UNLOCKING THE POTENTIAL OF NEARSHORING

an IT executive’s guide
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PART I
THRIVING IN THE DIGITAL ERA

Constant change has become an inherent feature of the 21st century and it is only going increase in speed. The direction we’re heading is digital, be it at work, play or home. Change is driven by a complex combination of factors – from developments in technology, economy, policy and science, to the focus on the customer.

In today’s business, one thing is certain: the need for a firm commitment to keep up with the times. Instances where new, digital entrants to the market challenge and destabilise large, traditional and well-established players are becoming a norm. Beyond competition, threats may come from other directions – from cybercrime and customer demands, to our own business’s inability to innovate.

As organisations that stand still are now more likely to fall behind quicker than ever, it is finally the time to stop being aware of the need for a transformation and actually embark on the journey. Companies and organisations that want to stay ahead of the game should remove the barrier to digital for their business – all of them should now aspire to becoming a software company.

As early as in 2011, Forbes had announced that the era when ‘traditional industries could view the technology world from afar was officially over’.

WHY ASPIRE TO ‘BECOME’ A SOFTWARE COMPANY?

‘Becoming a software company’ does not mean dismissing your staff, appointing a team of developers and testers, and switching your industry to IT.

Instead, it revolves around three fundamental topics:

- Firstly, it is about really appreciating the role that the digital plays and implementing innovative solutions into our businesses – be it taking advantage of Big Data, creating a new, bespoke application for our customers, moving data to the Cloud, optimising databases, or replacing that legacy system that has been hindering business processes for the last few years.

1 https://www.forbes.com/sites/techonomy/2011/11/30/now-every-company-is-a-software-company/#14fd559d3b1

HOW TO READ THIS PAPER

The paper consists of two parts. In Part I we look at what it means to be like a software company and discuss some practical considerations, arguing why nearshoring may be of great importance to achieving this.

Part II of the paper is devoted to those that would like to explore the topic of nearshoring further. It consists of three sections aimed at three groups of people: those who have never considered nearshoring, those that are considering it, and those that are currently using an outsourcing partner but are not entirely satisfied with them. Each section of Part II consists of independent articles and can therefore be read in chunks.

INTRODUCTION

Change towards a digital world has become characteristic of our times and it has brought a lot of disruption to the market, eliminating many traditional businesses from the game.

In this paper, we argue that the uncertainty we are in means organisations need to stop being aware of the need for reinvention and should finally embark on the journey. We propose that companies and organisations need to aspire to become (like) a software company and we look at a way that could help us achieve that.

1  https://www.forbes.com/sites/techonomy/2011/11/30/now-every-company-is-a-software-company/#14fd559d3b1
Secondly, it is about operating like a software company – ditching unnecessary bureaucracy and slowness for their focus on agility, speed and quality with a minimum number of statements such as ‘Operations won’t let us do that’. The dynamics of today’s markets requires organisations to change from a tanker into a motorboat, not in terms of size, but swiftness.

Thirdly, becoming more like a software company means becoming infected with their creativity, openness to ideas, and most importantly their passion for technology.

So, what are the reasons for working towards becoming more like a software company?

**CUSTOMER-CENTRICITY**

It is not a secret that the customer has become more demanding, more informed and more powerful than ever. They have more say in what the product or service should look like and, if they do not like it, they will be quick to let everyone know. They have also become impatient and if they see something they are not entirely satisfied with, they will immediately leave for competition. However, this is also where the potential lies for businesses to capture this outside-in perspective.

**MORE (BIG) DATA**

Customers produce an astonishing amount of data through their mobile devices and this endows companies with new insights into customer preferences, allowing them to inform their strategies. With new technology, businesses can now take advantage of this data and provide products and services that are a lot more personalised.

**CLOUD AND INTERNET OF THINGS**

The growth of technologies based on the Cloud and the Internet of Things (IoT) are the forces promoting digital innovation. With its scalability, easy and instant updates and flexibility of use, Cloud has enhanced business processes and reduced operational costs. The IoT has brought unrivalled connectivity which is ultimately enabling more informed decisions.

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**PRACTICAL CONSIDERATIONS**

Adopting more of a software company attitude necessitated by the speed of change, advancements in technology and customer-centricity, will allow businesses to truly embrace innovation and ensure they will stay at the forefront of their industry.

