



Location Spotlight – Guatemala

Locations Insider™ (LI)

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

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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 Guatemala

Guatemala | At a glance



Upcoming location for delivery of Contact Center (CC) and non-voice Business Process (BP) services; primarily leveraged by service providers

KEY FACTOIDS

27,000-32,000 annual tertiary graduates

67-70% savings over Dallas
30-35% savings over Cost Rica

Current overview

- Strong market supporting global services work (50,000-52,000 FTEs); consistent growth of 6-7% across global services market in the last 2-3 years
- Primarily leveraged for delivery of CC and non-voice BP services
- Market activity concentrated in Guatemala City, mostly dominated by global and regional service providers
- Largely leveraged as a spoke location to cater to the clients in North America and Western Europe

Key drivers

- Attractive cost proposition compared to the US and other Central and South American countries (e.g., Costa Rica and Mexico)
- High availability of English-speaking talent, neutral accent, cultural affinity with the US, and time zone similarity, making the location attractive
- Offers large talent pool proficient in English; bilingual contact center work forms a major portion of the global sourcing industry

Key challenges

- High attrition rates pose challenges related to talent management and cost effectiveness
- Some concerns related to safety and security (organized crime and drug-related activities) and vulnerability to natural hazards
- Concerns around political instability and high corruption levels in the country

KEY PLAYERS:



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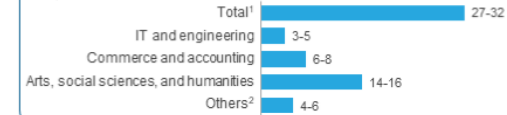
Guatemala | Talent and cost overview (page 1 of 2)

High availability of talent for supporting contact center and non-voice BP related services

Entry-level talent pool

Annual tertiary graduate pool¹

2020; Number in '000s



- Guatemala offers a sizable graduate talent pool, with significant amount of graduates specializing in streams relevant for voice and non-voice BPS (~70%)
 - Some of the major streams preferred by students include humanities, arts, social sciences, and business, accounting and finance
- Guatemala City is the leading education hub in the country and houses some of the largest universities (10+)
- Availability of IT and engineering talent, however, is limited in the country

Functions supported

| Function | Maturity |
|-------------------|--------------------------|
| Contact center | Highly favorable |
| Non-voice BP | Favorable, some concerns |
| R&D/engineering | Least favorable |
| IT ADM | Favorable, some concerns |
| Digital | Least favorable |
| IT infrastructure | Favorable, some concerns |

- The country is predominantly leveraged by service providers to deliver contact center and non-voice BP services
 - Among contact center services, bilingual customer care, technical helpdesk, and outbound sales are the key services delivered largely by third-party providers
 - Business process services also constitutes a major share with players primarily supporting finance and accounting, procurement, HR, and other knowledge-based services
 - Telecom, banking & financial services, and manufacturing / retail sector account for major chunk of the BPO work
- The location is still very nascent in terms of overall delivery for IT / digital / engineering services; limited instances of players supporting small-medium scaled operations
 - Work mix skewed towards application/software development, application support, e-commerce/hosting services, and digital marketing campaigns

¹ Total annual tertiary graduates include university and technical/vocational graduates across all streams, excluding the secondary pool, i.e., 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 | June 2020 |
| Location Spotlight – Wuxi, China | Q2 2020 |
| Location Spotlight – San Antonio, Texas, United States | Q3 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 Annual Report 2020: Moving Forward in Turbulent Times | Key Trends Shaping the Landscape** ([EGR-2020-37-R-3646](#)) 2020. The Global Locations Annual Report 2020 describes the global services locations landscape and interprets locations-related developments and trends to design a best-fit locations portfolio strategy. It presents insights into market size and growth, global services exports by region and country, locations activity by region and country, and trends affecting global locations (changes in investment environment, key developments across the world, 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 – San Jose, Costa Rica** ([EGR-2019-37-R-3175](#)); 2019. This report analyzes Costa Rica and offers perspectives on the global sourcing profile of Costa Rica, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environmental risks

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About Everest Group

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