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CEO Spotlight



THOLONS

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Global Outsourcing Destinations 2009

Tholons presents the fourth iteration of the **Global Top 50 Emerging Centers of Excellence** based on the **Tholons Location Assessment Framework**; developed through over a decade of experience and fine-tuned from extensive client engagements.

Tholons 2009 **Global Top 50 Emerging Centers of Excellence** is scheduled for release on *October 1, 2009*.

There is no discounting the effects of the current economic downturn on the global Outsourcing market, yet even through these turbulent times, we continue to see clear signs of evolution and positive dynamics in the Services Globalization landscape.

For instance, the Philippines increased Outsourcing revenues by 25% from US\$4.8 billion in 2007 to US\$6 billion in 2008 while increasing industry employment by 33% to an estimated 400,000 employees. India meanwhile, sustained its momentum as the country posted 35% YoY growth rates in revenues over the last five years reaching, US\$40 billion in IT-BPO export services in 2008. In a parallel view, while a number of developing economies struggled to acquire investments from client nations, India's FDI posted the largest increase globally at 46% in 2008 - from US\$25 billion to US\$46 billion even as global FDI flows decreased from US\$1.9 trillion to US\$1.7 trillion. These are quite remarkable figures when considering that most countries (and industries) struggled just to stay afloat in 2008.

We are confident that there remain tangible opportunities in the global Outsourcing market - with these opportunities increasing as we slowly pry ourselves from the grips of the recession. Thus, though proper location assessment has become increasingly complex, it has also become more critical in identifying market opportunities for both service providers and buyers. Today, the need to understand the delivery capability of a potential Outsourcing location is based on an ever increasing number of ecosystem variables. Further, with increased competition amongst service providers offering similar value propositions - distinction and categorization has become more difficult.

It is in this light that Tholons presents the fourth iteration of the **Global Top 50 Emerging Centers of Excellence** based on the **Tholons Location Assessment Framework**, developed through over a decade of experience and fine-tuned from extensive client engagements. The study identifies and ranks the Top 8 Emerged, the Top 50 Emerging, and the Next 10 Aspiring cities on the offshoring and outsourcing horizon. The study this year aims at providing industry stakeholders a new perspective to location assessment, and introduces the concept of convergence of destinations. Convergence leads to a combined and more powerful value proposition for the buyer which helps simplify decision making.

This phenomenon of convergence has been looked at from various aspects. While convergence of cities in a country forms the body of the study, introducing the Top 5 and Next 5 Offshore Nations. Convergence of services by region and formation of cities as clusters impart the soul to the study. In all, a total of 68 service delivery locations have been mapped and will be presented by Tholons in this year's study along with 10 offshore nations and introducing the concept of city clusters.

As outsourced processes become more complex and offshore nations evolve, Tholons believes that the outsourcing and offshoring landscape will remain highly dynamic, perpetually adapting to the demands of change. Ultimately this study is intended to delivery clarity to stakeholders in choosing the appropriate path for their distinct business objectives. As we expand our Location Assessment Practice, Tholons will likewise continue providing our clients and partners the direction necessary to identify these best-fit locations.

We look forward to your support with the **Tholons 2009 Global Top 50 Emerging Centers of Excellence** - scheduled for release on October 1, 2009.

If you have any questions or comments about this article please contact at avi@tholons.com

