



Topic: Global Offshore Captive Landscape and Trends

Focus Geography – The Philippines

Global Sourcing
Report: February 2012 – Preview Deck

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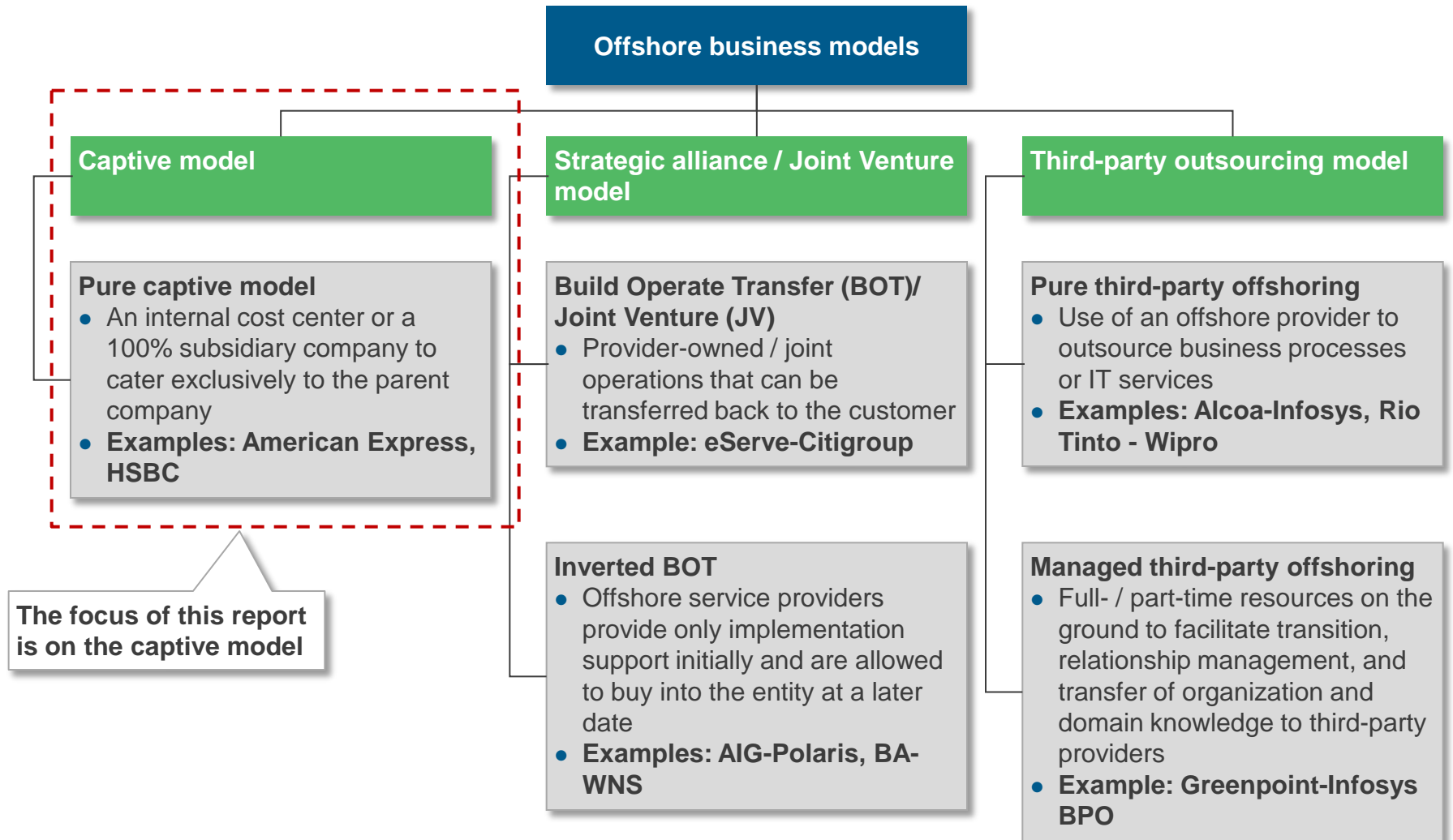
Custom research capabilities

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Background and scope of research

