Mexico's Software Development Costs Overview

Get a Clear View Of How You Will Succeed.

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The idea of this document is to give you a clear view of how much it could cost your company to start developing software in Mexico. Costs fluctuate constantly and, for example, thing like real estate depends on the negotiation and circumstances of each deal, however, this ebook should give you a clear overall picture. If you would like to get a more accurate view, contact us and we will give you a free cost analysis session.

Introduction

Hi! Thanks for downloading our ebook. At Start-ops, we are always happy to see a company planning ahead and caring about lowering their costs. After all, a business needs profits to survive & grow and small & medium companies deserve a fair chance to compete too.

What this ebooks aims for is to give you an overall picture of the costs of hiring a team of developers in Mexico. Software development can be a complex task including many positions and resources so, for one small ebook, we had to reduce it to the cost of labor (engineers, designers etc.), the cost of renting an office and the cost of the set-up, legal & administrative tasks. **This should give you a fairly good idea of the savings you will get if your company decides to Start-ops in Mexico.**

 The cost information is presented in ranges. It is not possible to give one specific quantity of for example how much the square foot of real estate cost. If you need more accurate information on the costs that your company would incur if you move a part of your operation to Mexico, please contact us and we will give you a Cost Simulation Session completely free of charge.

We focused on the highest costs of software development:

- Office Space Leasing
- Utilities Cost
- Labor
- Setup & Legal Costs
- Administrative Costs

Thanks again for giving us the opportunity of informing your company on the competitive advantages that Mexico offers. We really hope this document helps you make the right decision.

Roberto Cornejo

About Start-ops

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At Start-ops, we are experts at providing **all-inclusive soft-landing solutions**. For everything your company needs to operate in Mexico and become a powerful competitive global enterprise, you can rely on us. Mexico has great advantages and thousands of companies have moved their operation here to make millions of dollars in savings.

How do we know?

We know its hard to think about moving a part of your operations to a different country. We have helped many companies of different sizes to do it, hassle-free.

When you lower your costs, you increase your profits, and your board of directors, investors and shareholders get happier than ever when presented with the financial information.

Mexico is a different country with a different language, culture, business ways and, the most important, different laws.

This is where your company meets Start-ops; your Mexican partner.

How do we help?

We have a step-by-step plan to help your company succeed. The first step is to get to know your company a little. There are many great digital creative clusters in Mexico and, to understand your company, helps us localize the one that suits your company best.

1

Labor Costs

Overview of software development
labor costs in Mexico

Labor Cost Overview

Software developers salaries vary across regions in Mexico, across programming language and across experience level. Furthermore in order to be able to retain employees and keep them happy there are some fringe benefits and market benefits that some companies offer. This helps to maintain a stable working environment. Market benefits might include savings fund, transportation, cafeteria, medical insurance, among other.

That being said, According to **Software Guru Magazine**, in 2017 the median monthly salary for a software developer in Mexico in 2017 was **US $1, 666.66** which total an annual salary of US $20,000. Here are some different medians of the salaries in Mexico.

Labor Cost by Position

Software Development Director

Monthly Salary Median: **US $2,605.00**

Software Sales

Monthly Salary Median: **US $2,710.00**

Project Management

Monthly Salary Median: **US $1,510.00**

IT Security.

Monthly Salary Median: **US $1,850.00**

IT Support

Monthly Salary Median: **US $1,067.00**

* Source: Software Guru Salary Study 2017

* Exchange Rate USD/MXN = $19.20

Labor Cost Overview

Salaries by Position

Back-end Developer

Monthly Salary Median: **US $1,565.00**

Front-end Developer

Monthly Salary Median: **US $1,510.00**

UX Design

Monthly Salary Median: **US $1,225.00**

ERP Implementation

Monthly Salary Median: **US $1,565.00**

Data Base Administrator (DBA)

Monthly Salary Median: **US $1,145.00**

Data Base Administrator (DBA)

Monthly Salary Median: **US $1,145.00**

* Source: Software Guru Salary Study 2017

* Exchange Rate USD/MXN = $19.20

Labor Cost Overview

As in any profession, the years of experience gets reflected in the income of the individual. Up next we present you with a list of the median monthly salaries that software developers earn in Mexico from novices to ninjas.

