

# CAPSCO

HYBRID, NEARSHORE AND OFFSHORE:  
CHOOSING THE CORRECT POST-COVID WORKING MODEL

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# INTRODUCTION

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Since it was first identified in late 2019, COVID-19 has claimed tens of thousands of lives and has caused significant operational and commercial disruption for companies worldwide. However, financial services were better positioned than most industries to weather the initial storm. Digitalization initiatives were in many cases already underway, and institutions were accordingly able to pivot quickly to accommodate remote working arrangements for most of their employees, ensuring a relatively high degree of business continuity.

The financial services industry is now focused on the journey towards a post-COVID 'new normal'. Financial institutions that grasp the opportunity to reassess, reengineer and reimagine working models in a proactive fashion will be best placed to reap the benefits of increased efficiencies, productivity and ultimately a significantly lower cost base. In this paper, we detail the four working models available to firms and examine the pros and cons of each.

## WORKING MODELS, PRODUCTIVITY AND COST SAVINGS

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There is a clear recognition that alternate working models have both proved effective from a productivity perspective and offer the potential for cost savings. Current remote working environments and collaboration models have been defined rapidly to address the challenges posed by the pandemic. This has reopened the debate over what constitutes the optimal shoring model.

In the current environment, near-shoring elements of your operations certainly appears compelling – but which processes or functions should you choose? In reality, a hybrid operating, multi-sourcing model combining the different options set out below will in almost all cases prove the most effective approach. At the same time, finding the right balance between them is a challenge, being dependent on individual operating models, technology infrastructures, the status of digitalization programmes, and organizational flexibility.

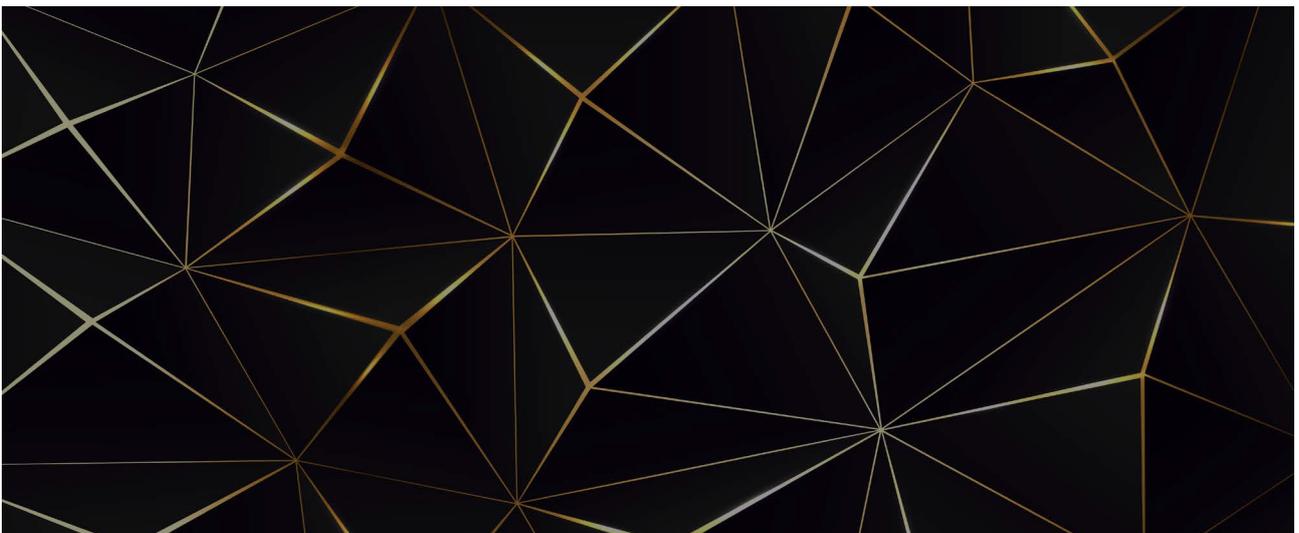
# FOUR DIFFERENT WORKING MODELS

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Today's COVID working environments and collaboration models were by necessity rapidly defined and implemented, and that abrupt change has served to recalibrate perceptions about future working paradigms.

There are four different options to consider: onsite, remote, nearshore and offshore. Every location model has its pros and cons:

- **Onsite** remains the preferred environment when dealing with sensitive and confidential information and for optimizing collaboration. Regulations also require that some functions or activities be based onsite in the local jurisdiction. However, it is often also the most cost intensive option.
- **Remote** or home working can offer a quieter environment than an open plan office space, and has additional benefits for employees in respect of travel and childcare, while for employers it can reduce real estate-related costs (if they choose to reduce office space). However, it is generally felt to have a negative impact on collaboration and teamwork due to a lack of in-person interaction.
- **Nearshore** can generate cost savings while maintaining similar cultures and time-zones, but there may be differences around ways of working.
- **Offshore** maximises cost savings but minimises available collaboration time and will require greater recognition and accommodation of cultural and language differences.



