



Next-wave Location Profile – Estonia

Locations Insider™ (LI)
Market Report – August 2016 – Preview Deck

Our research offerings for global services

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

▶ **BFSI¹ Information Technology**

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▶ **Cloud & Infrastructure**

▶ **Contact Center**

▶ **Global Sourcing**

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▶ **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**



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¹ Banking, financial services, and insurance

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)

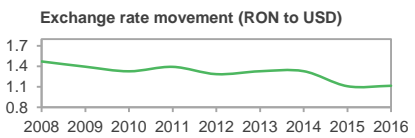
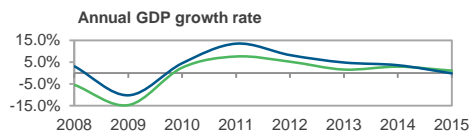
The methodology of these reports includes:

- 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

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

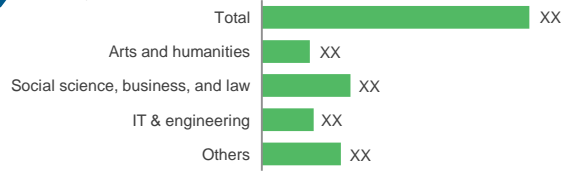
Key factsoids – geographic and socio-economic	
Region	XX
Time zone	XX
Government type	XX
Population (XX)	XX
GDP	XX
GDP per capita	XX
Currency	XX
Corporate tax rate	XX
CPI inflation	XX
Major languages spoken (XXX)	XX
Economic development Agency	XX



Talent availability and operating cost

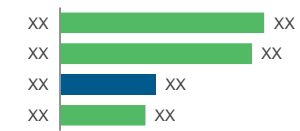
Entry-level talent pool

Annual tertiary graduate pool
2016; '000s



Operating cost

Annual operating cost per FTE – BP (F&A)
2016; US\$ '000s



Wage inflation and attrition (IT ADM)
2016; Percentage per annum



Growth drivers, opportunities, and challenges

Relative maturity of functions served

- Contact center services dominate the landscape, based on FTE count
- XXX
- XXX
- XXX
- XXX

Potential opportunities

- Estonia can be leveraged for tapping service delivery in higher-value IT functions (including digital services), complex F&A, and big data analytics
- XXX
- XXX
- XXX

Drivers for industry growth

- Availability of highly skilled multi-lingual tertiary graduate pool
- Significant cost saving potential over Western Europe and the Scandinavian locations
- XXX
- XXX

Likely challenges

- Scalability limitations due to small talent pool
- XXX
- XXX
- XXX
- XXX

Risk assessment

Highly favorable Favorable, some concerns Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	Highly favorable	<ul style="list-style-type: none"> Low risks associated with domestic political stability • XXX • XXX
Macro-economic	Favorable, some concerns	<ul style="list-style-type: none"> Domestic demand to drive growth during 2016-2017; potential risks with external trading partners such as Russia, Ukraine, and Finland • XXX
Infrastructure	Favorable, some concerns	<ul style="list-style-type: none"> Good availability of ICT infrastructure for shared services, comparable to other leading European locations • XXX • XXX
Safety and security	Favorable, some concerns	<ul style="list-style-type: none"> Concerns due to potential cyber attacks from Russia prompting the country to set up a remote data center for government records; however, security issues are not a concern for companies • XXX
Regulations and ease of doing business	Favorable, some concerns	<ul style="list-style-type: none"> Estonia was ranked 16th (out of 189) in 2016 by the World Bank for ease of doing business and 29th (out of 140) by WEF in Global Competitiveness for 2015-2016 • XXX

Source: Everest Group (2016)

Locations Insider research calendar

■ Published
 ■ Current

Topic **Release date**

"Next-wave" location profiles: Lithuania	July 2015
"Next-wave" location profiles: Lodz, Poland	July 2015
"Next-wave" location profiles: Puerto Rico	August 2015
"Next-wave" location profiles: Brno, Czech Republic	September 2015
"Next-wave" location profiles: Curitiba, Brazil	September 2015
"Next-wave" location profiles: Tunisia	October 2015
Will Robots Eat Locations Strategy for Breakfast?	October 2015
Global Locations Annual Report	November 2015
"Next-wave" location profiles: Turkey	February 2016
"Next-wave" location profiles: El Salvador	February 2016
"Next-wave" location profiles: Mauritius	March 2016
"Next-wave" location profiles: Bogota	March 2016
Global Hotspots For Digital Services	June 2016
"Next-wave" location profiles: Iasi, Romania	June 2016
Delivery of IT services from U.S.	June 2016
"Next-wave" location profiles: Jordan	July 2016
"Next-wave" location profiles: Dominican Republic	July 2016
"Next-wave" location profiles: Estonia	August 2016
Banking middle- and back-office services delivery from Nearshore Europe	Q3 2016

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 profiles: Jordan** ([EGR-2016-2-LP-1827](#)); 2016. This report offers perspectives on global sourcing profile of Jordan , key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
2. **"Next-wave" location profiles: Iasi, Romania** ([EGR-2016-2-LP-1780](#)); 2016. This report offers perspectives on global sourcing profile of Iasi, Romania , key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
3. **Global Hotspots For Digital Services**([EGR-2016-2-R-1778](#)); 2016. Digital service delivery (social & interactive, mobility, analytics, cloud, automation, Internet of Things (IoT), and digital cybersecurity) is witnessing significant traction in the global services industry. Technology advancements and focus on digital consumerism are the key drivers responsible for proliferation of digital services. As the industry embraces the digital agenda, talent has become a critical success factor for both enterprises and service providers. This report provides an in-depth view of the global digital services industry from a talent perspective. It covers the global distribution of digital talent coupled with cost trade-offs and provides readers with an up close view of global “sweet-spots” for various digital services.
4. **"Next-wave" location profiles: Lithuania** ([EGR-2015-2-LP-1474](#)); 2015. This report offers perspectives on global sourcing profile of Lithuania, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

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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 empowers 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 and research.everestgrp.com.

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