

Six Reasons to Believe in Argentina

What is it that gives Argentina such an advantage over locations in much of the rest of the world?

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A U.K. business newspaper argued recently that computer programming “could be done perfectly well by highly skilled and cheap developers in the Far East.” Though the statement is not completely wrong, it is the underlying assumption that is wrong. The presumption here is that quality is universal and systems development is now so commoditized that it can be bought on price from any location. Not only does the statement completely ignore factors such as cultural fit, local environment, proximity, quality, communications, regulation, and value for money, but what you pay for software developers is not the true cost of system development.

The cost of failure, for example, dwarfs any extra investment in quality that would have been needed to ensure success. Any notional cost saving goes out of the window if the new system fails to go live on the required date with all of the functional and non-functional specifications satisfied fully. The imaginary savings also go out of the window when the system proves to be difficult to maintain and enhance, and ends up becoming an anchor on the business. This is what can be called “instant legacy.”

Ultimately, deploying a poor quality product can cost a fortune over the long run and even threaten the viability of a business. Thus, the sourcing location does make a big difference, and one place that is rising in the minds of companies looking for high-level solutions is Argentina.

With a new president, the country looks poised to emerge from the economic turmoil that has mired its ability to do business for the past decade. That has been the largest factor making companies avoid what

was once arguably the best nation in the region in terms of having a large talent pool of high-level tech providers.

State of the Internet and ComScore's Latin America Digital Future in Focus reports — both from 2015 — told us that Argentina is in the top tier in Latin America for infrastructure, high-speed internet, smartphone penetration, and social networking adoption. So what is it that gives Argentina such an advantage over locations in much of the rest of the world? There are several important factors

1. Education and Diversity

Many high school graduates in Colombia, Venezuela, Peru, and Bolivia have made Buenos Aires their first choice for university. Argentina's capital now hosts over 100,000 undergraduate and post-graduate students, many of whom will continue to work in professional roles in the city after graduating.

There is a huge benefit to the outsourcing industry in Argentina from this influx, as these students bring an awareness of other cultures to their future employers. When somebody studies in Argentina, being aware of other cultures becomes so natural, so obvious that it allows the education system to create a particular kind of cosmopolitan, tolerant and cultured professional.

2. The Right Kind of Attitude and Experience

Over 70% of students in Argentina work during their education. Many work in IT, which means that graduates often come with a top-notch engineering degree, plus six years of software development experience, and a high level of commitment.

Of these, it's probably the struggle to learn and work at the same time that matters most. Working full-time through your education requires some serious compromises — and this forge the right kind of attitude and work ethic.

3. Mature Market

Argentina has endured the typical, long evolution of any [mature outsourcing destination](#). It started in the customer service and support layer 25 years ago with just a few players servicing mostly U.S.-based accounts. Since then it has transformed to a Buenos Aires filled with local and multinational companies oriented to managed services.

As a result, the market has gone a long way in becoming a successful provider of outsourced software development, IT operations, and business processing to clients all over the world. Argentina now has sufficient strength in depth and scale to put together teams to handle any size client around the world.

4. Proximity Advantages

The huge advantage of nearshoring to Argentina — if you are a client in North, Central or South America — is proximity, especially time-zone proximity. Argentina has one time zone and is only one hour ahead of New York. For that reason it is quite common for outsourcing providers in Argentina to adjust their shifts so that they match the working hours of their clients.

Locals are accustomed to this and automatically agree to work on such conditions; it feels very natural and makes sense. Plus, only being an overnight flight away from most major cities in the United States also represents a big advantage.

5. Argentinian Culture

Argentina has a culture very much in tune with the needs of Western clients. Language skills and attitude are a seamless fit. There will be none of the misunderstandings that often arise from the culture gap elsewhere when dealing with an Argentinian supplier.

6. Value for Money

A common misperception is that Argentina is a great destination for sophisticated IT projects as long as you are not on a tight budget. But that is incorrect. In terms of value for money, [Argentina](#) leads the way because of the fact that solutions built there arrive on time, work first time and are not subject to over-runs, rework, and unbudgeted support costs.

Prices are lower than many firms expect, but it is the total cost of ownership of a solution or service that is the real factor and this is where Argentina excels.

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