

Global Locations State of the Market Report 2022: Talent Drives Locations Strategies | Locations PEAK Matrix®

March 2022: Complimentary Abstract / Table of Contents



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- ▶ Talent Excellence ITS
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Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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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 2022 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. As companies have taken a path to recovery post pandemic, global services market has seen a strong growth in 2021-2022, which is expected to continue in the coming 12 months

- Asia Pacific continues to dominate the global services space with major tier-1 Indian cities maintain its Leader positions. The Philippines continues to remain a Leader for contact center and transactional BPS work. China is primarily leveraged for digital functions around the cloud, cybersecurity, analytics, and engineering/R&D services
- In EMEA, Poland and Ireland continue to be locations of choice for IT-BP delivery
- Within the Americas, Canada continues to witness growth in terms of new centers setups and capabilities development to serve North American market at a moderate cost arbitrage over leading US markets. Colombia is a Leader location for transactional BPS delivery. Mexico and Argentina continue to maintain Major Contender positions for most functions

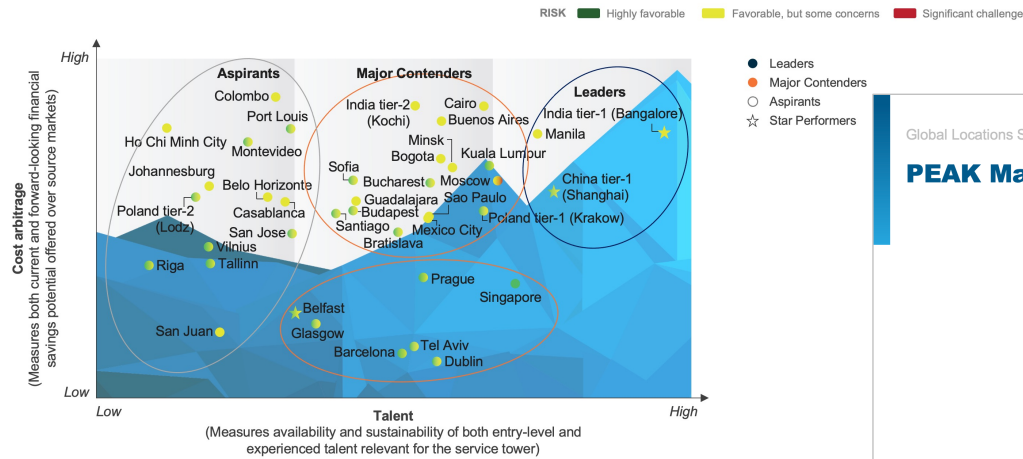
Scope of the PEAK Matrix® report

- 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, expatriates-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 the 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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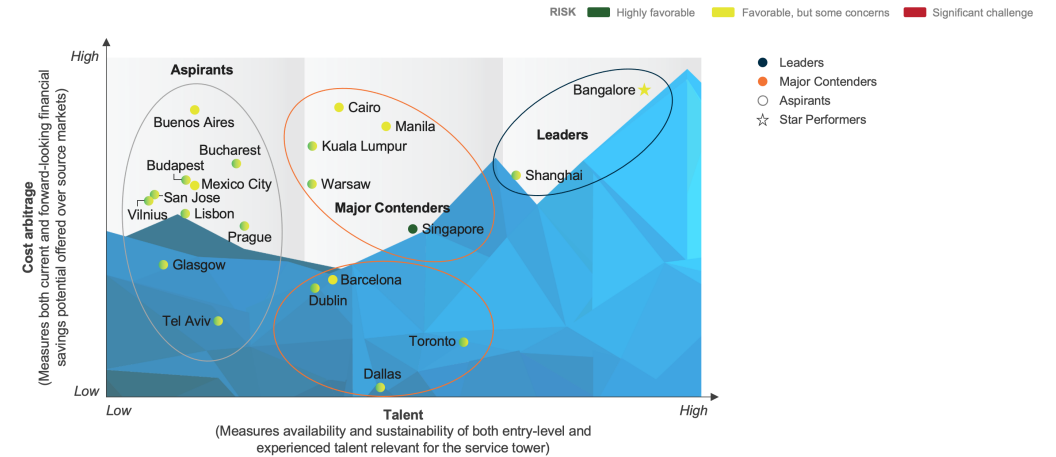
PEAK Matrix® | IT-ADM



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 for tier-1 and tier-2 cities for some countries (e.g., Bangalore as a tier-1 city and Kochi as a tier-2 city in India); 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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 Source: Inputs from market players, recruitment firms, and investment agencies.

Research calendar

Locations Insider™

■ Published
 ■ Planned
 ■ Current release

Flagship reports

Release date

Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Locations PEAK Matrix®	November 2021
Reimagining Latin America Delivery in a Post-COVID-19 World	December 2021
Location Spotlight – Sri Lanka	January 2022
Location Spotlight – Riyadh	January 2022
Location Spotlight – Jamaica	January 2022
Location Spotlight – Ahmedabad, India	March 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Locations PEAK Matrix®	March 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Risk Radar	Q2 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Key Trends Shaping the Landscape	Q2 2022
Location Spotlight – Malaga, Spain	Q2 2022

Thematic reports

Release date

Talent Handbook on Cybersecurity Skills	June 2021
Technology Services Talent Handbook – Do You Have the Right Locations in Your Delivery Portfolio?	January 2022
Impact of Climate Change on Delivery Locations Sustainability	March 2022
Enterprise Acquisition Guide for Hot IT Roles	Q2 2022
Impact of Demographics Change on Delivery Locations Sustainability	Q2 2022

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