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# ONSITE

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Working onsite has long been the standard for most companies. The advent of the internet and advances in telecommunications have seen a gradual but over time tangible change to office working practices. Today<sup>1</sup>, a growing number of people would prefer to work remotely. In fact, an IBM study of 25,000 adults in the U.S. in the month of April 2020 found that 54 percent would like to primarily work from home once offices reopen.<sup>2</sup>

In contrast, Global Workplace Analytics, in its recently published Global Work-from-Home Experience Survey (2020), shows that only 16 percent globally want to leave the office permanently, with most preferring a mixture of both. Spending about half the time at each location seems to be the sweet spot for both the U.S. and Europe.<sup>3</sup>

Let us take the opportunity to review all the advantages and disadvantages of onsite.

## BENEFITS

- **Teamwork and collaboration**

As the author John C. Maxwell famously noted: “Teamwork makes the dream work.”<sup>4</sup>

When working onsite, a strong bond and connection between colleagues and teams typically develops, lines of communication and feedback loops are cleaner, and it is the optimal environment to foster collaboration to achieve common goals and complete tasks.

- **Motivation and productivity**

When working onsite, employees are on hand to boost one another’s morale. Teammates can literally step in to help each other if a colleague is stuck on a solution to a certain problem. Their physical presence allows for much more instantaneous communication and feedback than through virtual means.

- **Direct control**

If there is a problem, onsite allows for direct control via ‘hands on’ involvement of key personnel, and fast access to other experts outside the team.

- **Confidentiality**

When dealing with client data, it is usually required to work on secure premises and within certain hours to ensure client confidentiality.

- **No digital disruption**

Onsite allows for easier monitoring and management of employees’ activities.

- **Centralized infrastructure and support system**

Being onsite offers a more efficient work setup, for instance a fast and stable internet connection, powerful workstation, additional monitors, and access to printers. If you have a problem with hardware or software, IT support can typically be contacted in person rather than just addressing the issue over a dedicated helpline.

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1. <https://gartner.com/en/newsroom/press-releases/2020-04-14-gartner-hr-survey-reveals-41--of-employees-likely-to->

2. <https://newsroom.ibm.com/2020-05-01-IBM-Study-COVID-19-Is-Significantly-Altering-U-S-Consumer-Behavior-and-Plans-Post-Crisis>

3. <https://globalworkplaceanalytics.com/global-work-from-home-experience-survey>

4. John C. Maxwell, Teamwork makes the dream work (Nashville, Tenn.: J. Countryman, cop. 2002).

- **Culture**

In-person interactions can foster and improve relationships<sup>5</sup>, which in turn serves to reinforce a positive and inclusive company culture

## CHALLENGES

- **High utility costs**

Maintaining a furnished, equipped and staffed physical space to house your employees is not cheap; an office location is a significant fixed cost that generates further costs that ultimately negatively impact a company's bottom line.

- **Commuting**

In contrast to onsite working, home working saves a significant amount of travel time and reduces associated costs, especially for those employees with long commutes. Commuting is particularly associated with significant psychological and social costs, which is why many would agree that eliminating the daily commute is beneficial in reducing stress levels.<sup>6</sup>

- **Distractions**

An office, especially one with an open plan layout, can prove a distracting work environment, with plenty to disturb an employee's concentration and detract from their performance.

- **Health**

There is an increased risk of contracting infectious diseases when travelling by public transport<sup>7</sup> or having direct contact with others in an office setting.<sup>8</sup>

Of course, in some cases working onsite is obligatory, whether for regulatory reasons (e.g. trading desks), compliance purposes, or due to the handling of sensitive client data. Many banks or financial institutions do not trust VPNs or similar solutions, preferring that employees remain in a building where key operational factors can be more closely controlled. It is also worth noting that there are still elements of the financial services business that rely on paper (e.g. letters of credit). For those processes yet to be touched by digitalization, there remains a clear need for onsite working.

## WHAT NEXT?

In future, we believe there will be even less justification for onsite work as issues such as ensuring computer network security will be given more of a priority, and clients will in turn trust solutions more. If one good thing has emerged from the ongoing pandemic, it is the shifts in attitudes toward remote working by a growing number of firms today. Has it ever had such a strong use case as now?

5. <https://forbes.com/sites/carolkinseygoman/2015/10/25/why-you-are-more-successful-in-face-to-face-meetings/#486a3f146315>

6. <http://uvm.edu/pdodds/files/papers/others/2004/kahneman2004a.pdf>

7. <https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0427-5>

8. <https://wsj.com/articles/your-open-floor-collaborative-office-could-help-spread-coronavirus-11583784275>

# REMOTE WORKING

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Remote working - whether or not it has been at the top of the agenda for some organizations to reduce their footprint, lower their overhead and ultimately increase profitability - has become a necessity for most organizations to protect the health and well-being of their employees and to prevent the further spread of COVID-19.

