ONSHORE VS. OFFSHORE.....	4
KEY FINDINGS: COSTA RICA.....	5
NEARSHORE OUTSOURCING SERVICES IN COSTA RICA.....	6
NEARSHORE APPLICATION DEVELOPMENT IN COSTA RICA.....	7
OPTING FOR SCALABLE SYSTEMS FOR NEARSHORE OUTSOURCING SERVICES IN COSTA RICA.....	8
CONCLUSION.....	9
ABOUT SCALABLE HEALTH.....	10

INTRODUCTION

In the last decade or so, more and more organizations are opting for outsourcing models as a strategy to match customer expectations while lowering costs, becoming more competitive, and being digitally ready. South Asian countries like India, the Philippines, and Vietnam have been the flag bearers of IT and business processing outsourcing. Offshore outsourcing destinations rose in popularity due to the rich talent pool, affordability, and technology expertise. Despite the offshore success, organizations are taking a closer look at the Nearshore outsourcing model. Slowly but steadily, Latin American countries like Costa Rica are gaining a reputation as an outsourcing-friendly countries. Many US businesses maintain greater control of their operations by developing nearshore delivery centers in Costa Rica. The idea is to complement Asian outsourcing by keeping certain business relationships in geographical

proximity and same time zone. Resilient Network infrastructure, tax incentives, rich talent pool, and culture compatibility are the driving force behind Costa Rica's rise as a prominent nearshore destination.

High-level IT proficiency is synonymous with Costa Rica, and working as an IT engineer or software developer in Costa Rica carries status and reputation. This implies that the most gifted and intelligent young Costa Ricans select a professional IT job route. Costa Rican universities have a long history of teaching engineering and IT, making their degree programs some of the best in Latin America. Additionally, a growing number of foreign businesses have established operations in Costa Rica, which has led to an increase in the demand for expert consultants.

NEARSHORE VS. ONSHORING VS. OFFSHORING

US businesses hire companies in nearshore Costa Rica to transfer processes, development tasks, and staff augmentation. In this outsourcing, they can focus on their core business activities and significantly lower their expenditure. Also, companies get access to top-notch software developers and technical expertise and strengthen their capabilities. Although there are many possible reasons for nearshoring, we can point out a few of them

- Management and operational benefits
- Scalability and adaptability
- Cost savings
- Cultural alignment
- Access to the rich talent pool
- Onshoring

Onshoring

Onshore outsourcing is obtaining services from the outside organization but within the same country as opposed to overseas locations like India or Ukraine. Unlike offshore and nearshore outsourcing models, onshore gives a higher level of control and closer collaboration between the stakeholders but at a higher cost.

Offshoring

It brings together clients and vendors in distant countries or continents, like Asia or Europe. Offshore outsourcing offers reduced operational costs, affordable talent, fewer legal responsibilities, and better quality. Despite its appeal, offshore carries limitations like poor data/IP security, sub-par communication, culture barrier, and high attrition.

	Nearshore	Offshore	Onshore
 Cost Savings	Yes	Yes	No
 Similar Time-Zone	Yes	No	Yes
 Efficient Communication	Yes	No	Yes
 Time Saving	Yes	Yes	Yes
 Convenience and collaboration	Yes	No	Yes

KEY FINDINGS: COSTA RICA

More than 20 Fortune 100 companies and over 250 multinationals have chosen Costa Rica as an outsourcing destination, including Microsoft, Intel, Hewlett Packard, IBM, NBC, Google, Amazon, and Sykes. Agile development practices, English proficiency, technical knowledge, and affordable rates make Costa Rica a hot nearshore destination.

Here are some key findings:

- Due to its excellent telecommunication infrastructure and communication skills, Costa Rica has grown as a provider of IT, business process outsourcing, and back-office services.
- On the world stage, Costa Rica is presenting itself as a complement to India.
- Costa Rica offers tax incentives for businesses to set up their outsourcing operations and has grown steadily in the ease of doing business rankings.
- One prominent reason for Costa Rica's appeal is its fast bureaucracy and limited regulatory compliance.
- The universities of Costa Rica offer bilingual graduates.

Costa Rica has a stable, open, and competitive economy. The geographical proximity to the US makes Costa Rica an ideal destination for companies to set up nearshore companies. Also, Costa Rica has more significant nearshoring competitive benefits as compared to other Latin American countries; these are:



Per the Global Skill Index, Costa Rica is in third place as the emerging Latin American country in technology. Greater focus on technology has ensured talented developers hiring by US companies to accelerate innovation and creativity.



Costa Rica has been investing tremendously in its IT sector infrastructure, employing a massive population of developers by creating tech parks and accelerators. The country's laws also provide specific tax incentives to companies around technology and innovation.



As Costa Rica is in the same time zone as the US, less communication and timely delivery make the collaborative experience with Costa Rica fantastic. Most of the population is English speaking, making nearshore software development flawless.



