

# Location Spotlight – San Antonio, Texas, The United States

October 2020: Complimentary Abstract / Table of Contents



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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

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

Location Spotlight – San Antonio, Texas, United States

## San Antonio | At a glance



San Antonio, Texas, United States

*An established tier-3 location for contact center delivery, offering significant cost arbitrage over tier-1 locations in the US*

**KEY FACTOIDS**

- 15,000-20,000 annual tertiary graduates
- Annual operating cost per FTE: 4-6% savings over Dallas, 20-24% savings over New York

**Current overview**

- An established location for delivery of contact center services and IT services (application development). The location is also highly leveraged for delivery of non-voice services
- High availability of talent pool skilled in Spanish; more than 40% of the population speaks Spanish in San Antonio
- Offers significant competitive edge to companies by providing tax incentives and rebates

**Key drivers**

- Offers a sizable pool of graduates every year, with basic knowledge and soft skills required for the contact center industry
- Attractive cost proposition as compared with tier-1 US locations
- Favorable location for domestic services delivery, especially in terms of government initiatives to improve the business climate
- High quality of infrastructure and good connectivity with other key locations

**Key challenges**

- Trade war with China brings some uncertainty and may negatively impact the US economy
- The current account is expected to remain in deficit and unemployment rate in the US is rising due to COVID-19
- Ambiguity for global services industry with respect to changes in foreign policy as presidential elections are due in November 2020

**KEY PLAYERS:** citi, wells fargo, JPMorganChase, UnitedHealth Group, CVSHealth, sears, ATENTO, DXC technology, accenture, xerox

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## San Antonio | Risk profile (page 1 of 2)

Good infrastructure facilities; however, some concerns around economic stability due to COVID-19

■ Highly favorable    ■ Favorable, some concerns    ■ Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	<span style="color: yellow;">■</span>	<ul style="list-style-type: none"> <li>The United States ranks 25th among 167 countries in the Democracy Index 2019 compiled by the Economist Intelligence Unit (EIU)</li> <li>The current government has reversed many policies passed under the Obama administration and holds an "America First" principle regarding foreign policies. Rising trade protectionism may bring uncertainty over existing legislation and trade agreements. Also, despite the signing of a partial trade agreement in January 2020, trade tensions with China persist</li> <li>Presidential elections are due in November 2020; due to which the US trade and foreign policy remains volatile and unpredictable, and poses uncertainty for global services</li> </ul>
Macroeconomic	<span style="color: yellow;">■</span>	<ul style="list-style-type: none"> <li>The US entered recession for the first time in more than 10 years, with COVID-19 hitting the country:               <ul style="list-style-type: none"> <li>In 2020, the budget deficit is expected to reach a record level as a result of the measures adopted to deal with the COVID-19 crisis. At the end of July, the stimulus plans, including the CARES Act (relief fund for COVID-19), were estimated at around 14% of the US GDP</li> <li>The unemployment rate shot up from 3.5% in January 2020 to 14.7% in April 2020 due to the pandemic</li> <li>Fitch Ratings changed its outlook from stable to negative due to the ongoing deterioration in the U.S. public finances and the absence of a credible fiscal consolidation plan</li> </ul> </li> </ul>
Infrastructure	<span style="color: green;">■</span>	<ul style="list-style-type: none"> <li>The United States is ranked 13th out of 141 countries in the 2019 Global Competitiveness Index for its infrastructure quality</li> <li>San Antonio has a major international airport and offers good public transportation system through extensive road, rail, and air network. It has good connectivity to key business centers within the city</li> <li>The city has a five-year Infrastructure Management Program (IMP) in place that focuses on regular maintenance of San Antonio's Infrastructure</li> </ul>

Source: Everest Group (2020), inputs from recruitment firms, market players, and investment agencies

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# Research calendar

## Locations Insider™

■ Published
 ■ Planned
 ■ Current release

### Flagship Locations Insider reports

	Release date
Global Locations State of the Market Report 2020	March 2020
Location Spotlight – Bulgaria	April 2020
Location Spotlight – Indonesia	April 2020
Location Spotlight – Slovakia	May 2020
Location Spotlight – Georgia	June 2020
Locations Spotlight – Guatemala	June 2020
Location Spotlight – Taiwan	July 2020
Location Spotlight – Wuxi, China	August 2020
Location Spotlight – Taiwan	September 2020
<b>Location Spotlight – San Antonio, Texas, The United States</b>	<b>October 2020</b>
Location Spotlight – Raleigh-Durham-Cary (Research Triangle)	Q4 2020

### Thematic Locations Insider reports

	Release date
Global Handbook – Focus on Cloud Skills Across the World	June 2020
Engineering Services Skills Handbook: Preparing for Next Wave of Growth in R&D	July 2020
Africa: Emerging IT-BP Delivery Force	July 2020
Engineering Services Skills Handbook: Preparing for Next Wave of Growth in R&D	July 2020

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