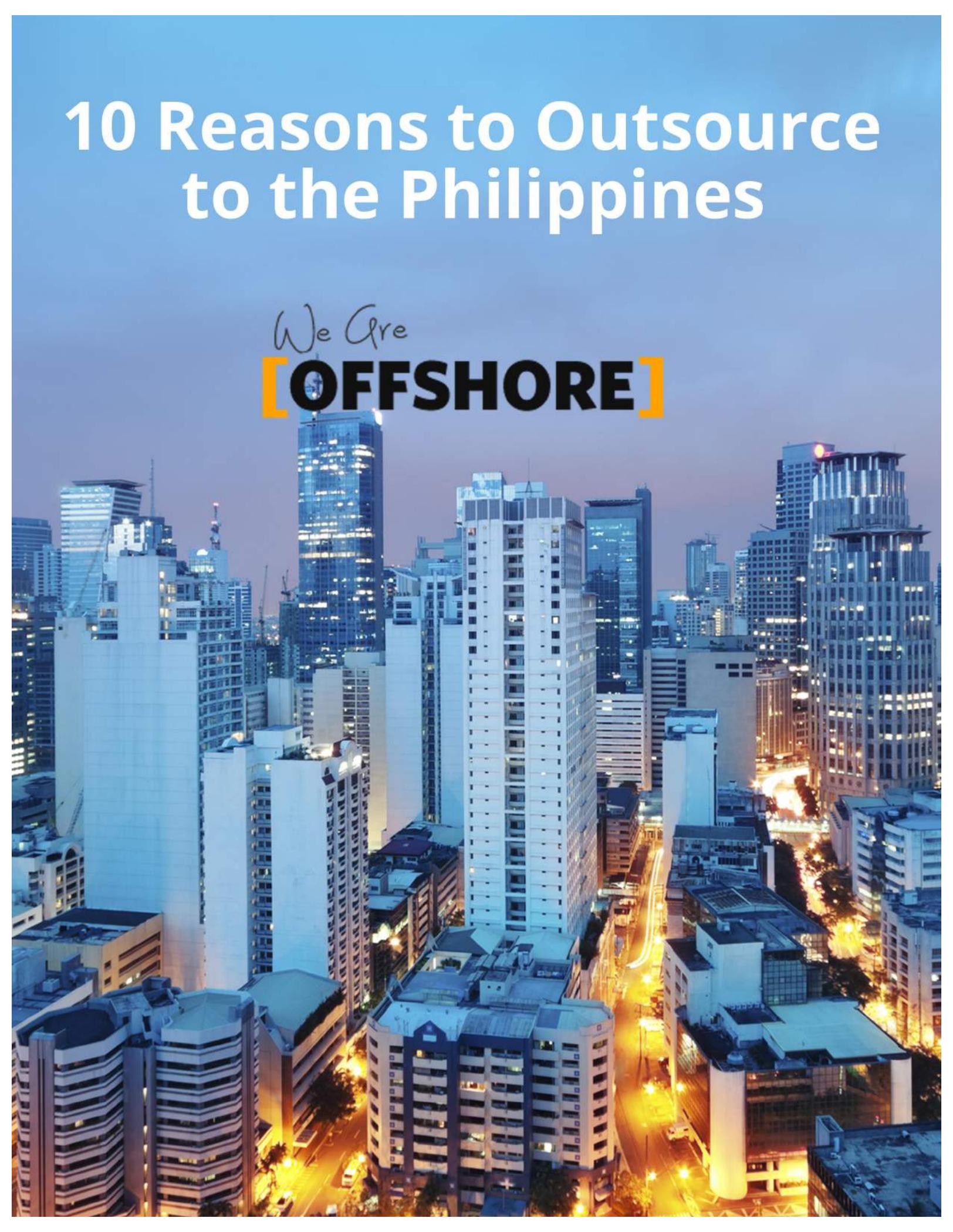
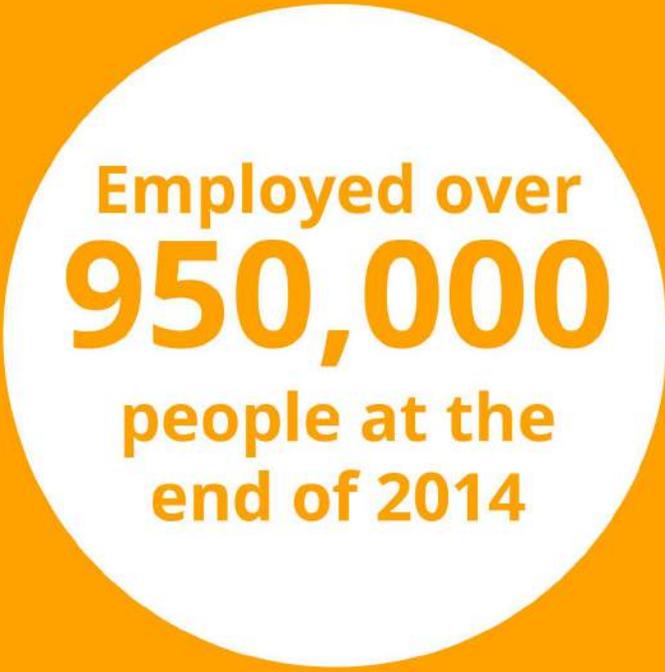


