BINBIT AND SOFTTEK TWO GIANTS IT INDUSTRY

October 28, 2015
Abstract

The objective is to analyze briefly how, within the IT sector on Mexico, Mexican entrepreneurs have taken advantage of the new opportunities and created global companies. The most global companies in the IT industry are analyzed. Surprisingly, these are young companies that in few years had reach amazing worldwide penetration. In importance and level of globalization, according to the ranking of the most Global firms in Mexico in the IT sector, Binbit, Softtek are the leaders. These young companies after short period have reached 67 countries in America, Europe, Asia, Africa and Australia. Important lessons for entrepreneurships are taken.

Keywords: IT Industry, Entrepreneurship, Multinational enterprises
1. INTRODUCTION

The objective of this study is to analyze briefly how, within the IT sector on Mexico, Mexican entrepreneurs have taken advantage of the new opportunities and created global companies. The most global companies in the IT industry are analyzed. Surprisingly, these are young companies that in few years had reach amazing worldwide penetration.

Important lessons for entrepreneurship are taken in this.

In importance and level of globalization, according to the ranking of the most Global firms in Mexico (CNN Expansion, 2015b), in the IT sector are Binbit, Softtek, Neoris, Intellego, and Global Hitts in this order. In this paper Binbit and Softtek’s history will be analyzed. These young companies (2005 and 1982) are focus on IT services. After short period they have reached 67 countries in America, Europe, Asia, Africa and Australia. Binbit mainly focused in delivering entertainments through mobile phones and Softtek is a provider of outsourcing in IT services.

Several major transitions in technology are combining to change the role of IT. This is very important because as John Chambers CEO of Cisco Systems declared “I believe we are currently experiencing the biggest fundamental change the world has seen since the initial development of the Internet, we call this the Internet of Everything (IoE), and it is having a profound impact on individuals, businesses, communities, and countries”. According to analysis conducted by Cisco, the IoE represents a US$19 trillion global opportunity to create value over the next decade.

Binbit and Softtek are taking advantage of these technological changes creating a business model totally around the information technologies. Binbit is not a domestic company that
adopt IT and become global. Binbit is a company that born as a Global IT firm. Similarly, Softtek approach was delivering the best IT service to Multinational Enterprises (MNEs). IT and Globalization are not an accessory or part of the firm strategy, both must be the core, foundation of the business model for new companies if they want to survive and success in the current technological and dynamic environment.

Binbit and Softtek has tough us important lessons, practices that have led them to success. Both have shown that flexibility and fast reaction to constant market changes has been the key for growth in this competitive sector. Both are an example of how Mexican companies could become global players. They share in common: devotion for quality, great flexibility, focus in your market, highly specialized workforce, cutting edge technologies, strategic alliance, and global practice. All these are indispensable practice that companies must follow for succeed in the global market. Many other companies could emerge in Mexico in the next years with incredible growths and global penetration. Binbit and Softtek have given us a great example.

2. **IT INDUSTRY IN MEXICO**

The IT industry is very diverse and covers a lots of different subindustries since telephone operators, software developers, outsourcing services, to mobile entertainment developers. To compare the advance of one country compared with others in the IT industry the most complete index is the World Economic Forum's Networked Readiness Index (NRI) which measures the propensity for countries to exploit the opportunities offered by the IT industry, it is published annually (Bilbao-Osorio, Dutta, & Lanvin, 2014). The NRI seeks to better understand the impact of IT on the competitiveness of nations. According to the report in 2014 Mexico did not consolidate their place in the ranking last year and fell 16 places to
reach 79 out of 144 countries that were included in this ranking. Despite some progress in expanding and modernizing its IT infrastructure and absorption by individuals, this is not enough to catch up with advances in other economies, and therefore Mexico fails to converge digitally with the economies more advanced. The cost of access to their existing IT infrastructure remains high, but the quality of its education system remains its Achilles heel where Mexico ranks 119 out of 144. Mexico has a serious problem to provide the country with the necessary skills required for a shift to a digital economy. All this results in low levels of IT use by individuals and businesses, despite the considerable efforts of the government to provide many of its services online. “In this regard, it is clear that government efforts to adopt technology and establish IT access centers for the population has not been reflected in a true information society, remain unmet because caU.S.l background elements such as low educational level, lower income and lack of transformation of the economy into higher value-added activities” (Larios, 2010).

According to Digital Statistic (2014), compared with the 81%, of the country population, of internet users of U.S. and 47% South America, Mexico has only 38%, almost similar to Centro America (34%), and the world average (35%). In social network Mexico participate 43% of the population, below U.S. (56%), and South America (44%), but above Centro America (34%), world average (26%). Mexico has an 87% of mobile users below U.S. (101%), and South America (124%), Centro America (89%), and the world average (93%).

Additional, Larios (2010) argue that Mexico has not been characterized as a producer of IT. The development of ITs is very heterogeneous. The Government efforts has not been reflected, they continue unaddressed caU.S.l background elements such as low educational level, lower income and lack of transformation of the economy in higher value-added.

Additionally, the percentage share of micro, small and medium enterprises in IT investment
has declined. Are large companies who increased their participation as users of ITs (Select 2003; AMITI, CANIETI, FMD 2006)

With regard to the production of IT industry has focused on distribution activities, services and development of custom software, losing important opportunities in content development, Internet applications, e-commerce and packaged software. Ninety percent of packaged software sold in Mexico is imported (ESANE Consultores, 2004). The bias towards distribution and services in the IT industry could be explained by the type of employment generated in the country, which seems to continue the trend towards low value added and cost-based, not knowledge, due to the low educational level. Seventy five percent of the employment in Mexico are in the hotels and restaurants sectors, wholesale trade, other services, and support services consistently from 1998 to 2008. Clearly, these sectors not directly correspond to the elite of the knowledge economy (Select, 2003).

However, there are Niches where Mexico has achieved an international presence. According to the prestigious A.T. Kearney's study of the top markets for locating offshore services, Laudicina, Peterson, & Gott (2015), examines the leading locations for IT outsourcing. India keep pace as the world leader, but other countries such as China, Mexico, Malaysia, and Poland are becoming attractive alternatives thanks to their skills availability, business environment, and financial attractiveness. India remains the leading choice for U.S. companies but Mexico is gaining ground, in 2014 ranking Mexico appears in fourth place. Mexico offers language skills, strong IT expertise, and both physical proximity and time zone similarities. India is leader in a wide range of IT services with more than 2 million of employees in this sector and it has strong English proficiency. However, employee turnover, wage pressures, physical infrastructure, and corporate tax rates are becoming a problem compared with China and Mexico. India has the world's
largest IT suppliers: Tata Consultancy Services, Tech Mahindra, HCL, Infosys, Cognizant, Wipro, besides international firms with a presence in India like HP, IBM, Accenture, and CSC; additional there are a lot of small players like IGATE, L&T Infotech, Mphasis, and Syntel, among many others. India's dominance of the IT outsourcing market will remain for the foreseeable future (Laudicina et al., 2015).

However Mexico is a fast growing player, with time zone advantage to attend Latin American, and North American organizations. Risks are also reduced by language and cultural similarities and NAFTA-facilitated economic alignment. Mexico's IT industry includes nearly 500,000 professionals, with low wage rates, and universities and technical schools that produce a steady source of new talent. Most major U.S. IT firms have established delivery centers in Mexico, with HP and IBM as leaders. Furthermore, Accenture, T-Systems, Tata Consultancy Services, Stefanini, Carvajal, and many more provide a strong competition. Softtek a 100 percent Mexican firm, is the Mexican leader and among the 5 top players. Neoris is other Mexican firm, subsidiary of Cemex, and an important global player in the outsourcing industry. Other global company in the IT industry, founded in Monterrey, Mexico is Intellego. Global Hitts is other Mexican company with strong global presence in the IT industry, specialized in software outsourcing. Mexico's labor cost are not as low as India, but for some buyers, proximity and service quality moves the balance in Mexico's favor. According to an infrastructure index (Stettler, Mirza, Ali, Mohal, & Jaiswal, 2014) Mexico has 4 points above India (3.7) but below China (4.5). In corporate taxes Mexico has an average 30% tax rate, below India (35%), but above China (25%). However, in interest rate trend comparing 2012-2014. Mexico has the advantage over India and China. In Mexico the interest rate declines from 4.5-3% and had performed better than China (6.5-6%), and India (8.5-8%).
Other important niche of the IT industry where Mexico has excelled is The Mobile Entertainment. This industry is very new compared with other industries, mobile phones begin to penetrate all countries and social level just some decades ago. Besides, technology allowing videogames, music, and movies through mobile phones has been in place just some years ago. According to the Mobile Entertainment Forum (MEF) ², mobile entertainment includes a range of sub industries associated with mobile phones. The division is subjective and constantly adjusting, but can include purely leisure activities, music, playing games, communications, social media, instant messaging, and activities which could also be defined as mobile commerce. According to Transparency Market Research, (2015), the key growth drivers for the mobile entertainment market include the continuous rise of smartphone users and the consequent rise in applications download. The market is expected to reach $54 billion in the year 2015. The segments of music, mobile gaming and social media are the fastest growing segments of the mobile entertainment market. Other top segments of the mobile entertainment market include mobile personalization, mobile TV, and access to premium content.

