IMPACT SOURCING ALLIANCE

SPECIAL REPORT

LOCATION, LOCATION, LOCATION

2024 AND BEYOND

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ryan strategic advisory

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Location, location, location

No matter what the angle or the time period, there has always been a death knell sounded over the future of offshoring.

Over the years, many would have had it believed that business process delivery from locales near and afar would succumb to the advancements in automation and artificial intelligence. Equally, there has been a school of thought in place among some influencers that this work is better serviced from domestic locales.

Despite vigorous debate, the reality is that the demand for offshore services around all aspects of front and back-office functions has never been more robust.

A clear example of why this is the case relates to the number of destinations from which this work can be done. Not even two decades ago, it would not have been unreasonable to assume that four or five countries would account for 90%+ of these work volumes. Today, that number would be in excess of 50 countries, ranging from legacy destinations such as India, through to upstart geographies like Rwanda, Georgia and Honduras.

What is driving the continued (and growing) interest in offshore BPO delivery? That is a question that could be answered a million different ways; but, suffice to say that the primary driver is no longer cost. The days of 'your mess for less' are a thing of the past, and any outsourcer positioning their offerings to be delivered from an offshore destination for the cheapest price possible is doomed to failure.

Rather, buyers of business services that are seeking to leverage the offshore are seeking the chance to leverage skill sets and functional excellence that can be found in many countries throughout MEA, the American Nearshore, Central & Eastern Europe and APAC. This is in addition to rapidly improving infrastructures and business-friendly governments that are helping drive this competition for offshore business process delivery. This is not to say that value and affordability don't factor into offshoring decisions - they are the sole factors.

These and many other topics are what you will discover over the pages of this special report put out by Intelligent Sourcing. As 2024 takes flight, savvy decision-makers will need to make tough choices when it comes to where their business processes will be managed. Using this document as a guide throughout that journey will be time well spent.

Jonathan Yarlett,
CEO and Founder,
Impact Sourcing Alliance

With thanks to our supporters:

Impact Sourcing Alliance is grateful to the numerous contributors in this publication. Many organizations have offered their time and many work from different data sets from disparate sources; there will therefore be some variation in factual figures as presented. The underlying trends, however, are consistent.

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BUSINESS PROCESS OUTSOURCING PIONEERS IN AFRICA

SOUTH AFRICA   ETHIOPIA   RWANDA   KENYA   GHANA

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Tensions may lead BPOs to reconsider exposure to the Western Balkans

Military tensions between Kosovo and its larger neighbor Serbia flared up again recently, the latest sign of instability in the Western Balkans. **Sean Goforth**, Director of Research, Ryan Strategic Advisory looks at how this has effected the BPO market.

"Many Serb outsourcers specialize in customer service, technical support, and back office functions."

In late September, police in a town in northern Kosovo engaged in a shootout with dozens of armed Serbs, killing three and arresting one.

Friction between the neighbors has been ongoing over the past 30 years, with diplomatic squabbles and historic grievances occasionally boiling over into border clashes and, on one occasion, outright war. What makes the situation all the more tragic is that the two countries have grown into promising BPO destinations over the past decade.

At its core, Serbia's robust talent pool offers outsourcers the chance to enjoy scalable volumes of multilingual services. Young Serbs also boast an array of in-demand tech skills. As a result, a slew of homegrown outsourcers have emerged in the capital of Belgrade, as well as the city of Novi Sad. Many Serb outsourcers specialize in customer service, technical support, and back-office functions ranging from accounting and finance to human resources.

Other Central European players have also taken note. Romania's Valoris opened a new center in Belgrade a few years ago. M+ Grupa acquired-Serb-grown Trizma. And last year, UK-based DDC Group launched a multilingual hub in Serbia.

While smaller, Kosovo's BPO sector has also emerged as a cost-effective, high-quality destination for a range of services for English-speaking consumers worldwide, as well as those in Germany and the lucrative Swiss market. Webhelp's Kosovo center helped anchor the market, and in the past year Fusion BPO opened a center in the capital of Pristina.