Salaries by years of experience

Novices (0-2 years of experience)

Monthly Salary Median: **US $755.00**

Rookies (3-5 years of experience)

Monthly Salary Median: **US $1,354.00**

Apprentices (6-8 years of experience)

Monthly Salary Median: **US $1,825.00**

Jedi Initiates (9-11 years of experience)

Monthly Salary Median: **US $1,955.00**

* Source: Software Guru Salary Study 2017
* Exchange Rate USD/MXN = $19.20

Labor Cost Overview

Salaries by years of experience

Jedi Padawan (12-14 years of experience)

Monthly Salary Median: **US $2,165.00**

Jedi Knight (15-17 years of experience)

Monthly Salary Median: **US $2,205.00**

Jedi Master (18-10 years of experience)

Monthly Salary Median: **US $2,310.00**

Grandmaster Jedi (20+ years of experience)

Monthly Salary Median: **US $2,340.00**

* Source: Software Guru Salary Study 2017
* Exchange Rate USD/MXN = $19.20

Labor Cost Overview

As we mentioned earlier, developers get paid different by programming language. Here are some different medians of the salaries in Mexico according to language.

Salaries in Mexico by Programming Language

Programming Language	Monthly Salary	Annual Salary
Groovy	US $2,474.00	US $29,688.00
Bash	US $2,240.00	US $26,880.00
Objective C	US $2,133.00	US $25,596.00
Go	US $2,084.00	US $25,008.00
Ruby	US $2,010.00	US $24,120.00
Scala	US $1,875.00	US $22,500.00
Elixir	US $1,823.00	US $21,876.00
Swift	US $1,720.00	US $20,640.00
Java	US $1,651.00	US $19,812.00
C/C++	US $1,615.00	US $19,380.00
Python	US $1,563.00	US $18,756.00
Javascript	US $1,563.00	US $18,756.00
C#	US $1,563.00	US $18,756.00

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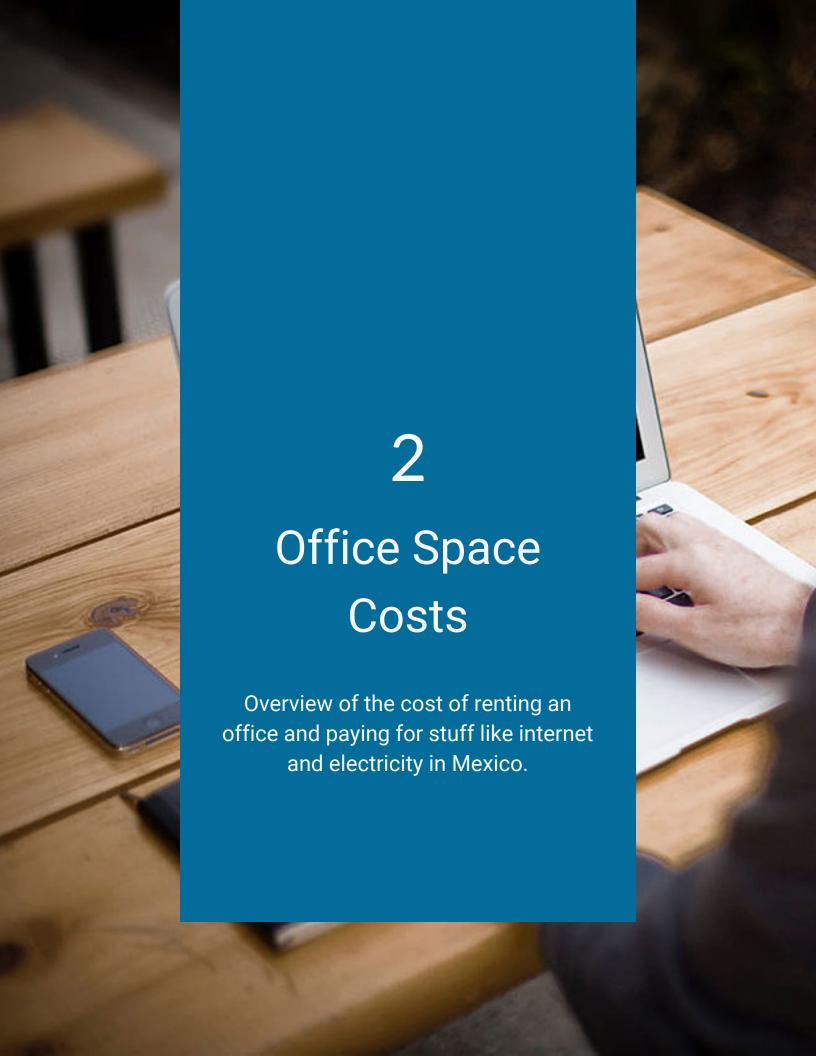# Get a Costs Simulation Session!

