

# Global Locations State of the Market Report 2021: Embracing Uncertainties in a Disrupted World | Locations PEAK Matrix®

November 2021: Complimentary Abstract / Table of Contents



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

01

## Robust definitions and frameworks

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

02

## Primary sources of information

Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys

03

## Diverse set of market touchpoints

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

04

## Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

Proprietary contractual database 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

## Overview and abbreviated summary of key messages

The Global Locations State of the Market Report 2021 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 - Locations PEAK Matrix®

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

#### PEAK Matrix®

The relative attractiveness of locations is driven by maturity potential and cost-arbitrage over source markets. The pandemic-induced slowdown subdued the global services market's growth in 2020. However, the market rebounded in 2021 and is poised to grow further in 2022, driven by factors such as a strong recovery, increased demand for value-added and digital services, and higher offshoring/nearshoring by enterprises due to GBS organizations' and service providers' strong business resilience

- In APAC, tier-1 Indian cities continue to maintain Leader positions, with certain tier-2 locations emerging as Major Contenders for transactional Business Process Services (BPS) and contact center work. The Philippines continues to be a Leader location for contact center and transactional BPS work, and China is primarily leveraged for functions around the cloud, cybersecurity, analytics, and engineering/R&D services
- In EMEA, Poland continues to remain the leading location for IT-BP delivery, followed by Ireland
- Within the Americas, Canada has experienced growth, with global players adding/expanding delivery capabilities to gain access to the North American market at a moderate cost arbitrage over leading US markets. Colombia is a Leader location for transactional BPS delivery and a Star Performer for bilingual BPS delivery. Mexico and Argentina continue to maintain Major Contender positions for most functions

