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The Costa Rican Software Corridor: Startup Develops Expansion Plans for Latin America

“Just as coffee and the banana revolutionized the Costa Rican economy in the past, the use and creation of information technology and communication products and services will revolutionize Costa Rica in the first part of the 21st century.” With these words the general manager of PROCOMER (Promotora del Comercio Exterior de Costa Rica/Costa Rican Foreign Trade Promotion), Martín Zuniga, summarized the importance of the information technology sector for Costa Rica.¹

The information technology sector had a great boom throughout the world in the first half of the 1990s. In an increasingly global economy, with greater levels of commercial exchange between countries and fewer barriers of entry for goods and services, it was expected that information and communication technologies (ICT) would flourish within Central America as the new century neared.

San José, Costa Rica’s capital city, was beginning to emerge as a Latin American tech hot spot with a rising software industry.² Costa Rica enjoyed progressive free-trade agreements with several developed nations, strategic government investment incentives, high levels of education producing a skilled labor force, and proximity to the United States.

A small software startup in San José, SPS Software, would form an important part of the history of the ICT sector and the development of the software industry in Central America. Since its beginnings in 1987 in the garage of co-founder Claudio Pinto, SPS Software (its name used the founders’ initials) experienced sustained and dramatic growth. By the end of 1995 Jorge Sequeira, co-founder and CEO, was considering how to best position SPS Software to take advantage of the opportunities offered by the expanding information technology industry. Specifically, Sequeira considered developing a marketing strategy and designing an expansion plan to leverage a probable infusion of venture capital, the first for a technology company in Central America.³

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