Close cooperation between business and technology is, without doubt, the key here. According to KPMG, successful innovation strategies will ultimately depend on collaboration between technology and business leaders to translate new systems and processes into value drivers for the businesses.²

But how do we do actually do that? How do we introduce innovative solutions, while working in a more dynamic and agile way, at the same time igniting a passion for technology in the team?

One answer could be investing in our IT department and employing additional Business Analysts, testers and developers of various programming technologies and languages. There are downsides to that, though. First, recruiting new talent takes time and effort, and with the current IT skills shortage, finding the right people might be tricky. Secondly, as we’re staying in-house, same-old organisational principles and culture apply which may mean slowness is still the case, while passion and creativity quickly burn out among new recruits. At the same time, while searching for new employees and ensuring they don’t get drawn into the habits of your old team, you need to focus on winning business.

The alternative to staying in-house might therefore be near-shoring which offers a way of unlocking our technology potential through additional expertise.

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IS NEARSHORING THE ANSWER?

Nearshoring, a closer-to-home type of outsourcing, has been gaining ground over the last few years.

For good reasons. Many companies decide to nearshore software development because they lack capacity internally or need assistance with specific technologies, many do it to concentrate on core business and free up internal resources, others because of time pressures, or for financial reasons.

However, the reasons motivating organisations to outsource are changing constantly, says the Global Sourcing Association: companies are increasingly choosing to outsource to achieve customer-centricity and unlock new technological capabilities, rather than because of pure cost cutting. 3

Nearshoring nowadays is much more than programmers thoughtlessly writing lines of code according to the client’s specifications. Many providers of nearshoring services have evolved to offer a much more extensive and comprehensive range of services – from consultancy, business analysis and design, through developing the solution, to its maintenance. Some have specialised in certain industries and some in specific technologies. Leading providers also have their own off-the-shelf products.

Nearshoring offers many models of cooperation that determine the level of responsibility and control businesses and outsourcing partners have over their projects.

The cooperation with a nearshore IT partner can help us become more like a software company in a number of ways:

- Firstly, an IT partner can help us innovate. Their knowledge of smart solutions and modern technologies, or their expertise in bespoke application development and security, will allow us to introduce modern solutions into our organisations.

- Secondly, partnering with an open-minded company will have a beneficial impact on your own processes. Through collaboration and knowledge sharing, our employees will not only learn more about technology, but also, importantly, about improving processes and working in a more agile way.

- Thirdly, specialised technology companies are full of geeks who love what they do and infect others around them with their enthusiasm for tech.

3 http://www.gsa-uk.com/documents/Outsourcing%20in%202020%20Research%20Report

PART II
YOU HAVE NEVER THOUGHT ABOUT NEARSHORING

This section is aimed at people who have not never taken nearshoring into consideration as a possible way to becoming a more innovative and digital organisation.

In this section, you will learn about:

- the pros and cons of an in-house team and a nearshore team – from our article entitled Nearshore vs. In-house software development,

- the 5 most important reasons to start nearshoring,

- what cooperation models are available in nearshoring from the Engagement models in nearshore outsourcing infographic.
NEARSHORE VS. IN-HOUSE SOFTWARE DEVELOPMENT

In this article, we explore the risks and opportunities that in-house and IT nearshoring present.

NEARSHORING - THE BENEFITS

1. CULTURAL COMPATIBILITY

Communication styles can heavily affect how our relationships function and how the cooperation develops. Not many of us realise that cultural differences in communication have the potential of breaking an outsourcing partnership.

Gestures, eye contact, words and behaviours that seem completely normal to us may be offensive in other countries. There are also differences in values, beliefs and expectations.

That is why nearshoring (as opposed to offshoring) is gaining ground.

By choosing partners whose culture and work ethics are similar to yours, allows you to experience far fewer uncomfortable situations and misunderstandings.

2. PROXIMITY

Problems within projects often occur at the least appropriate moment, and it is usually the case that the success of the entire endeavour depends on their fast and positive resolution.

Additionally, projects require a lot of planning before they start and decision-making while they run. These processes are time-consuming and involve close cooperation between the supplier and the buyer. Doing so on two different hemispheres can be extremely difficult.