The market finds major brands that are ready to invest in it due to the growing number of consumers accepting the mobile entertainment platforms in rich media content. It’s difficult to make a ranking or compare companies since inside the mobile entertainment industries has a lot of subcategories. Furthermore, it’s worthy to mention that many of these companies has few years of life and the life turnover is high besides that are a lot of merges and takeovers in the industry. But the key players that dominate the mobile entertainment

² MEF is the global trade association for the companies wishing to monetize their products & services via mobile phone. http://www.mefmobile.org
market at the moment are: Apple, AT&T, Vodafone, Android (that belongs to Google), Blackberry, and Motorola Droid (Transparency Market Research, 2015).

However the ME-Adwards focus more on the mobile entertainment service subindustries making categories like: games publisher, operator, D2C service providers, developer of a consumer app, developer of an enterprise app, video service provider, music service provider, gambling entertainment, adult entertainment, social games service provider, best games monetization service, cross-platform tools provider, among others. Since many of this companies are private, do not disclose sales or financial information, and furthermore usually there work in many of this fields is not easy to compare or rank by category. We will just mention some of the companies that have distinguished (taking into account the ME-Awards): Unity, Samsung, O2, Gameloft, Golden Gekko, Saffron Digital, Spotify, Betfair, Cherry Media, Boostermedia, Tapjoy, Bango, Dotmobi, Inmobi, Amobee Pulse 3d, and Comscore, among others. However within the Distributor-to-Consumers (D2C) service providers’ category key world players with presence in Mexico and Latino America competing directly to Binbit are: Neomobile Commerce, IGN (subsidiary of J2 Global), Buongiorno (subsidiary of NTT Docomo), Zed Co., Acotel Interactive, among others. Despite the strong global completion in the IT industry, some Mexican companies have managed to position itself and building on their strengths to become important figures worldwide.

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3 The ME Awards is one of the biggest and recognized events in the industry calendar, bringing together mobile content execs to celebrate the achievements of the past year. http://www.me-awards.com/
### TABLE 1:
**INDUSTRY LEADERS**

<table>
<thead>
<tr>
<th>Top world leaders</th>
<th>MOBILE ENTERTAINMENT</th>
<th>OUTSOURCING Revenue in million USD</th>
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<tbody>
<tr>
<td>Apple,</td>
<td>224,340</td>
<td>Tata Consultancy Services 982,050</td>
</tr>
<tr>
<td>AT&amp;T,</td>
<td>132,990</td>
<td>Tech Mahindra, 226,210</td>
</tr>
<tr>
<td>Google,</td>
<td>69,610</td>
<td>HP, 108,280</td>
</tr>
<tr>
<td>Vodafone,</td>
<td>65,500</td>
<td>IBM, 86,910</td>
</tr>
<tr>
<td>Motorola Droid,</td>
<td>5,880</td>
<td>HCL Infosystems, 62,700</td>
</tr>
<tr>
<td>Blackberry,</td>
<td>3,030</td>
<td>Accenture, 30,940</td>
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<tr>
<td></td>
<td></td>
<td>Cognizant Tech., 10,750</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Computer Science Corp., 12,170</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Infosys, 8,830</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wipro, 7,530</td>
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<table>
<thead>
<tr>
<th>Competitor s in Mexico</th>
<th>Buongiorno subsidiary of NTT Docomo</th>
<th>35,380</th>
<th>HP, 108,280</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IGN subsidiary of J2 Global</td>
<td>626</td>
<td>IBM, 86,910</td>
</tr>
<tr>
<td></td>
<td>Binbit, na</td>
<td></td>
<td>Tata C S, 982,050</td>
</tr>
<tr>
<td></td>
<td>Neomobile Commerce, na</td>
<td></td>
<td>Accenture, 30,940</td>
</tr>
<tr>
<td></td>
<td>Acotel Interactive, na</td>
<td>67</td>
<td>Softtek (1), 505</td>
</tr>
<tr>
<td></td>
<td>Zed Co., na</td>
<td></td>
<td>T-Systems (2), 10,406</td>
</tr>
<tr>
<td></td>
<td>Intellego (1), 142</td>
<td></td>
<td>Stefanini (3), 913</td>
</tr>
<tr>
<td></td>
<td>Global Hitts, na</td>
<td></td>
<td>Carabajal, na</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Neoris, na</td>
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<td></td>
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(1) Estimated revenue for 2013 by CNN Expansion (2015b), exchange rate MX 13/usd
(3) Disclosure by the company http://www.T-systems.com, exchange rate €1.21/usd
Note: The revenues are from the holding and are not desegregated for subsidiaries or for Mexico.
Na= not information available, private companies.

### 3.BINBIT

a. The leader in the mobile entertainment services

Binbit is a company that born with an international vision. The key for its success has been the key alliance and acquisition. They allay with the key providers of contents since the top musical companies, games developers through the most famous Football teams. But additionally, not only they allay with the best mobile phone operators but with the best
providers of technology, browsers, etc., for achieve a very efficient operation. Binbit have shown to the Mexican firms that through alliance and a high efficient operation and focusing in the right markets for your product an efficient global operation could be developed in few years. A globalization of more than 60 countries, 5 continents in 10 years is achievable.

Binbit is a company in the IT industry and its mission is to provide an entertainment focused to mobile operators, media groups and end users service. Its business model is based on a solid network of suppliers and alliances, including the four major record companies in the world: Warner Music, 2009; EMI Music, 2009; Sony Music, 2010; and Universal Music, 2012. According CNN Expansion (2015b) ranking, Binbit is the most international firm in the field of IT of Mexico and is number 12 of the top 100 global companies in Mexico, after giants like American Movil, Cemex, Alfa, Bimbo, Mexichem, FEMSA, Nemak, Grupo Mexico, Gruma and Mabe, all with greater antiquity and company size. Binbit do not disclose neither financial statements nor sales but they disclose total message processed, following this information we can appreciate the exponential growth that the company had in his first life decade (See table 2). According to Esthela Silva, Corporate Communication Director, at June 2015, Binbit has offices in 31 countries, provide services in 61 countries, mainly in Latin America, Africa, Eastern Europe, and Asia, has sent more than 12 billion messages, and has alliance with 98 mobile carriers.4

Binbit provides services through which the consumer can enjoy a broad portfolio of content for his mobile phone. In music Binbit has a portfolio of ring tones, real tones also consumers can download content from the four major record labels worldwide, as well as the most successful local suppliers. It also offers music videos, funny videos and video

4 Interview realized by the author on July 9, 2015
clips for adults. In the area of games and applications Binbit offers a catalog of over 3,000 popular games, and JAVA applications. Binbit end user subscribes to a club that allows access to content (Binbit, 2015). Achieving these partnerships with major mobile operators in the world Binbit has not been easy, for the same reason Binbit has to innovate, make a constant search for new business opportunities, products, markets, and strategies. The company has had the ability to identify opportunities for internationalization in a climate of learning. Furthermore Binbit has had sensitivity to the demands of different international markets, its Chairman and founder Antoni Muntaner states, “Binbit has proved to be an excellent business partner through its capacity for innovation and constant seeking opportunities to reinvent itself” (Businesswire, 2014c).

