



## “Next-wave” Location Profile – Penang

Locations Insider™ (LI)

Market Report: September 2017 – Complimentary Abstract / Table of Contents

# Our research offerings for global services

## ▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

## ▶ Application Services

### ▶ BPS | Banking Financial Services

### ▶ BPS | Healthcare & Life Sciences

### ▶ BPS | Insurance

## ▶ Catalyst™

## ▶ Cloud & Infrastructure

## ▶ Contact Center

## ▶ Digital Services

## ▶ Engineering Services

## ▶ Finance & Accounting

## ▶ Human Resources

## ▶ ITS | BFSI\*

## ▶ ITS | Healthcare & Life Sciences

## ▶ IT Services Forecaster™

## ▶ Locations Insider™

## ▶ PricePoint™

## ▶ Procurement

## ▶ Recruitment & Talent Acquisition

## ▶ Service Optimization Technologies

## ▶ Transaction Intelligence

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

## Subscription information

- The full report is included in the following subscription(s)
  - **Locations Insider™ (LI)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

\* Banking, financial services, and insurance



### Corporate Headquarters

Office: +1-214-451-3000

[info@everestgrp.com](mailto:info@everestgrp.com)



### European Headquarters

Office: +44-207-129-1318

[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)



### Delhi Office

Office: +91-124-284-1000

[india@everestgrp.com](mailto:india@everestgrp.com)

# Overview and methodology of the research

---

## Overview of the research

Everest Group's Next wave location profiles provide crisp, yet insightful assessment of emerging / "Next-wave" countries or cities for services delivery. These reports help global sourcing practitioners or location strategy professionals stay ahead of competition in understanding global sourcing opportunities in "Next-wave" locations.

These reports offer perspectives on key dimensions that impact a location's relative attractiveness, including:

- Key drivers, challenges and untapped opportunities for global sourcing industry
- Talent and skills availability (at both entry and experienced levels)
- Depth and maturity across functions
- Financial attractiveness (including wage inflation and attrition)
- Delivery presence of enterprises and service providers
- Key languages supported
- Key environment risks (e.g., macroeconomic, geopolitical, infrastructure, safety and security, legal and regulatory)

## The methodology of these reports includes:

- Proprietary tracking and databases on operating costs, labor pool, market activity, and risks
- Year-round tracking of 200+ locations around the world
- Coverage across all offshore, nearshore, and onshore locations across regions (APAC, Europe, North America, Latin America, Africa)
- Over 120 global projects on supporting clients on location decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

# This study provides perspectives on key aspects of the global sourcing market in the location; below are four charts to illustrate the coverage of the report

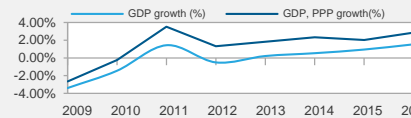
## Country/City | Overview

### Geographic and socio-economic indicators

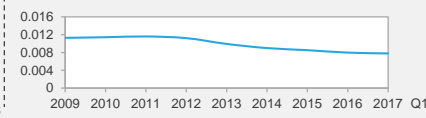
Region	XX
Time zone	XX
Government type	XX
Population	XX
GDP	XX
GDP per capita	XX
Currency	XX
Corporate tax rate	XX
CPI inflation	XX
Major languages spoken	XX
Economic development agency	XX

### Economic Indicators

#### Annual GDP growth rate



#### Exchange rate movement (LCU to USD)

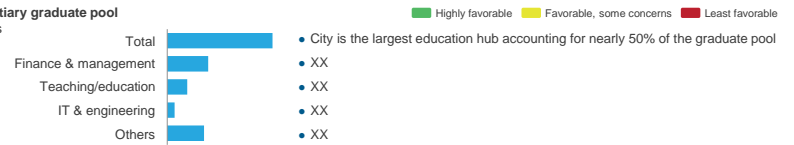


## Country/City | Talent and cost overview (page 1 of 2)

### Entry-level talent pool

#### Annual tertiary graduate pool

2017; '000s



### Functions supported

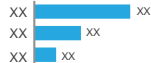
Functions	Maturity	Comments
Contact center	Highly favorable	• Contact center services such as customer care, receivables management, technical helpdesk, and outbound sales dominate the city offshore delivery landscape
Non-voice BP	Favorable, some concerns	• XX
IT-ADM	Favorable, some concerns	• XX
IT Infrastructure	Favorable, some concerns	• XX
Digital	Favorable, some concerns	• XX

## Country/City | Talent and cost overview (page 2 of 2)

### Operating cost

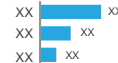
#### Annual operating cost per FTE-BP (F&A)<sup>1,2</sup>

2017; USD '000s



#### Annual operating cost per FTE- CC<sup>1,2</sup>

2017; USD '000s



- City offers significant cost arbitrage over U.S. locations, and is amongst the most attractive nearshore locations from a cost perspective
- XX