When both parties share a similar time zone, it is very likely that you and your partner will be at work at the same time. Nearshoring caters for those who appreciate or require frequent communication, personal visits and quick availability of an additional talent pool, in case of emergencies.

3. EASIER ACCESS TO TALENT POOL

Deciding to develop a new product usually comes with many considerations. Can we do it? Do we have the budget for it? And the most important one - do we have the necessary skills?

Nearshoring opens access to experts in their fields who are not new to modern technologies and often are experienced, having dealt with projects which in many ways can be similar to yours.

Having access to a talent pool makes the development process more effective and valuable. Instead of spending time recruiting people with the right skills locally, you can start pursuing your business goals right away.
1. ADDITIONAL COSTS

Development of a product is similar to building a house. You never know what may come up or what may go wrong. Software development can also be full of surprises, especially if your development team does not know your core business well. For this reason, extra costs can occur, or completing the project can take longer than expected.

However, there is a way to protect yourself against these dangers – choosing the right type of contract, (e.g. fixed price), frequent communication with the development team and being committed to the project are just some of the actions you can take.

2. CONFIDENTIALITY

There is some information that should never leave the proverbial four walls of the company. However, in order to complete the project, your vendor must get to know your enterprise, to some extent at least.

How do you stay safe? Before making the decision to outsource – prepare a Non-Disclosure Agreement (NDA) which will prevent your vendor from exposing any delicate information that may be damaging to your business.

3. LANGUAGE BARRIER

When choosing a nearshore company, you must be prepared that, in the majority of cases, their first language will not be the same as yours. This however, does not mean that you will be unable to communicate effectively as the language level, even when taught as a foreign language, can be very high.

To gain a better understanding of who you are dealing with, check your language version of their website, read through their materials or book a phone or video call with the prospective partner and get to speak to the people you would be working with.
1. HOME-MADE PRODUCT

When you come up with an idea for a product, you usually have a vision of it. You know exactly what it should look like, what features it should possess and how it should work.

This is why the development of your own product may seem simpler, because you do not have to convey your vision to the outside party.

Additionally, the vision and the development usually take place within the same office, so the reaction time is not only faster when something goes wrong, but the process is also under constant upkeep.

2. CONTROL

Since your in-house team develops the product, you can regularly check if it fits your needs and control its functionalities.

You can choose the technology and methodology, eliminating the need of looking for a partner who ticks all your boxes.

3. COMMUNICATION

There will usually be no language barrier, so communication will be easier. Your own employees will have worked for you for a while now which means they understand the strategy and the wider context of your business. This can, however, sometimes limit their ability to think outside the box!

IN-HOUSE – THE RISKS

1. TALENT SHORTAGE

The decision to develop the product in-house is usually proceeded by looking for specialists, preferably ones who not only feel comfortable in programming, but also are on top of their fields. All this ensures that they perform their tasks well and deliver the product that meets the needs of users.

However, recruiting specialists for the in-house team is rarely cheap or quick, especially when you need a myriad of different skills in your project.
2. PROJECT’S PRICE

If you have a team of experts available onsite, you need to be sure they have the resources necessary to materialise your vision.

This may mean additional training for your employees, but most importantly investment in licences, hardware and equipment.

In-house projects may seem cheaper at the beginning, however, with time, they may consume much more money than expected.

3. RISK OF OVERSIGHT

Even if you have a dedicated IT department in your company, software development may not be their strongest suit.

This means many vital aspects of the development may not be known to them and may cause problems in later in the project. For example, before embarking on development, the analysis and design stage is recommended. Conducted by specialists in Analysis and Design, it will ensure the findings and conclusions result in a well-suited software solution without the risk of an oversight.

The decision whether to use an in-house or a nearshoring team, requires, without a doubt, a careful consideration of your priorities, including whether or not an existing team, or the one you intend to recruit will be able to help you unlock new technological capabilities.
THE DOWNSIDES OF IT OFFSHORING

It is possible, that the difference was the type of outsourcing: offshoring or nearshoring. Both terms imply relocating a process or work to another country, but the location of the country – its distance to yours – is key.

Distance is an important factor in the success of an IT project. It determines the cost, and hence, the frequency of visits which are crucial to helping your outsourced team to get a good understanding of your business and what you are trying to achieve. Larger distance also often implies larger cultural differences, which may affect communication which, in turn, may affect the project itself. Finally, having a team on a different continent adds another hurdle to effective project management in form of time zones.