As a result of the ongoing pandemic, many financial services institutions have been forced to kickstart or reinvigorate their digital transformation plans, whether to adapt their processes to accommodate digital solutions to facilitate transactions, or to maintain communication between clients, suppliers and their own employees.

After years of talking about digital transformation but not truly acting upon it, the pandemic has demonstrated that many institutions were better prepared to embrace it than previously thought. Millions of workers have been able to deliver financial services remotely. The message is clear: remote work is no longer a luxury or privilege for employees - it is here to stay.

Remote work is about more than the right equipment and access to a private network, and it is also more than digital space and technology. It is about behaviours around communication and collaboration. Trust, accountability and individual outputs all need to be factored into this 'new normal' working environment, as does identifying ways for workers to remain 'human' in this increasingly depersonalised (in the sense of fewer physical in-person interactions) working environment.

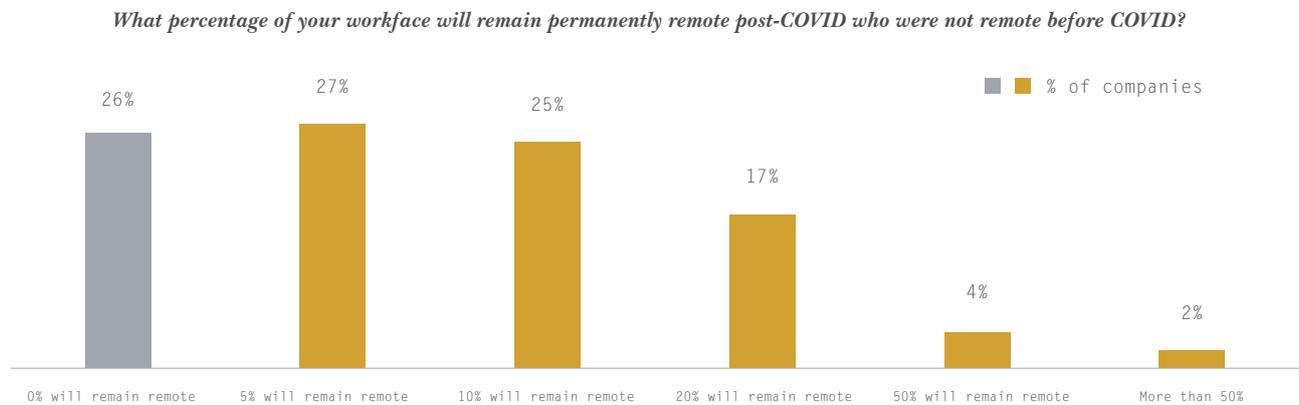
In the new normal, remote work could be a more permanent fixture than many realise: 74 percent of CFOs intend that at least 5 percent of their formerly onsite workforce will shift to remote working permanently post COVID, according to a Gartner survey<sup>9</sup>. Gartner also noted that almost a quarter of respondents said they will move at least 20 percent of their onsite employees to remote working permanently. Dingel and Neiman (2020) recently show that 37 percent of US jobs can be done from home, although this percentage varies significantly between cities and industries. Most jobs in finance, corporate management and professional and scientific services could be done at home.<sup>10</sup>

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9. <https://gartner.com/en/newsroom/press-releases/2020-04-03-gartner-cfo-survey-reveals-74-percent-of-orgs-to-shift-some-employees-to-remote-work-permanently>

10. <https://nber.org/papers/w26948.pdf>

Figure 1: 74% of companies plan to permanently shift to more remote work post COVID-19



Source: Gartner<sup>11</sup>

As many firms rethink their business models to make more extensive remote working a reality, they should not only consider the right technology, but also how to engender trust and implement new channels for regular communication, interaction and conducting other work-related activities. To this end, institutions can draw upon the experiences and practices that emerged during the initial period of the crisis.

## CHALLENGES

The transition from daily onsite office work to remote working can pose a range of challenges for employees and their managers.

- Presenteeism and face-to-face management should become less important, as remote working shifts the focus from hours spent in the office to the delivery of specific objectives.** This requires outcome-based management of employees alongside new rules for communication, collaboration and feedback.
- Creating a responsive technology to manage remote work.** It is not purely about having adequate equipment and infrastructure to access required applications and information, but also the infrastructure in the new home working environment, ranging from high-speed internet access to setting up multiple monitors, webcam and headsets.
- Infrastructure needs to be secure.** Working remotely increases cybersecurity risks, so appropriate protection measures are crucial. The simplest solution is to use a VPN to secure both data and online connections. For financial institutions, it is particularly important to stipulate two-or multifactor authentication to secure client data, and also to monitor its use to ensure compliance.
- Remote working devices should be managed by institutions.** A client's financial data is the most valuable and sensitive asset to a firm. Applications for monitoring remote workers activities can now check if the client's information is being manually copied to a computer or printed.

