

ONSHORING

VS.

NEARSHORING

VS.

OFFSHORING

WHAT'S THE DIFFERENCE?

Choosing the right sourcing strategy impacts your project costs, team collaboration, and delivery timelines. This factsheet breaks down three common models to help you decide which fits your business needs.

UNDERSTANDING EACH MODEL

Model	What It Means	Example
Onshoring	Hiring a team in your own country, often in the same city or region.	A German company hiring developers in Berlin.
Nearshoring	Partnering with a team in a nearby country with similar time zones and cultural alignment.	A German company working with a team in Bulgaria.
Offshoring	Working with a team in a distant country, often with significant time zone differences.	A German company partnering with developers in India.



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DETAILED COMPARISON

Factor	Onshoring	Nearshoring	Offshoring
Cost	●●●	●●	●
Timezones	Perfect overlap	1-2-hour difference	5-12-hour difference
Comm-unication	Same language and culture	Similar culture, multilingual teams	Potential language barriers, cultural differences
Quality control	Direct oversight	Regular video calls, on-site visits	Regular video calls, complicated visits (visas, flights, etc.)
GDPR Compliance	✓	✓	Extra agreements
Talent pool size	●	●●	●●●
Travel & Visits	●●●	●●	●
Hidden costs	●	●	●●●



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WHICH MODEL IS RIGHT FOR YOU?

Choose this	If you need
Onshoring	<ul style="list-style-type: none"> • Maximum control • Daily face-to-face collaboration • Same legal framework • Premium budget ok
Nearshoring	<ul style="list-style-type: none"> • Cost savings + quality • Real-time collaboration • EU compliance (GDPR) • Agile development
Offshoring	<ul style="list-style-type: none"> • Maximum cost savings • Large talent pools • Asynchronous work OK

INDUSTRY-SPECIFIC CONSIDERATIONS

Industry	Recommended model	Why
Healthcare	Onshoring/Nearshoring	GDPR compliance for patient data, regulatory alignment with EU healthcare standards.
Fintech & Banking	Onshoring/Nearshoring	PSD2/GDPR compliance for sensitive financial data, opportunity for daily agile sprints.
E-commerce	Nearshoring+Offshoring	Nearshore: core features + Offshore: 24/7 monitoring
Logistics & Transport	Nearshoring	EU system integration + responsive support in business hours



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QUICK DECISION CHECKLIST

Use this checklist to narrow down your best fit:

Onshoring Nearshoring Offshoring

Budget is flexible

✓

Need real-time daily collaboration

✓

✓

Handling sensitive EU data (GDPR)

✓

✓

Building long-term partnerships

✓

✓

Require maximum cost reduction

✓

Work is well-defined and independent

✓

WHY NEARSHORING WORKS FOR EU COMPANIES

EU COMPLIANCE

GDPR built-in, no complex data transfer agreements

CULTURAL FIT

European business practices, punctuality, collaborative work style

TIME ZONE ALIGNMENT

1-2 hours difference means almost full overlap during work hours

EASY TRAVEL

2-3 hour flights enable quarterly team workshops and face-to-face planning

STRONG TALENT

Bulgaria and North Macedonia have deep CS education traditions and growing tech sectors



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ABOUT US

Proxiad SEE delivers IT services across healthcare, finance, transport, logistics, and more. Our nearshoring model combines cost efficiency with seamless collaboration.

To learn more about our services such as dedicated teams, custom software development, AI & ML software development, and more – visit our website or contact us:

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