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Next-wave Location Profile

Locations Insider™
Market Report: January 2015 – Preview Deck

Our research offerings for global services

Subscription information

- The full report is included in the following subscription(s)
  - **Locations Insider™**

- 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:

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

BFSI[1] information technology	**PricePoint™**
BFSI[1] business process	**Finance & accounting**
Healthcare information technology	**Procurement**
Information technology	**Human resources**
Cloud Vista™	**Recruitment process**
Global sourcing	**Contact center**
Locations Insider™	**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

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1   Banking, financial services, and insurance

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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:

- Global sourcing profile (e.g., functions supported, market activity) of the location

- Opportunities for enterprises and service providers

- Key drivers and challenges for global sourcing industry

- Overview of talent availability and operating costs (including wage inflation and attrition)

- Key environment risks (e.g., geopolitical, macroeconomic, safety)

The methodology of these reports includes:

- Proprietary tracking and databases on operating costs, labor pool, market activity, and risks

- Year-round tracking of 180+ locations around the world

- Coverage across all offshore, nearshore, and onshore locations across regions (APAC, Europe, North America, LATAM, Africa)

- Over 100 global projects on supporting clients on location decisions

- Executive-level relationships with buyers, service providers, technology providers, and industry associations

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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
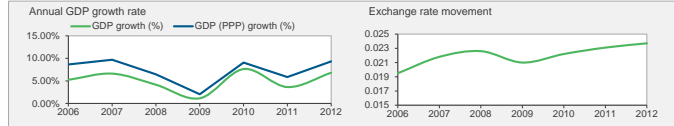
Country/city overview and market activity

Key factoids – geographic and socio-economic	
Region	XX
Time zone	XX
Government type	XX
Population (XX)	XX
GDP	XX
GDP per capita	XX
Currency	XX
Corporate tax rate	XX
CPI inflation	XX
Major languages spoken (XXX)	XX
Economic development Agency	XX

Economic indicators

Annual GDP growth rate
— GDP growth (%) — GDP (PPP) growth (%)

Exchange rate movement

Talent availability and operating cost

Entry-level talent pool

Annual tertiary graduate pool
2013; '000s

Total	XX
IT & engineering	XX
Finance & business	XX
Arts, humanities, and others	XX

Operating cost

Annual operating cost per FTE – contact center
2013; US$ '000s

XX	XX
XX	XX
XX	XX

Wage inflation and attrition (CC)
2013; Percentage per annum

| Wage inflation | XX |
| Attrition | XX |

Growth drivers, opportunities, and challenges

Relative maturity of functions served

- Primarily leveraged for English-language contact center services delivery to the United States
- Multiple instances of both GICs and service providers providing transactional back-office services
- XXX

Potential opportunities

- Availability of high-quality graduates can drive the growth of the Knowledge Process Outsourcing (KPO) industry
- XXX
- XXX
- XXX
- XXX

Drivers for industry growth

- Cultural affinity with the United States and high proficiency in American-style English
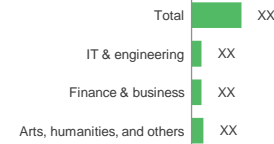- Attractive cost arbitrage over U.S cities
- XXX
- XXX
- xxx

Likely challenges

- Global branding as voice BP leader presents a challenge for the visibility and growth of non-voice BP
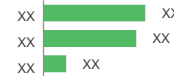- XXX
- XXX
- xxx

Risk assessment

■ Highly favorable   ■ Favorable, some concerns   ■ Least favorable

Parameter	Everest Group rating	Comments
Geopolitical[1]		- Stable government; ruling party has control of both houses of parliament - Concerns around high incidence of corruption across all levels of government
Macro-economic[1]		- Healthy GDP growth driven by strong private sector consumption and net exports - XXX - XXX
Infrastructure		- Good-quality infrastructure in business and IT parks in the city - XXX
Safety and security		- Security risk is moderate with relatively lower levels of violence, compared to other parts of the XXX - XXX
Regulations and ease of doing business[1]		- Some concerns around ease of doing business, with higher time required to start a business - XXX - XXX