- The global sourcing market evolved and grew rapidly to reach a size of ~US\$116 billion. Captives were a core component of this evolution with companies such as Texas Instruments and GE setting up offshore captive units in the late 1980s and early 1990s
- The last 15-20 years witnessed increased adoption of the captive model with a large number of companies setting up/expanding their captive centers. While India continues to remain a leading geography, companies also explored and successfully established captive operations in China, the Philippines, Central and Eastern Europe, and Latin America. Recently, Middle East and North Africa (MENA) has emerged as an attractive offshoring destination
- However, significant growth of third-party service providers and selective divestitures during the economic crisis led to the perception that the captive model is under threat. Stated reasons include captive not delivering value and being significantly more expensive than third-party service providers
- At the same time, mature users of captive articulate their commitment to the model and reinforce its importance in their sourcing strategy and portfolio. Additionally, our discussions with global sourcing offices of large companies and captive leadership reveal imperatives under way to expand the role of captive and its value proposition
- This research report provides an in-depth analysis of the global offshore captive landscape across leading locations. The report is based on Everest Group's proprietary captive database and is updated every six months. Besides providing details on global captive landscape trends and analysis, the report also contains a focus section that provides deep-dive into the captive landscape in a select geography. This edition features the Philippines as the focus geography

Buyer organizations have a range of options for capturing value from offshoring, with captive and third-party outsourcing as the primary models



Source: Everest Group analysis

This research report leverages Everest Group proprietary captive database that tracks offshore captives of leading companies

Everest Group proprietary captive database

Unique characteristics

- Industry's most comprehensive database of global captives located across India, Rest of Asia, Europe, Latin America, and Africa
- Tracks captives of leading firms (e.g., Forbes 2000 and Fortune 500 companies)
- Database covers more than 1,200 captive centers
- Focus on captives providing offshore delivery of global services – excludes shared services centers serving the domestic market

Key dimensions tracked

- Scale (FTE range)
- Industry verticals
- Functions offered (e.g., IT, BP, ES / R&D)
- Parent geographies
- Parent size (revenue range)
- Location of delivery centers

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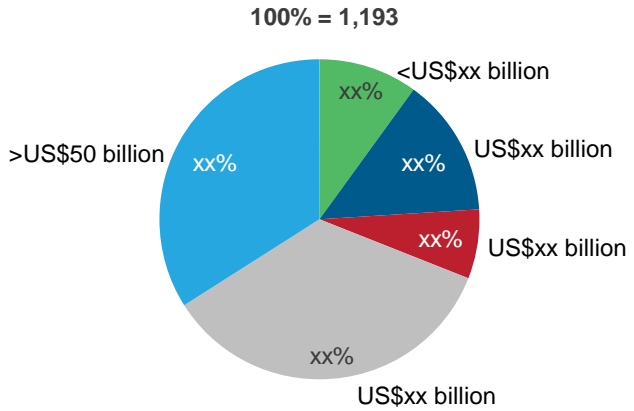
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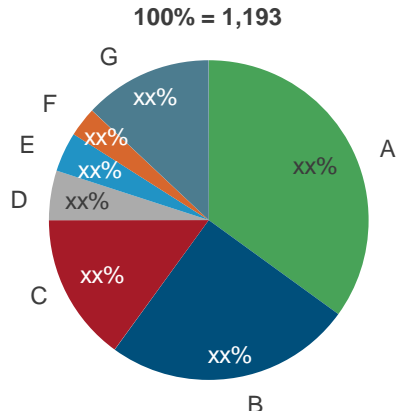
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This research report provides an in-depth analysis of the global captive landscape and trends

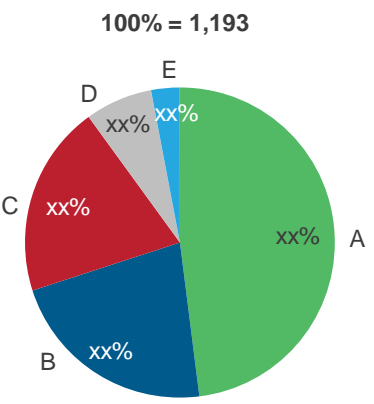
Distribution of offshore captives by parent revenue
2011; Percentage



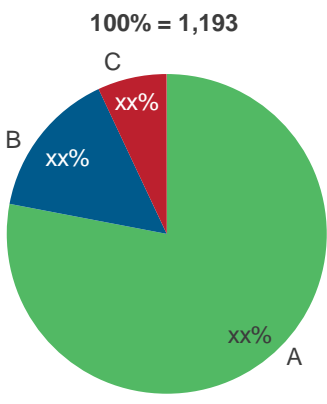
Distribution of offshore captives by industry vertical
2011; Percentage



