



“Next-wave” Location Profile – Cavite, the Philippines

Locations Insider™ (LI)
Market Report – March 2017 – Preview Deck

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Subscription information

- This 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

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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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 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

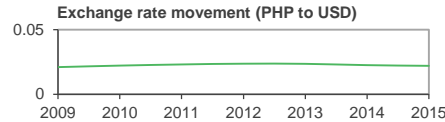
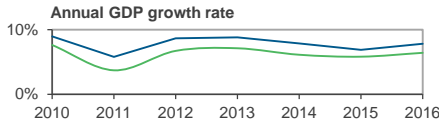
Country/city overview and market activity

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



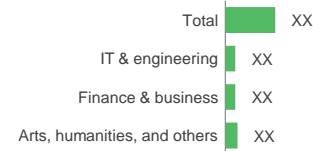
— GDP growth (%)
— GDP (PPP) growth (%)



Talent availability and operating cost

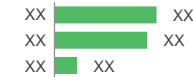
Entry-level talent pool

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

- Emerging location for IT and BP services
- IT services dominate the offshore delivery landscape
- XXX
- XXX
- XXX
- XXX

Potential opportunities

- The country offers a strong value proposition for IT services delivery including data centers and other infrastructure services, which can be leveraged to deliver more complex IT services
- XXX
- XXX
- XXX

Drivers for industry growth

- Increasing congestion and competitive intensity in peer locations such as Costa Rica and Mexico
- Time zone overlap with North America
- XXX
- XXX

Likely challenges

- Some concerns around the expensive and complex tax system
- XXX
- XXX
- XXX
- XXX

Risk assessment

■ Highly favorable ■ Favorable, some concerns ■ Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	■	<ul style="list-style-type: none"> After recent political developments (changes in leadership, etc.), global investors are playing a wait and watch game XXX XXX
Macro-economic	■	<ul style="list-style-type: none"> Despite higher government spending, the GDP has contracted over the years (2011-2016) XXX XXX
Infrastructure	■	<ul style="list-style-type: none"> At an overall country level, the internet bandwidth is lower than the global levels in terms of speed and consistency XXX
Safety and security	■	<ul style="list-style-type: none"> Violent crime is prevalent across the country including Belo Horizonte XXX
Regulations and ease of doing business	■	<ul style="list-style-type: none"> Some risk due to absence of strong legal framework for protection of intellectual property rights, leading to moderate-high levels of piracy XXX

Source: Everest Group (2017)

Locations Insider research calendar

■ Published ■ Current

Topic	Release date
Argentina Global Services Industry – Breaking Political Shackles?	January 2017
Determining Scalability Potential of a Location – Not as Easy as It Seems!!	January 2017
"Next-wave" Location Profiles – Belo Horizonte, Brazil	March 2017
The Road Ahead After Brexit: A Global Services Perspective on the Impact of the Change	March 2017
The Philippines IT-BPM Industry: Cautious Optimism in Turbulent Times	March 2017
"Next-wave" Location Profiles – Cavite, the Philippines	March 2017
Delivery of IT Services from Asia Pacific Locations Beyond India	Q2 2017
Impact of the new US administration on global locations strategy	Q2 2017
Emergence of Western Europe for centralized service delivery to Europe	Q2 2017
Implications of automation on talent requirements and talent hotspots for automation CoEs	Q2 2017
Landscape of locations delivering business process services to the UK & Ireland	Q2 2017
"Next-wave" Location Profiles – Pune, India	Q2 2017
"Next-wave" Location Profiles – Cork, Ireland	Q2 2017
"Next-wave" Location Profiles – Jamaica	Q2 2017
"Next-wave" Location Profiles – Thailand	Q2 2017
Global Locations Annual Report	Q2 2017
Poland tier-2 cities: Diverse value propositions for service delivery	Q3 2017
"Next-wave" location profiles: Krakow, Poland	Q3 2017

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 2016: Persistent Growth in Uncertain Times** ([EGR-2016-2-R-1957](#)); 2016. This report is a unique and comprehensive guide to understanding the nuances of the global services locations landscape and interpreting locations-related developments and trends in order to frame locations strategy. It presents insights into the size and growth of the global services market, global services exports by regions & country, update of locations activity by region & country, and trends affecting global locations (changes in investment environment and exposure to various risks). It also provides industry-leading comparison and analysis of key movements in maturity, arbitrage, and potential of global delivery locations (cities) through our unique MAP Matrix™ analysis
2. **Many Voices, Many Locations: Understanding the Multi-lingual Contact Center Market in East and Southeast Asia** ([EGR-2016-2-R-1746](#)); 2016. East and Southeast Asia is witnessing growing interest for regional contact center services in Asian languages. This report covers the landscape for Asian language contact center delivery after taking into account the various demand and supply factors that shape this market along with operating cost and risk elements
3. **The Impact of the Philippines' New K-12 Program on its IT-BPM Industry** ([EGR-2016-2-R-1784](#)); 2016. The education system in the Philippines is undergoing a major overhaul in 2016. This report takes a closer look at the perceived issues or myths, surrounding the impact of the K-12 program on the IT-BPM industry and also provide possible strategies that organizations can employ to mitigate the potential risks
4. **“Next-wave” Location Profile – Belo Horizonte, Brazil** ([EGR-2016-2-LP-2100](#)); 2016. This report analyzes Belo Horizonte and offers perspectives on global sourcing profile of Belo Horizonte, 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 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.

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