11. <https://gartner.com/en/newsroom/press-releases/2020-04-03-gartner-cfo-survey-reveals-74-percent-of-orgs-to-shift-some-employees-to-remote-work-permanently>

- **Remote working expenses and tax must be considered.** Additional remote working expenses, such as gas and electricity charges, internet access, and furniture costs need to be taken into account. Any impact on income tax should also be considered. Extra payroll tax registration should be in place in the event of remote working from a different country when meeting thresholds relating to income generated or time spent.
- **Regulatory compliance must be adhered to.** The financial industry is a highly regulated sector with very strict requirements around the security of data and technology networks. Organizations will need to ensure that their employees remain compliant with the rules in a remote working environment.
- **Establishing work-life boundaries will encourage more engaged employees.** Employees can easily become overworked due to an inability to unplug from work, and there is evidence to suggest this is already happening due to the pandemic.<sup>12</sup> These boundaries should be agreed based on an individual's obligations and priorities.
- **Organizations must weigh-up how much remote work is manageable.** Not every office activity or process can be conducted remotely, and a realistic working model that combines home and office arrangement should be clarified and agreed.

## BENEFITS

Moving from daily onsite office work to remote working can yield a number of benefits for employees and their managers.

- **Lower utility costs**  
Remote working opens up considerable cost-

saving potential for financial institutions, as it enables them to save a significant proportion of their fixed costs related to the rental of office space and equipment, as well as other operating costs calculated per employee that may have a negative impact on a company's overall profitability.

- **Less time spent commuting**  
Working from home saves the time spent commuting and reduces the associated costs, particularly for employees with long commutes. Many would also assume that avoiding daily commuting is beneficial in reducing stress and increasing job satisfaction and thus the well-being of their employees.
- **Elevated concentration and productivity**  
If employees work from home and were previously used to working in an open-plan office where their concentration was disturbed and their performance impaired, they are likely to experience increased productivity.<sup>13</sup> In addition, they may spend less time in unproductive meetings and concentrate much more on completing their actual tasks and projects.
- **Health protection**  
As the crisis has impressively shown us, social distancing and thus remote working reduces the risk of contracting infectious diseases when travelling by public transport or having direct contact with other people in an office environment.
- **Talent acquisition**  
Remote working gives institutions access to a wider pool of applicants by enabling them to recruit qualified new talent irrespective of their actual geographical location and possibly in places where it has not previously been possible to seek or attract such talent.

12. <https://hcamag.com/asia/specialisation/mental-health/is-remote-work-creating-a-culture-of-presenteeism/223437>

13. <https://nber.org/papers/w18871>

- **Work-life-balance**

Working from home can help employees and managers to better balance family life with their work commitments, as they are much more flexible in time and space when it comes to carrying out their work. For parents, this can lead to a more favourable work-life balance than if they only work onsite.

- **Employee retention**

Remote working gives employers the opportunity to develop new forms of collaboration and adopt a degree of flexibility that can increase the loyalty and stability of their workforce. In doing so, institutions can draw upon their experience from the early stages of the crisis to find their optimal working model for remote working.

- **Reduced carbon footprint**

Remote working is beneficial for the environment and, in turn, good for business. Eliminating daily commuting will lead to less traffic and therefore a lower carbon footprint, which in turn would save millions of tons of greenhouse gases from entering the atmosphere. By including remote working guidelines in the business plan, companies can meet ambitious international climate goals and show to stakeholders that they are a responsible, environmentally aware and sustainable company which in turn positively influences clients' purchasing decisions.<sup>14</sup>

- Working remotely requires a combination of digital skills and self-discipline. It will best suit for employees who do not regularly interact face-to-face with customers and can effectively work remotely with defined technical and operational support. It is ideal for independent tasks such as programming, research and analytics, and firms should identify these across all departments as part of a remote strategy.

