

Nagarro Absorbs Lessons Upon Entering Mexico

September 9th, 2011



Nagarro's Gauri:
Troubles attracting talent
to Monterrey

By Patrick Haller

Driven by a desire to expand into the [Latin America](#) market, [Nagarro](#), a subsidiary of the German IT company [Allgeier Holding AG](#), took a leap of faith when it established operations in Monterrey, Mexico after seeing an opportunity to provide services to the Mexican market that no other company was doing.

A year later, the company is still bullish on Mexico, but is also reviewing its positioning given that experienced employees are hard to find, the way of conducting business is different and violence is an ongoing issue.

In response to the lack of Mexican talent for their complex tech solutions, Nagarro has created hybrid teams with personnel in India and Mexico. This approach has proven to be successful, yet keeping up with the demand is a challenge.

To address the issue while gaining its foothold in the country, Nagarro first hired what Mexican talent it could, then added personnel from its Indian office. Some of the engineers were relocated to [Monterrey](#) in order to work in real time with their Mexican colleagues, while others remain in India. “One in ten employees is brought in because a very specialized skill set is required,” says Vishal Gauri, Nagarro’s President (North America) and Head of Customer Solutions. Given that the Monterrey operation currently has only 15 employees, with an expectation to increase to 30 by the end of the year, the ratio between on-site Indian and Mexican staff is minimal. However, they have about 100 employees in India dedicated to servicing Mexican clientele.

Providing sophisticated software products to clients across Mexican industry sectors requires a staff that has the expertise in high-level programming and design. This talent pool, Nagarro discovered, is severely lacking in Mexico. “We are focused on Business Intelligence, batched services, analytics, mathematical correlations and SAP, not typical app development and support,” specifies Gauri. “The types of services we offer require a high level of confidence from our customers.” Their customers include companies that are at the enterprise level who are looking at ways to expand globally and working with a tech partner that has a global footprint, like Nagarro, is advantageous to them.

Using the same hybrid model as in Monterrey, Nagarro has plans to move in to Central and South America, sometime between 2012 and 2013.

Gauri believes that Nagarro will expand its presence in Mexico and hire more people there, but he doesn't expect the company to become very large. "We might start offering other services where we can hire more talent in Mexico." Although all operations are conducted in English, and the staff has to have some bilingual capability, not all of Nagarro's customers speak English and all of the applications are being built in Spanish, so they have hired the team members to bridge the language barrier. And some of their talent in India has also learned Spanish. In an effort to address the dearth of specialty skills available in Mexico, Nagarro will be extending its in-house training program to its facility there, and have already offered some training on Business Analysis and Business Intelligence.

Using the same [hybrid model](#) as in Monterrey, Nagarro has plans to move in to Central and South America, sometime between 2012 and 2013. Hybrid staffing doesn't work in every market, observes Gauri. For example, Nagarro first established its brand in Germany, the UK and Nordic countries and the model doesn't work in Germany because clients expect to be serviced by locals. Yet, in the US, local employees work on collaborative projects with offshore colleagues, similar to their Mexican counterparts.

Another adjustment Nagarro has had to make is to the dynamics of conducting business in Mexico. "Culturally we are learning how to understand the Mexican market," says Gauri, "things move slower than they do in the US. Personal relationships are required in order to gain customer trust, and there are cycles of decision making. We have had to reset the time frame." Gauri also sees that security has become a challenge due to the rise in violence throughout Mexico. While Monterrey has not been spared, he doesn't believe it affects Nagarro's employees or clients. "Social life has changed, but professionally it hasn't. People are just careful."

That said, attracting non-locals to move to Monterrey when a specialized skill-set is needed might become an issue, "It would hurt us," says Gauri, "In some cases we can get by with people coming for a shorter period of time, but in other cases we can't get around projects where we need the people there permanently."

Nagarro enjoys a reputation for its high employee retention, which Gauri attributes partly to the kind of work the company does. "People from large companies have joined us because they were stuck doing one thing for year. It is easier to attract and retain people if you are doing interesting work."