Serbia's clashes with Kosovo undermine the global BPO positioning of both countries. Anecdotally, while global BPO investors want to expand the set of locations for services delivery, they also shun countries where instabilities linger. This sentiment is backed up hard data. According to the Ryan Strategic Advisory 2023 Front Office CX Omnibus Survey, which polled over 700 enterprise contact center decision-makers, stability-related factors are among the most important considerations when choosing an offshore location to support end users.

Moreover, some of the demand markets on which

Serbia and Kosovo depend are those that are the most risk averse. Consider Germany, Europe's largest economy. When asked of the 50 destinations where they would most like to outsource business services, CX decision-makers in Germany chose 46 of them over Serbia and Kosovo. That's an especially bad sign for the BPO industries in these two countries, as each counts German-language delivery as a pillar of its value proposition.

Granted, the latest skirmish will come as little surprise to anyone familiar Balkans, much less the seasoned BPO hands operating in the region. But it bears mention that the international context could soon change, and do so in a way that would vest both Serbia and Kosovo with tremendous commercial benefit.

On October 6, EU leaders met in Spain to lay out plans for expansion of the 27-nation bloc to add up to nine new members—including Serbia and Kosovo. Certainly the carrot of EU membership has been dangled to countries before, only to rot on the vine amid "enlargement fatigue" in Brussels.

But this time may be different. Serb President Aleksandar Vučić has been steadily calling for faster ascension for his nation and the other EU candidates—finally it looks as if Brussels is listening. Top EU officials now view the offer of expansion as one that can be expedited, and candidate EU nations can begin to realize some benefits even before full they realize full membership.

The latest news indicates that the number of Serb troops massed along the Kosovan border has shrunk, down by nearly half from the buildup seen in the days after the September shootout. That's a welcome sign.

"Some of the demand markets on which Serbia and Kosovo depend are those that are the most risk averse."

Although it would be naive to expect deep-seated resentments to quickly disappear, now is an especially bad time for hostilities. The ongoing war in Ukraine and the Hamas attack on Israel have put on chill on new business ventures based in geopolitical hotspots. Both Serb and Kosovan societies, and the BPO industry in the Western Balkans, need de-escalation. If the two sides could allow for cooler heads to prevail, they each stand poised to welcome a rising tide of foreign investment--including that from BPOs--as EU enlargement gains steam.

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Investing in Georgia

In a short space of time Georgia has positioned itself as an attractive location for both BPO and ITO services. Read why businesses are considering the location as part of their delivery model.

Georgia is fast becoming a prominent delivery location in Eastern Europe for business process services. Several international businesses & IT services providers, as well as local small and medium-sized companies are already serving international clients from Georgia, including Fortune 500 companies. Given the geographic location, time proximity, talent pool with optimal mix of technical and foreign language skills, with a significant cost arbitrage, Georgia is an excellent option for delivery centres that could services to Western markets. Recently, Georgia has introduced new incentives for Business Process Outsourcing and ICT sectors, further improving it's already great value proposition.

Georgia boasts the world's third-lowest total tax rate (World Bank), is ranked 7th in Ease of Doing Business (World Bank), and is in 8th place on FDI Regulatory Restrictiveness Index (OECD). Georgia has an association agreement with the EU, which ensures alignment of regulations and high standards of personal data protection.

Figures of annual growth of services exports is growing as well. Even during the uncertainties due to the Covid-19, the BPO&IT sector demonstrated resilience and continued growth. Almost all of the market participants were able to continue operations smoothly, initiate new projects and increase headcount significantly.

In just few short years, Georgia has managed to attract anchor investors serving top global brands, with real growth of the sector started in 2016, when foreign companies actively started entering the market.

Companies that entered at that time were initially attracted to the country by multilingual voice services in German, English, and other European languages. Soon after, non-voice business processes and IT became part of the growth of the industry. Key, large-sized companies in voice services are Concentrix and Majorel, followed by small and medium-sized companies,

All three largest cities of Georgia are great destination for delivery centres with largest concentration of educational institutions and talent pool. Tbilisi, Kutaisi and Batumi all have international airports operating flights to major business hubs abroad, universities, foreign language training centers, including numerous German schools. Internet connectivity and power supply are fast and reliable allowing providers to operate

"Georgia has managed to attract anchor investors serving top global brands"

with the traditional office model, as well as implement remote work solutions, so well adopted during pandemic.

