



## “Next-wave” Location Profile – Campinas, Brazil

Locations Insider™ (LI)

Market Report – August 2018: Complimentary Abstract / Table of Contents

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- Benchmarking | Pricing, delivery model, skill portfolio
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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

# This report provides perspectives on key aspects of the global sourcing market in Campinas

## Campinas | Quick snapshot



Current overview	Key drivers	Key challenges
<ul style="list-style-type: none"> <li>Primarily leveraged for delivering IT services</li> <li>Majority players deliver IT application services and complex BP services                             <ul style="list-style-type: none"> <li>Digital services, especially cloud, are witnessing increasing traction</li> </ul> </li> <li>Primarily leveraged to serve the domestic market; evidence of delivery to North America and some parts of Portugal</li> </ul>	<ul style="list-style-type: none"> <li>Large and skilled talent pool with presence of multiple public and private institutions</li> <li>5-10% lower cost of operation than Sao Paulo</li> <li>Presence of multiple IT-BP parks with good infrastructure facilities</li> <li>Close proximity and good connectivity to Sao Paulo</li> </ul>	<ul style="list-style-type: none"> <li>High political instability; concerns around safety and security due to presence of organized crime</li> <li>Limited talent pool with fluency in English language; largely leveraged to serve the domestic market</li> <li>Significantly high operating costs as compared to other offshore/nearshore delivery locations</li> </ul>

KEY PLAYERS: Capgemini, CWT, IBM, Lenovo, Microsoft, Motorola, TATA CONSULTANCY SERVICES



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3

## Campinas | Risk profile (page 1 of 2)

High political instability; safety and security is a major concern due to rise in crime rates

Parameter	Everest Group rating	Comments
Geopolitical	Highly favorable	<ul style="list-style-type: none"> <li>Politically expected to remain uncertain until a stable government is formed via elections in October 2018</li> <li>Currency has witnessed steep depreciation over the past few years; despite multiple government measures, it is expected to further depreciate until the political scenario stabilizes with elections in October 2018</li> <li>Brazil is ranked 49<sup>th</sup> worldwide in the Democracy Index 2017, compiled by the Economist Intelligence Unit, and is amongst the most stable democracies in Latin America</li> </ul>
Macroeconomic	Favorable, some concerns	<ul style="list-style-type: none"> <li>GDP maintained an upward trajectory from 2017, after experiencing a decline from 2011-2016, driven by rise in exports and domestic consumption</li> <li>Inflation rates have stabilized to 3-4% after maintaining high levels from 2011-2016 and are expected to follow similar trend over the next couple of years</li> <li>Adding to the country's economic concerns, all three main rating agencies – Standard &amp; Poor's, Fitch, and Moody's – downgraded the Brazilian sovereign, thus triggering capital outflows</li> </ul>
Infrastructure	Favorable, some concerns	<ul style="list-style-type: none"> <li>Brazil is ranked 80<sup>th</sup> out of 137 countries in the 2017-2018 Global Competitiveness Index, compiled by the World Economic Forum, for quality of infrastructure</li> <li>Campinas offers well developed network infrastructure and Internet connectivity, despite the country's overall Internet bandwidth being lower than the global levels in terms of speed and consistency</li> <li>Campinas offers good road connectivity and forms the intersection of Brazil's five most important highways; while the location harbors one of Brazil's key domestic cargo airports and the largest freight facility in Latin America, passenger air connectivity is limited and has to be accessed through Sao Paulo</li> </ul>

Source: Everest Group (2018); EIU; WEF Global Competitiveness Report; World Bank



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9

# Research calendar – Locations Insider™

■ Published   ■ Planned   ▨ Current release

## Flagship Locations Insider™ reports

### Release date

Global Locations Annual Report 2018: Service Delivery Portfolios in a Disrupted World .....	June 2018
"Next-wave" Location Profile – Timisoara, Romania .....	June 2018
"Next-wave" Location Profiles – Santiago, Chile .....	June 2018
"Next-wave" Location Profile – Bangalore, India .....	July 2018
"Next-wave" Location Profiles – Johannesburg, South Africa .....	August 2018
"Next-wave" Location Profiles – Singapore .....	August 2018
<b>"Next-wave" Location Profiles – Campinas, Brazil .....</b>	<b>August 2018</b>
"Next-wave" Location Profiles – Dublin, Ireland .....	Q3 2018

## Thematic Locations Insider reports

Changing the Contact Center Delivery Model to Target Customer Experience .....	October 2017
What is the True Maturity of Indian Contact Center Market? .....	October 2017
Brexit, GDPR, and Digital Winds of Change: Disruption or Transformation of Service Delivery to the UK and Ireland? .....	October 2017
Poland Tier-2/3 Cities: Complementing Tier-1 Cities or Carving a Niche for Digital Services .....	December 2017
Betting on the Future – The Bangladesh IT-ITeS Industry is Poised for Growth .....	December 2017
What Will 2018 Have in Store for Locations Strategies? .....	May 2018
Contact Center Services for the U.S. Market: Shifting Location Strategies for Shifting Market Demands .....	July 2018
Where are FinTech Startups Concentrated? .....	Q3 2018

Note: For a list of all Locations Insider™ reports published by us, please refer to our [website page](#)

# Additional research references

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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 2018: Service Delivery Portfolios in a Disrupted World** ([EGR-2018-37-R-2646](#)); 2018. The Global Locations Annual Report 2018 is a unique and comprehensive guide to understanding the nuances of the global services locations landscape and interpreting locations-related developments and trends to frame locations strategy. This report has three tenets – key trends shaping the landscape, risk watch, and locations PEAK matrix. It presents insights into the size and growth of the global services market, update of locations activity, changes in risk profiles of locations, and an analysis of the relative maturity, arbitrage, and potential of locations for multiple functions
2. **“Next-wave” Location Profile – Santiago, Chile** ([EGR-2018-37-R-2654](#)); 2018. This report analyzes Santiago and offers perspectives on global sourcing profile of Santiago, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
3. **“Next-wave” Location Profile – Monterrey, Mexico** ([EGR-2018-37-R-2640](#)); 2018. This report analyzes Monterrey and offers perspectives on global sourcing profile of Monterrey, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

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