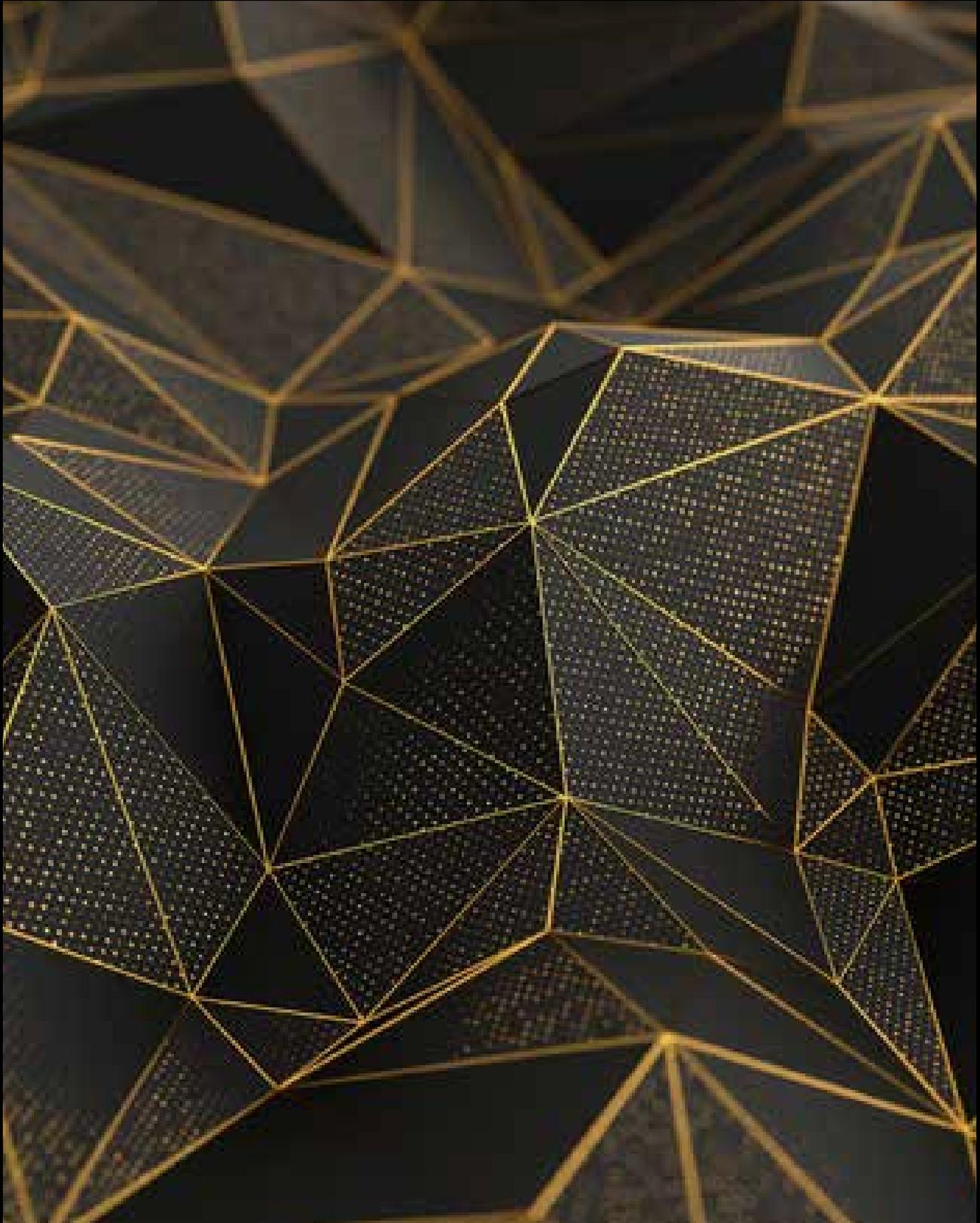
- Sales representatives and loan officers have already been working remotely as a matter of course for a long time. Back office departments that primarily use technology to interact with colleagues elsewhere in the organisation are well placed to execute their tasks remotely. Traders use sophisticated online data and must insert transactions promptly in the relevant systems. This should be manageable remotely once regulation has paved the way, but the challenge is to secure and record the lines to prevent insider trading. The use of hardened phone systems and recording technology mean roles in areas such as claims, collections, sales and call centers lend themselves to remote working, as do project-oriented jobs where outputs are clearly delineated in advance and easily measured.

## CONCLUSION

Like many of the BigTechs<sup>15</sup>, we believe remote work is here to stay and will be a fundamental part of new working paradigms. Institutions that are keen to make it a permanent part of working life going forward should build upon the experiences accrued during the ongoing pandemic as they adapt to this new reality. New operating models should be built around greater flexibility and remote working to deliver enhanced value to clients and stakeholders. Access to new infrastructure and applications that facilitate remote working, alongside improvements to employees' digital skills and a shift in organizational culture will allow a wider use of remote working in a considered and managed fashion.

14. <https://nielsen.com/us/en/insights/article/2018/sustainability-sells-linking-sustainability-claims-to-sales/>

15. <https://edition.cnn.com/2020/03/10/tech/google-work-from-home-coronavirus/index.html>



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# NEARSHORE

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The practice of locating services and people in a country or countries closely neighbouring your own, nearshore outsourcing today offers a range of benefits.

