



“Next-wave” Location Profile – Barcelona, Spain

Locations Insider™ (LI)

Market Report – March 2019: Complimentary Abstract / Table of Contents

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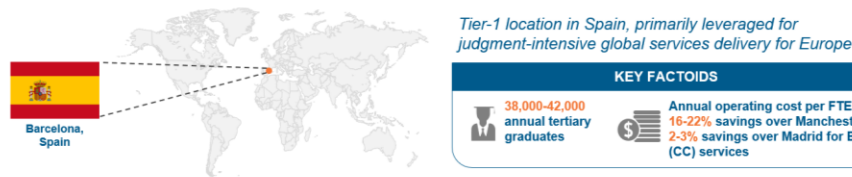
- Accelerators™
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Custom research capabilities

- 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

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

Barcelona | Quick snapshot



KEY FACTOIDS

- 38,000-42,000 annual tertiary graduates
- Annual operating cost per FTE 16-22% savings over Manchester
- 2-3% savings over Madrid for BP (CC) services

Current overview	Key drivers	Key challenges
<ul style="list-style-type: none"> Leveraged extensively by both service providers and GICs for voice and non-voice business process and high-end IT services delivery Serves domestic and other European geographies Players support delivery in over 10 languages such as Spanish, English, German, Dutch, French, and Nordic Growing presence of digital service delivery with an increase in innovation, R&D, and excellence centers 	<ul style="list-style-type: none"> Lower cost (16-22%) than Manchester for IT-Business Process (BP) services delivery Significant tertiary graduate pool with technical and multilingual skills <ul style="list-style-type: none"> Being the second largest metropolitan city in Spain, Barcelona attracts talent from other locations nearby High-quality infrastructure and good ground and air connectivity with countries across the world 	<ul style="list-style-type: none"> Concerns around political stability and uncertainty around referendum on Catalonia Smaller IT talent pool as compared to Madrid, at a comparable operating cost Some concerns regarding business operating risks due to <ul style="list-style-type: none"> Past incidents of terrorist attacks in the city High evidence of drug-related crime and violence

KEY PLAYERS:

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Barcelona | Risk profile (page 1 of 2)

Concerns over the country's political stability and uncertainty over Catalonia referendum

Parameter	Everest Group rating	Comments
Geopolitical		<ul style="list-style-type: none"> Spain holds 20th rank out of 167 countries in the Democracy Index 2017 by Economic Intelligence Unit (EIU) Pedro Sanchez, who is the leader of the Socialist party, became the Prime Minister in May 2018, after receiving support from other nationalist and anti-austerity parties; however, the fragmented political situation has turned out in such a way that there is a low probability for the current government to continue till the end of current mandate in 2020 Political situation in Spain is highly uncertain at the moment; however, no major policy changes are expected in the near future The uncertainty over the recent referendum on Catalonia's status is a concern, however no major impact on businesses is expected in the near future
Macroeconomic		<ul style="list-style-type: none"> Spain has witnessed good GDP growth since 2013 owing to stronger exports and rising domestic demand and 2018 growth rate is expected to be 2.7%. It is expected to slow down to 2.3% by 2021 Moody's has upgraded Spain's rating to Baa1 from Baa2, owing to the enhanced economic resiliency due to improved banking sector fundamentals and balanced growth profile S&P global rating raised Spain's credit rating by one level to A-, and attributed this to strong economic performance and the shrinking budget deficit Spain holds the 26th rank among 30 advanced economic countries in the Inclusive Development Index Report by World Economic Forum (WEF)
Infrastructure		<ul style="list-style-type: none"> Global Competitiveness Index 2017-2018 (World Economic Forum) ranks Spain 12th out of 138 countries for the quality of its infrastructure <ul style="list-style-type: none"> A score of 5.9 out of 7 indicates good availability of infrastructure Offers good public transportation system through extensive road, rail, and air network; has good connectivity to key business centers within Europe and other major global cities

Source: Everest Group (2019); EIU, WEF Global Competitiveness Report, World Bank
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Research calendar – Locations Insider

Published
 Planned
 Current release

Flagship Locations Insider reports

Release date

"Next-wave" Location Profiles – Barcelona, Spain	March 2019
"Next-wave" Location Profiles – Tampa, U.S.	March 2019
"Next-wave" Location Profiles – India	Q1 2019
"Next-wave" Location Profiles – The Philippines	Q1 2019
Global Locations Annual Report 2019	Q2 2019
"Next-wave" Location Profiles – Guadalajara, Mexico	Q2 2019
"Next-wave" Location Profiles – San Jose, Costa Rica	Q2 2019
"Next-wave" Location Profile – Hyderabad, India	Q2 2019

Thematic Locations Insider reports

Regional Handbook: Focus on Digital Services Talent in Europe	Q1 2019
Talent Hotspots for Risk Analytics In BFSI	Q1 2019
Global Handbook – Focus on Language Skills Availability Across the World	Q2 2019
Changing Fortunes of Delivery Locations – How Macroeconomic Factors Impact Delivery Locations?	Q3 2019
Global Handbook – Focus on Next-Gen Skills Across the World	Q3 2019
What is the Role of Global Delivery Model in an Agile Construct?	Q4 2019
Regional Handbook – Focus on FinTech Talent in the U.S.	Q4 2019

Note: For a list of all of our Locations Insider™ reports, please visit the [Locations Insider™](#)

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. **Emergence of Western Europe for Centralized Global Service Delivery to Europe** ([EGR-2017-2-R-2266](#)); 2017. This report assesses the key drivers for enterprises/service providers to move to Western Europe and key trends affecting the operationalizing of a delivery center in the geography. It also aims to assist companies in location selection within Western Europe by highlighting the key factors to be considered while selecting locations for service delivery.
2. **“Next-wave” Location Profile – Manchester, United Kingdom** ([EGR-2018-37-R-2553](#)); 2018. This report analyzes Manchester and offers perspectives on global sourcing profile of the city, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
3. **“Next-wave” Location Profile – Dublin, Ireland** ([EGR-2018-37-R-2769](#)); 2018. This report analyzes Dublin and offers perspectives on global sourcing profile of the city, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
4. **Europe: Global Services Trends in Q3 2018** ([EGR-2018-35-R-2806](#)); 2018. Buyer Geography Trends reports provide data, developments, and insights on outsourcing and offshoring trends for a particular buyer geography/region. These reports provide the research and analysis that enable users to navigate through complexity and make clear, effective decisions suited to their focus region.

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