All this has caused nearshoring, the closer-to-home type of outsourcing, to gain ground.

Its major benefit is the proximity of your outsourced team – but of course there is more than that. Let’s take a closer look at the 5 reasons to start nearshoring.

1. NEARSHORING CUTS COSTS OF THE IT PROJECT

It allows you to increase cost-effectiveness of the project in comparison to doing the same job internally. Nearshoring partner’s proximity means less expensive travel and a greater degree of control.

2. NEARSHORING ENABLES ACCESS TO EXPERT KNOWLEDGE

Nearshoring responds to the need of really peculiar skills and special competences by giving you access to professionals in a given technology in no-time. Professionals that share not only your time zone, but also your work culture.

3. NEARSHORING ENHANCES WORKFORCE

When you have bigger needs in short periods of time, employing external workforce allows you to dedicate resources to primary activities. Offloading IT work results in increased morale of your team, boosting workforce efficiency.

5 REASONS TO START NEARSHORING

There are many companies that use only internal resources to handle their software development and do not really have a need to outsource. Also, there are many CIOs that are not sure about the benefits of IT outsourcing and do not believe it could help their business gain competitiveness.

All these horror stories about outsourcing failures only increase their hesitation. However, you have surely heard several business success stories where outsourcing played a leading role. So, what is the truth behind the curtain?
An engagement model is a framework that defines cooperation between your business and an outsourcing provider. The model determines the level of responsibility and control that you have over your project, and forms a pillar for future relationship development.

**ENGAGEMENT MODELS IN NEARSHORE OUTSOURCING**

An engagement model is a framework that defines cooperation between your business and an outsourcing provider. The model determines the level of responsibility and control that you have over your project, and forms a pillar for future relationship development.

**PROJECT TEAM**

**AGILE TEAM**

<table>
<thead>
<tr>
<th>Role</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Owner</td>
<td></td>
</tr>
<tr>
<td>Business Analyst or PO Proxy</td>
<td></td>
</tr>
<tr>
<td>Scrum Master or Team Leader</td>
<td></td>
</tr>
<tr>
<td>Lead Developer</td>
<td></td>
</tr>
<tr>
<td>Developers</td>
<td></td>
</tr>
<tr>
<td>Lead QA</td>
<td></td>
</tr>
<tr>
<td>QAs</td>
<td></td>
</tr>
<tr>
<td>Team Consultants</td>
<td></td>
</tr>
</tbody>
</table>

*Example Agile Team at Future Processing*
<table>
<thead>
<tr>
<th>Responsibility &amp; Control</th>
<th>KEY: Most popular pricing models</th>
<th>Scope of work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF AUGMENTATION</strong></td>
<td>Time &amp; Materials</td>
<td></td>
</tr>
<tr>
<td>You hire one or more software engineers with required competencies</td>
<td>Individual tasks</td>
<td></td>
</tr>
<tr>
<td>• to temporarily boost your team</td>
<td>Engagement length: ●</td>
<td></td>
</tr>
<tr>
<td>• to stay entirely involved in the project and retain all control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• to quickly find missing competences</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AGILE TEAM</strong></td>
<td>Time &amp; Materials</td>
<td></td>
</tr>
<tr>
<td>An entire Agile team working exclusively on your product backlog as an extension of your core team</td>
<td>Individual tasks / Components of a project</td>
<td></td>
</tr>
<tr>
<td>• to focus on product vision and users' needs</td>
<td>Engagement length: ●●</td>
<td></td>
</tr>
<tr>
<td>• to work in Agile frameworks with technical experts who will deliver your vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• to have a continuously delivered business value</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MANAGED SOFTWARE PROJECT</strong></td>
<td>Fixed price</td>
<td></td>
</tr>
<tr>
<td>Based on your product vision or specification, a team of software product development and software project management experts take care of your project</td>
<td>Components of a project / Project</td>
<td></td>
</tr>
<tr>
<td>• to increase predictability and transfer projects risks to the supplier</td>
<td>Engagement length: ●●</td>
<td></td>
</tr>
<tr>
<td>• to have a specific product built for you</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• to control the project costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BUSINESS ANALYSIS &amp; SOLUTION DESIGN</strong></td>
<td>Fixed price, Time &amp; Materials</td>
<td></td>
</tr>
<tr>
<td>You approach an outsourcer with a problem, they conduct analysis and design a solution</td>
<td>Project / System analysis &amp; design</td>
<td></td>
</tr>
<tr>
<td>• to have your business problem analysed by experts</td>
<td>Engagement length: ●</td>
<td></td>
</tr>
<tr>
<td>• to receive documentation and a prototype of the solution that describes it sufficiently to help you make informed decisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• help with legacy systems or automation of business processes Fixed Price, Time &amp; Materials Project / System analysis &amp; design</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPLETE BUSINESS SOLUTION</strong></td>
<td>Fixed price</td>
<td></td>
</tr>
<tr>
<td>Your outsourcing team develops a comprehensive, end-to-end business solution to address your need</td>
<td>Project / System analysis &amp; design / design &amp; development</td>
<td></td>
</tr>
<tr>
<td>• if you do not have a specific vision of the solution</td>
<td>Engagement length: ●●●</td>
<td></td>
</tr>
<tr>
<td>• if you do not have time or expertise to develop the solution in-house</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• to transfer the overall responsibility for the product to the supplier</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
YOU ARE CONSIDERING NEARSHORING BUT DON’T KNOW WHERE TO START.