Table 2  BINBIT GROWTH

<table>
<thead>
<tr>
<th>Year</th>
<th>(messages processed)</th>
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<tbody>
<tr>
<td>2005</td>
<td>20000000000</td>
</tr>
<tr>
<td>2006</td>
<td>40000000000</td>
</tr>
<tr>
<td>2007</td>
<td>60000000000</td>
</tr>
<tr>
<td>2008</td>
<td>80000000000</td>
</tr>
<tr>
<td>2009</td>
<td>100000000000</td>
</tr>
<tr>
<td>2010</td>
<td>120000000000</td>
</tr>
<tr>
<td>2011</td>
<td>140000000000</td>
</tr>
</tbody>
</table>

By the author, based on Binbit Webpage information www.binbit.com

Following the leadership of Muntaner, Binbit is one of the leading publishers of entertainment, D2C, of the world achieving many international recognitions. Binbit has
received the nomination for best D2C of the world by Meffys 2009, and ME 2010 (Binbit, 2009a, 2010). Muntaner has a real passion for his work and has an innovative and creative vision for the company. He is also advisor of Kitmaker, Vox News among other companies and an impeller of relationships between suppliers, carriers and content developers in the Americas and around the world. He is also a fervent promoter of the development of Mobile-Commerce. Under his direction Binbit has achieved an impressive worldwide growth and strategic agreements, alliance, and acquisitions. “The negotiation power and the trust generated by Binbit have been the keys to multiply the number of agreements the company has with the most important mobile operators in the world,” Muntaner. (Binbit, 2013)

According to Silva, the main success factors of Binbit are: “a highly specialized workforce committed to implement effective online promotion and developing digital marketing strategies; constantly developing and acquiring cutting edge technologies; a specialized company branch that develops contents focusing on entertainment with the latest programming languages; partnership with some of the most important worldwide content providers and carrier; a global structure that allows Binbit to share best practices worldwide; operation oriented to customer care and satisfaction; marketing area that develops and optimizes our own media campaigns; office branches in 31 countries that develop strategies and actions to implement and adapt our global initiatives; an expert in-house design team, which develops high impact creative work adapted to local needs; Intelligent Offices at countries where a specialized Binbit team coordinates with sector suppliers in a direct way; it’s driven on collaborators that develop and liberate their audacious and innovative ideas; finally, operational excellence is based on the slogan: There is just one way: be the best.”
The globalization process in Binbit has been very fast and successful. One of the key points in this process is to find the right people for each region. Silva comments: “When we began operations in a country, we try to make alliances with operators through a commercial director. Also, however, we have established offices without a commercial director. In such cases, after formalizing an alliance, we focus on finding the manager who can make the best deal with customers and office.”

Binbit has largely succeeded in entering markets worldwide. However, this globalization process has not been free of challenge. Silva comments that they had to leave behind some countries like the United States, due to government regulations. Furthermore, Silva comments that the main problems for globalization have been: “Cultural barriers on every continent and every country, we need to adapt to the infrastructure and the marketing decisions that every country demands. The time is a significant factor for the realization of partnerships with content providers, the opportunities depend on where the negotiations are conducted. Constant improvement of the technological capacity, adapting to the market requirements. Finally, a big challenge is the difference in government regulations in every country they work.”

For overcome these difficulties, Silva comments: “Our key is to detect what is the crux of the situation in each market; we collect ideas, select carefully the best, and then incorporate to the strategic plan in order to provide better service targeted to the needs of each country. Perseverance has been a key to the success we have had in most countries where we operate. We do this work in team, based on the achievement of common goals.”

Global market is very volatile, and technological change is increasing faster, currently, Mexico, Argentina, and Thailand are the more success countries achieving the higher volume of customers. “However, as the mobile entertainment business changes rapidly,
each year highlights a new country with the highest volume and success, compared with others,” comments Silva.

To penetrate in all the continents Binbit has sought for markets little exploited by worldwide industry, but with large growth in demand for cell phones, as has been the case in Latin America, Southeast Asia, Poland and Russia, where unlike to the European or U.S. and Canada market, mobile telephony has not yet reached the stage of maturity. It has also sought to concentrate on the volume as in the Philippines and Thailand. However it has had the flexibility to adapt to smaller markets where competition is higher and have had to focus on to cover only certain segments, such as in Singapore. Binbit also has been known for its ability to detect markets where major phone operators have grown and consolidated their networks, motivating this increased competition, which in turn causes a drop in prices and increased use of more complex services, via mobile devices, as in the case of Serbia.

Another major challenge has been the cultural differences. Binbit have had the sensitivity to understand the culture and tastes of each nation, as in the case of Arab countries where there are huge cultural obstacles because users generally prefer local content and are very sensitive to religious aspects and international politics. This is a notable difference from other parts of the world where tastes are similar and where an artist can succeed in various countries within a region, such as Latin America. This is generally not the case in the Arab nations. Binbit has followed a flexible strategy, adapting to the regions and cultures. Binbit is an example of young, international, innovative firms as his Chairman, Muntaner, states “Binbit, is part of new generation of Mexican companies that base their competitiveness in the new technologies and new global trends,” (Businesswire, 2015).

b). History
Antoni Muntaner, founder and current Chairman of Binbit began operations in Mexico in 2005 with José Luis Gralla co-founder, and CEO of Binbit. Both are the main shareholders. Gralla has been responsible to open, operate and manage the worldwide network of offices of Binbit. Muntaner and Gralla had directed and negotiated, the main acquisitions of Binbit around the world. “Since the beginning they (Muntaner and Gralla) had clear where they wanted to go: To be a world leader in sales of mobile content. For this reason, they planned from the start push Binbit worldwide; to achieve this goal they sought and explored new forms of business that are tailored to the economic development strategies of different countries” commented Silva.

Its strategy was begin with Latin America through acquisitions and strategic alliances. In the same year they acquire Nikter from Uruguay, this acquisition was very strategical because they appropriate its technological platform. In 2006, Binbit opened its first international office in Panama. They choose Panama because “it is a mature value-added services country and a small market that allowed us to learn without much risk,” comment Silva. Between 2006 and 2009 Binbit achieved a rapid expansion in Latin America entering to Nicaragua, Guatemala, Costa Rica, El Salvador, Colombia, Bolivia, Ecuador, Paraguay, Argentina Peru, and Chile. In 2007 they began operation in U.S., and they acquire Cash Investment Group in Panama and Atinco in Colombia. In 2008 they continue the acquisitions program buying Easylabs S.A in Uruguay, Easytel El Salvador and Tecnova Guatemala (Binbit, 2008).

This rapid expansion was perceived by the Mobile Entertainment Forum (MEF) that in 2009 nominated Binbit in the category “D2C Service” of its prestigious awards Meffys 2009, one of the most recognized awards in the industry of mobile entertainment. This award counts among its jury with analysts and journalists of great recognition. To be
awarded the firm need to be an innovator in the mobile market both in the technical and
creative sense and commercially. Binbit, in 2009, already was the leader in mobile
entertainment in Latin America with publications in the most prestigious magazines,
newspapers and television channels, reaching over 20 million users monthly. Gralla,
declare: “Being nominated at only three years at the market next to such great companies in
the mobile entertainment industry is a huge incentive to continue with the commitment of
providing top-quality mobile entertainment” (Binbit, 2009a).
After consolidating a strong position and leadership in Latin America, lately in 2009, Binbit
also decided to go to Africa and Southeast Asia through two key acquisition: the firms
Atinco of South Africa and ACME Mobile (AMOB) in Singapore, with this two anchors
they expanded its operations to Niger, South Africa, Kenya, Tanzania, in Africa and
Singapore, Thailand, Malaysia, Indonesia, Philippines and Vietnam in Southeast Asia. In
the case of Philippines, Binbit after its launch had above 800,000 subscribers and in the
case of Thailand, had above 200,000 subscribers (Nieto, G., 2011). Latino America, Africa
and Southeast Asia was not enough, at the end 2009 Binbit begun the expansion to Western
Asia entering to Saudi Arabia. Additionally this year Binbit signs exclusive agreements
with international leaders in the music firms like, Warner Music, EMI Music, the press firm
Associated Press (AP) and adult entertainment firm Playboy. With this agreements the
portfolio of products and services of Binbit was enriched significantly. Additionally in
2009, the Annually, Mobile Entertainment publishes its Top 50 Executive list in recognition
of the outstanding senior management (ME’s Top 50 Executives List). Antoni Muntaner,
Chairman of Binbit, was selected one of the most important people in the industry.
Muntaner said: “I feel truly honored and grateful for being selected part of this
distinguished list and I would like to express my deepest gratitude towards Binbit staff
because without their support and commitment this accomplishment wouldn’t be achieved” (Binbit, 2009b).

To celebrate its first five years (2010), Binbit increases its operation in Latin America beginning operations in Honduras, Uruguay, and Dominican Republic. This year Binbit reaches its first 1 billion messages (1,000,000,000) processed and signs exclusive agreement with music Sony Music. More international recognitions appear this year, this time the “ME Awards Prizes”. This are granted by the Mobile Entertainment Magazine within the mobile entertainment industry, and have become a very valuable prize. Binbit in 2010, earned a nomination in the category of Best D2C Company, chosen by a panel of judges, consisting of more than 400 executives from all companies related to mobile entertainment (Binbit, 2010).