## BENEFITS

- **It lowers the cost of certain services.** A key reason why nearshore outsourcing initially became popular. Delegating a range of tasks to specialists in a nearby country with lower labour costs can significantly lower a firm's expenses.
- **Hiring talent at a competitive price.** Nearshoring countries can offer specialists with a higher education and at least several years of experience in the related field, but who are less expensive than employees in the home location.
- **Time-zones are closely aligned.** Nearshore outsourcing allows you to operate across locations within the same or similar time-zones. This has benefits in terms of communication, working hours and travel times.
- **Fewer cultural and language barriers.** If nearshoring to the closest country to your own, there will be less issues around cultural alignment, and language differences may be less of an issue.
- **Greater legal and regulatory alignment.** Nearshore outsourcing within a bloc like the European Union, for instance, means firms can take advantage of a greater harmonisation of

laws and regulations.

- **Entering a new market.** Nearshoring can also be a first step to entering and competing locally within a foreign market.

## CHALLENGES

Despite the benefits that nearshore outsourcing offers, there are also some challenges to consider.

- **Higher costs than offshoring.** Although nearshoring may be less expensive than conducting business and software development operations in-house, it is usually not cheaper than offshoring to countries located further away.
- **Lack of trust and perceived lower quality of work output.** Some business owners are reluctant to trust lower-cost companies in neighbouring countries on the basis that the quality of their work and delivery will also be lower.
- **Confidential information and sharing of sensitive data.** A nearshoring relationship will typically require the exchange of confidential information when delegating business processes. Companies that do not wish to share such confidential information may accordingly reject outsourcing; those firms working with sensitive client data will want to be even more cautious, as the sharing of such client data with entities – particularly those located outside the home market – may not be permitted.

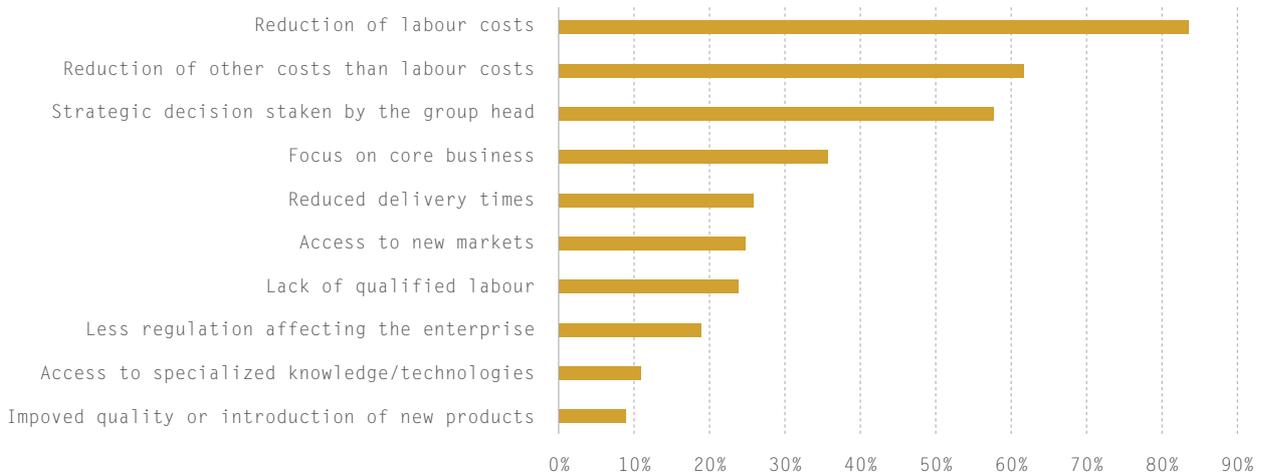
- **A fractured team spirit.** Everyday interactions - small talk, coffee breaks, game nights or seasonal festivities – play a key role in fostering team unity, engagement and loyalty. If roles within a function are split across teams in different countries, these may be harder to achieve, if not actively undermined.
- **Project suitability.** Some business functions and activities lend themselves better to outsourcing than others. IT development or testing are usually suitable functions for nearshoring, for instance. However, creative tasks which require closer engagement and interaction with customers or stakeholders may prove more difficult to be outsourced.

- **Compromised communications and delivery.** Communication in-house will typically be cleaner and faster than with an outsourcing partner located in a different country. It may prove more challenging to sync-up project work and deadlines as a result.

**OUTSOURCING/NEARSHORING:  
CURRENT SITUATION BY THE  
NUMBERS**

Figure 2 illustrates why companies are choosing the nearshore outsourcing model.