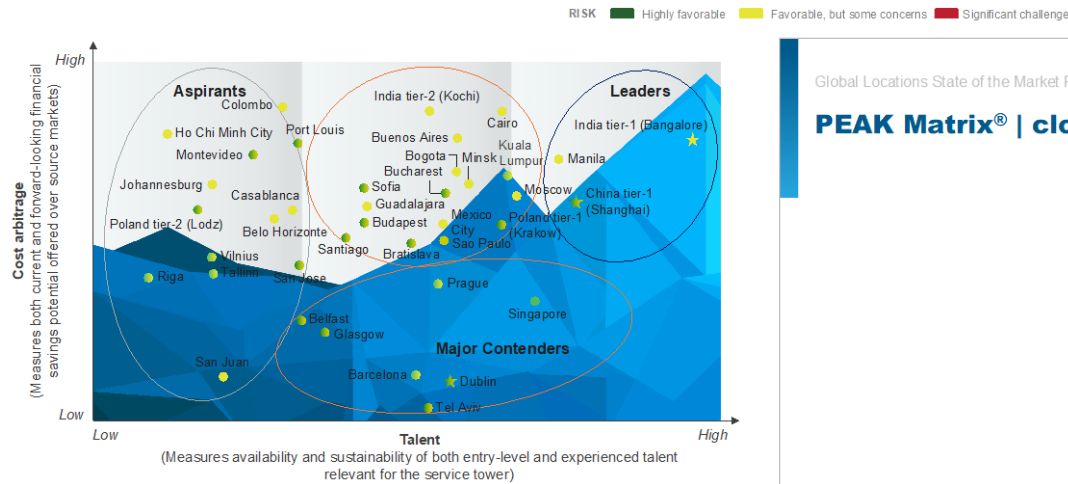
## Scope of the PEAK Matrix® report

- This section provides a comprehensive view of the attractiveness of locations in terms of cost and talent availability; the analysis is strictly from an offshoring/nearshoring standpoint, and does not include domestic service delivery (i.e., demand from Brazil being serviced in Brazil)
- The section presents analyses on 80+ locations (cities) for the following 11 functions:
  - Information Technology – Application Development and Maintenance (IT-ADM)
  - Contact center (English language)
  - Transactional Business Process Services (BPS)
  - Complex/judgment-intensive BPS
  - Bilingual (Spanish and English language) BPS
  - Multi-lingual (European languages) BPS
  - Analytics
  - Cloud services
  - Cybersecurity
  - Engineering/R&D services
  - IT services in the US
- The following three parameters have been considered to estimate the attractiveness of locations:
  - **Operating cost**
    - ◆ Fully loaded operating cost per FTE; includes salaries and mandatory benefits for the delivery and support staff, real estate and facilities cost, infrastructure cost, and other miscellaneous expenses
    - ◆ The analysis does not include the center set-up and transition costs, travel, expat-related costs, corporate Selling General and Administration expenses (SG&A), and margins
  - **Talent pool assessment**
    - ◆ The analysis factors in availability of the talent pool for both entry-level and experienced roles
    - ◆ Different weights have been assigned to entry-level and employed pool for different functions, based on the typical delivery pyramids for the respective functions
  - **Risk profile:** Final risk ratings on the basis of various businesses and operating environment parameters such as infrastructure quality, geopolitical stability, macroeconomic stability, regulations and ease of doing business, and safety and security

# This study provides a comprehensive view of the attractiveness of major global delivery locations in terms of cost and talent availability

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## PEAK Matrix® | IT-ADM

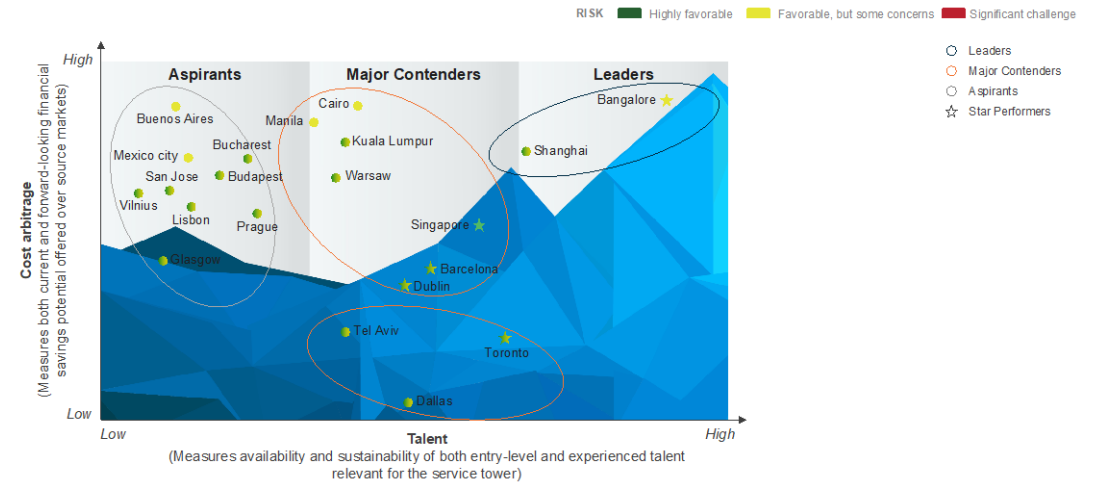


Note 1: The assessment has been done only for a representative list of locations  
 Note 2: We used representative cities to depict typical talent-cost positioning; there could be other cities in the country that also offer comparable propositions to these cities.  
 Source: Inputs from market players, recruitment firms, and investment agencies.

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## PEAK Matrix® | cloud services



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# Research calendar

## Locations Insider™

■ Published
 ■ Planned
 ■ Current release

### Flagship reports

	Release date
Location Spotlight – Cali Columbia	March 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Risk Watch	March 2021
Location Spotlight – Hungary	June 2021
Location Spotlight – Thailand	July 2021
Location Spotlight – Croatia	August 2021
Location Spotlight – Latvia	August 2021
Location Spotlight – Ghana	August 2021
Location Spotlight – Queretaro, Mexico	November 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World   Key Trends Shaping the Landscape	November 2021
<b>Global Locations State of the Market Report 2021: Embracing Uncertainties in a Disrupted World   Locations PEAK Matrix®</b>	<b>November 2021</b>
Location Spotlight – Sri Lanka	Q4 2021

### Thematic reports

	Release date
Leading European Locations for Global Delivery of Engineering Services	October 2020
Data & Analytics Handbook – Delivery Location Strategy to Steer Through Digital Disruption	November 2020
LATAM: Emerging Nearshore Destination	May 2021
Talent Handbook on Cybersecurity Skills	June 2021

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