Distribution of offshore captives by delivery location
2011; Percentage

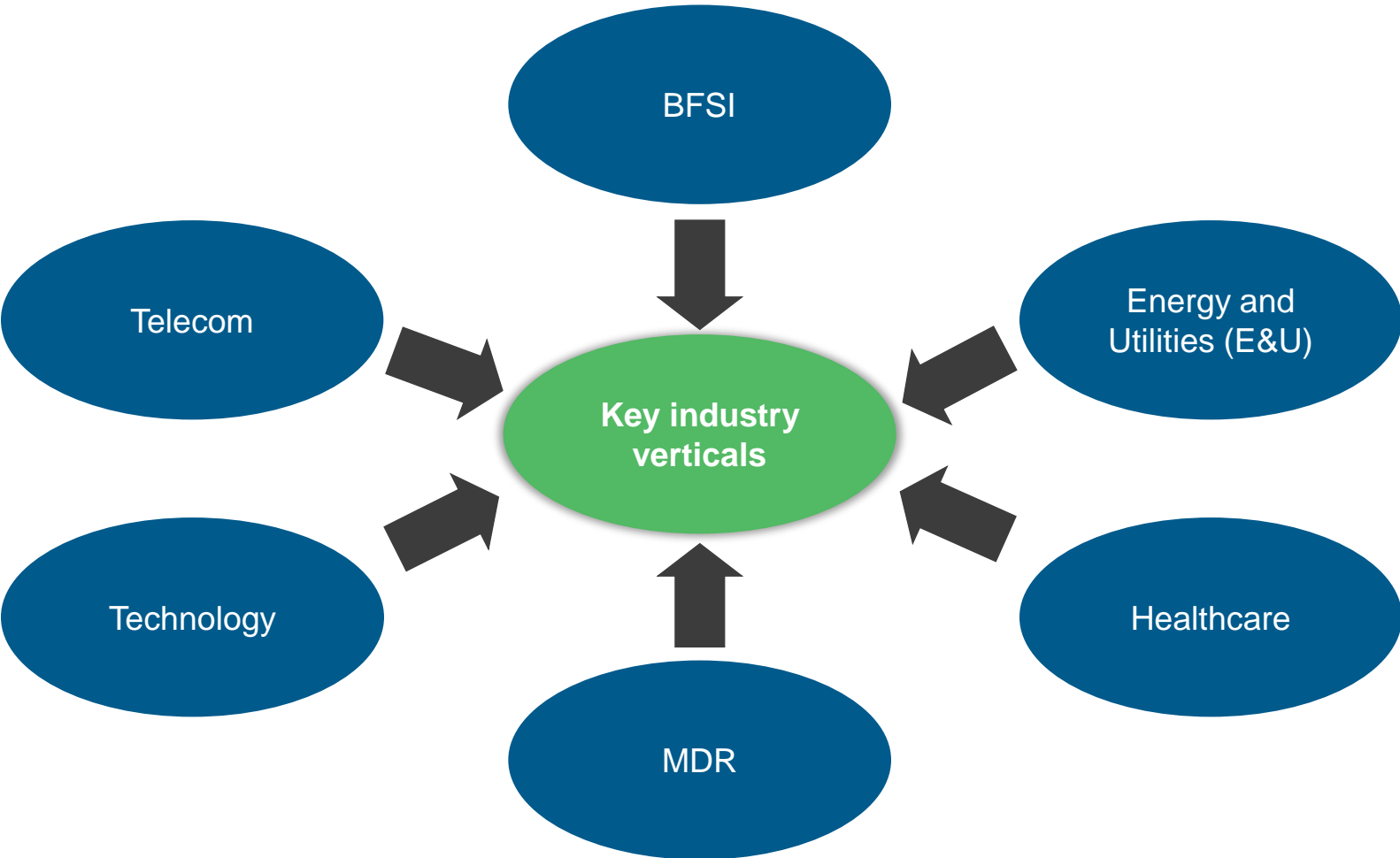


Distribution of offshore captives by type of cities
2011; Percentage



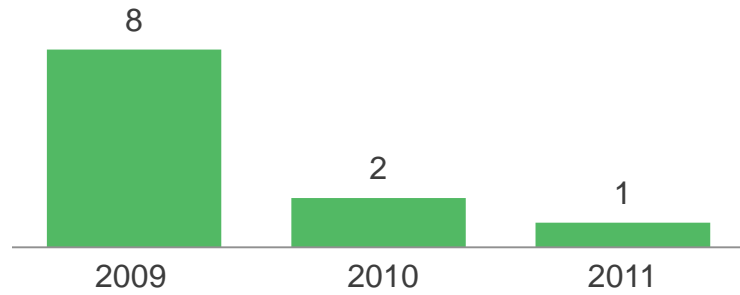
Source: Everest Group (2012)

The report analyzes the captive market across six key industry verticals