This section is aimed at people who are considering nearshoring as a way of helping their business to become more innovative and would like more guidance on choosing a good partner.

In this section, you will learn about:

- how the IT outsourcing lifecycle looks like,
- how to address the most common concerns of selecting an IT partner,
- how best to evaluate a supplier with an RFP in: How to write a Request For Proposal,
- how to compare your shortlisted companies for outsourcing in Europe in the infographic below.

Typically, IT outsourcing/nearshoring, lifecycle would look like this:

```
Step 1: Deciding to outsource
- Assessing outsourcing opportunities
- Developing a strategy

Step 2: Selecting an IT supplier
- RFI and RFP
- Evaluating IT suppliers

Step 3: Contract procurement
- Preparing a contract
- Contract negotiation

Step 4: Implementation
- Planning and executing service transition
- Project launch

Step 5: Monitoring and controlling
- Managing the relationship
- Managing the contracts

Step 6: End of contract or a new project
- End of contract or New Project
```

To learn more about every stage of the lifecycle, see the IT Outsourcing Lifecycle e-book.

ADDRESS YOUR CONCERNS ABOUT NEARSHORING

Selecting a technology company to partner with is not an easy task and many IT leaders have concerns about making the wrong choice.

Watch a video in which Lorraine Kritzinger, an independent IT consultant, provides actionable recommendations for IT leaders to address their worries and shares some real-life examples she has come across of companies looking to outsource.

WATCH THE WEBINAR
WRITING A PERFECT REQUEST FOR PROPOSAL

Have you ever wondered what to include in your Request for Proposal (RFP) to best prepare for software development outsourcing?

To help you go through this process, we’ve browsed through lots of Requests for Proposal we’ve received over the years from our clients and, following a thorough analysis of them, we’ve compiled an RFP template with a list of areas you should cover. But let’s start from the beginning.

1. WHAT IS AN RFP?

The main purpose of an RFP is to help you select the best IT company to develop the solution you need.

In the RFP document you should provide a detailed description of your requirements and expectations which will become the project’s baseline. It is also important for potential vendors to know what terms and details they will have to meet and adhere to.

An RFP is normally sent to a small number of outsourcing companies that you shortlisted as potentially good for your particular project.

2. WHY SHOULD YOU PREPARE AN RFP FOR IT PROJECTS?

A well-prepared RFP is crucial for the decision-making process. It makes it easier for you and your potential supplier to create long-term business relationship and meet each other’s expectations.

The more effective the RFP is in providing the necessary details, the more effective the final selection will be when meeting the needs of the business. That is why, a quality RFP can dictate the success or failure of your project.

3. HOW TO PREPARE AN RFP FOR IT PROJECTS?

There are some good practices that you can follow when preparing an RFP, such as providing relevant information about your business, asking precise questions or stating your needs clearly at the very beginning. It is also important to gather information in a formal and structured manner that will enable easy comparisons once you get completed RFPs back from your potential suppliers.

