



Global Locations State of the Market Report 2020: Moving Forward in Turbulent Times | Key Trends Shaping the Landscape

Locations Insider™

State of the Market Report – March 2020: Complimentary Abstract / Table of Contents

Our research offerings for global services

▶ Market Vista™ Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available	
▶ Application Services	▶ Human Resources
▶ BPS Banking & Financial Services	▶ ITS Banking & Financial Services
▶ BPS Healthcare & Life Sciences	▶ ITS Healthcare
▶ BPS Insurance	▶ ITS Insurance
▶ Catalyst™	▶ IT Services Executive Insights™
▶ Cloud & Infrastructure	▶ ITS Life Sciences
▶ Customer Experience Management Services	▶ Locations Insider™
▶ Data & Analytics	▶ PricePoint™
▶ Digital Services	▶ Procurement
▶ Engineering Services	▶ Recruitment & Talent Acquisition
▶ Enterprise Platform Services	▶ Service Optimization Technologies
▶ Finance & Accounting	

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

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

Membership information

- This report is included in the following research program(s)
– [Locations Insider™](#)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Contents

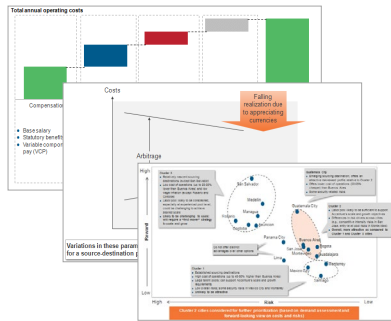
- 1 Introduction and overview
- 2 Summary of key messages
- 3 Key trends shaping the landscape
- 4 Center setup activity database
- 5 Appendix

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

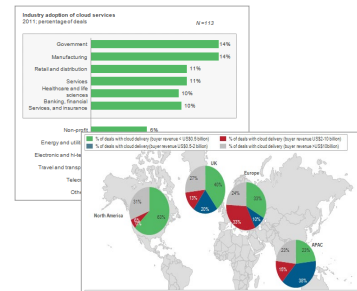
1 Robust definitions and frameworks

Talent pool scalability and sustainability assessments, cost arbitrage sustainability, and risk assessment frameworks



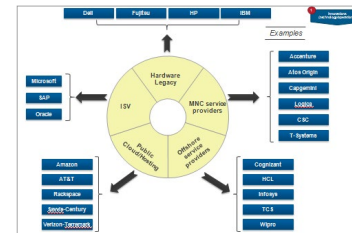
2 Primary sources of information

Ongoing interactions with buyers, global in-house centers (GICs) / captives / shared service centers (SSCs), service providers, investment promotion agencies, recruiters, etc.



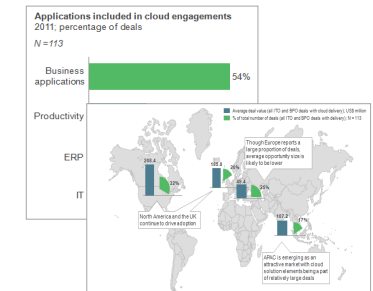
3 Diverse set of market touchpoints

Ongoing interactions across key stakeholders, inputs from a mix of perspectives and interests, supports data analysis and thought leadership



4 Fact-based research

Data-driven analysis with expert perspectives, year-round tracking of location and service provider activity, and country briefings



- Proprietary tracking and databases of operating costs, labor pool, market activity, and risks
- Year-round tracking of 300+ locations around the world
- Coverage across all offshore, nearshore, and onshore locations across regions (APAC, Europe, North America, LATAM, and Africa)
- Over 250+ global projects on supporting clients on location decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Key definitions and inclusions | Countries included in delivery locations landscape analysis

- Global services market by revenue:** Total services exports of all countries in the world. Includes notional revenues from in-house / shared services organizations as well as revenues from third-party IT services and business process service providers. Does not include revenues from domestic (national) markets
 - Business Process Services (BPS): Includes voice business processes (also contact center), non-voice business processes, industry-specific business processes, and knowledge-based processes
 - Information Technology (IT): Includes IT-Applications Development and Maintenance (ADM), infrastructure, testing, helpdesk, next-generation (cloud, mobility, social media, etc.), and other services related to information technology. Excludes engineering and IT-R&D services
- Global services market by headcount:** Estimated headcount (in terms of Full Time Equivalents – FTEs) involved in global services exports (see above) in 38 leading delivery locations listed below:

Region	Country
Asia Pacific (APAC)	India
	The Philippines
	China
	Malaysia
	Singapore
Nearshore Europe (NE)	Belarus
	Bulgaria
	Croatia
	The Czech Republic
	Estonia
	Hungary
	Ireland
	Latvia
	Lithuania
	Poland
	Portugal
	Romania
	Scotland
	Serbia
	Slovakia

Region	Country
Nearshore Europe (NE)	Ukraine
Latin America & the Caribbean (LAC)	Argentina
	Brazil
	Chile
	Colombia
	Costa Rica
	El Salvador
	Guatemala
	Honduras
	Jamaica
	Mexico
	Peru
Middle East and Africa (MEA)	Uruguay
	South Africa
	Mauritius
	Morocco
North America	Egypt
	Canada

Overview and abbreviated summary of key messages

The Global Locations State of the Market Report 2020 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. The broader report has three parts – Key Trends Shaping the Landscape, Risk Watch and Locations PEAK Matrix®. It presents insights about 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.

This specific part of the report is focused on the section - Key Trends Shaping the Landscape

Some of the findings in this section of report, among others, are:

Key trends shaping the landscape

Growth of global services market

- The global services market witnessed lower growth in 2018-2019 (compared to 2017-2018) due to global macroeconomic slowdown, tightening legal/regulatory landscape (GDPR, Brexit, etc.), and volatility in currency fluctuations. In FTE terms, 2019 witnessed a slowdown in the overall growth for the global services industry

Evolving location portfolios

- Increased evidence of players rethinking their location strategies given rapid rate of product/service evolution to reduce the time-to-market, changing customer expectations, and declining margins across industries. Asia Pacific continues to remain the destination of choice for service delivery, with the highest number of new center setups in 2019, followed by Nearshore Europe

Shifting sourcing models and services mix

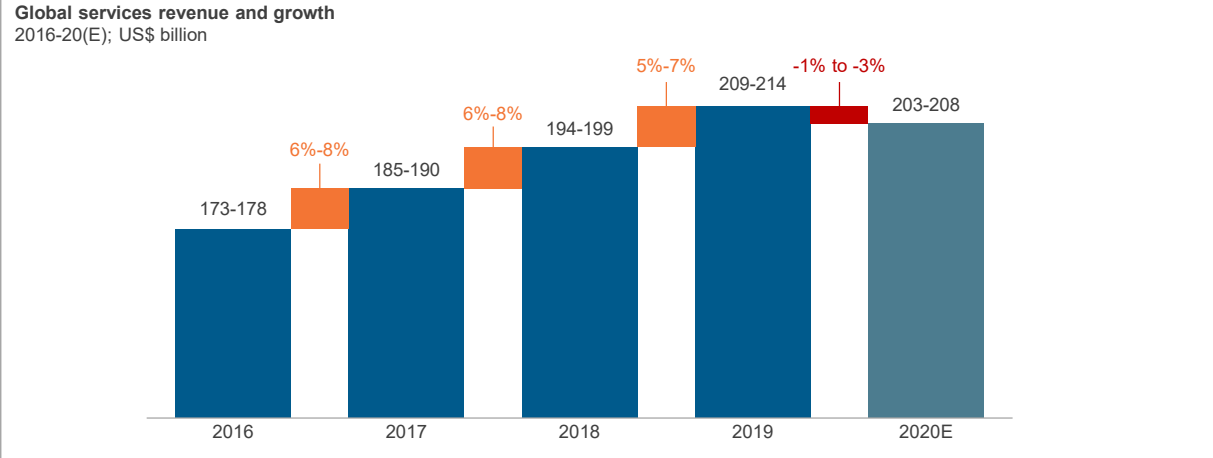
- There have been shifts even in sourcing models with enterprises adopting insourcing to a greater extent as compared to outsourcing. Additionally, given increasing digitalization, companies are focusing more on building skills in and delivery of IT-related services, particularly through the GIC model