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Published

Topic	Release date
"Next-wave" location profile: Bulgaria	June-2014
"Next-wave" location profile: Peru	June-2014
"Next-wave" location profiles: Romania	July-2014
"Next-wave" location profiles: Chengdu, China	July-2014
"Next-wave" location profiles: Nicaragua	August-2014
"Next-wave" location profile: Vietnam	August-2014
"Next-wave" location profiles: Kenya	September-2014
"Next-wave" location profiles: Sri Lanka	September-2014
"Next-wave" location profiles: Uruguay	September-2014
"Next-wave" location profiles: Latvia	September-2014
"Next-wave" location profile: Jaipur, India	September-2014
Tier-2/3 Locations in India for Offshore IT Services Delivery	September-2014
U.S. Onshore Delivery Puzzle – Demystifying Location Selection	October-2014
Is the Philippines Stepping Up to Lead the Industry into the Next Horizon of Global Services?	October-2014
Central & Eastern European (CEE) Locations for Finance & Accounting Services Delivery	Novemeber-2014
Global Locations Annual Report 2014	Novemeber-2014
Economies of Scale in Global Services - Realities and Limitations	December-2014
Global Location Insights: Demystifying the Impact of Incentives on Location Attractiveness	December-2014
"Next-wave" location profile: Bangalore, India	January-2015
"Next-wave" location profile: Manila, Philippines	January-2015

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■ Published

Topic	Release date
"Next-wave" location profiles: Kochi, India	Q1-2015
"Next-wave" location profiles: Penang, Malaysia	Q1-2015
Delivery of contact center services from nearshore-UK locations	Q1-2015
"Next-wave" location profiles: Puerto Rico	Q2-2015
"Next-wave" location profiles: Lithuania	Q2-2015
"Next-wave" location profiles: Lodz, Poland	Q2-2015
Social media, Mobility, Analytics and Cloud (SMAC) delivery hotspots	Q2-2015
Delivery of IT-ADM services from CEE	Q2-2015
Global Locations Annual Report 2015	Q3-2015
"Next-wave" location profiles: Curitiba, Brazil	Q3-2015
"Next-wave" location profiles: Brno, Czech Republic	Q3-2015
Proposition of tier-2 and tier-3 cities for global services delivery	Q3-2015
Locations supporting business process services in Asian languages	Q4-2015
"Next-wave" location profiles: Tunisia	Q4-2015
"Next-wave" location profiles: Turkey	Q4-2015
"Next-wave" location profiles: El Salvador	Q4-2015

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. **Next-wave Location Profile – Bangalore, India** (EGR-2015-2-LP-1354); 2015. This report analyses Jaipur (India) offers perspectives on global sourcing profile of Bangalore, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

2. **Next-wave Location Profile – Manila, Philippines** (EGR-2015-2-LP-1353); 2015. This report analyses Manila (Philippines) offers perspectives on global sourcing profile of Manila, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

3. **Next-wave Location Profile – Jaipur, India** (EGR-2014-2-LP-1213); 2014. This report analyses Jaipur (India) offers perspectives on global sourcing profile of Jaipur, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

4. **Is the Philippines Stepping Up to Lead the Industry into the Next Horizon of Global Services?** (EGR-2014-2-R-1251); 2014. The Philippines has emerged as second largest location for global services, driven by cost arbitrage, abundant English-speaking talent pool, strong cultural affinity with the United States, and the need for geographic risk diversification beyond India. In this report we take stock of Philippines' IT-BPS segments, tier 2/3 locations, and uncover opportunities and potential risks for the Philippines as it gears up to lead the industry into next horizon of global services

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

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From **insight** to *action*.

At a glance

▮ With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of the next generation of global services

▮ Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches

▮ Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories

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