It is also worth remembering that the needs of each organisation vary and therefore the RFP should be tailored to your needs.

DOWNLOAD IT HERE

To help you go through the process, we’ve prepared an RFP template for IT.
SELECTING YOUR PROVIDER

Are you wondering what to do after you have received your RFP forms back from outsourcing companies and have shortlisted those that you would potentially like to work with?

Well, the next step is the comparison of your choices. We have created an excel tool – the RFI scoring matrix – that will help you to:

- make the process of comparison and selection of an outsourcing provider fairer, quicker and more transparent,
- formalise the process of choosing the right outsourcing supplier, since you can use the template as a part of your standard selection process,
- present the results of your research straightforwardly and in a professional way.

WHY POLAND?

Did you know Poland was named the best country to outsource to in Europe and is in the 12th place in the world?

Through the years Poland has become a very interesting market from an investors’ point of view due to its fluid growth which increases development further. According to Business Insider, Poland is the third best country in the world to invest in, following Indonesia and the Philippines.

Key growth factors include attractive tax incentives and proximity to European financial centres. Poland is mostly known for a vast talent pool of IT graduates, with many international award-winning developers.

The reason the country’s recognition is growing is due to a solid services sector and its talent pool.

However, let us prove to you that these numbers are not everything – Poland has a myriad of merits.

Discover them all

BUSINESS

- in 2016, Poland had the 5th fastest growth in the entire EU
- international trade easier than ever: member of the Central European Free Trade Agreement (CEFTA) and the Schengen zone

LOCATION

- time-zone of GMT +1
- a 1-2 hour flight from most European capitals
- cultural proximity to Western Europe
### Sources

- 2017 A.T. Kearney Global Services Location Index™
- Pearson: The Learning Curve Index
- Polish Ministry of Science and Higher Education (MNiSW)
- EF English Proficiency Index

### Most Attractive European Countries for Outsourcing

<table>
<thead>
<tr>
<th>Position</th>
<th>Country</th>
<th>Financial Attractiveness</th>
<th>People Skills and Availability</th>
<th>Business Environment</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poland</td>
<td>2.63</td>
<td>1.38</td>
<td>1.68</td>
<td>5.69</td>
</tr>
<tr>
<td>2</td>
<td>Bulgaria</td>
<td>2.99</td>
<td>0.95</td>
<td>1.61</td>
<td>5.55</td>
</tr>
<tr>
<td>3</td>
<td>Czech Republic</td>
<td>2.44</td>
<td>1.17</td>
<td>1.87</td>
<td>5.48</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>1.16</td>
<td>2.15</td>
<td>2.14</td>
<td>5.46</td>
</tr>
<tr>
<td>5</td>
<td>Romania</td>
<td>2.84</td>
<td>1.13</td>
<td>1.49</td>
<td>5.45</td>
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<tr>
<td>6</td>
<td>UK</td>
<td>1.03</td>
<td>2.26</td>
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<td>Ukraine</td>
<td>3.23</td>
<td>1.14</td>
<td>0.93</td>
<td>5.31</td>
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<td>8</td>
<td>Estonia</td>
<td>2.39</td>
<td>0.95</td>
<td>1.95</td>
<td>5.30</td>
</tr>
<tr>
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</tr>
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<td>1.65</td>
<td>5.29</td>
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</tbody>
</table>

### World Bank’s Ease of Doing Business Ranking

- India: 130th Place
- China: 84th Place
- Ukraine: 83rd Place
- Bulgaria: 38th Place
- Romania: 37th Place
- Poland: 25th Place

### Talent

- 5th place in Europe and 10th overall in a global education league table
- Information Technology — the most popular field of study since 2012/2013
- Almost 50% of all Poles show elementary skills in at least one foreign language
- 9th place in Europe in terms of high English language proficiency

### Culture

- Cultural proximity to other European countries
- Way of communicating and working is very similar to that of most of Europe, posing almost no communication barriers
- Polish professionals are also generally comfortable with providing suggestions for improvements, ideas for a better solution or letting their partners know if there is a problem.