The rise of reshoring

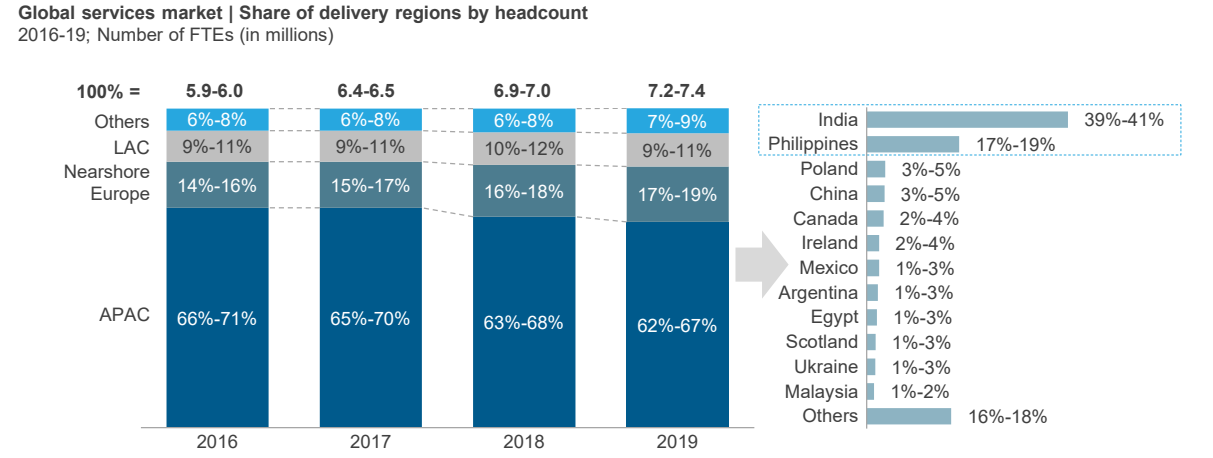
- Reshoring continues to grow amidst data protection and portfolio optimization. There is evidence of sustained need for front-office and back-office integration, strong digital-ready workforce, and increased regulatory oversight

This study provides a deep dive into key aspects of global services market; below are key charts to illustrate the depth of the report

