

# Reimagining Latin America Delivery in a Post-COVID World

December 2021: Complimentary Abstract / Table of Contents



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## Background for this research: scope and coverage

Over the last decade, IT-BP services delivery for Latin America (LATAM) has experienced a major uptick. This is primarily driven by Latin America emerging as a favorable nearshore destination for companies in the US and Canada, with similar time zones and cultural similarities playing a key role in the process. Lower costs, increased government support, and rising English proficiency are the key enablers, especially for the contact center industry.

Market players will need to be cognizant of the key trade-offs and associated risks for operating in the region. This will require having a deeper look at the role of each country in global delivery portfolios and understand the potential opportunities.

This report by the Everest Group aims to support market players in their quest for supporting the right service from the right location within LATAM. It highlights the relative attractiveness and talent-cost proposition of key Latin American locations for supporting regional and global IT-BP services delivery, based on a holistic and multi-faceted assessment.



### List of countries in Latin America

Central America				South America					Caribbean		
											
Belize	Costa Rica	El Salvador	Guatemala	Argentina	Bolivia	Brazil	Chile	Colombia	Cuba	Dominican Republic	Haiti
											
Honduras	Mexico	Nicaragua	Panama	Ecuador	French Guinea	Guyana	Paraguay	Peru	Jamaica	Trinidad and Tobago	
											
				Suriname	Uruguay	Venezuela					

## There are multiple drivers pushing IT-BP services delivery growth in Latin America...



**1** **Significantly lower costs** compared to onshore geographies; this is driven by lower people costs, lower rentals, and currency depreciation in some locations (e.g., Argentina, Jamaica)



**2** **Increased nearshoring** by organizations based out of North America (the US and Canada) – time zone similarity allowing for easier collaboration than alternative destinations across APAC and Europe



**3** **Increasing English proficiency** is expected to boost growth for the CCO/BPO industry and will help bolster services delivery beyond Latin American locations



**4** **Local Governments enabling the global services sector** through multiple incentives, setting-up of technology parks, and Work From Home (WFH) policies across countries allowing for greater flexibility and a conducive environment



**5** **Service providers driving growth** in the region; more than two-thirds of setups in the last four years have been by providers to service the Latin American / onshore market demand



**6** **Strong growth in delivery of IT and engineering services; Mexico and Costa Rica driving growth for the industry on account of good talent availability**



**7** **Enhanced nearshore value proposition** with a growing ability to deliver on AI, cloud computing, and automation in leading geographies (e.g., Mexico, Costa Rica, Argentina, and Brazil)

“

The pandemic has made Canadian companies more open to the nearshore model. The nearshore value proposition is also changing, in that more providers are able to deliver on higher value technologies such as Advanced Analytics, AI, and RPA. This really creates significant advantages for the region, which is why nearshoring has been gaining so much momentum for the last decade or so.”

– Founder and CEO, leading US-based service provider

“

Growing innovation will benefit the nearshore region as companies realize that geographical and cultural proximity complements an agile methodology.”

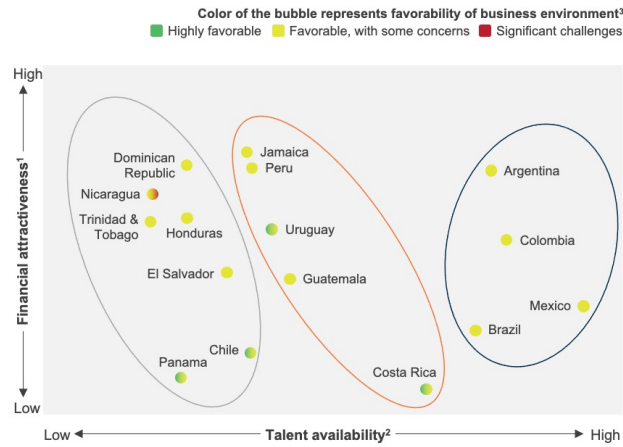
– Founder and CEO, leading US-based service provider

# This study offers 15 distinct chapters providing a deep dive into key aspects of Latin American global services delivery market; below are some charts to illustrate the depth of the report

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## Risk-reward assessment highlighting relevant trade-offs

Mexico, Brazil, Colombia, and Argentina offer the most attractive proposition for services delivery from a maturity and talent availability standpoint



1 Reflects market average annual costs for English language delivery for steady state of operations blended across the delivery pyramid and excludes capital expenses related to set-up, transition, and scale operations.  
 2 Represents presence of experienced and entry-level resources (in 70:30 ratio) for IT-BP services delivery.  
 3 Combination of geopolitical, macroeconomic, infrastructure, safety & security, and regulatory risks, digital readiness, and quality of life.  
 Source: Country-/city-level investment promotion agencies and global services organizations

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## Risk dashboard

Digital readiness, infrastructure quality, and regulations & ease of doing business are key challenges for countries in the LATAM region

↑ Increased risk from last year ↓ Reduced risk from last year ■ Highly favorable ■ Favorable, with some concerns ■ Significant challenges

Country	Infrastructure quality	Safety and security	Geopolitics	Macroeconomics	Regulations & ease of doing business	Quality of life	Digital readiness <sup>1</sup>	Overall risk
Argentina	■	■	■	■ ↓	■	■	■	■
Brazil	■	■	■ ↓	■	■	■	■	■
Chile	■	■	■	■	■	■	■ ↑	■
Colombia	■	■	■	■	■	■	■	■
Costa Rica	■	■	■	■ ↑	■	■	■	■
Dominican Republic	■	■	■	■ ↑	■	■	■	■
El Salvador	■	■	■	■ ↑	■	■	■	■
Guatemala	■ ↑	■	■	■	■	■	■	■
Honduras	■	■	■	■	■	■ ↓	■	■ ↓
Jamaica	■	■	■	■	■	■	■	■
Mexico	■	■	■	■	■	■	■	■
Nicaragua	■	■	■	■	■	■	■	■
Panama	■	■ ↓	■	■	■	■ ↓	■	■ ↓
Peru	■	■	■ ↑	■	■	■	■	■
Trinidad and Tobago	■	■	■	■	■	■	■	■
Uruguay	■ ↓	■	■	■	■	■	■	■

Source: Everest Group (2021)

# Research calendar

## Locations Insider™

■ Published
 ■ Planned
 ■ Current release

Flagship reports	Release date
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Risk Watch	March 2021
Location Spotlight – Hungary	June 2021
Location Spotlight – Thailand	July 2021
Civil Unrest in South Africa: Limited Impact on Global Services Delivery	July 2021
Location Spotlight – Croatia	August 2021
Location Spotlight – Latvia	August 2021
Location Spotlight – Ghana	August 2021
Location Spotlight – Queretaro, Mexico	November 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Key Trends Shaping the Landscape	November 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Locations PEAK Matrix	November 2021
Location Spotlight – Sri Lanka	Q4 2021
Thematic reports	Release date
Data & Analytics Handbook – Delivery Location Strategy to Steer Through Digital Disruption	November 2020
Cybersecurity Talent Handbook – Guide to Cybersecurity Skills Across the Globe	June 2021
<b>Reimagining Latin America Delivery in a Post-COVID World</b>	<b>December 2021</b>
2021 Location Predictions	Q4 2021

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