A year of great success and true global presence for Binbit was 2011; in February, Binbit is a main player at the Mobile World Congress and host for the MEF Connects Party at the Picasso Museum, in Barcelona. In June, the processing of 3 billion messages is achieved, an impressive figure considering Binbit’s relatively short age. Furthermore, during this year Binbit increases its presence in Latin America with Brazil, in Asia entering to Hong Kong, and Sri Lanka, and initiate its presence in Oceania entering to Australia and New Zealand. Besides for consolidate its presence in Asia in August Binbit acquire Forest Media International in Indonesia, a Premium SMS solutions provider based in Jakarta (Binbit, 2011b).

At only 6 years of begin operation Binbit had an operation spread over the world and data management and analysis is becomes more critical and key process of the organization. It was critical to ensure that decision makers across a globally dispersed organization can obtain precise and on time information to improve their financial performance. Since the
beginning Binbit has a vision to operate with complete sophistication. To make this vision a reality, volumes of data about consumers and their responses to advertisements across multiple geographies is needed to be analyzed. With the volumes of data growing exponentially, Binbit built a My SQL data warehouse, selecting Microstrategy for its business intelligence reporting tool and choosing to Talend company for its data integration solution.

At 2011 year, 11 million records from the company’s database are integrated to its new My SQL data warehouse and then into Microstrategy’s tool, all through Talend. Approximately 100 users across different geographies and departments analyze the information to spot trends on which ads are working and how those ads can be applied to more regions. In addition, the finance department leverages financial data to forecast future revenue. The use of Talend is gradually eliminating the manual process of integrating data. “Talend has automated a time consuming and manual process of integrating 11 million records of valuable customer information from our My SQL database into Microstrategy’s business intelligence tool for trend analysis,” declare Eduardo Paredes, Business Analyst at Binbit (Binbit, 2011a).

In 2012, CNN Expansion named Binbit the most international Mexican company in the categories of “Mobile Entertainment”. Only with 7 years of operation already had a presence in 36 countries and over 750 million users, more than America Movil (Gasca and Nieto, 2013). In the same year Binbit broadened its scope, its users and its contents and began operations in Bangladesh, Bahrain, Jordan, Kuwait, Lebanon, Pakistan, Palestine, Qatar, Syria and Iraq.

5 Talend Co. is a worldwide company leader in open source software, providing data integration, data management, enterprise application integration and big data software and services. www.talend.com
Also in 2012 Binbit in order to increment its network and its portfolio of services launched new “Promoswap” in more than 60 networks. Promoswap is a place where small business owners can swap promotional materials. Firms should consider the type of audience or customers they have and consider what they want to see or hear. Then ask for promo materials that they feel would appeal to their audience or customers. If they meet that criteria, reply and you can arrange a swap from there (Promoswap, 2015).

Additional, Binbit signs exclusive agreement with the music firm Universal Music and include the service of “Load and Cash $” with major Latino American carriers. Make online marketing campaigns with over 110 networks. All these actions together led Binbit to reach the 6 billion messages processed in 2012.

In 2013 Binbit consolidate presence in Africa and Middle East and begin a penetration to Eastern Europe entering to Ghana, Egypt, Nigeria, Cyprus, United Arab Emirates, Yemen, Oman, India, Serbia, Russia, Croatia, Albania, Bosnia and Herzegovina, Montenegro, Macedonia and Bulgaria. From March 2013, Binbit launched new website in Arabic to meet the needs of a growing subscriber base in the Middle East and start expanding their business operations in the region, focusing its efforts by offering its subscription service for ringtones, games, wallpapers and screensavers mainly. In April 2013, as part of its globalization strategy Binbit signed an agreement with Panama Music Corporation, by which the supply of Panamanian record company with famous artists such as Aldo Ranks, The Factory, Niko King, Makano and The Original, joined part of the portfolio of content of Binbit for Latin America.

Besides in 2013, Binbit create the Club U+ to reach 9 countries (Nicaragua, Panama, Peru, Colombia, Ecuador, Guatemala, El Salvador, Uruguay and Mexico). This Club U+ is part of the agreement with the firm Universal Music and represents the creative collaboration
effort to provide special products to the subscribers throughout which Binbit distributes Universal Music Latin America’s exclusive content. Muntaner comments "Strategic alliances of this type sum up experiences and expertise, especially in areas in which each one of the companies has great strengths, to begin with, the possibility of Binbit to reach nearly 750 million users of the 64 carriers with which we have agreements, and the reputation and quality of Universal’s products”. Besides, Club “U+” will reward the loyalty of its subscribers with special promotions, which aim to bring famous artists closer to their fans (Businesswire. 2013b).

Also in 2013, Binbit launched their websites in Polish and Russian to directly meet the needs of its subscribers and corporate clients based in those nations. The site is active since April, both ready for entertainment subscription service in Poland and the Russian Federation. Additionally this year, Binbit increased its partnerships with operators around the world, growing its network of from 64 to 77 telecommunication companies, increasing the universe of mobile users who can offer their services from 750 to 839 million; total of 9 operators in the Middle East were added in as strategic partners. In July 2013 they signed contracts with Orange, PLAY, Plus GSM and T-Mobile, the four leading mobile phone companies in Poland to offer its subscription service in this country. Together, the four companies have 54.8 million subscribers to whom the Mexican company offers its exclusive content on the topics of games, ringtones, wallpapers and videos. Binbit operations in Poland mean betting on a market where demand for content grows in an accelerated manner because unlike other European markets, the mobile phone still does not reach its mature stage (VOXs News. 2013).

In December 2013 Binbit began operating its office in Belgrade, Serbia, to coordinate their trade promotions throughout the Eastern Europe, strengthening operations in Poland and
Russia. Muntaner declare, "Binbit comes to Serbia at a special moment because in recent years the major phone operators have grown and consolidated their networks, this has led to greater competition, which in turn has led to a drop in prices and increased use of information via mobile devices" (Businesswire, 2013c).

Operating in 5 continents is a big challenge, an adequate technological backend has been fundamental to achieve Binbit worldwide growth. This is why the company values and seeks out the best technology partners that further contribute to its innovation process. Muntaner explain that “As we looked for a U.S. based colocation partner, we found that Data Foundry’s Texas 1 data center was an excellent strategic choice for us…we not only have access to a world-class data center, but by utilizing their Managed Internet solution we also have tremendous network access that allows us to reach every corner of the globe,” (Businesswire, 2013a). In addition to Data Foundry’s Colocation services, Binbit is taking advantage of the company’s Managed Services. These services help Binbit effectively manage their IT infrastructure 24x7x365 from their corporate headquarters in Mexico. Additionally, in 2013 Binbit made a strategic alliance with Opera Software Company. Opera is one of the world’s leading mobile browsers, with users on all mobile platforms. Opera’s browsers are also available for computers, tablets, TVs and other connected devices, including smartphones. Opera has more than 300 million users throughout the world. Through this agreement Binbit’s products and services was integrated into the Opera Payment Exchange (OPX). Thanks to Opera integration with Binbit, Opera users are able to buy digital goods and services easily and securely on their mobile devices, through direct carrier billing in the more than 35 countries worldwide where Binbit offers its mobile entertainment services. This alliance improve the operation and administration of Binbit services.
In 2014 Binbit keep growing its penetration in Eastern Europe and Asia entering to Slovenia, Kyrgyzstan, Kazakhstan, Azerbaijan and include in its portfolio of services new services like “Parking Movi”, and “Global Movie” making its portfolio of product and services more diversified. This year Binbit reaches 12 billion messages processed, the quadruple of 2011, just in three years. In February of that year Binbit bought CellCast in Lebano, which became its Middle East division. Pascal Dufour, CEO of CellCast now Binbit Middle East, stressed the great opportunity that the Arab countries represent and the challenges that the group faces in the region. “There are huge cultural obstacles in the Arab countries, as users generally prefer local content. This is a great difference from other parts of the world, such as Latin America, where an artist can succeed in various countries within a region. This is generally not the case in the Arab nations” (Businesswire. 2014b).

In the same month, Binbit has been a promoter of development within government and the IT industry and participated with ProMéxico, (promotion agency of the Ministry of Economy of the Mexican Government) at Mobile World Congress in Barcelona, Spain, the most important forum on telecommunications worldwide. “This forum will contribute to position our country as a provider of information technology and communications services with the best quality. The trend is the mobility and Mexico is evolving to integrate the new world paradigm,” explain Andres Gandara, MWC coordinator for ProMéxico (Businesswire, 2014a). The event brought together 75,000 representatives of the mobile communications industry.