Figure 2: Motivation factors for international sourcing activities (2014-2017)



Source: Eurostat, SBS

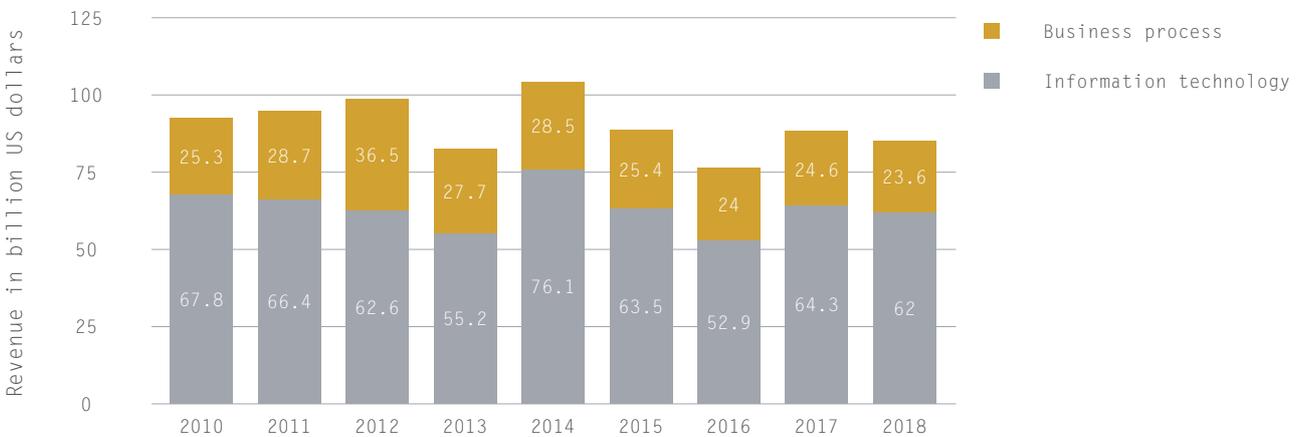
Outsourcing has been popular across many different industries for decades. The most popular reason for outsourcing is cost-cutting. According to the European Commission’s latest International Sourcing (IS) study<sup>16</sup>, which gathered data from nearly 60,000 companies in 16 European countries for the period 2014 to 2017, reducing labour costs is the most popular reason for outsourcing, followed by the reduction of other costs and strategic decisions taken by the group head.

Interestingly, almost 40 percent of respondents said outsourcing meant they could put more focus on their core business, while a quarter outsourced specifically to access new markets or due to the lack of qualified labour. Less regulation

abroad, access to specialized knowledge, improved quality or introduction of new products are less important factors for outsourcing activities. The conclusion seems that by outsourcing, businesses are rewarded with extra time and greater staff support; allowing them to scale, remain competitive, and (potentially) improve their services and offerings.

At the same time, financial services companies tell us they are feeling positive about their outsourcing relationships. Nearshoring has become a very popular outsourcing strategy, as the recent development of the global nearshoring market in business process and information technology shows.

Figure 3: The changes in global nearshoring market (2010-2018)



Source: Statista

16. [https://ec.europa.eu/eurostat/statistics-explained/index.php/International\\_sourcing\\_and\\_relocation\\_of\\_business\\_functions#Motivations\\_for\\_international\\_sourcing](https://ec.europa.eu/eurostat/statistics-explained/index.php/International_sourcing_and_relocation_of_business_functions#Motivations_for_international_sourcing)

As mentioned before, companies appreciate the possibility to arrange quick business travels, often without a need to organize visas or work permits. They enjoy that there is no difference in time-zones and smaller gaps in cultural habits while still the costs are lower as have it all in-house. Companies are usually engaging geographically

close countries, so typically the US is nearshoring in Mexico or South America, while Western Europe is looking into the possibilities in Eastern Europe.

The following figure shows the top nearshore as well as offshore regions and their respective cost saving potential when outsourcing IT activities.

Figure 4: Top nearshore and offshore locations regarding outsourcing of IT activities



Source: MLSDev<sup>17</sup>

## CONCLUSION

As we have established, remote working is set to be part of the 'new normal' post-COVID. Nearshore working models have often been deemed unsuitable in the past, due to a perceived lack of control, trust issues or technological limitations. But in this new reality, where in-house employees themselves may be working from home more

frequently or even permanently, such reservations seem outdated. As noted, nearshore outsourcing can offer cost savings among other benefits. The current crisis is an opportunity for companies to re-evaluate their working models, and if properly scoped and implemented a nearshoring strategy can lower costs and enhance scalability and flexibility.

17. <https://mlsdev.com/blog/nearshore-software-development>

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# OFFSHORE

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True offshore operating models, relocating work to locations with high-quality talent pools but significantly lower labour rates such as India, the Philippines and China, are a well-established and proven business strategy. Government support programs and financial incentives, plus access to an educated workforce with good language skills mean many companies have been prepared to countenance potential cultural challenges, geographical distance and often major time-zone differences.