Since you are awesome, we'll do a cost simulation for your company free of charge.

Schedule a Meeting

2

Office Space Costs

Overview of the cost of renting an office and paying for stuff like internet and electricity in Mexico.

Office Space Leasing

Maybe the best idea for any creative team is to rent a private office at a co-working space company. With this you get a high-speed internet connection and IT support plus some amenities such as conference rooms, phone booths and, really important, coffee and caffeinated beverages (to make the team work better). Up next there is an average of what cost to rent a private office at a coworking space company in Mexico.

Private Offices in Co-working Companies

Team Members	Price per month in USD
1 Seat	US $355.00
2 Seats	US $685.00
4 Seats	US $1,250.00
5 Seats	US $1,505.00
6 Seats	US $2,090.00
7 Seats	US $2,180.00
8 Seats	US $2,385.00
9 Seats	US $2,685.00
10 Seats	US $2,980.00
11-20 Seats	US $3,375.00
21-50 Seats	US $12,500.00

* Exchange Rate USD/MXN = $19.20

Office Space Leasing

Another way to go would be to lease a house and set-up your team there. This would start being cost-effective for teams of more than 20 members. As with every piece of information in this ebook, leasing prices vary widely by city and even by neighborhood within the city. For practical purposes we researched the city of Guadalajara, known as the *Mexican Silicon Valley* and we focus on averaging the areas where most software developing companies are established.
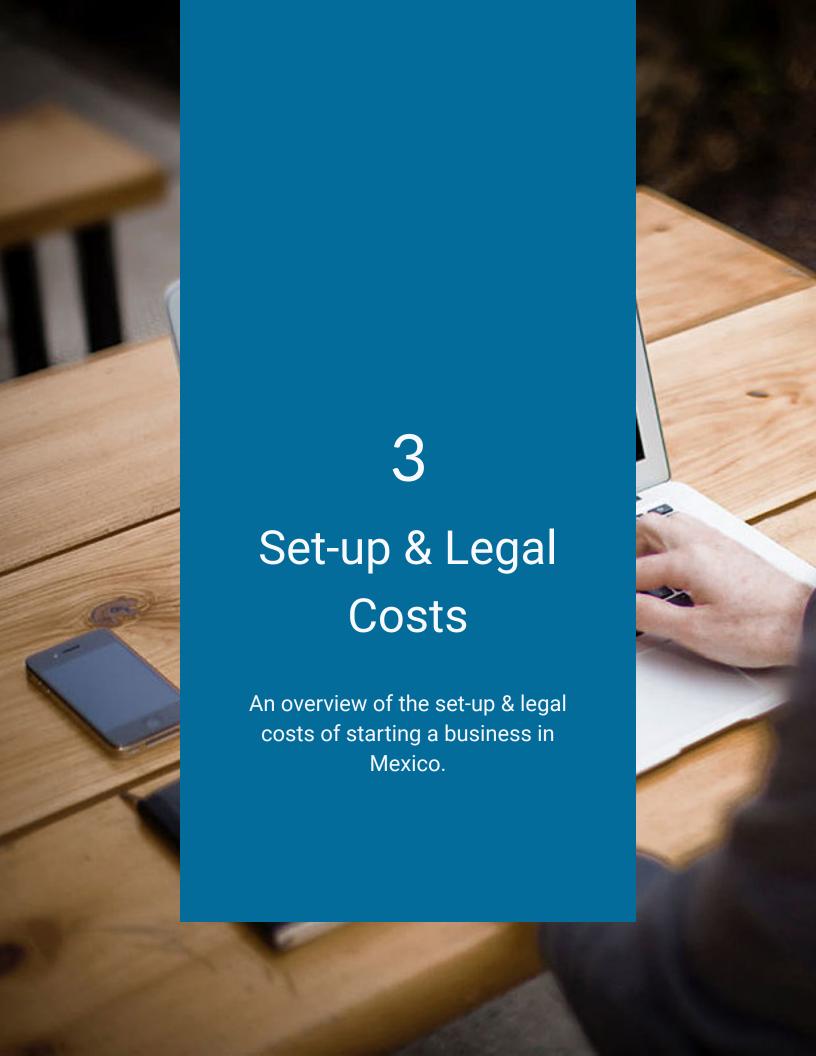
Own Space Leasing

