



Location Spotlight – Georgia

Locations Insider™ (LI)

Market Report – June 2020: Complimentary Abstract / Table of Contents

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- Peer analysis | Scope, sourcing models, locations
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- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Membership information

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 - [Locations Insider™](#)
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This report provides perspectives on key aspects of the global sourcing market in Georgia

Georgia | At a glance



Emerging CEE location leveraged for multi-lingual BP and IT services delivery, with favorable operating and business environment

KEY FACTOIDS

- 25,000-26,000 annual tertiary graduates
- Annual operating cost per FTE: 75-80% savings over tier-2 UK (Croydon) and 55-60% savings over tier-1 Poland (Warsaw)

Current overview

- Emerging delivery location in Eastern Europe for delivery of multi-lingual customer support in European languages such as German and French, along with IT ADM and other non-voice BP services (e.g., finance & accounting)
- Tbilisi is the key IT and Business Process (BP) services delivery location in Georgia; however, evidence of some market activity found in other locations such as Kutaisi and Batumi
- Primarily serves Germany and other Western European countries

Key drivers

- Strong government support for the IT-BP sector with investment incentives such as corporate tax exemption, salary subsidies, and training co-financing
- Well-developed infrastructure capabilities with a robust IT network, high safety and security, ease of doing business, and a stable macroeconomic environment
- Potential to increase digital services delivery and grow in innovation-led IT processes such as blockchain/distributed ledger, FinTech

Key challenges

- History of some geopolitical tension with Russia; however, there is limited impact on trade including in the IT-BP industry
- Relatively lower maturity of the services market is likely to pose a challenge in terms of availability of experienced resources and presence of ancillary services (e.g., recruiters and trainers)
- Some concerns around high unemployment rate and continuous currency devaluation, however Georgia has performed better than other Caucasian countries

KEY PLAYERS:

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Georgia | Talent and cost overview (page 1 of 2)

Georgia offers sizable entry-level talent pool across both business processes and information services delivery

Entry-level talent pool

Annual tertiary graduate pool¹ 2020, '000s

Category	Value
Total ¹	25-26
IT & engineering	2-3
Commerce & accounting	8-9
Arts, social sciences, and humanities	6-7
Others ²	7-8

- Georgia has one of the highest literacy rates in CEE countries (99.4%), with presence of many leading universities (e.g., Tbilisi State University, Iliia State University, Georgian Technical University, Free University of Tbilisi, and University of Georgia) and educational centers
- Tbilisi is the key talent hub, accounting for more than 60% of the total graduate pool in the country
- High availability of English, German, French, Italian, Russian, Spanish and Turkish speaking talent, as study of at least one foreign language is compulsory in universities

Functions supported

Functions	Maturity
Contact center	■ Highly favorable
IT-ADM	■ Favorable, some concerns
Non-voice BP	■ Favorable, some concerns
IT infrastructure	■ Least favorable
Digital	■ Least favorable

- Significantly leveraged to support multi-lingual contact center services delivery in German, French, and Russian languages
 - High maturity for both voice and non-voice (e.g., email, chat, and social media) services delivery with evidence of players achieving scaled operations
- Within IT services, work mix primarily includes IT-ADM (e.g., application development, software testing, and maintenance); evidence of a few players providing IT helpdesk and other infrastructure support services such as network and cloud services
- Non-voice BP largely includes transactional services within finance & accounting; some evidence of delivery of human resources and supply chain operations

1 Total annual tertiary graduates include university and technical/vocational graduates across all streams excluding secondary pool (e.g., high school graduates)
2 "Others" include streams such as education, law, agriculture, and medical sciences

Source: Everest Group (2020); interviews with market participants

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Research calendar – Locations Insider

Published
 Planned
 Current release

Flagship Locations Insider reports	Release date
Location Spotlight – Morocco	October 2019
Location Spotlight – Romania	October 2019
Location Spotlight – Israel	October 2019
Location Spotlight – Trivandrum, India	October 2019
Location Spotlight – Mumbai	February 2020
Global Locations Annual Report 2020	March 2020
Location Spotlight – Bulgaria	April 2020
Location Spotlight – Indonesia	April 2020
Location Spotlight – Slovakia	May 2020
Location Spotlight – Georgia	June 2020
Location Spotlight – Guatemala	Q2 2020
Location Spotlight – Wuxi, China	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	Q2 2020

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

Additional Locations Insider™ 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 State of the Market 2020: Moving Forward in Turbulent Times | Key Trends Shaping the Landscape** ([EGR-2020-37-R-3646](#)); 2020. The Global Locations State of the Market report describes the nuances of the global services locations landscape and interprets locations-related developments and trends to help in locations portfolio strategy design. It presents insights into market size and growth as well as global services exports by region and country. It also offers an update of locations activity by region and country as well as trends affecting global locations (changes in the investment environment, key global developments, and changes in exposure to various risks)
2. **2020 Location Predictions: Confronting the Impending Slowdown** ([EGR-2020-37-V-3618](#)); 2020. In this viewpoint, we share our predictions for the global services market and growth in key delivery locations in 2020. We share specific predictions for 40+ locations, representing >95% of the global services market. This viewpoint will help you determine overall global services market forecast, location-specific predictions, key risks that can impact services delivery, and next-wave locations expected to gain prominence in the future
3. **Location Spotlight – Bulgaria** ([EGR-2020-37-R-3691](#)); 2020. This report analyzes Bulgaria and offers perspectives on the global sourcing profile of Bulgaria, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environmental risks
4. **Talent Handbook for Language Skills: Answering the Calls for a Global Marketplace** ([EGR-2019-37-R-3423](#)); 2019. This report helps market players in selecting the most suitable locations for their language-related needs. It highlights the relative attractiveness of key global locations for different languages based on a comprehensive assessment of 20+ parameters, grouped under two broad categories: enablers and language talent pulse

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

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