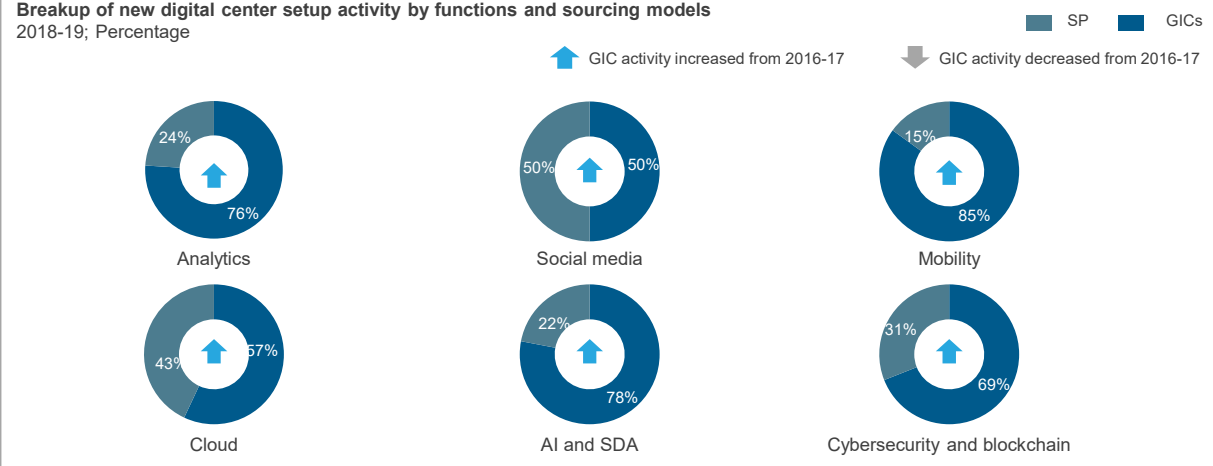
Global services revenue and growth



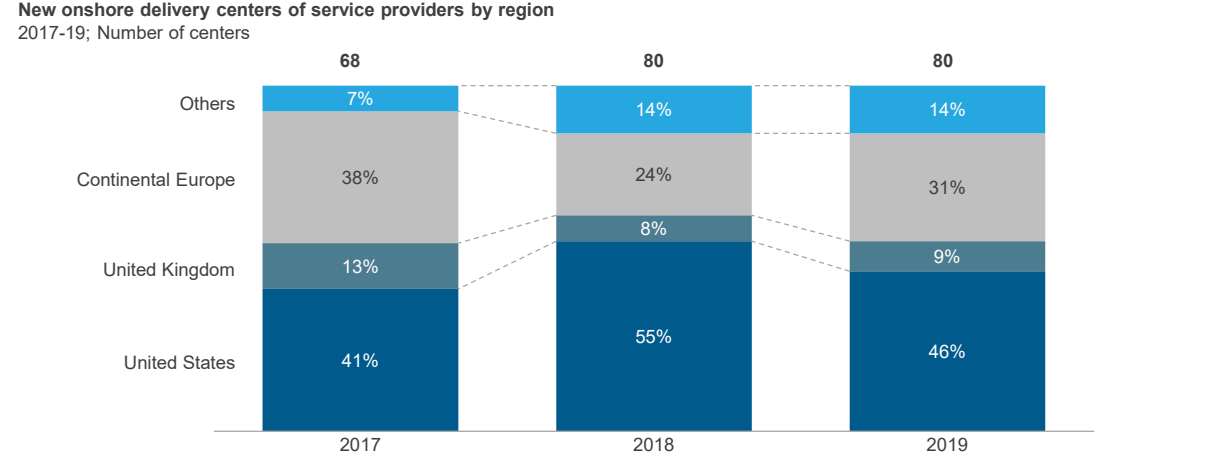
New center-setup activity by regions



Breakup of digital center setup activity



The rise of reshoring



The report also has a spreadsheet of data on locations activity in 2019 – new centers set up by GICs and service providers



Global Locations Annual Report 2020: Moving Forward in Turbulent Times Center Setup Activity Database

Locations Insider™
Annual Report – March 2020

Delivery center announcements in offshore and nearshore regions: 2019

Country	City	Quarter	Service provider / GIC	Headcount	Function	Other comments
Portugal	Lisbon	Q1 2019	Allianz	N/A	BP – CC	Established a contact center in Lisbon, Portugal, to provide customer support services
India	Bengaluru	Q1 2019	PaisaDukan	N/A	IT– ADM	Established a technology center in Bangalore, India, to develop AI and blockchain– based capability for its peer– to– peer lending platform and mobile application
India	Bangalore	Q1 2019	Silicon Valley Bank (SVB)	50; Plans to hire 200 FTEs in next 18 months	BP – F&A and HR and Engineering – software	Established a center in Bangalore, India, to enhance its front– end digital capabilities and to offer finance, accounting, and human resources services. The facility currently employs 50 people and plans to hire 200 additional employees in software engineering, testing, and other soft
Armenia	Yerevan	Q1 2019	VTB Bank	N/A	BP – CC	Established a contact
Singapore	Singapore	Q1 2019	WeBank	Plans to hire 35 FTEs	IT– ADM	Established a FinTech using IoT, ML, and blockchain
India	Bangalore	Q1 2019	Kimberly-Clark Corporation	Plans to hire 200 FTEs	BP – CC	Established a Global global supply chain, cr service operations. The data management, and
India	Hyderabad	Q1 2019	Corteva Agriscience	N/A	BP – F&A, HR, and supply chain and ITO	Established a global s procurement, IT, and h
The Philippines	Manilla	Q1 2019	Fieldcore	150	BP – F&A and HR and ITO	Established a global s finance, tax, and inform
Saudi Arabia	N/A	Q1 2019	Halliburton	N/A	Engineering – mechanical	Established a CoE in t
Hungary	Budapest	Q1 2019	Oxford University Press	Plans to hire 100 FTEs	IT– ADM and infrastructure (general)	Established a technol infrastructure. The faci programming, and soft
India	Mumbai	Q1 2019	Agilent Technologies	N/A	Engineering – software	Established a Center c applications, and soft

Delivery center announcements in onshore regions: 2019

Country	City	Quarter	Service provider / GIC	Headcount	Function	Other comments
The Netherlands	The Hague	Q1 2019	Testinium	20 FTEs	IT – ADM	Opened a new center in the Hague, Netherlands. The company plans to provide resources, tools, and test development services from this center
France	Gennevilliers	Q1 2019	Safran	30 FTEs	Engineering – mechanical	Established a research center in Gennevilliers, France, to focus on AI– based technologies such as single– crystal casting, 3D– printed ceramic cores, and thermal coatings.
The United Kingdom	Brierley Hill	Q1 2019	Citizen Machinery	54 FTEs	IT – ADM and Engineering – embedded	Established a CoE in Brierley Hill, England, the United Kingdom, to focus on software development, applications engineering, and machine servicing capabilities
Greece	Athens	Q1 2019	TTEC	250 FTEs	BP – CC	Opened a new center in Athens, Greece for providing customer experience services. The company is hiring up to 250 customer experience associates to provide support to an existing client
The United States	El Paso	Q1 2019	TLC Associates	500 FTEs	BP – CC	Established a second contact center in El Paso, United States. This new center will support in providing services to its Fortune 500s clients
Japan	Fukuoka	Q1 2019	Accenture	N/A	BP – F&A, HR, procurement, and sales	Opened a new Intelligent Operations Center Fukuoka as part of the its growth plans to expand in Japan with focus on helping enterprise clients drive innovation. The new center will work with the clients on digital and automation technologies, such as Robotic Process Automation (RPA), analytics, AI, and specific industries and business processes including F&A, HR, procurement, and sales & marketing to create intelligent operations
Germany	Friedrichshafen	Q1 2019	Airbus	N/A	Engineering – mechanical	Established an Integrated Technology Center (ITC) in Friedrichshafen, Germany, to develop satellites, probes, space instruments, and experimental technologies
The United States	Costa Mesa	Q1 2019	Automatic Data Processing (ADP)	N/A	ITO	Opened a new office to focus on technology and innovation and future of pay
The United Kingdom	Bristol	Q1 2019	CEVA	N/A	Engineering – embedded	Established an R&D center in Bristol, the United Kingdom, to develop digital signal processing and AI products
The United States	Denver	Q1 2019	CGI Group	N/A	N/A	Opened its innovation center to meet the clients' digital transformation and customer engagement goals
Canada	Calgary	Q1 2019	Cisco Systems	N/A	Engineering – software	Established an R&D center in Vancouver, Canada, to offer AI and cybersecurity services

