



CURITIBA OFFSHORE

*Dedicated to promoting the sustainable competitiveness and internationalization of our companies and the protection and promotion of our local environment.*

# Curitiba, Brazil:

## A Higher Vision for IT Exports



# Curitiba, Brazil: A Higher Vision for IT Exports

**A cluster of software companies flourishes in one of the most potent IT services ecosystems in the world.**

Silicon Valley, the U.S. technology mecca, came about by fortunate happenstance. Only later did business and government get together to consciously shape the area into a region of digital invention and commerce.

But in the southeastern part of Brazil, there's a technology-driven city that has followed a deliberate plan to become a hub for IT services, innovation, and entrepreneurship. In some ways, it would not be inaccurate to describe that city—Curitiba—as “Silicon Valley South.”

Curitiba is the capital of the state of Paraná, a progressive and cosmopolitan region that is

home to six software clusters. Currently there are 241 software companies active in these clusters, providing a full range of IT solutions for industry segments including finance, transportation, oil and gas, agrobusiness, and manufacturing. Some are developing cutting-edge solutions like mobile ERP; some are maintaining and improving legacy systems. Fifteen of those companies have attained CMMI certification, second-most in all of Brazil. Furthermore, 19 have attained MPS.br (Brazilian Quality and Processes Standard), which is equivalent to CMMI, while 24 are currently implementing it.

## Curitiba Region: Facts & Figures

- 50 sq meters of green space per citizen
- Largest educational system in all of southern Brazil
- Best cost of living among 11 Brazilian capital cities
- Among Brazil's five richest cities
- More than 30 identified IT and software specialities
- More than 50 areas of business intelligence among the region's software companies
- Cost of electricity 20% lower than in other Brazilian regions
- Paraná is the biggest producer of renewable energy in Brazil
- Paraná GDP > \$US 100 billion; GDP per capita of 86%, highest in the nation



Curitiba is home to one of those software clusters. Curitiba IT companies thrive by serving the huge domestic IT/BPO market, worth about \$60 billion annually, according to research by IDC. Furthermore, many Curitiba companies currently provide services to multinational firms, including some that have set up shop in the city. The Curitiba client list features large outsourcing operations, including ExxonMobil, HSBC Global Technology, Nokia Siemens Networks, Wipro, and Accenture. Giants IBM, Dell, and HP were among the first to establish IT/BPO operations in Curitiba.

But Curitiba's software community intends to be a significant player beyond the borders of Brazil—and that brings up another difference with Silicon Valley USA: Curitiba is much more focused on the goal of exporting its services.

One of the most active groups in the city's technology sphere, and a driver behind its export ambitions, is **Curitiba Offshore**. CO's mission is to boost software exports particu-

## Curitiba: Snapshot of an IT City

# 260

active companies in Paraná – 17 are members of Curitiba Offshore

# 15

companies with CMMI certification

Approximately

# 300,000

people working in IT/BPO jobs

Nearly

# 20,000

new IT/BPO professionals produced each year

# Demand

for IT workers now outpacing supply

# 30+

software specialties

# 50+

areas of business expertise

“Third **smartest** city in the world”

Home to **Universidade Tecnológica**

Federal do Paraná, 54 other higher-education institutions

Fifth richest city in Brazil: GDP

# >\$23 billion

(65% from services and commerce)

Curitiba Offshore companies' annual revenue:

# >\$200 million

larly through offshore service partnerships. Its mandate: Encourage more international outsourcing deals for Curitiba companies already engaged with offshore clients, and create offshore opportunities for local companies that don't already work with partners abroad.

To attain those goals, Curitiba Offshore officials have developed a four-fold strategy:

- Promote the local and regional business environment to strengthen exports and the international operations of our companies.
- Promote software exports by identifying opportunities in foreign markets, especially in

the United States and the European Union.

- Contribute to the training and development of local software companies, mindful of the demands of foreign markets.
- Further the adoption of corporate practices, certifications, and qualification processes that may increase the quality and competitive standards of local software companies (this also includes political, legal, taxation, and commercial issues).