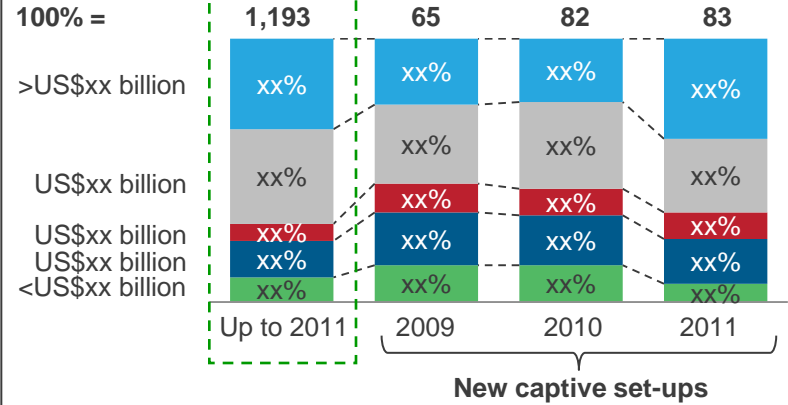


This study also provides an analysis of the recent trend (2009-2011) within the global captive landscape

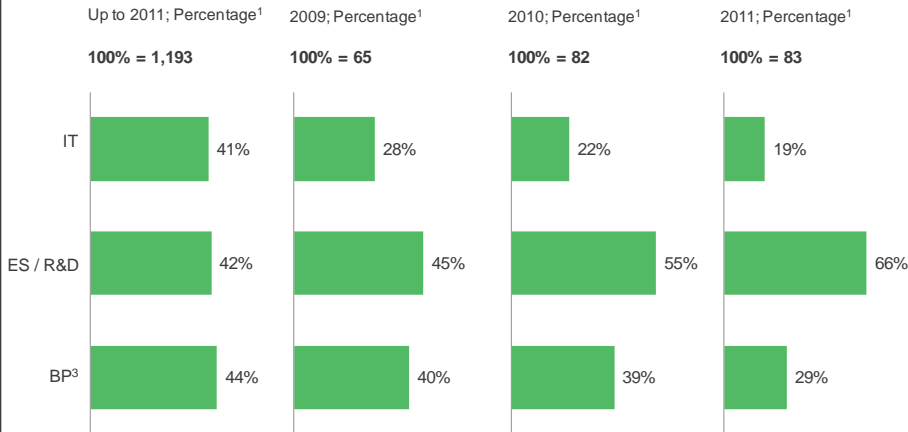
Number of offshore captive divestitures



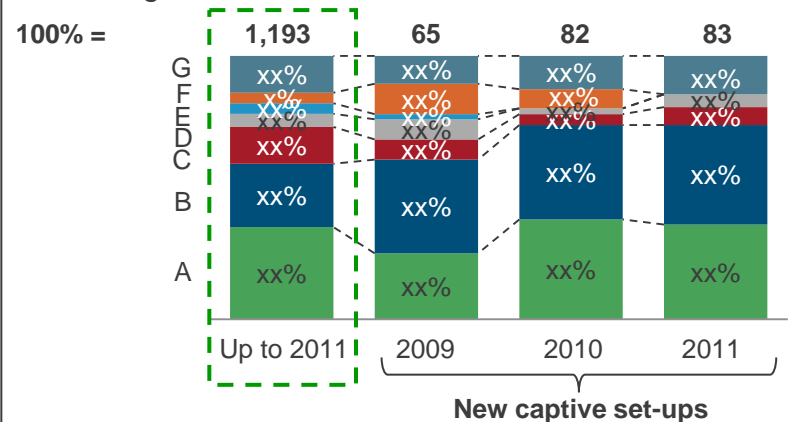
Distribution of offshore captives by parent revenue