### Cost-Effectiveness

- Poland follows EU restrictions and laws
- Competitive pricing
- Attractive tax incentives
- Proximity to European financial centres
YOU ARE CONSIDERING MORE NEARSHORING PARTNERS OR NEED TO CHANGE THE CURRENT ONE

This section is aimed at people who have used outsourcing before but are not entirely satisfied. This may be because the location or time zone is making it problematic to work efficiently, communicate easily, or visit frequently, or the team is rather passive, lacks expertise or is just not willing to share it.

In this section, you will learn about:

- the benefits of having more than one software partner,
- how to check your IT partner’s commitment in the article entitled 10 signs your technology partner is engaged in the project,
- the value of partners that challenge your ideas in Outsourcing Partners – should they challenge you.

WHY IS IT GOOD TO HAVE MORE THAN ONE SOFTWARE PARTNER?

Contrary to a popular belief, cost is no longer the factor that drives successful enterprises towards IT project outsourcing.

Companies seek for customer-centricity and unlocking new technological capabilities, rather than purely cost cutting. When done well, IT project outsourcing give your company a competitive edge.

But there is a way to do it even better. If your company benefits from just one provider, imagine what business advantages can be achieved by having more than one reliable software partner or more than one IT company on a shortlist.

Here are just some of the benefits

ONE PARTNER

- Limited skill pool within one company
- Scalability limited to resources of just one partner
- Engagement in the project lies solely on one side
- Single view on the problem

MORE THAN ONE PARTNER

- Broadened skill pool – choose competencies on demand
- Extended scalability – expand remote team to suit your needs and do projects ad hoc, benefit from the presence on many employee markets
- Having multiple partnerships creates a situation when partners compete between each other, allowing you to measure engagement
- Multiple insights on the same issue, possibility to rescue failing projects
10 SIGNS YOUR TECHNOLOGY PARTNER IS ENGAGED IN THE PROJECT

Team engagement is a huge factor in the success of a software project. Working with partners that only give you their time, and not their passion and energy, will not end with the best possible result for your project.

To give you some indication on how to check or predict a technology partner’s commitment to a project, we have surveyed a number of our existing clients. This is how they assess engagement of their potential or current technology partner:

1. **HISTORY**
   Before you involve yourself in the project, do some research – browse through the website to check what other organisations the company is (or was) working with and review their case studies to find out more about their previous projects – obviously, the more positive references, the better.

2. **A TRIAL PROJECT**
   One of our clients recommends having an initial trial – a small project after which you’ll get to know your developers and you’ll have a piece of code created to verify. As our client pointed out - ‘see if it comes out better than you thought it would’.

3. **QUESTIONS**
   Asking questions aimed at specifying or clarifying your expectations and requirements is a definite sign of your partner’s engagement. These should not only include queries about the project but also about a broader scope concerning the company, your end users or the part you play in the sector.

4. **QUALITY OF THE OUTPUT**
   The quality of the output is one of the easiest measures of engagement – if the team is engaged, it will be visible in the results of their work. This not only concerns larger pieces of work, but also smaller things like quality of documentation or the level of preparedness for a meeting.

5. **HONESTY AND TRANSPARENCY**
   Our clients find engagement in the little things - like doing what the team said they were going to do, the transparency of progress, the showing of quality, and being proactive. They also value when the partner can honestly say when they are not able to do something or if it takes longer than expected.

6. **CHALLENGING**
   A partner that is challenging (when needed) was listed as one of the signs of engagement too. Having the courage to question the solution with the best interest of the project in mind is appreciated by those we surveyed. Why? Because it encourages learning from experts and eliminates the danger of finding problems too late.

7. **CHEMISTRY**
   Cultural fit and forming relationships with your internal team was also named a mark of engagement. One of our clients said: ‘if you can put two teams in a room and they discuss a solution, then have a laugh and then get back to see how to take that forward...This will bring you a far better product.’

8. **DESIRE TO DELIVER**
   Taking accountability, responsibility and ownership of the solution jointly with the client's team was also listed as one of the signs of engagement. Being committed to the same goal and being invested in the project are important qualities to those we spoke with.

9. **PASSION ABOUT WHAT THEY DO**
   It is no secret that when you love what you do and have a genuine interest in the area you are working with, the results of such work will be much better. Therefore, it is good to go with teams who are passionate about what they do. Extracurricular activities like technical workshops and blogs can be an indicator of passion for the subject.