10 Reasons to Outsource to the Philippines

We Are
[OFFSHORE]



One of the countries making the most headway in the Business Process Outsourcing (BPO) Industry has consistently been the Philippines with massive growth year on year.



Employed over
950,000
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end of 2014

Introduction

The global offshore services market is growing at an astounding rate and has been positioned by Gartner to exceed the \$358 billion mark by the end of 2014. In order to remain competitive, companies are looking to cut down on costs while still maintaining impeccable levels of customer service and accessing workforces that are commercially sophisticated.

New markets for business process outsourcing (BPO) are opening up, and companies are looking to maximise efficiencies by starting to spread their services across different locations.

According to the Information Technology and Business Process Association of the Philippines (IBPAP), the Philippine information technology and business process management (IT-BPM) industry employed over 950,000 people at the end of 2014, a 21 percent increase from the previous year.

It has become one of the country's most dynamic industries and is now the Philippines' second largest contributor to GDP.



Already serving companies in North America, Canada, Asia-Pacific and the EU, the Philippines is rapidly becoming the BPO destination of choice.

Here are a number of factors that have contributed to its success:

1. Economic growth

There is a strong affinity between the United States and the Philippines. There is also alignment in governments, and the regulatory environment is conducive to growth. Therefore, the Philippines is an ideal location from an economic perspective. Low labor costs provide an opportunity for organisations to provide customer-facing services at very attractive rates, while still providing that high level of quality customer care that providers are looking for.

2. Talent

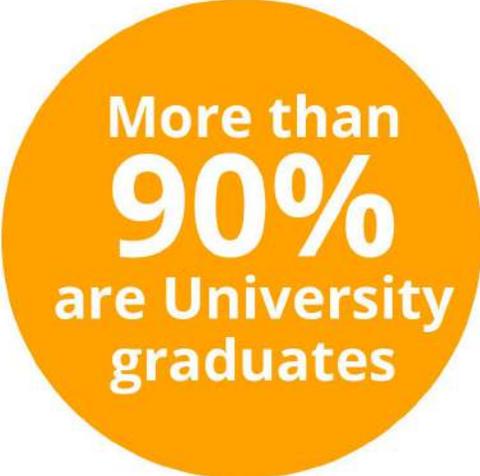
The Philippine workforce has a unique edge over most major worldwide markets in terms of labour quality. In anticipation of sustained industry growth, the Philippine Government has implemented a series of initiatives to support talent development in BPO. For example, as part of the government's Industry Public-Private Partnership Initiative, Universities in the Philippines have now begun creating BPO-specific curriculum. As a result, more than 90% of We Are Offshore's agents are University graduates, with degrees in IT, communications, business and sciences.

This enables companies to outsource everything from customer care to skilled technical services, such as engineering, architecture, design and software development. The Philippines now has the third largest talent pool among the world's greatest BPO service centers after India and China and is now considered a middle-class profession within the country. (BPAP, 2013)

3. Readily Available Workforce

Compared to other prominent outsourcing locations, the Philippines has a high number of accessible, highly-skilled employees to accommodate any underlying business need. Each year, the Philippines has hundreds of thousands of new University graduates who are eager to enter the BPO workforce.

Unlike other locations, such as India, which tend to have difficulty with both acquiring and retaining BPO employees, the Philippines has a reputation for long standing relationships with their hires and having a readily available workforce at their fingertips



More than
90%
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A young man with dark hair, wearing a light blue button-down shirt, is smiling warmly at the camera. He is holding a black mobile phone to his ear with his right hand. In his left hand, he holds a large white document or folder. The background is a bright, out-of-focus window with green foliage visible outside. A semi-transparent orange circle is overlaid on the lower-left portion of the image, containing text.

The Philippines is one of the largest English-speaking countries in the world with the official languages being Filipino (Tagalog) and English. The people are also known for their neutral accents with the English language, making the region even more appealing for customer service providers.

