



# THE EXPLOSION OF GLOBAL STAFFING STRATEGIES






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**NEAR SHORING IS AN EXCELLENT  
WAY TO TAP INTO A POOL OF  
HIGHLY SKILLED TALENT WHILE  
KEEPING COSTS LOW**

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***RICHARD BRANSON***  
***Founder of Virgin Group***





**L**arge corporations have been using offshoring to gain a competitive advantage by lowering manufacturing costs since companies like General Electric pioneered the practice in the 1960s.

Initially, outsourcing and offshoring/nearshoring business strategies were primarily reserved for big corporations. However, as cloud computing, video meetings, and SaaS technologies have developed, offshoring has gone from a strategy for lowering manufacturing costs to recruiting talent worldwide. Today, companies of all sizes have turned to outsourcing, offshoring/nearshoring as a business strategy.

The strategy has exploded since 2020 due to seven main factors:

- Global competition and the search for the best talent
- COVID-19 forcing businesses of all sizes to work remotely
- Employees voluntarily resigning from their jobs en masse, compelling businesses to find talent abroad
- High inflation rates and fear of a recession prompting businesses to examine new ways to conduct business and maximize their budgets
- Companies applying these strategies not only to I.T. but to almost all positions
- Competitive landscape has led companies to lower costs, while maintaining quality
- Pressure to accelerate growth has led to the exploration of more affordable staffing expansion options in R&D, marketing, and sales

As the world adapts to a remote work culture, companies increasingly leverage the opportunity to tap into a global talent pool. With geographical boundaries becoming less of a hindrance, businesses are now exploring a broader spectrum of skills and expertise to bolster their teams.

# GAINING A COMPETITIVE ADVANTAGE



Another key advantage of offshore and nearshore staffing is the reduced cost for comparable skill sets. Because the cost of living, cost of education, and salary expectations are substantially lower than in the U.S., companies can reduce staffing costs by 60% or more. Gustavo Parés, CEO of NDS Cognitive Labs, said, "... talent can be two to three times cheaper than in the U.S. while still delivering outstanding quality and specialized experience."

This cost advantage allows businesses to stretch their budgets further, allocate resources to other critical areas, or invest in additional talent. For a company focused on growth, leveraging the cost differential can give it a competitive edge while maintaining high-quality standards. The ability for a company to reduce costs while hiring ten developers/customer care reps./salespersons, etc., instead of five, can dramatically impact growth.

# GLOBAL HIRING INSIGHTS

Drawing from personal experiences, 5 Forbes Business Council members share insights and lessons that have emerged for them when venturing into international hiring. Understanding how to navigate global talent acquisition ensures the seamless integration of diverse talent and fosters a conducive environment for sustained success and growth.



## 1. UNDERSTAND CULTURAL NUANCES

**E**xpanding talent pools globally is a game-changer, but understanding cultural nuances is key. It's important to be respectful of diverse work ethics, communication styles, and holidays. This not only fosters mutual respect but also optimizes collaboration, driving collective success across borders. - Lee Blakemore, Introhive

## 2. UTILIZE STAFFING AGENCIES

**F**inding allies such as staffing agencies can help companies delegate the H.R. headaches of finding, screening, and vetting top candidates from any part of the world. This will ensure they don't have to do it themselves. - Raquel Gomes, Stafi

### 3. REMAIN COMPLIANT WITH LOCAL REGULATIONS

**W**e all know that different countries have different sets of rules and regulations to follow, and yet, knowing labor laws and staying compliant is tedious. Ensuring you are legally prepared to meet your global expansion goals, having all legal documents ready to avoid future litigation headaches, and training your team to always adhere to the requirements is key to preventing any commercial risks. - Anna Stella, BBSA

### 4. PRIORITIZE LONG-TERM HIRES

**A** trait often overlooked in this rapidly shifting society is consistency. Many people are on a constant job search and have no longevity at any previous job. I search for people who are looking to add long-term value and consistency to my organization. If a person has demonstrated they will move from job to job without much thought, you may be at risk of losing your investment in training. - Alexander Chandler, Alexander Advisory Group

### 5. CONSIDER TIME ZONE DIFFERENCES

**W**hen hiring internationally, it's crucial to account for time zone differences and their impact on collaboration and productivity. In my experience, asynchronous work models have proven effective in mitigating this challenge, enabling team members across the globe to contribute meaningfully while maintaining work-life balance. - Khurram Akhtar, Programmers Force





# OUTSOURCING, OFFSHORING, AND NEARSHORING

Outsourcing and nearshoring/offshoring are different business models, and it's essential to understand which is best for your company's needs. Outsourcing is when one company hires another to be responsible for a complete activity; the former pays for deliverables. For example, when an auto parts manufacturer outsources its engineering designs to an engineering company. The Auto parts company relinquishes control of the activity, and the hired engineering company manages their engineering team and delivers the final designs.