Binbit constantly looking to add content to enrich their offer fashion for all ages in August 2014 signed an agreement with FC Barcelona and in October 2014 with Real Madrid CF, both for the distribution of the contents of these famous Clubs Spanish Football exclusively through cellular and mobile devices in various regions of the world. The alliance with these
teams is done in the context of the negotiations that the company maintains with prestigious content providers in the world to enrich its portfolio, in all 40 countries of Latin America, Asia and Eastern Europe. This initiative will bring the presence of both teams at its followers, thanks to the global reach of Binbit. “We are very excited about the launch of this distribution project of digital content at international level. We have opted for this project Binbit hand, due to its high level of penetration in the international market, particularly in emerging and strategic countries. This has been the key detail for our Club, and we have to serve and reach all corners of the world to meet the needs of our members and fans,” said Didac Lee, director of Media and Communication Area, Head of New Technologies FC Barcelona (Reuters, 2014).

In 2015 Binbit achieved an alliance with the prestigious magazine Maxim⁶ which allows an exclusive offering of its contents. “At that same period, consolidates operations are affiliated in Africa launching Kenia, Nigeria, Tanzania y Ghana, and with growth plans in other countries in the region”, comments Silva.

Binbit is aware that the technological change, new products, and market trends in the IT industry move very fast. New competitors, merges and acquisitions among the big players changes the market landscape constantly. Keep the pace, competing in more than 60 countries is not an easy task. Great flexibility, adaptation and the best people is necessary.

4.SOFTTEK

a. The Mexican leader of outsourcing.

⁶ Maxim is an international magazine, devised and launched in the UK, but now based in New York, reaching nearly 9 million readers each month. Maxim Digital reaches more than 4 million unique viewers each month. Maxim magazine publishes 16 editions, sold in 75 countries worldwide. www.maxim.com
Softtek is an IT outsourcing global services company. It is a private firm that does not disclose financial or market information. However, Expansion magazine estimates the sales of 2013 in approximately $505 million dollars, with an increment of 13.9 percent over its estimated sales of 2012 (CNN Expansion, 2015a). This places Softtek as the 247 largest company of México, with more than 9,000 employees at April 2015, according to Gilberto Romero Marketing Director of Mexico. Furthermore, Softtek, according to CNN Expansion (2015b) ranking is the second more international firm in the field of IT services of Mexico and is the number 15 of the top 100 Global companies in Mexico. At May 2015 the company had 35 offices: Mexico (8), U.S. (3), Canada, Costa Rica, Puerto Rico, Argentina (2), Peru, Uruguay, Brazil (3), Chile, Colombia, Paraguay, Venezuela, Spain (2), United Kingdom, Netherlands, China (3) and India in total 18 countries. Also has 12 Global Delivery Centers (GDC): one in the US, Mexico (4), Brazil (2), Argentina, Spain, China (2), and India. Throughout its 33 years of life Softtek is a preferred services provider for several Fortune 500 companies, and has been recognized by various organizations and industry analysts as one of the IT companies most important of Mexico and the world.

Softtek offers services for IT platforms, design, and test solutions. Its service models include delivery on-site, on-shore and it’s trademarked Global Nearshore. Softtek has focused its service offering primarily to: financial services firms; governments; and in general for the industry offer services like: system integration company information (ERP); management and measurement of effective customer relationship management (CRM); and analysis and integration of information (BI) among other service (Softtek, 2015).

According to Romero Softtek always deliver services of high quality, focusing on high value projects, having personal highly trained, and process very efficient. Romero sustain

7 Interviewee by the author, realized April 27, 2015
that the main factors of the company success has been: always think as a global company and able to compete at all levels; unique corporate culture; focus on the human element and talent as the core of the organization; continuous innovation; good financial health. All this has been rewarded with the highest certification in this industry the CMMi Level 5, becoming the first Latin American company to obtain it. Furthermore, in 2006 and 2007 the firm was listed in the “100 Best Companies”, by Global Services. Additional Softtek has been the only Latin American company included in the “Magic Quadrant” for two years, 2006-2007. Softtek has achieved many other important distinctions as the consequence of its strategy and its high quality services.

Softtek is playing an increasing role as large organizations move to a more diversified, multi-sourcing model, and the company has seen a 35 percent annual growth rate in the past years, declare Beni Lopez, the CEO of Softtek U.S. division. Softtek has operations, GDCs, in Mexico, Brazil, United States, Argentina, Spain, China, and India. Despite rising costs in India, Latin America still does not have wage cost advantage over India or China. Latin America's primary advantage is geography: It lies in the same time zones as North America, making collaboration and communication with support staff easier. Softtek China operation, although 60 percent is for local clients, may support projects in other countries, “there will always be work that can't be offshored easily and China wants more software” say Lopez (Mitchell, 2007).

According to Romero, in May 2015, approximately: 40% of Softtek revenue is for MNEs from U.S., and this clients are attended mainly with the GDC from U.S., with 500 employees, and with the four GDC in Mexico. Softtek in Mexico has 6,000 employees approx., 3,500 are attending U.S. MNEs and 2,500 Mexican firms. In Mexico are concentrated 27% of the company revenue. Brazil has 2 GDC with 1,000 employees, they
attend Brazilian firms with the 25% of Softtek revenue. In Argentina they had 1 GDC with 700 hundred employees, 3% of the company revenue, and attend MNEs in the rest of Latin America excluding Brazil. Spain has a GDC with 200 hundred employees and 2% of the company revenue. China count with 2 GDC, with 500 employees, and 2% of the company revenue. 60% of them are devoted to Chinese firms and the rest to support MNEs of other countries mainly from U.S. Finally, they new acquisition of Softtek, the GDC in India with 400 employees, currently with 1% of the company revenue, but expectations of strong growth in the next years. Summarizing, the GDC of U.S. serve exclusively at the American firms. Mexican GDCs attend the Mexican firms and U.S. MNEs. The Brazil GDCs attend Brazilian companies. Argentina attend the rest of Latin America. Spain attend Europe. China GDCs attends 60 percent of Chinese clients and the rest MNEs of other countries. The reason why do not correspond the number of employees with the country income is because much of global customers are billed in US headquarters independently of where they were attended. United States MNEs request Softtek to attend their facilities in other countries by a closer GDC, that is the model called by Softtek “follow the sun” and serve the MNEs at the same time at the GDCs in Mexico, Brazil, Argentina, Spain, India and China.

Softtek has very clear that they cannot compete, directly against the huge Indian outsourcing companies in cost, but it is possible in services speed and quality. They focus in valuable projects. One of its key advantage of Softtek model is its operation management. More than a rigid pyramidal structure, with the CEO on the top taking all the decision, Softtek works like an umbrella of divisions. Softtek is a network of independent working units. This provides the flexibility to entry fast to new markets, new services or products. According to Romero there was no strategy summit of the company on how they would go
global. Softtek encourages its employee’s initiatives and many projects had flow from the bottom to the top of the company. Jose Tam former director of Peru office declare: “definitely the main factor for the rapid international expansion of Softtek was the empowerment and entrepreneurship encouragement the Softtek give to all its employees and business units.”

About Softek organizational approach Blanca Treviño declare “Softtek began, rather than a company, as an umbrella for separate business units, that is, each shareholder focused their efforts toward different goals: one focused on the customer, in other technologies, others by industry, etc., as which allowed these cells could provide a specialized business approach to each market” (Corona O. 2009). Currently, the organization is led by a global corporate and the President and CEO Blanca Treviño. Then, the firm management is divided by regions according to geographies and sizes. Thus, there is a CEO who manages the North American market composed of U.S. and Canada. Mexico and Central America are conducted like other area with its own CEO, other division is Spanish South America and Europe with its CEO in Spain. Brazil, China and India are managed as unique markets and each has its own CEO.