Costa Rica is an emerging market and isn't as competitive as certain Asian countries. Thus, the retention rate in Costa Rica is relatively high, enabling developers to work on the product during the whole timeline.

NEARSHORE OUTSOURCING SERVICES IN COSTA RICA

Scalable Systems' nearshore outsourcing services in Costa Rica offer highly skilled developers for about half the cost.

Businesses can look for services such as

- **Full Stack Development:** Developing both the back end and front end of the web applications and website for a seamless experience for your clients.
- **QA & Software Testing:** Bug-free software testing to match the desired outcomes
- **Data integration:** Collecting data from disparate sources into a unified platform to achieve business goals.
- **Artificial Intelligence and Machine Learning:** Solving specific challenges by analyzing data in real-time and making predictions based on the analytics.
- **Managed Cloud Services:** Migration, maintenance, and optimization of the cloud computing, storage, networks, application stacks, and storage.
- **IT Staff Augmentation:** Hiring a workforce per your project needs to complement the skills and knowledge of your existing in-house team.



NEARSHORE APPLICATION DEVELOPMENT IN COSTA RICA

Application outsourcing

It refers to the production, design, and testing of an application by a vendor. Scalable Systems offers a wide range of nearshore application development in Costa Rica with a faster time to market. Some of these nearshore application outsourcing services are:

- ✓ Technology consulting
- ✓ DevOps implementation and maintenance
- ✓ Quality Assurance
- ✓ Cloud architecture design and deployment
- ✓ UI/UX
- ✓ Big data
- ✓ Database management services

Managed services

Costa Rica has an immense talent pool of skilled professionals. The highly evolving and competitive market has allowed access to highly skilled resources for industry-leading agile development services. Scalable Systems offers a dedicated team model through a step-by-step process for nearshore application development in Costa Rica.

Such an approach has an immense benefit for businesses. It includes cost savings, project control, agile development, and faster time-to-market.

- ✓ Initially, an inquiry raised
- ✓ Sharing of requirements
- ✓ Scope analysis
- ✓ A dedicated team manager is assigned
- ✓ Shortlisting and Interview
- ✓ Identifying and Selection
- ✓ Resources start working
- ✓ Daily/Weekly monitoring

Nearshore Talent

Businesses can acquire a skilled workforce quickly and affordably in Costa Rica. They can make an immense impact in the global market by employing specialized resources by saving valuable time in hiring talent. Scalable Systems follows a multi-pronged approach to staffing for nearshore application development in Costa Rica.

- ✓ Assessment: Identifying the recruitment needs by analyzing current and future business plans.
- ✓ Selection: Selecting the optimum delivery model to manage immediate requirements.
- ✓ Customizing: A testing framework to identify candidates with skills, experience, and expertise.
- ✓ Scaling: Scaling up or down the workforce based on the requirements.

Opting for Scalable Systems for Nearshore Outsourcing Services in Costa Rica

Scalable Systems strives for simplicity by making complex things easy, responding to challenges faster, and executing well-timed decisions. Our nearshore IT outsourcing services enable businesses to drive innovation, accelerate development and reduce costs.

Scalable Systems is committed to continuing and further improving its quality processes in software and business development. Our core components for software and business development outsourcing are:



Agile

Responds aptly and tactfully to change to create a conducive environment.



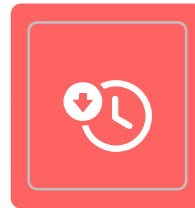
Lean

Increase operational efficiency by delivering optimized value to the customer.



Zero-trust security

Strict-user authentication for secure enterprise workflows.



No downtime

Fully accessible 24*7*365

Businesses have been picking Scalable Systems for their IT and business development outsourcing needs as we offer:

- ✔ **Technology-focused delivery teams**
- ✔ **Industry-specific expertise and technology alliances**
- ✔ **Faster time to market**
- ✔ **Similar time zones as your business**

CONCLUSION

Today's competitive marketplace demands that businesses evaluate their performance continuously. It allows for strategic changes for automating, integrating and optimizing business processes. Nearshoring in Costa Rica can expedite the completion of crucial business decisions, boost organizational responsiveness, influence organizational efficiency, and cut costs.

Costa Rica has created a well-established business acceleration mechanism to encourage further innovation. The economy of Costa Rica is secure, open, and vibrant. It has become a prime location for businesses to establish nearshore enterprises due to its proximity to the US.

Businesses want destinations that provide easy scalability, adaptability, and significant cultural alignment with the US. Costa Rica serves each of these critical aspects with higher efficiency.

Scalable Systems Solutions

- Application Outsourcing
- Managed Services
- Nearshore Talent
- Full Stack Development
- Data Integration



Contact us today for nearshore IT and business development services in Costa Rica.

About Scalable Systems

Scalable Systems is a Data, Analytics & Digital Transformation Company focused on vertical specific innovative solutions. By providing next generation technology solutions and services, we help organizations to identify risks & opportunities, achieve sales and operational excellence to gain an innovative edge.

www.scalable-systems.com

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