The nearshoring or offshoring model is often referred to as staff augmentation. In our example, the auto parts company would hire engineering staff abroad through a remote staffing firm. In this model, the auto parts company manages the remote team. They are remote staff, working as an extension of the company's existing engineering team, and are managed directly by the auto parts company. The remote staffing firm is the legal employer of record and oversees compliance to align with local labor laws and taxation, payroll, and H.R. — it might also provide office space and other value-added services.

The difference between nearshoring and offshoring is that in the former, staff is in a neighboring country rather than an overseas country, as with offshoring.



# NEARSHORE VS OFFSHORE

## OFFSHORE

The offshore model generally has the advantage of having the lowest hourly rates. Additionally, specialized services may not require collaboration with their North American counterparts, reducing the time zone differential issues.

Some offshore workers will work through the night to eliminate the time zone differential. The downside is the sacrifice of the remote employees' work/life balance. An improper work/life balance can impact staff performance and longevity. Staff turnover dramatically impacts the total cost of a remote team because of the time required to hire and train new staff, as well as the lost institutional knowledge and efficiencies that come with long-term experience.

## NEARSHORING

The staffing service is considered nearshore if the staffing service is offered from outside the country in a bordering (or nearby) country, with the same or similar time zones. A nearshore location for the United States would be Mexico, where lower labor costs can be expected, while offering a wide talent pool with the same education and/or experience as most U.S. candidates, especially in information technology and other service-related industries.

The nearshore model is particularly appealing for companies focused on growth, and operational efficiencies, while providing a high quality of life for their staff (local and remote).



## MEXICO

Mexico has emerged as a primary location for U.S. nearshore staffing because of its inherent advantages.

## PROXIMITY

Sharing time zones is one advantage. Three-fourths of Mexico lies in the central time zone, allowing remote staff to join meetings and collaborate with coworkers in the U.S. throughout the day.

Proximity to the U.S. allows for direct flights, allowing U.S. managers to visit their remote team in person and remote employees to visit H.Q. for company meetings. Remote employees can also easily fly to U.S. tradeshows. Many companies take advantage of the location to bring their U.S. team to Mexico as a destination meeting spot.

## CULTURAL ALIGNMENT

Because of the proximity, there is a strong cultural alignment between the two countries. From politics and education to entertainment, Mexican culture is in tune with happenings in the U.S. Mexican professionals are well-versed in U.S. business practices and are fluent in English, eliminating potential language barriers and facilitating seamless collaboration. Additionally, bilingual skills are valuable to U.S. companies when talking with Spanish-speaking customers.



## **SKILLED WORKFORCE**

Recognizing the importance of nurturing talent The Mexican government has actively invested in education and skill development initiatives. Business-centric cities like Mexico City, Guadalajara, Ttorreon, and Monterrey have emerged as hotspots for business talent including specialized tech talent. This has fostered a vibrant startup culture and has attracted multinational corporations.

The availability of world-class universities and research institutions, including the National Autonomous University of Mexico (UNAM) and the Monterrey Institute of Technology and Higher Education (ITESM), further contribute to the talent pool, ensuring a steady supply of business-focused hiring options in areas including accounting, sales & marketing, design, customer success, project management, and Executive, Financial, Legal, Medical or Personal Assistants. Additionally, there is a wealth of highly skilled professionals in tech fields like software development, data science, artificial intelligence, cybersecurity, and tech support.

## **HIGH QUALITY OF LIFE EQUALS HIGH ROI**

Employee quality of life is essential for most U.S. companies. To this end, U.S. companies can pay staff in Mexico a higher wage than they would find locally while still saving 60% of what they would pay for the same qualifications in the U.S.

It's important to note that options for lower hourly rates can be found in offshore (overseas) locations. However, the hourly wage is only part of the equation when examining total employee costs. Working the day shift on the US Central time zone and receiving premium pay dramatically reduces employee churn, which in turn maintains productivity and reduces the total annualized cost of the remote team.