Other important factor of success for Softtek has been his policy of follow the client. They are very sensitive to attend the needs of their customers. Wherever its custumers go: Europe, South America or Asia, Softtek is there for provide an excellent service delivery on time. Softtek develop its strategy “following the sun” for serve its clients wherever they world they are. Softtek registered “Nearshoring” to emphasis its clients, “we are close to

8 Interview by the author realized July 8, 2015

9 Interview with Nayeli Acevedo from Softek Public Relation department by the author realized June 6, 2015.
you”. Devotion to quality, flexibility in its operations and follow the customer needs has been the main success factors of Softtek, currently the leading Mexican outsourcing company in Mexico and one important global player. According to the CEO of Softtek, Blanca Treviño, the key factor of success has been to work in value projects. “Since day one, we have been very focused on our target market—Fortune 50 and Fortune 100 companies—and have made it clear that we want to compete on value. From then on, the kinds of investments made to meet that goal have been very important. In Mexico, when we really started becoming a leader in our field, our success was more related to the way people perceived us in terms of handling projects. They saw us as a company that could deftly handle ambitious, complex projects.” (Haneine, R., 2015).

b) Softtek History

The beginnings of Softtek date back to 1982, founded for a group of five former employees of Alfa Group headed by Gerardo Lopez, Blanca Treviño, among others. Gerardo Lopez was the first director of Softtek until 1999 when he leave the company. Blanca Treviño was appointed in 2000, since then she has been the company CEO. Blanca Treviño current President and CEO of Softtek has positioned the company as a key player for Mexico to open its doors to the United States as a provider of IT services. Shaping what is now known as Near Shore, term widely used in the industry to define outsourcing services provided from nearby countries. Treviño is a member of the Board of Walmart de Mexico since 2006 and was recently invited to join as a member of the board of Goldcorp. Also, she is member of the Board of the Tecnologico de Monterrey and other Universities and Civil Associations. Furthermore, it has become a frequent speaker at national and international forums related to entrepreneurship, IT and the role of women in business. She has
participated in forums at the World Bank, Inter-American Development Bank, Kellogg School of Management, Harvard Business School and London Business School. Originally from Monterrey, Mexico, she studied Computer Science at the Tecnologico de Monterrey. The company has lived since its inception a rapid growth, for the year 1988 already had 100 employees. In 1994 it became an international company opening its first office in Brazil. In 1996 the company had 1,000 employees. Romero declare “at the beginning Softtek begin to attend the largest Mexican companies such as Alfa, Xerox, Aurrerá, Bancomer, Superama and Somex competing against the leading consulting firms like IBM and HP. After 3 years the company had penetrated to Mexican companies nobody bet they could. At that point they decide broaden their scope to the Multinational Enterprises (MNEs) operating in Mexico. Working with these MNEs gave Softtek a global vision and decision to become an international company, starting serve American MNEs around 1986”.

Softtek began attending U.S. MNEs in Mexico however its first international office was in Brazil at the initiative and vision of one of its employees. Brazil had a very large domestic market that was not properly served and supported. At the beginning Softtek send Mexican employees to serve Brazilian companies and subsequently hired Brazilian employees. Currently, Softtek has two GDC in Brazil devoted exclusively to attend Brazilian customers, this is because the language, the higher costs due taxation, and labor cost. Brazil project has been very successful, at May 2015, it’s the third highest revenue country for the company, after U.S. and Mexico, with approximately 25 percent of the company revenue. The entrance to the Chinese market follow a similar path, it was initiative of one of his partners. However the foundation of the office and GDC of Spain and Argentina followed a
different path. One of the important clients of Softtek open facilities there and ask to Softtek to support them on-site.

In 1997 Softtek registered “Nearshoring” as a form of outsourcing that relates to services provided from a center in close geographic proximity. With this characteristic of outsourcing and competing mainly with India. Softtek creates its first GDC in Mexico, the first of its kind in Latin America offering the following competitive advantages: lower travel costs, time zones advantage, highly skilled and talented workforce, lower political risk, IT infrastructure comparable, significant reduction in dropout rates. With this GDC Softtek began to serve the United States. In the same year they opened offices in the United States, Venezuela and Argentina. In 1998 they opened the office in Colombia and created its first GDC in Latin America, located in Brazil, and years later open the GDC in Argentina.

With this infrastructure, Softtek consolidate a strong presence in the Mexican, North American, Central American, and South American market.

In the 21 century, after Blanca Treviño was named president and CEO of the company, a new momentum toward international projects become part of the firm philosophy. On 19 December 2003, Softtek announced an agreement with General Electric (GE) to acquire GE’s GDC in Mexico, including a U.S. subsidiary, GE Ddemesis. The assets and approximately 450 employees will be transferred to Softtek's Near Shore Services unit, which also services GE through its GDC in Monterrey, Mexico. The operation was for an undisclosed amount expanding its portfolio of applications and services by combining the capabilities of two strong players in Mexico. With this acquisition Softtek had in that year approximately 1,000 employees serving the US market (Terdiman R, 2003). In 2004 opened the first GDC in Mexico D.F. and years later, 2014, open Guadalajara office.
Mexico becomes the strategic core for attend the Mexican MNEs and the U.S. MNEs. At March 2015 Mexico has around 6,000 employees.

In 2006, Softtek entry Europe, specifically to Spain. This entry was following one of its client that require its services on-site. The firm founded its GDC in La Coruña, Spain. With Spain as base, they begin to search for clients in the rest of Europe. The strategy for Europe is based on three pillars: the first is to increase the participation of its GDC in serving global customers of the company; second, provide to the Spanish organizations the cost and productivity benefits inherent in its service model Global Nearshore; the third is to increase penetration in the European market, using its presence in Galicia and Madrid as hubs and offices in the UK and the Netherlands as spellings offices (Softtek, 2008b).

Furthermore in that year, Softtek was named by “Global Services” as number one on the list of the 100 best companies in Global Services under the category "South of the Border". Rusty Weston, Editor in Chief of Global Services magazine mentioned “The company’s track record of delivery and performance, as well as its active role in creating alternatives to Asian centric sourcing, were some of the factors that lead us to select Softtek” (Softtek, 2007a).

Softtek has been one of the few companies outside India which has GDCs. In 2007, Softtek had 7 GDCs, 4 in Mexico, two in Brazil and one in Spain. All operating on a model of quality based on Six Sigma and CMMi level standards 5. Also in that year the company had more than 4,500 people, mostly serving markets in the United States, Latin America and Europe with a presence in 10 countries. Softtek opened in 2007 a GDC in La Plata, Argentina. Daniel Scioli, Vice President of Argentina presided the ceremony. This office was part of its expansion plan in Latino America (Softtek, 2007b). According to Romero they choose Argentina for the good quality of his universities, availability and low labor
cost. Since Brazil’s GDC was devote entirely for Brazilian clients, Argentina was created to attend the rest (Spanish speaking) Latino America.

The same year Softtek was included in the “Niche Players quadrant” by Gartner, Inc (Softtek, 2007c). In August, following the initiative of one of its partners for penetrate China market, Softtek acquired China’s, IT United, which in 2008 became Softtek Asia Company. Installing his first GDC of Asia in Beijing, China. This GDC has a cutting-edge access control and telecommunications infrastructure, including biometric identification devices, on-site 24/7 surveillance, triple redundant Internet connections and isolated network segments per customer. This expansion increased the capacity of Softtek in meeting the global needs of its clients through its Global Nearshore model.

Softtek Asia in 2008 operated in Beijing, Shanghai, Xiamen and Xi'an (Softtek, 2007d). “Since the union of these two teams (IT UNITED and Softtek) we continue receiving great enthusiasm from our clients,” says Cyrill Eltschinger, founder of IT United, who now serve as executive vice president of Softtek Asia and CEO of Softtek China (Softtek, 2008a).

Also in 2008, Treviño was again included in the list of "The 100 Most Important Businessmen of Mexico", published by Expansion Magazine. In 2009 Softtek opened offices in Paraguay and consolidated in the region. The company begun operations with seven clients. Paraguay was his third subsidiary in the Southern Cone, along with those already consolidated, Argentina and Chile, and from which other countries in the region such as Bolivia, Peru and Uruguay will be attended (Softtek, 2009a).

In July 2009, Softtek opened a new GDC in Wuxi, China. This was the second GDC in China and ninth globally and it was aimed at strengthening the competitiveness of the company in the industry of globalized services. This strategic reinforces Softtek's commitment to expand its operations not only in China, but also in its GDC’s in Mexico,
Brazil, Argentina and Spain. Equipped with access control systems, computers and telecommunications last generation, this new center, which in its first phase housed about 200 workstations, was designed to meet the needs of global enterprise customers. The government of the city of Wuxi Jiangsu province contributed to the project by providing highly competitive conditions. “The proven capabilities of our nearshore in Latin America and Spain for markets in the US and Europe, respectively, has been enriched with a greater presence in China. We can now provide the complete solution our customers demand for global outsourcing service needs,” said Beni Lopez, CEO of Softtek NearShore Services (Softtek, 2009b).

In 2010 Softtek opened new facilities in La Coruña, Spain (Softtek, 2010). From the new facilities of Softtek’s GDC in La Coruña, the company will continue to serve corporate clients of Spain, in addition to companies in the United Kingdom, Italy, Germany and France, which serves by its Nearshore model. Next year, 2011, Softtek was placed in the 38th position in the Global Outsourcing 100 list, which is compiled by the International Association of Outsourcing Providers (IAOP). “We are thrilled that in such a competitive industry we have achieved a position among the top 40 in the list IAOP's Global Outsourcing 100, for the third consecutive year,” said Treviño, additionally Michael Corbett, IAOP chairman comments “Companies included in the lists 'The Global Outsourcing 100' have proven leaders and rising stars…these are companies with which you want to partner with to achieve success and better results by outsourcing." (Softtek, 2011a). Having climbed two positions since 2010, this recognition adds to the achievements that the company has had over the past months, among these include the “Stevie Award For Women in Business” granted to Treviño, recognizing her as the “Best Executive in Latin America”; designation as a “Great Place to Work” in Argentina; and the
widespread recognition as a model of the IT industry that has been made by Humphrey, Over, Humphrey, and Over (2010) in their book.

