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CEO Spotlight



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Top 50: Emerging Outsourcing Destinations 2008

The War for Global Talent continues – and the battlefield continues to expand across the globe. Few countries as leaders have emerged, however the battlefield is now moving away from countries to the global emerging cities.

Search for talent has to focus on “Emerging Cities” rather than “Countries” as “Centers of Excellence”. We actively search, research, track and develop the likely winners among over 100 global emerging cities. It is exciting to see innovative thinking and positioning by some of these destinations – and succeed in attracting outsourcing work and investors.

Tholons along with Global Services releases results of our annual “Top 50 Emerging Global Outsourcing Cities” study. Next month’s release of the study will mark the third annual edition. There are some remarkable shifts and trends emerging that are and will continue to shape the business of “Global Outsourcing”.

This year has seen a significant change in new business across global destinations. Newer cities have moved up positions and starting to raise eye brows. To just jig your thoughts, see how Manila National Capital Region (NCR) - which includes 16 cities, has performed versus the rest. Having less than 1/13th of India’s population, it has 1/6th the outsourcing revenues of India ITO/BPO. And get this – BPO for Philippines is ½ as large as India’s BPO revenues! That is a significant achievement for Philippines. Today, any global service provider / clients alike can’t think of global delivery of “Customer Service” processes without a significant presence in Philippines. This has put even mature destinations such as Bangalore to relook at its competitive advantage and strategy. It is just a function of how skill meets demand.

Similarly, Cairo is uniquely positioned to cater to not just the UK and US market, but also tapping much of the fast growing Middle Eastern market – providing a great platform to outsource work from Arab and Gulf countries from Telecom, Financial, Travel and Healthcare clients.

The Tholons annual research and study helps offer clients answers, data and decision support system to navigate the Global Talent market. It aims to address key challenges:

- A major growth challenge clients are facing today is to find locations that can provide the necessary scale of resources at costs that are either at par or less than the current locations
 - Availability, quality and acquisition of talent pool globally has become an imperative to future success
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Needless to say, we have seen significant changes in the market landscape resulting in the prominence of Tier II locations not just across India / Philippines but across other popular geographies such as China, Eastern Europe and even the African belt.

The past one year, we have also seen extrinsic factors such as the economic downturn, financial crisis / credit crunch and currency fluctuations having a significant impact on growth of the outsourcing business. The 'affordability' factor is at stake.

Watch out for trends shaping our industry and to figure how leaders are positioning themselves to win the "War for Talent". All the best – see the detailed study report to be released early next month.



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