4. Cost Savings

The cost differentiation between salaries, benefits and operational overheads all are major components that make the Philippines so appealing to businesses. It is estimated that the salary of a contact center agent in Philippines is between 14-20% of their Western counterparts. On top of dramatic labor-related cost savings, commercial property and infrastructure is significantly cheaper and subsidies and tax breaks further reduce costs.

5. Policy Environment

The Philippines has an enabling policy environment with impressive government investment incentives. A number of leaders have aided the rapid growth of BPO in the country, including President Fidel Ramos, who helped initiate the industry by deregulating telecoms and improving the country's power supply infrastructure, and former President Gloria Macapagal Arroyo who implemented a number of tax exemptions (CCAP, 2012). This enables outsourcers to pass along cost-savings and efficiencies to their customers.

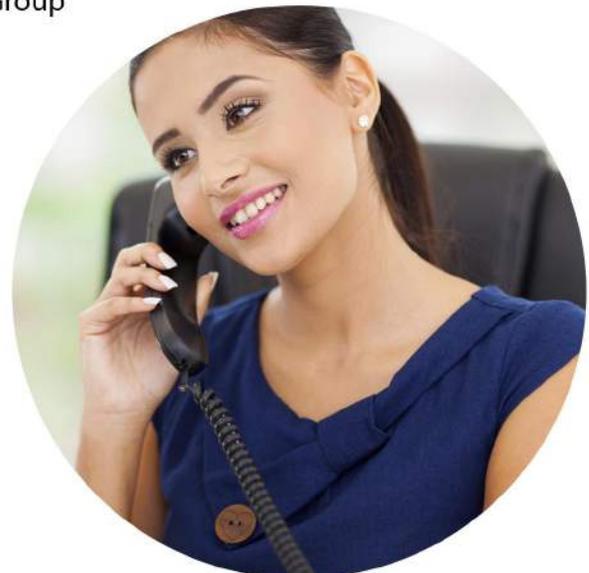
6. Infrastructure and Market Success

The Philippines used the experience in India as a model to help make its BPO market successful. Government support for the industry—such as providing resources for training and investments in education—also helped to position the industry as a leader in outsources processes.

Transportation, educational and utility infrastructure in the Philippines is also world-class and constantly improving. Modern highways link many of the country's BPO centers, and there is an extensive commuter rail network allowing access between the main hubs. A report conducted in conjunction with the development of the IT-BPO Road Map 2011 – 2016, found that the Philippines offers both superior infrastructure and more generous incentives in the sector compared to its competitors.

7. Language

The Philippines is one of the largest Englishspeaking countries in the world with the official languages being Filipino (Tagalog) and English. The people are also known for their neutral accents with the English language, making the region even more appealing for customer service providers. Many analysts also recognise the Philippines as the most westernized of the Asian markets and has been ranked number one globally in terms of quality of English and Western cultural affinity, according to the Talent Index generated by O2P and the Everest Group





Contact centers in the Philippines are some of the most innovative in the industry, and have been early adopters of a range of technologies such as IP telephony and social media, in order to communicate with their customers.

8. Technology

Contact centers in the Philippines are some of the most innovative in the industry, and have been early adopters of a range of technologies such as IP telephony and social media, in order to communicate with their customers. Taking an omnichannel approach is another strategic advantage for the region, which is expected to be offering email, real-time chat, social media and video chat for all customer service interactions in 2014. For example, according to socialbakers, who track social activity, the Philippines is now Facebook's eighth-largest market. The Philippines now ranks second in non-voice complex services globally (BPAP, 2012).

9. Cross-sector Experience

As it has grown, the BPO industry in the Philippines has diversified significantly in breadth and scale. It now delivers services in a wide range of sectors and industries, including engineering, health care, legal, financial, creative, and software services, as well as for the energy, banking, investment, insurance and shipping industries. By vertical, banking and financial services, communications, government, technology, retail, and travel and transportation continue to be the largest consumers of BPO services in the Asia/Pacific region (Gartner). With this wide range of industries also come more skilled and educated employees. With 95 percent of Filipino call center agents having a University degree, the variety of industries are only expected to grow and prosper in the coming years.

10. Quality of Life

Quality of life in the Philippines has drastically improved in recent years, with the country's sustained economic growth and political stability. The government has been aggressively working on anti-corruption campaigns and has improved the investment grade of the Philippines in recent years. It not only hosts widespread transport, telecommunications and educational infrastructure, but also offers vibrant night life, world-class entertainment and a diverse natural environment.





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About We Are Offshore

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