The Curitiba Offshore initiative is a regional group connected to the Brasil-IT+ Project and Brand, also supported and sponsored by SOFTEX

## Curitiba Offshore's Technology Providers

The companies of Curitiba Offshore provide a complete gamut of technology services for multinational clients.



### CITS (International Center for Software Technology)

[www.cits.br](http://www.cits.br)

embedded systems, R&D product engineering, application management, custom application development

- CMMI-certified
- Winner of European Software Institute International Award for Software Excellence in Cluster Approach Project Category
- Regional agent for Softex



### CINQ Technologies

[www.cinq.com.br](http://www.cinq.com.br)

custom application development, solutions design, certified software factory, IT consulting, R&D, hosted infrastructure



### DB1 IT

[www.db1.com.br](http://www.db1.com.br)

custom application development, application maintenance, strategic IT management; specialists in agribusiness, SCRUM Master



### ESAT

[www.esat.com.br](http://www.esat.com.br)

BI solutions in several industries, ERP, CRM, corporate portals, Microsoft Solutions Framework



### Inovare

[www.inovare.net](http://www.inovare.net)

system modeling, Web development, mobile applications, systems integration

(Association for the Promotion of the Brazilian Software Excellence) and APEX-Brasil (Brazilian Trade and Investment Promotion Agency).

Curitiba Offshore has the support of the CITS, Assespro (IT Companies Association), FIEP (Industries Association), and SEBRAE (Brazilian Service of Support for Micro and Small Enterprises), among many of the most important institutions in the regional market.

### The Curitiba Advantage

It's one thing for local companies to proclaim they intend to boost software exports and get a



Curitiba's IT workers:  
Clients refer to high  
quality, low attrition.



#### OHM Technology

[www.ohmtech.com.br](http://www.ohmtech.com.br)  
system integration, building automation & access control systems



#### QLA

[www.qla.com.br](http://www.qla.com.br)  
ERP, business consulting for large range of verticals (food, pharma, electronics, transportation, etc.)



#### Solusoft

[www.bxbmaster.com](http://www.bxbmaster.com)  
Business intelligence (BI) tools for VARs and SMBs



#### TechResult

[www.techresult.com.br](http://www.techresult.com.br)  
software development, infrastructure management, systems integration; runs the Microsoft Innovation Center



#### Tree Tools

real-time IT resource monitoring, custom applications, help desk, "self-sustainable software development model"



#### TS

[www.ts.ind.br](http://www.ts.ind.br)  
process management, real-time production monitoring, custom applications, database integration



#### Visionaire

[www.visionnaire.com.br](http://www.visionnaire.com.br)  
software factory, outsourcing, development of business applications, OMG's representative in Brazil



#### VISTRA

[www.vistra.com.br](http://www.vistra.com.br)  
business intelligence tools, BI research, ERP software, decision-support applications



#### Xtrategus

[www.xtrategus.com](http://www.xtrategus.com)  
business management software, application development, vertical processes

piece of the expanding global software pie. That's a goal heard in many places around the world. Why would a multinational corporation want to outsource software projects to a company in Curitiba, Brazil?

For starters, the city has established the Curitiba Technopark to interconnect IT companies, R&D centers, and universities in an effort to boost innovation and attract businesses. Incentives for larger companies to locate in the park include a reduced sales tax and a 10-year exemption on real estate and other municipal taxes.

The time-zone advantage is also a significant attractor. Curitiba Offshore workers are on the job during essentially the same hours as their counterparts in North America and also overlap with much of Europe. The ability to collaborate with outside development partners in real time—to be able to pick up the phone and talk to someone to solve a problem—is proving to be a big benefit of working with IT



**Curitiba Wire  
Opera House**

teams in Brazil and other Nearshore nations.

In their study of time-zone proximity and Brazil's IT industry, a team from American University in Washington, D.C., and the Computer Science School, PUCRS, in Porto Alegre, Brazil, concluded:

“We heard from both the Brazilians and their North American partners that the time overlap with Brazil is more pleasant than the odd hours



**Curitiba: The Green City**

## **Curitiba: The Green City**

CNN's Richard Quest reports from Curitiba on what the city is doing to remain earth-friendly and sustainable, from building lakes and parks to introducing new forests. Curitiba was the first city in Brazil to be directly concerned with the environment, the mayor says.

needed for collaboration with Asia. From the North American partners, we also heard that the overlap when working with Brazil better their work-life balance relative to Asian collaboration.”