Distribution of offshore captive by functions



Distribution of offshore captives by industry vertical



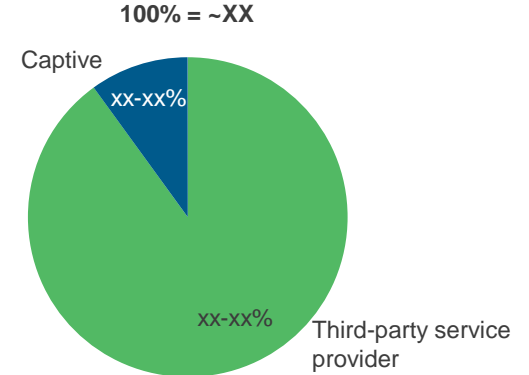
Source: Everest Group (2012)

The report also covers a detailed analysis of the focus geography – The Philippines

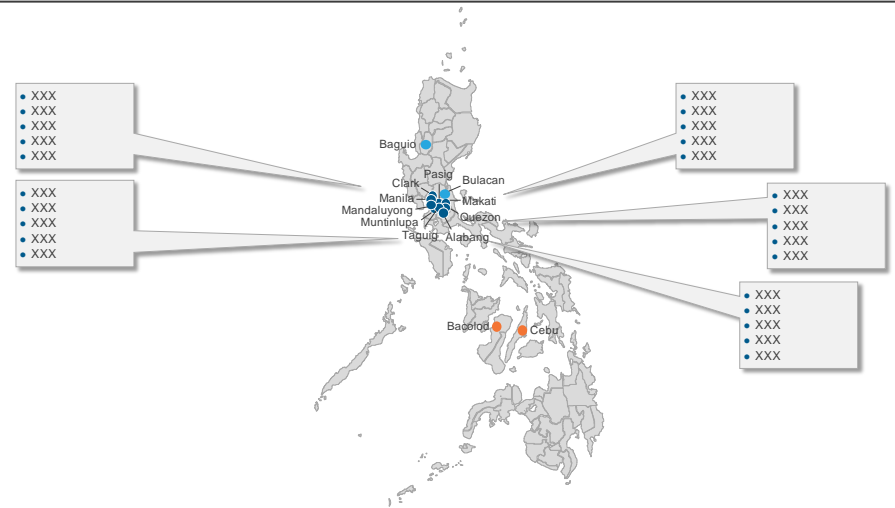
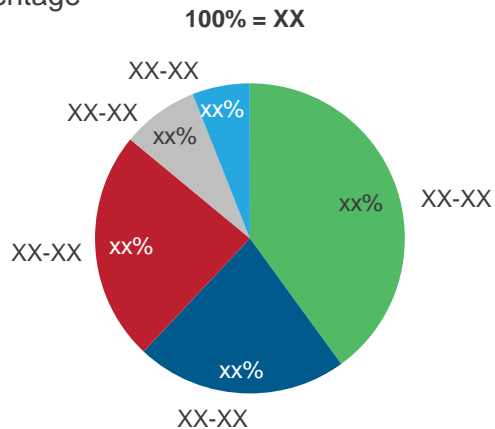
Philippines IT-BPO export revenue by service segments
US\$ billion



Distribution of market by sourcing models
2011; FTEs



Distribution of offshore captives by headcount – range of FTEs
2011; Percentage



Source: Everest Group (2012)

Appendix: Additional research recommendations

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

1. **Global Offshore Captive Landscape and Trends, Focus Geography – China** ([EGR-2011-2-R-0601](#)); 2011. This report analyzes the global offshore captive landscape and key trends for the last 30 months (2009 - H1 2011). The report also provides a deep-dive analysis on the offshore captive landscape in China covering market size and growth, distribution of captive landscape, and deep-dives into industry verticals
2. **Global Locations Compass – China** ([EGR-2011-2-R-0606](#)); 2011. The report provides detailed data and analysis on the global services landscape in China
3. **Global Locations Compass - The Philippines** ([EGR-2012-2-R-0637](#)); 2011. The report provides detailed data and analysis on the global services landscape in the Philippines

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