In the longer term, however, cost savings should not be the only consideration. There are multiple options open to firms looking to establish successful offshore models, ranging from a company-owned offshore service center staffed by in-house employees, through joint ventures with established offshore service providers, to complete business processes outsourcing via external vendors.

The potential to achieve significant savings through offshoring has been widely regarded as easy to calculate. Nevertheless, there are many examples of how moving operations offshore did not deliver all the expected benefits – and sometimes even ended in complete failure. Below are some typical obstacles.

## CHALLENGES

- **Not all processes and activities are suitable for offshoring.** Thorough scoping of proposed offshoring activities is essential, and should begin with a thorough analysis of potential benefits and limitations, including the identification of business critical and non-business critical processes, the need for face-to-face contact and/or physical presence on the job.<sup>18</sup>
- **Underestimating the complexity of an offshore transition.** This can be difficult to evaluate in advance but drawing upon the knowledge and experience of offshoring specialists and external consultants will help planning and prioritisation.
- **Managing regulatory and legal risks.** With offshore operations, it is key to fully understand all the regulatory and legal implications, and what specific obstacles or challenges may be involved.
- **Data safety regulations and governance.** The increased push for cross-border data protection over the past two decades (e.g. GDPR in the European Union, Cyberspace Administration of China) needs to be taken into account.

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18. <http://princeton.edu/~blinder/papers/07ceps142.pdf>

- **Increasing offshore costs.** One of the biggest drivers behind offshoring has been price. In the past, it was enough to have offshore centers in one location, which was growing over the time. Nowadays companies need to consider different geographical locations for increasing size of offshore centers, or setup smaller centers in multiple locations to mitigate dependency on local market situation.
- **Maintaining control, linking activities to objectives.** While offshoring is mostly used to reduce costs, implementations are not always as efficient as they might be. Proper goal setting and a robust business case at the outset will ensure a focus on the correct priorities and avoid distractions that do not support the primary objectives.
- **Managing cultural differences.** Collaboration across different countries requires employees to respect and be trained in cultural differences. Delivery deadlines, for instance, need to be given careful consideration to ensure alignment with local holidays and working practices.
- **Ensuring efficient communication.** Communications can be impacted by time-zones, cultural biases or different interpretations, and so the target audience, key objectives and realistic timeframes should all be front of mind when they are being drawn up and distributed.

## BENEFITS

Offshoring has become for many financial institutions a vital part of their global operations strategy. Over and above costs savings, it enables additional team scalability, the ‘follow the sun’ principle can unlock 24/7 support options, the impact of geopolitical risks can be reduced and new cultural diversity can be injected into project teams.

## CONCLUSION

COVID-19 hit Asia without warning. Few predicted the subsequent global pandemic – initially was viewed as a local problem, like SARS during the previous decade. However, as the situation worsened globally, companies drew upon the experiences from APAC and swiftly implemented measures across other global locations and quickly updated business continuity runbooks. Maintaining a presence in different regions can not only help in the management and mitigation of local risks, but also be a source of valuable experience in difficult times.

What if another global crisis threatens financial institutions? During the current pandemic we saw humanity adapt at speed. People’s lives have changed, but the benefits of offshore remained the same: a cost-effective workforce supporting global operations.

## OUR RECOMMENDATION

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As organizations look to reintegrate workforces post COVID-19, there is a clear recognition that alternate working models have both proved effective from a productivity perspective and offer the potential for cost savings. There are other benefits: improved job satisfaction, better work-life balance, enhanced task resourcing, the potential to attract previously untapped talent. Investing in a robust remote work infrastructure can also support new business opportunities by serving new clients currently not addressed and improving process efficiency, such as by transferring typical branch activities like the client advisory of complex products (e.g. mortgages) to a remote operations center or home office, freeing up time for more sales.

**So, what is the right approach?** A hybrid operating model combining our four different options will in almost all cases prove the most effective approach. However, finding the right balance between them is a challenge, being dependent on individual operating models, technology infrastructures, the status of digitalization programmes, and organizational flexibility.

In general, we propose defining a reshoring strategy with a vision and actionable mission statement. There should be clear guidelines for the whole organization, detailing where an onsite presence is required, how remote working can be used, and whether nearshoring or offshoring are options. Existing business continuity plans must be reassessed, with particular attention paid to the potential future pandemics or other crises.

Clearly, not all the benefits of shoring can be realized right from the outset. Investment decisions need to be made accordingly, with an action plan and roadmap created, listing the required preconditions for success with clear deadlines and responsibilities for delivering them. The whole initiative must be complemented by a comprehensive change management plan, ensuring the whole organization is being included and supported on this journey.

If you would like to redefine your shoring strategy, please contact us. Be it an assessment of your current setup, the required functional and technical preparations for enhanced remote working, or further insights into our experiences in establishing nearshoring and offshoring models, Capco has the expertise and track record to support organizations in identifying and implementing their optimal working model.

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