Then there’s the most important resource: the people. Talent remains a top issue when selecting an offshore development location. In a Capgemini survey of Fortune 1000 executives, 61% said skilled labor was the most important factor in choosing an outsourcing destination. (Cost of labor was at the top of the list, at 79%.) Curitiba’s plan for increasing service exports includes increasing the number of technology professionals. The software clusters are working with universities to attract more students to an IT curriculum, and as Wipro’s Estrazulas indicated, big clients that have moved to the city can form partnerships with local schools to train the IT workers they need. (According to a KPMG report on Curitiba, the city produces “a qualified technical talent pool of about 19,500 every year for the IT-BPO industry.”)

Furthermore, Curitiba—ranked the “Third Smartest City in the World” by Forbes magazine—is not far from São Paulo, Brazil’s largest technology hub. It’s fair to assume that software companies based in a smart city like Curitiba could lure some talent from that sourcing hotspot to the north.

When Wipro Technologies, the Indian outsourcing giant, opened its delivery center in Curitiba in March 2010, Fernando Estrazulas, head of Wipro’s Latin American operations, explained that one of the top reasons was “the

## Certified Practices for Success

***“CMMI defines practices that businesses have implemented on their way to success.”***  
— Carnegie Mellon’s Software Engineering Institute

Capability Maturity Model Integration (CMMI) is a standardized model designed to help an organization improve its processes—and hence the products it develops. According to the Carnegie Mellon University Software Engineering Institute, which designed the methodology, CMMI helps “integrate traditionally separate organizational functions, set process improvement goals and priorities, provide guidance for quality processes, and provide a point of reference for appraising current processes.” CMMI can be used to guide improvement across a project, a division, or an organization.”

In the state of Paraná, 15 companies have been awarded CMMI certifications. Only one other state, São Paulo, has more. Eleven of those companies export IT services as members of Curitiba Offshore.

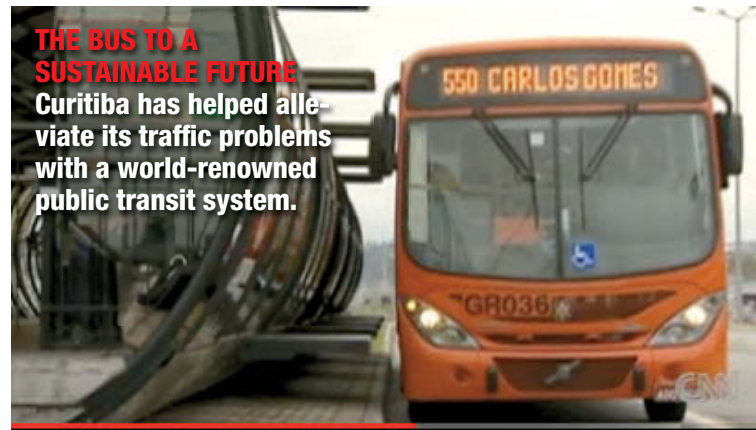
- **CINQ Technologies**
- **CITS**
- **DB1 IT**
- **ESAT Consulting Systems**
- **Inovare Technology**
- **QLA**
- **Sigma Dataserv**
- **Sofhar**
- **TechResult**
- **Visionnaire**
- **Wise Systems**

high labor-force quality, at a low cost. Curitiba fits our global strategy perfectly. It allows us to serve both our international customers, as well as the strong domestic market here, all at wages less than in São Paulo or Rio,” Estrazulas said.

For Jacques Depocas, Global Head of Center Operations at HSBC Global Technologies, Curitiba offers more than low labor costs. “There are excellent universities here that graduate a lot of quality talent—not just IT workers, but main-frame programmers, which we need,” he says. “And if you’re talking about attrition, I have a 10% rate [in Curitiba]. In São Paulo, it’s around 15%.”

### **A Sustainable City**

Location matters. One of the reasons for the rise of California’s Silicon Valley was the ready access to homegrown whiz kids like Steve Wozniak and a community of like-minded programmers, engineers, and investors who enjoyed living there.