10. **FLEXIBILITY**
    Your partner must not only understand your requirements, but also be able to respond quickly when they change. Being elastic is a good sign of engagement with the needs of your business.

Hopefully the list has given you a good overview of what to look out for when considering cooperation with a technology partner, or what should be expected of them, if already working together.
OUTSOURCING PARTNERS: SHOULD THEY CHALLENGE YOU?

Outsourcing providers can be divided into two types: ones that will do everything you have requested them to do 'no questions asked', and ones that will pose questions or even seem to challenge you. Which attitude is better?

THE ‘YES TO EVERYTHING’ PARTNER VS THE ‘WHY’ PARTNER

The 'yes to everything' partner follows the simple rule of 'whatever the client wants, the client gets'. They will neither ask questions nor propose alternative solutions, they just do as they are told, regardless of whether or not the solution will be what is best for the client.

The 'why' partner, on the other hand, will typically ask questions like 'why would you like to do it this way?', 'have you considered X?' as if to verify you’re going in the right direction. They will happily share their knowledge and expertise because they are focused on delivering the best possible end results for you.

An effective outsourcing relationship to deliver quality results needs a true partnership approach. That is why we believe it is better to have a proactive partner that will pose questions, provide suggestions and set you a challenge, rather than someone that will passively agree to whatever their task is.

Discover what outsourcing practitioners think about having an outsourcing partner that challenges you:

CONCLUSION

In Part I of this paper, we propose that companies and organisations need to become more like a software company, on three levels: implementing innovative solutions, operating in a more dynamic and agile way and becoming passionate about technology.

We propose that nearshoring can be the means of helping organisations embark on the journey of innovation. Nearshore organisations can do this by developing technical solutions required, stimulating internal processes and injecting enthusiasm for technology into our teams.

In Part II we present a number of separate articles, the aim of which is to bring the topic of nearshoring closer to our readers, whether they have never considered nearshoring, are currently thinking about it, or would like to change providers.

We hope this paper has inspired you to implement change into your organisation to ensure it does not get lost in the competitive digital market. We also hope it has given you a good overview of what nearshoring is about.

Introducing digitalisation through new solutions is never easy and requires perseverance and passion. One thing is clear, though – innovation should become embedded into the fabric of a business, rather than be just an ‘afterthought’.

Want to learn more or start nearshoring?

WATCH THE VIDEO

VISIT STARTNEARSHORING.COM
ABOUT THE AUTHORS

Since 2000, our experienced and competent team, which currently consists of over 900 people, has helped our customers from around the world to change their business for the better.

As a technology partner, we provide our clients with comprehensive solutions at every stage of the software development process.

Analysis & Design

Bespoke Software Development
web/mobile/embedded

Support & Maintenance

We are committed to building long-term relationships based on trust and generating numerous benefits for both parties.

What makes us stand out against others is our experience and in-depth knowledge of many sectors, as well as the possibility of providing hardware solutions, for which our daughter company, FPInstruments, is responsible.

We are committed to building long-term relationships based on trust and generating numerous benefits for both parties. We are a Polish company located near very good technical universities, which provides us with access to the best specialists.

DISCOVER OUR CASE STUDIES

FUTURE PROCESSING
AT A GLANCE

Established in 2000 by
2 PEOPLE

Team in 2019
900 PEOPLE

CLIENTS TRUST US
Many of our clients stay with us
72% of our revenue comes from relationships lasting more than 3 years.

We have worked:
for around
150 different clients
on around
500 Projects

279 Training courses completed in 2018
Internal and external

150 Projects completed for UK Companies
Data for 2000-2018
In addition to our services, we offer a number of off-the-shelf products:

**Civico** – an intelligent city CCTV system that automatically detects prohibited actions, like wrong way driving.

**SmartFlow** – software allowing to monitor waterworks infrastructure that has saved 500mln litres of water in the city of Wrocław in 2016.

**Intra** – a modular, SharePoint based intranet solution.

We gained industry recognition and won numerous awards, such as Global Sourcing Association’s (GSA) Service Provider of the Year 2016 Awards. Over ten years ago, in 2007, we became a Microsoft Certified Partner.

**IT OUTSOURCING TOOLKIT**

You may find the following useful:

- Request for Information Template
- Request for Proposal Template
- Request for Information Scoring Matrix
- NDA template for IT projects