### Wage inflation and attrition

#### Wage inflation and attrition (CC)

2017; Percentage per annum



- Moderate wage inflation and attrition
- XX

### Language skills

- XX
- XX

## Country/City | Risk profile

Parameter	Everest Group rating	Comments
Geopolitical	Favorable, some concerns	<ul style="list-style-type: none"><li>• City has witnessed a stable political climate over the past few years, with both major political parties exhibiting a positive stance towards the industry</li><li>• XX</li><li>• XX</li><li>• XX</li><li>• XX</li></ul>
Macroeconomic	Favorable, some concerns	<ul style="list-style-type: none"><li>• City administration continues to meet its fiscal targets under the IMF loan accord, thus enabling further credit from the IMF and other multilateral lenders</li><li>• XX</li><li>• XX</li><li>• XX</li><li>• XX</li><li>• XX</li><li>• XX</li><li>• XX</li></ul>
Infrastructure	Favorable, some concerns	<ul style="list-style-type: none"><li>• City has built a strong optical fiber communication network around the country</li><li>• XX</li><li>• XX</li><li>• XX</li></ul>

Source: Everest Group (year)

# Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest:

1. **Global Locations Annual Report 2017: Signs of Structure in a Disordered World** ([EGR-2017-2-R-2234](#)); 2017. The global services locations landscape continued to witness stable growth in 2016 in terms of revenue; however, the growth rate was slower than the previous year owing to macroeconomic slowdown, political instability, and volatility in equity and investment markets. Similarly, the growth rate of center setups also dropped in 2016, in comparison to 2015. The period also continued to witness a shift from traditional locations (such as India) to leverage of other locations in Asia and Nearshore Europe. Additionally, there has been significant growth in delivery of disruptive technologies such as digital. The Global Locations Annual Report 2017 is a unique and comprehensive guide to understanding the nuances of the global services locations landscape and interpreting locations-related developments and trends to frame locations strategy. It presents insights into the size and growth of the global services market, update of locations activity, changes in risk profiles of locations, and an analysis of the maturity, arbitrage, and potential of locations (MAP Matrix™)
2. **IT Services Delivery from APAC** ([EGR-2017-2-R-2137](#)); 2017. While IT services delivery in the Asia Pacific region has traditionally been centered predominantly in India, companies have shown increased interest in exploring alternative locations such as the Philippines, China, Malaysia, Singapore, and even destinations such as Sri Lanka and Vietnam. In addition to having lower cost than onshore United States and Europe, each of these locations have a unique value proposition, making them attractive choices for setting up alternative delivery centers / regional hubs for IT operations. This report provides a detailed assessment of location options within the Asia Pacific region for global IT service delivery
3. **“Next-wave” Location Profile – Pune, India** ([EGR-2017-2-R-2215](#)); 2017. Everest Group's Next Wave Location Profiles provide crisp, yet insightful assessment of emerging / “Next-wave” countries or cities for services delivery. This report on Pune offers perspectives on global sourcing profile of Pune, key opportunities, drivers, and challenges, along with an overview of talent and skills availability, financial attractiveness, and environment risks.

For more information on this and other researches published by Everest Group, please contact us:

**Ankit Pandey**, Analyst – Global Sourcing:  
**Gargi Verma**, Manager – Global Sourcing:

[Ankit.Pandey@everestgrp.com](mailto:Ankit.Pandey@everestgrp.com)  
[Gargi.Verma@everestgrp.com](mailto:Gargi.Verma@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)

# Research calendar – Locations Insider

■ Published   ■ Planned   □ Current release

## Flagship Locations Insider reports

Release date

"Next-wave" Location Profiles: Pune, India .....	June 2017
Global Locations Annual Report 2017: Signs of Structure in a Disordered World .....	June 2017
"Next-wave" Location Profiles: Delhi, India .....	August 2017
"Next-wave" Location Profiles: Kuala Lumpur, Malaysia .....	August 2017
"Next-wave" Location Profiles: Cork, Ireland .....	August 2017
<b>"Next-wave" Location Profiles: Penang, Malaysia .....</b>	<b>September 2017</b>
"Next-wave" Location Profiles: Krakow, Poland .....	Q3 2017
"Next-wave" Location Profiles: Iloilo, Philippines .....	Q3 2017

## Thematic Locations Insider reports

The Philippines IT-BPM Industry: Cautious Optimism in Turbulent Times .....	March 2017
IT Services Delivery from Asia Pacific .....	April 2017
Emergence of Western Europe for Centralized Service Delivery to Europe .....	July 2017
Reimagining Location Strategy Due to Increasing Agile/DevOps Adoption .....	July 2017
Impact of Brexit on Contact Center Landscape in UK & Ireland .....	July 2017
Talent Model and Location Hotspots for Service Delivery Automation (SDA) Center of Excellence (CoE) .....	July 2017
Landscape of Locations Delivering Business Process Services To the UK & Ireland .....	Q3 2017
Poland Tier-2 Cities: Diverse Value Propositions For Service Delivery .....	Q3 2017

Note: For a list of all Locations Insider™ reports published by us, please refer to our [website page](#)





## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### Bangalore

india@everestgrp.com  
+91-804-276-4533

### Delhi

india@everestgrp.com  
+91-124-496-1000

### London

unitedkingdom@everestgrp.com  
+44-207-129-1318

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-416-388-6765

## Stay connected

### Website



[www.everestgrp.com](http://www.everestgrp.com)

### Social Media



@EverestGroup



@Everest Group

### Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

[www.sherpasinblueshirts.com](http://www.sherpasinblueshirts.com)