Reader’s Digest magazine called Curitiba the best place to live in Brazil. It has been rated the country’s second-best city for doing business, and the fifth best in Latin America. Curitiba is home to 55 places of higher learning, including the nation’s first Technological Federal University—and therein lies one of the keys to Curitiba Offshore’s strategy: Teaming up with education institutions to ensure adequate numbers of software and hardware talent to sustain growth of the local IT sector.

## **Sing a Song of Sustainable Cities**

Jaime Lerner, the former mayor credited with much of Curitiba’s forward-looking design, discusses creating urban spaces for “living and working together.” Taped at TEDtalks forum, 2008.



## Curitiba's Value Proposition

Curitiba's infrastructure is considered among the best in the country. The city has become an international reference for urban design, and is world-renowned for its transportation system: Dedicated bus lanes, fast-moving buses, and an urban layout driven by the idea of moving people, not just automobiles, has reduced the time it takes to get from point A to B. By some estimates, maximum travel time between any two points in the city is 25 minutes. Anyone who has experienced the traffic congestion of California's high-tech corridor—along with extreme housing costs, one of the factors of daily life that drives some IT workers to go elsewhere—would certainly appreciate Curitiba's transit system and well-designed urban grid.

Just as green IT is a growing initiative in the Paraná software clusters, a green environment is one of the ongoing objectives of Curitiba's city managers and residents. In 2010, Curitiba received the Globe Sustainable City Award for urban planning and development. For more and more multinationals, this is significant. Sustainability is now on the checklist of global businesses when looking for an offshore partner.

As Capgemini said in a recent report: "The days of organizations being responsible for simply what goes on 'in house' are gone. Today, the emphasis is on accountability and proving green and sustainability credentials for both in-house activities and beyond."

Of course all metropolitan areas have their problems, and Curitiba is no exception. But the local inhabitants' demonstrated willing-

- Among the world's most significant offshore business locations (KPMG)
- A leading business destination for IT and software (Gartner Group Advisory Report)
- Number 11 in the Top 50 Emerging Global Outsourcing Cities, and 2nd in Brazil (Global Services/ Cyber Media)
- One of the 5 best cities for doing business in the Americas (America's Economy Magazine)
- Projected to be one of the 100 richest cities in the world in 2020 (PricewaterhouseCoopers Index)
- Among the most influential cities in the world (MasterCard Index)
- Winner of the Sustainable Transport Award 2010 (Transport and Development Politics Institute)
- Rated as having some of the best urban infrastructure in Brazil (Exame Magazine, Brazil)
- One of the best cities in Brazil to work in (Você S.A. Magazine)
- Listed in the Greenest Cities Index (Reader's Digest)

ness to tackle problems before they grow out of control—radically re-engineering city traffic flow, for example—is an attribute desirable in a software development partner.

### **Curitiba: Offshore Partner**

Revenue from Brazilian software and IT services reached \$3.5 billion in 2010, according to an IDC report. Curitiba Offshore's efforts have contributed to that rising figure, and the organization is betting that it can boost that number higher.

That's a good bet. Nearly a dozen multinational corporations have discovered the IT resources of Curitiba, and have either established offices there or formed partnerships with Curitiba service providers. As more and more firms realize that the lowest-cost destination is not the best destination for developing high-quality, innovative applications, they'll look for a location that can provide well-trained software

### **Clients' Perception of Curitiba Offshore Companies**

- Characterized by competence and creativity
- Innovative professionals
- Flexible, adaptable workforce
- Excellence in customer relations
- Strong cultural compatibility with Europe

engineers who are creative and collaborative. And if they're just a few hours away, even better.

Curitiba Offshore is dedicated to increasing software exports, developing partnerships with companies abroad, and training up talent that understands the needs of foreign markets. Their efforts are paying off as major multinationals turn to Curitiba for critical IT services, and more and more nearshore companies discover the advantages of working there.



## **“A Model Of Urban Planning”**

Find out how this city of 3 million follows a credo of “anticipating, innovating” as it prepares for the future, including the 2014 World Cup.