Copyright © 2020 Everest Global, Inc.
We encourage you to share these materials internally within your organization. However, sharing these materials outside of your organization or verbal—is prohibited unless you obtain the express, prior, written consent of Everest Global, Inc. or its client. It is the organization's responsibility to maintain the confidentiality of the information.

Research calendar – Locations Insider™

Published
 Planned
 Current release

Flagship Locations Insider reports

Release date

Global Locations Annual Report 2019	September 2019
Location Spotlight – Egypt	September 2019
Location Spotlight – The Czech Republic	September 2019
Location Spotlight – Morocco	October 2019
Location Spotlight – Romania	October 2019
Location Spotlight – Israel	October 2019
Location Spotlight – Trivandrum, India	October 2019
Location Spotlight – Vietnam	February 2020
Global Locations State of the Market Report 2020: Moving Forward in Turbulent Times	March 2020
Location Spotlight – Slovakia	Q2 2020
Location Spotlight – Indonesia	Q2 2020

Thematic Locations Insider reports

Global Hotspots – Analytics in BFSI	May 2019
European Digital Services Talent Handbook: Prepare for Digital Disruption	June 2019
Global Handbook – Focus on Language Skills Availability Across the World	November 2019
Global Handbook – Focus on Cloud Skills Across the World	Q1 2020

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

Additional Locations Insider™ 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. 2020 Locations Predictions: Confronting the Impending Slowdown** ([EGR-2020-37-V-3618](#)); 2020. Everest Group's predictions that the global services market would experience slightly lower growth in 2019 over 2018, both in terms of revenue and headcount, have been proven correct. Enterprises have been increasingly leveraging their locations strategies – based on talent quality and availability, rather than cost – as a tool to achieve service delivery transformation. Given these developments, what does 2020 hold for the global services industry? The report offers predictions on overall and location-specific services delivery, upon which organizations can anchor their transformation agendas. In addition to it, It presents insights into next-wave locations expected to gain prominence in the future and key risks to watch out for when transforming the delivery strategy
- 2. Navigating the Coronavirus Outbreak for Shared Services Organizations** ([EGR-2020-37-V-3614](#)); 2020. As the world's attention has increasingly turned towards the COVID-19 virus over the course of 2020, most shared services organizations have already triggered their business continuity plans and adjusted their operations. The uncertainty associated with a risk such as a virus – unbounded by location or other formal borders – will continue for some time and require sustained diligence and proactive efforts to adjust as new information becomes available. In this viewpoint, we offer a recap of the standard responses that most organizations have taken, some best-in-class industry practices, and a view on how the new normal, post-COVID, would look like.
- 3. Global Locations Annual Report 2019: Demand for Next-gen Services Defining Locations Strategies | Key Trends Shaping the Landscape** ([EGR-2019-37-R-3313](#)); 2019. The global services landscape experienced high growth in 2018 in terms of overall market activity for new center setups. Headcount growth was slower than last year owing to advances in automation capabilities by offshore entities, a talent shortage for new-age technologies, increased onshoring by enterprises, and weakening financial sentiment across the world. The Global Locations Annual Report 2019 is a unique and comprehensive guide to understanding the nuances of the locations landscape and interpreting locations-related developments and trends to frame locations strategy. It presents insights into the size and growth of the global services market, update of center set-up activity, changes in risk profiles of locations, and an analysis of the maturity, arbitrage, and potential of locations (MAP Matrix™)

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

Parul Jain, Practice Director: parul.jain@everestgrp.com

Surbhi Gupta, Senior Analyst: surbhi.gupta@everestgrp.com

Sauban Nafees, Senior Information Specialist – IS, Research: sauban.nafees@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog



www.everestgrp.com/blog/

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.