



## **Global Locations Compass – Brazil**

Comprehensive Assessment of Global Services, Analysis of Cities, and Implications for Services Strategy

Global Sourcing (GS)

Market Report: November 2012 – Preview Deck

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# Background and scope of the research

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## Background of the research

Brazil is emerging as an important delivery destination for global services. It is classified as a mature location on Everest Group's Market Vista Locations Maturity Heatmap<sup>1</sup>. With its large graduate pool, huge domestic market, and complex IT skills advantage, Brazil offers an attractive proposition for organizations seeking a suitable destination to set up new delivery centers. The focus of companies setting up delivery centers remains on serving the domestic market, however, offshore delivery support (particularly for North America) is also provided from the same centers. Several government initiatives, such as Plano Miao, resulted in significant activity in Brazil's outsourcing industry. At the same time, challenges related to cost sustainability may impact nature of global service delivery from this location.

**In this research, we analyze Brazil as a destination for global service providers and buyers, across various dimensions:**

- IT-BPO services landscape across market characteristics
- Player activity
- Key industry / government bodies promoting its growth
- Education system
- Landscape of cities and labor pool, cost, market activity, and risk analysis for key cities
- Future outlook
- Implications for buyers and service providers

**The scope of analysis includes:**

- IT-BPO services sector across in-house centers and third-party service providers in Brazil
- IT and BPO services in Brazil; does not include engineering services / R&D
- Analysis on key cities in Brazil: Sao Paulo, Rio de Janeiro, Belo Horizonte, and Recife

<sup>1</sup> Everest Group's Market Vista report Q3 2012

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# This study offers four distinct chapters providing a detailed analysis of Brazil's IT-BPO services industry including business environment, city assessment, and future outlook

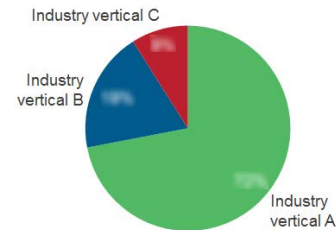
## Country overview



## Overview of IT-BPO services sector

Brazil IT-BPO industry 2012E; percentage

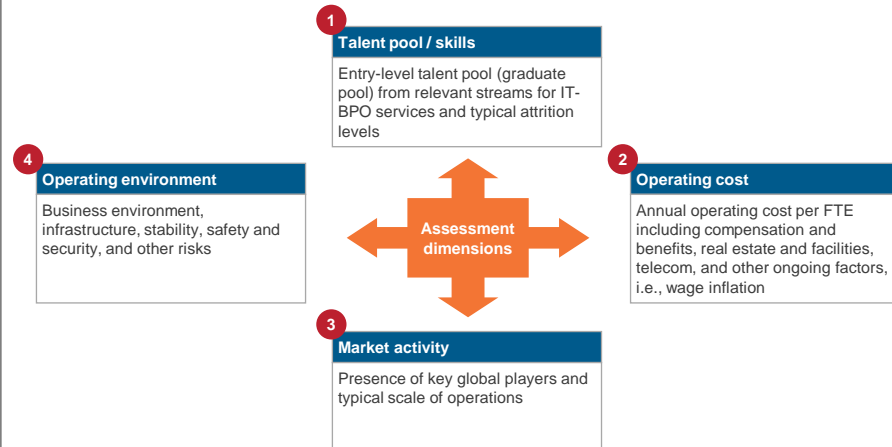
100% = US\$ billion



### Drivers of growth

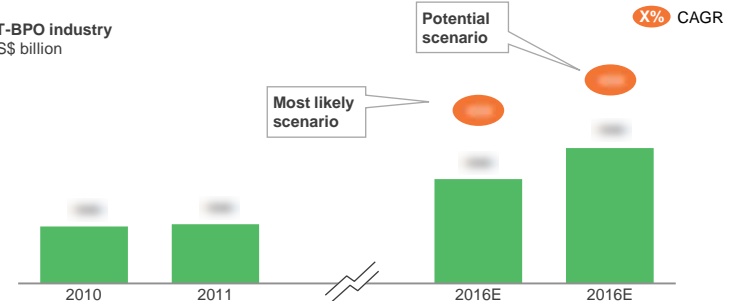
- Domestic IT services**
  - Availability of entry-level graduates and experienced talent
  - Demand in domestic market (Brazil has an annual in-house IT spend of US\$45 billion)
- Domestic BPO**
  - Availability of talent pool, especially for contact center operations in Portuguese
- Global services exports**
  - Presence of leading organizations leveraging Brazil for domestic/regional support
  - Wide employability for English operations remains lower compared to other countries in Latin America. Recent government initiatives are likely to facilitate growth, particularly in BPO services

## Assessment of cities



## Future outlook

The Brazil' IT-BPO industry 2010-16E; US\$ billion



- Brazil's IT-BPO services industry is expected to reach US\$ 150 billion by 2016 in the most likely scenario, given the current conditions
- The industry has the potential to grow to US\$ 180 billion with continued industry efforts, government support, and favorable business environment
- The share of exports is likely to increase to 15% although the domestic market is likely to account for more than 85% of the industry

# Appendix: Additional research references

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

1. **Global Offshore GIC Landscape and Trends: Focus Geography – Poland** ([EGR-2012-2-R-0747](#)); 2012. This report provides an in-depth analysis of the global offshore GIC landscape and insights into key trends of the last 30 months (2009-2011). The report also provides a deep-dive into the GIC landscape in six key industry verticals and a focus section on Poland
2. **Global Location Compass – The Philippines** ([EGR-2011-2-R-0637](#)); 2012. This report analyses the Philippines as a global services destination and the country's unique value proposition in global services. The report would enable developing a holistic perspective for investors who are evaluating, entering, or expanding existing footprint in the country
3. **Global Location Compass – China** ([EGR-2011-2-R-0606](#)); 2011. This report provides detailed data and in-depth analysis of China's global services sector, and is intended to enable the development of a holistic perspective on the country
4. **Global Location Insights: March 2011 - Perspectives on the Maturity of Brazil's Offshore Services** ([ERI-2011-8-V-0520](#)); 2011. In this viewpoint, we provide perspectives on Brazil's maturity for IT, BPO, and R&D/engineering services vertical

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