In 2011 Blanca Treviño became the first woman to be introduced into the IAOP Hall of Fame. She has been named in "The Latin Business Chronicle" as one of the 25 most influential businessmen and marked as “Raising Star” by Fortune magazine in its special edition of the list of the 50 most powerful women in business. This rewards are thanks of the effort struggling against a context highly segmented with global and regional competitors. In 2012 year was 30th anniversary of Softtek and 15th of its GDC Argentina and In that year Brazil become the second largest market consolidating Softtek as an important technology partner for organizations as Monsanto, Mercedes Benz, VW, Quilmes, Sanofi, L'Oreal, Mortgage Bank, Zurich, Bridgestone, Bunge, Pluspetrol, Cencosud, OSDE, Techint, HP, Ecogas, EDET, among others. “We have been privileged to have the trust of many of the most important companies in the region, facing with them abundance cycles and cycles of uncertainty” said Trevino (Softtek, 2011b). Furthermore in 2012, Softtek acquire Mexico-based SCAi Company, a leading provider of specialized SAP-based industry solutions, and VTEC Group Inc., its U.S. subsidiary and for the third year in row was recognized by the Mexican Center of Philanthropy (CEMEFI) as “Socially Responsible Company.”

In 2013 Softtek offices in Beijing transformed into a “Enterprise Mobility-specific Center of Excellence” dedicated to meet the growing need for enterprise mobility solutions in Asia, from here, the company offers business solutions and interactive marketing for the Asian market in the major mobile platforms, including iOS and Android. According to the research study “Our Mobile Planet” (Our Mobile Planet, 2013), sponsored by Google,
Asian countries are leaders in terms of market penetration and the use of smartphones. China, moreover, is the smartphone market with the fastest growth in the world.

Softtek improving its services offer convert its Beijing office into an interactive design studio called Infinity 360. In this studio Softtek have done creative work of digital marketing for various global organizations in China, among which are: a German automaker, a multinational producer of consumer goods of Swiss origin and the largest independent global organization for the conservation of species, as well as for some national institutions such as hospitals Beijing United Family and the Government of Beijing. “The enterprise mobility services require a mix of user experience and design skills as well as strong technical development capability supported this solid services and a governance process”, said Bo Song, CEO of Softtek in China (Softtek, 2013).

Also in 2013, continuing its expansion plan, to cover all the world, Softtek ventured India, opening a GDC. The idea of the Indian GDC is support the rest of the centers with the projects of big volume and low costs, explain Romero. This way the firm can give MNEs the best service independent of where their offices are located and the time zone.

In recent years Softtek keep its pace toward the internalization of the firm, in 2014, inaugurated a new office in Colombia. With 15 years of history in the country, the Mexican multinational reinforcing its growth plans more spacious and modern facilities (Softtek, 2014b). Additional they also opened new offices in Guadalajara, Jalisco. The new facilities are part of the growth strategy of the company, which plan to convert Guadalajara office in a GDC (Softtek, 2014a). In 2014 Softtek again has been positioned in the Global Outsourcing 100 ranking IAOP this time on the 37th, as one of the best outsourcing provider in the world. This was the sixth consecutive year that Softtek is selected (Softtek,
2014c). Additional, Blanca Treviño received the Mexican government's “Woman of the Year” award that is given to those carrying out a work of social significance.

5. DISCUSSION AND CONCLUSION

Mexico is a country with low level in the world rankings in IT industry, however, two Mexican companies have managed to position itself among the best worldwide: Binbit and Softtek. Binbit had a clear strategy of globalization since the conception of the company. They made agreements with major content providers in the world and the largest mobile operators in each country where they were penetrating. They made acquisitions where it was more convenient to penetrate faster. They took advantage of the position of Mexico in South America to penetrate these countries later continue penetrating developing countries mainly in Southeast Asia, Middle East and Eastern Europe. Meanwhile Softtek internalization start with U.S. MNEs working in Mexico, offering IT outsourcing services taking advantage of the lower costs of Mexican engineers and with the advantage over India companies that have the same time zone as U.S.. While Binbit reaches the end user, Softtek specializes in large corporations, many of its customers are in the Fortune 500. Softtek was following their customers, always near them, its operational advantage over India is a faster delivery, due to be in the same time zone, for which Softtek opened GDC in Mexico, U.S., Brazil, Argentina, Spain, China and India, and this allows Softtek to optimize the strategy of each of its customers depending on where its operation plants or their offices are located.

Binbit and Softtek have taught us that Mexican companies need not be giants like CEMEX or FEMSA, or be in an industry where Mexico has technology to become multinational company and noted worldwide. Both take advantage of the competitive advantages of the
country have made strategies where they optimized their possibilities. They knew the world 
industry map and the timing for penetrate each countries. Softek start with U.S. MNEs, 
Binbit with Latin America, Softek attacked China, Binbit the Southeast Asian, Softek 
Spain, and Binbit Poland and Russia. There are not vanilla strategies, you should read the 
market waves and take the opportunities as they present. They have very clear knowledge 
of the markets characteristics, analyze the possibilities of acquisitions, know their 
product/service and adapt it faster. Both companies has great flexibility, adaptation on the 
markets, they take “in market” decision oriented to special needs of each market. Both 
companies believe and empower them employees and work more like a network than like a 
pyramidal, hierarchical organization. The share best practice in each region but decide 
locally adapting the world trends to the local culture. Both companies are an example of 
strategy and motivation for Mexican companies that want to become multinationals firms 
The main lessons that other companies could learn from Binbit and Softek to compete in 
today’s global scenario and become a MNEs are:

a) Devotion for quality. Softek remarks go only for valuable projects, don’t compete in the 
low cost margins projects with small company. They go for the top MNEs and they look for 
the most complex projects. Similarly, Binbit always make its alliance with the best 
companies in every sector, in music delivery, with football teams, with mobile operators, 
always they look for the leaders. It policy is based on the slogan: There is just one way: be 
the best. Global leader simply must develop operational excellence.

b) Great flexibility. New world business environment is very dynamic the way that the 
company organize itself in order to make fast changes and adapt to new challenge is crucial 
to survive. If you want to be a global company, the company’s decision cannot been 
centralized in the CEO or the owner, you need to develop a network of divisions and
empower the leaders of each team, you need to develop global strategy but change it as the
technology, regulation, politics, markets needs to change. The most important your
decisions must be faster than the decisions of your competitors, if you want to be a global
leader.

c) Focus in your market. Global leaders make its operation model oriented to its customer
satisfaction, and follow its customer’s needs. Binbit and Softtek has shown us how they had
very clear the importance of its customers, to the point of open new offices and centers,
change contents, make new alliances, all that could be necessary in order to deliver a better
product to their customers. They developed global strategies but adapted to each region,
culture, regulation, always following its customers’ needs. Global leaders understand its
clients better than nobody.

d) Highly specialized workforce. Currently, all the process, marketing, operation,
management are embedded in IT, and technologies are changing every day. Companies
should not save money hiring cheap, not qualified work force. If you want to be a leader
you need to make a team of leader. A high qualified personal is necessary for keep the pace.

e) Cutting edge technologies. Equipment, software, network and internet services are
changing every day. Many providers appears every day offering new and more efficient IT
services. Global companies must be constantly developing and acquiring cutting edge
technologies, and renew it selves. Having cutting edge technologies is vital for be a global
leader.

f) Strategic alliance. You cannot be the best in everything, partners help to provide the best
services. Alliance with your vendors, your potential clients, distributors, IT providers are
essential. Depending your global business model you should focus all your effort in a
specific expertise and make alliance with the best companies available. Strategic alliance are crucial for compete in global markets.

g) Global practice, locally adapted. Binbit and Softtek follows a model that is combination of global structure that allows share best practices worldwide but adapted to regional culture’s needs. Global leaders decide best global strategy but then regional leaders decide how they will adapt to its region. A team of empowered regional leader and a very flexible global leader is necessary for success of global companies.

The IT industry is currently one of the most dynamic, both Binbit and Softtek has shown devotion to quality, adaptability, flexibility, ability to read the market and innovate, has positioned them as global leaders, despite major technological and educational disadvantages of Mexico. Both has shown Mexican companies that with a global Strategy, alliance, flexible and efficient operation can become in a global competitors.