House Leasing

Monthly average lease: **US $50.00 per sq ft.**

Electricity Cost

Range between **$0.038 and $0.096 USD per Kwh**

Internet

A good internet connection range between **$150 and $200 USD per month.**

* Exchange Rate USD/MXN = $19.20

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Set-up & Legal Costs

An overview of the set-up & legal costs of starting a business in Mexico.

Set-up & Legal Costs

An Overview of the set-up & legal costs if you decide to start-ops with us.

Set-up Costs

Setup Package: $5,000 (One-Time Fee)

What's Included?

1. Register the company name and file the draft deed of incorporation online.
2. Register to the Mexican Social Security Institute.
3. Sign the deed of incorporation with a Public Notary.
4. Obtain Tax Registry Number (RFC).
5. File the deed of incorporation with the Public Register of Commerce.
6. Register with the local tax administration.
7. Register with the National Business Information Registry.
8. Obtain the authorization for the company name from the Ministry of Foreign Affairs.
9. Register the company statutes with the Public Registry of Commerce.
10. Obtain operational license.

Legal Services

Mandatory Legal Annual Compliance: $4,000 (Annual Fee)

Privacy Notice: $800 (per event)

Know-Your-Customer Process: $120 (per event)

Secretary Non-member of the Board: $1,200 (Annual Fee)

3

Administrative Costs

An overview of the administrative costs of your day-to-day operation in Mexico.

Administrative Costs

An Overview of the day to day costs of running the business.

Accounting, Reporting & Tax Compliance

Service	Type of payment	Fee
Set-up Fee	One-Time Fee	$4,000
Tax Electronic Invoicing set-up	One-Time Fee	$1,000
Monthly Services		
Up to 15 transactions	Monthly Fee	$1,250
Up to 30 transactions	Monthly Fee	$2,000
Up to 60 transactions	Monthly Fee	$2,900
Annual Tax Compliaince		
Up to 15 transactions	Yearly Fee	
Up to 30 transactions	Yearly Fee	
Up to 60 transactions	Yearly Fee	

Administrative Costs

An Overview of the day to day costs of running the business.

Payroll Administration

Service	Type of payment	Fee
Set-up Fee	One-Time Fee	$2,000
Minimum Payroll Monthly Services	Monthly Fee	$750
Monthly Payroll Services	Month Fee Per Employee	$38
Termination Fee	Per Employee per Event	$50

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