# TAKING ADVANTAGE OF THE OPPORTUNITY

Every American business interested in reducing costs and business growth should explore nearshore staffing and see how they can benefit from it. It is a strategy no longer reserved for big corporations; companies of all sizes and industries can take advantage. The time of the global workforce is here. Below are some considerations to help you build a successful remote team.

## **For nearshore staffing to work correctly, it is essential to:**

- Have the correct tools in place, including communications, project management, and time-tracking tools when required.
- Have clearly defined policies, processes, and goals in place to ensure that each member knows exactly what to do, how to do it, and what the company's expectations are.
- Welcome the remote team as part of the company; they are not virtual employees; they are full staff members who should be treated as an extension of the team.
- Select the right nearshore staffing firm, with the care one would take when choosing a business partner. This is not just another supplier; this company will help grow your team in another country. Always check references and ensure they treat the staff the way you would treat them. In particular, look at their turnover rate.
- Calculate the total cost of employment (not just the hourly rate). Determine churn rates and multiply it times the cost to replace them (including impact on the team)
- Never delegate employee selection; ensure you can interview the candidates and have the final word. Your involvement will ensure that only candidates who share your company's values and culture are hired.

Ensure that remote staff have clear lines of reporting to a leader who is in place from the start.

## **Conversely, here are some counter-indicators to nearshoring:**

- If you don't have time to train your team, this is not the time to use nearshore staffing. Do not assume your remote staff will know what to do and how to do it. Like all employees, they must be trained.
- Do not nearshore without a growth plan, mapping out how to hire and grow the remote team.
- Do not sacrifice quality to keep hiring costs down; retain the level of quality that your business needs and focus on the long-term impact of a stable and motivated team.

# ABOUT REMOTE TEAM SOLUTIONS

## Empowering Your Growth

Remote Team Solutions (RTS) unlocks the full potential of your business by seamlessly integrating top-tier talent from Mexico into your team. Our all-inclusive, flat-fee staffing service isn't just about filling roles—it's about expanding your capabilities, accelerating your growth, and fostering a shared culture of innovation.

Although hourly wages may be cheaper on the other side of the world, this doesn't translate into better ROI. Cost-effective staffing relies on top-performing talent who stay on the job, building company-specific proficiency. RTS boasts an amazing 98% employee retention rate!

To put these numbers into perspective, if you built a call center team of 5 reps., you'd save over \$150,000 per year... and you'd have a team with close to 0% turnover.

## HOW RTS ATTRACTS THE TOP 5% TALENT WHILE MAINTAINING A 98% EMPLOYEE RETENTION RATES

### WAGES

While we save you 60% of the cost of a US employee, we pay a higher wage than other companies in Mexico.

### WEEKENDS

You may not realize that the normal work week in Mexico is 6 days, Monday – Saturday. RTS employees get Saturdays off! Note: weekend staffing is always an option

### FACILITIES RTS

Employees are all full-time employees with full benefits who work in our state-of-the-art offices and are supplied with the latest technologies, in-office health services, and professional development training.

### FAMILY

We think of the RTS team members as family and work to provide an environment of trust and respect.

## WHAT SOME OF OUR CLIENTS SAY ABOUT US



**Latchel**

"My company works closely with RTS to recruit candidates in Mexico. They do an amazing job bringing us high quality talent that meets our criteria, and we don't have to worry about keeping our candidate pipeline full. Remote Team Solutions is doing all the hard work for us. Thank you guys for helping us grow our business and meet the talent requirements of our ops department."

*Ethan Lieber* CEO



"As a longtime customer of RTS I have had the privilege of visiting the office on multiple occasions and I am continuously impressed with the level of professionalism that is shown on a daily basis.

As I have transitioned more of my staff to La Laguna, I have seen a significant increase in business margin and performance. We are currently working together to open a new office in Playa Del Carmen to facilitate more of my management to Mexico and have a secondary satellite office.

The value RTS has given my company is the opportunity to grow by leaps and bounds by eliminating the continual frustration of HR, taxes and training. Our newest staff are coming in trained and immediately productive. I have eliminated my whole training team within the US and cut the cost 100% from my budget thanks to RTS"

*Marc Thornton* CEO



**Even Financial** *(acquired by MoneyLion)*

"The team did an excellent job sourcing qualified candidates for us. They are professional, hardworking, and have excellent English skills. They fit right into our team. Thank you for your services, RTS."

*Sarah Gillespie* VP Operations & Finance

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**Hear From One of Clients**