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Softtek. 2007b. *Softtek Opens Regional Service Center in La Plata, Argentina.*


Softtek. 2007d. *NFVZone Softtek finalizes acquisition of China's IT United.*

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<table>
<thead>
<tr>
<th>YEAR</th>
<th>DOMESTIC EVENTS</th>
<th>INTERNATIONAL EVENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Birth of Binbit</td>
<td>Acquisition Nikter in Uruguay which become Binbit’s technological plataform.</td>
</tr>
<tr>
<td>2006</td>
<td>Entrance to Panama, Salvador, Guatemala, Costa Rica, Nicaragua Central American expansion begins of five new markets.</td>
<td></td>
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<tr>
<td>2007</td>
<td>Entrance to U.S., Colombia, Ecuador, Paraguay and Bolivia Acquisition Cash Investment in Panama and Atinco in Colombia</td>
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<tr>
<td>2008</td>
<td>Entrance to Argentina, Peru and Chile Acquisition Easylabs S.A in Uruguay, Easytel in Salvador and Tecnova in Guatemala</td>
<td></td>
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<tr>
<td>2009</td>
<td>Entrance to Niger, South Africa, Kenya, Tanzania, Vietnam, Singapore, Philippines, Malaysia, Thailand, Indonesia and Saudi Arabia. Signs exclusive agreement with music firms Warner Music, EMI Music, the press firm Associated Press (AP) and adult entertainment firm Playboy Binbit is nominated for 2009 Meffys Awards in the D2C category Antoni Muntaner, Chairman of Binbit, is selected as one of the 50 most important people in the mobile entertainment industry by ME’s Top 50 Executives List Acquisition Cash Investment Atinco in South Africa and ACME Mobile (AMOB) in Singapore</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Entrance to Honduras, Dominican Republic, and Uruguay Binbit enter ME's Top 50 Executives List Signs exclusive agreement with music firm Sony Music Binbit reaches 1,000,000,000 messages processed Binbit is nominated for 2010 ME Awards in D2C category</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Binbit evolves its Business Intelligence with Talend Integration Suite Entrance to Brazil, Australia, New Zealand, Sri Lanka, and Hong Kong Binbit hosts ME Connect Party at MWC 2011 Barcelona Picasso Museum Acquisition of Forest Media International, Indonesia Binbit reaches 3,000,000,000 messages processed</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Promoswap Launched; Working with 60 networks Online Marketing campaigns with over 110 networks CNN Binbit named as the most international company in mobile entertainment</td>
<td>Entrance to Bangladesh, Bahrain, Jordan, Kuwait, Lebanon, Pakistan, Palestine, Qatar, Syria and Iraq Signs exclusive agreement with music firm Universal Music Load and cash $ with major Latam carriers Binbit reaches 6,000,000,000 messages processed</td>
</tr>
<tr>
<td>2013</td>
<td>Strategic alliance with Opera Software Company Antoni Muntaner is elected by the board for America MEF Selection of Data Foundry as data base provider</td>
<td>Entrance to Cyprus, Egypt, Unites Arab Emirates, Yemen, Oman, Serbia, Rusia, Poland, Croatia, Albania, Bosnia and Herzegovina, Ghana, India, Nigeria, Montenegro, Macedonia and Bulgaria WEB Site Arabic, Polish and Russian Agreement with PANAMA MUSIC</td>
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<tr>
<td>Year</td>
<td>Event/Action</td>
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<tr>
<td>2014</td>
<td>New Service Parking Movi, and Global Movie</td>
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<td></td>
<td>Entrance to Slovenia, Kyrgyzstan, Kazakhstan, Azerbaijan</td>
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<td></td>
<td>Acquisition of CellCast in Lebano</td>
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<td></td>
<td>Participation with Promexico at Mobile World Congress in Spain</td>
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<tr>
<td></td>
<td>Signs exclusive agreement with Futbol Soccer teams: FC Barcelona and Real Madrid C. F.</td>
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<tr>
<td></td>
<td>Binbit reaches 12,000,000,000 messages processed</td>
<td></td>
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<tr>
<td>2015</td>
<td>Alliance with Maxim and operation consolidation in Africa, Kenia, Nigeria, Tanzania y Ghana, and with growth plans in other countries in the region</td>
<td></td>
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<tr>
<td>YEAR</td>
<td>DOMESTIC EVENTS</td>
<td>INTERNATIONAL EVENTS</td>
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<tr>
<td>1982</td>
<td>Foundation in Monterrey, Mexico</td>
<td>First international office in Brazil</td>
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<tr>
<td>1988</td>
<td>First 100 employees</td>
<td>First 1,000 employees</td>
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<tr>
<td>1994</td>
<td></td>
<td>First international office in Brazil</td>
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<tr>
<td>1996</td>
<td></td>
<td>Entrance to U.S.</td>
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<tr>
<td>1997</td>
<td></td>
<td>Entrance to Venezuela and Argentina</td>
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<tr>
<td>1998</td>
<td></td>
<td>Entrance to Colombia</td>
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<tr>
<td>2000</td>
<td></td>
<td>Create first GDC in Latin America, in Brazil</td>
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<tr>
<td>2003</td>
<td></td>
<td>Acquisition of GE Ddemiesis</td>
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<tr>
<td>2004</td>
<td></td>
<td>Only Latin American company included in the &quot;Magic Quadrant&quot; 2006-2007</td>
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<td></td>
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<td>GDC inaugurated in La Coruña Spain for the European market</td>
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<td>&quot;Top Company to Watch in LA&quot;, (2006-2008), Global Services</td>
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<td>&quot;100 Best Companies”, Global Services (2006-2007)</td>
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<tr>
<td>2007</td>
<td></td>
<td>Acquisition of China I.T. United, starting its expansion into the Asian market</td>
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<td></td>
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<td>Open GDC in La Plata Argentina</td>
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<td></td>
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<td>&quot;Strong Performer” by Forrester Research (2007, 2009)</td>
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<tr>
<td>2008</td>
<td></td>
<td>“Stevie For Women in Business Award” given to Blanca Treviño</td>
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<td></td>
<td></td>
<td>“100 Major Entrepreneurs in Mexico” (Blanca Treviño)</td>
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<td></td>
<td></td>
<td>Expansion 2008</td>
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<td>2009</td>
<td></td>
<td>Opening offices in Paraguay</td>
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<td></td>
<td></td>
<td>GDC opened in Wuxi, China</td>
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<td></td>
<td></td>
<td>Global Outsourcing 100 ranking, IAOP (2009-2014)</td>
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<tr>
<td>2010</td>
<td></td>
<td>Best Latin company in IAOP's 2010 Global Outsourcing List</td>
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<tr>
<td>2011</td>
<td></td>
<td>Three executives are included in the Nearshore Power 50 List,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in “Nearshore Industry's more powerful Voices”,</td>
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<td></td>
<td></td>
<td>Blanca Treviño first woman admitted to the “IAOP Outsourcing Hall of Fame”</td>
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<td>2012</td>
<td></td>
<td>Acquisition of SCAi specialists in SAP</td>
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<td>Brazil has become the second largest market</td>
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<td>For the third year recognized by the CEMEFI as &quot;Socially Responsible Company&quot;</td>
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<td></td>
<td>30th anniversary</td>
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<td>2013</td>
<td></td>
<td>Acquisition of “Systech Integrators, Inc.”</td>
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<td></td>
<td></td>
<td>New offices in Colombia</td>
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<tr>
<td></td>
<td></td>
<td>30 offices in Latin America, U.S., Europe and Asia</td>
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<tr>
<td></td>
<td></td>
<td>Softtek offices in Beijing transformed into a “Center of Excellence specializing in Enterprise Mobility Services”</td>
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<tr>
<td>2014</td>
<td></td>
<td>Softtek Announces New Senior Vice President of Consulting Services for U.S. Market</td>
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<td></td>
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<td>Softtek Opens new office in Guadalajara</td>
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<tr>
<td>Year</td>
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<td>Event</td>
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<td></td>
<td>Softtek Expands Technology Partnership with RSA for Information Security, Governance and Risk Management Services</td>
<td>Softek Opens New GDC in Fortaleza, Brazil</td>
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<td></td>
<td>Softek Receives Requalification by SAP for its SAP® Business All-in-One Partner Solutions</td>
<td>Softek Opens new office in Colombia</td>
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<td></td>
<td></td>
<td>Softek Positioned in 2014 Gartner Magic Quadrant for SAP Application Management Service Providers, Worldwide</td>
</tr>
<tr>
<td>2015</td>
<td>Softek is elected “Channel Partner of the Year 2014” in Latin America by Informatica</td>
<td>Softek is positioned within the rank of the “Best Consultants 2015” World Executive Magazine</td>
</tr>
</tbody>
</table>