Georgia is a relatively new location for business and IT services, which means market entry and scale-up is easier than in well-established outsourcing destinations. There are 64 Higher education and 66 Vocational education centers in Georgia.

Every year about 25 000 students graduate from higher education institutions and 75% of students graduate from programs such as Business Administration and Social Sciences, Law, Humanities, STEM, and related fields - potentially employable in IT & BPO. Most Georgians speak at least additional foreign language.

The most spoken foreign language is English, which is mandatory in all high schools and universities, followed by other European languages with German, Turkish, French, Spanish, Italian are widely spoken common. Talents with competencies in some more rare languages of Western Europe and Asia are also available in Georgia. In the BPO & SSC study conducted by Deloitte, it is estimated that there are more than 600 thousand speakers of English, Russian, German, French, and Italian in major cities of Georgia.

Georgia is great location to add value and exceed growth targets for companies, but it could be great for saving costs as well. Monthly salaries for entry-level positions in customer service, HR, Finance vary between 600-800 USD, and for programmers is within the range of USD 1,500 depending on seniority level and skills.

In addition, taxes are low and taxation is quite simple. Personal income tax paid from salaries is a flat 20%. Reinvested or reained profits are taxed by 0% (destributed profit is taxed by 15%) . There are no social security taxes and premiums, there is only an marginal amount of pension conribution - 2% paid by employer mathched by 2% by. Georgia also offers prefential tax regimes for “International Companies”, a newly introduced incetivefor IT companies which provides reduction of profit and personal income taxes to a flat 5%.

Last but not the least, Georgia has introduced new incentive for key growth, including Business Process Outsourcing and Business Services. By investing a minimum of 1 million USD and employing a minimum of 200 associates, foreign companies can receive up to 15% grant from Invest in Georgia, investment promotion agency of the country, as a reimbursement of costs related to capital investments and workforce training.

For companies looking to find a place with time proximity to major markets, cultural similarities to west, talented people, cost competitiveness, ease of doing business or maybe all of the above; Georgia is the right place.

Companies looking to explore Georgian market and opportunity to benefit from cashback program, please contact David Tavlalashvili form Invest in Georgia at: dtavlalshvili@enterprise.gov.ge

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BPOs should constantly consider FOREX risk

There are no guarantees in life. Yet, it never fails to surprise the extent to which individuals get overly comfortable and when a sudden change occurs, they are invariably caught out. In the timeless lyrics of Tears for Fears, all for freedom and for pleasure, nothing ever lasts forever. Truer words have never been spoken, or in this case sung by **Peter Ryan**, Principal Analyst and Founder, Ryan Strategic Advisory, especially as it relates to the shifting sands of currency valuation.

This is a dynamic that the outsourcing community needs to manage in a proactive and ongoing manner.

Granted, foreign exchange (FOREX) may not be the most scintillating of topics when it comes to outsourcing, but it cannot be ignored. The reality is that in 2023 very few BPO players operate in one location, and even those that offer delivery from one country often have a multinational client roster.

Clients want business continuity - this means having a flag planted in more than one country. Given the extent to which onshore delivery—whether in Western Europe, North America or the Asia-Pacific region—has become excessively pricey. Ongoing labor shortages and high inflation in pricey demand markets helps drive service delivery to less expensive offshore and nearshore destinations. While globalizing service delivery, this process means higher levels of profitability provided, of course, that outsourcers manage risks well.

Indeed, many have done so over the past two decades. Dozens of outsourcing providers have realized higher revenues on the back of lower salaries, low-cost real estate – and favorable FOREX conversions. This is a strategy that can yield positive results. But what happens when currency levels start acting, well, funny?

This trend has become apparent over the past several months in many offshore destinations. Actually, the impacts are pronounced in certain established and emerging locations. A prime example has been the emergence of the 'super peso' in Mexico.

In 2023, the peso has strengthened roughly 20% versus the greenback. First and foremost, this is impacting Mexico's massive remittances market. It is also making the cost of exporting CX services to the United States much pricier —and Mexico depends disproportionately on US consumers to drive its BPO market. For a location like Mexico that prides itself on premium CX solutions at affordable prices, the FOREX reversal is proving problematic for industry players, especially those who are already in higher cost delivery centers in the north of the country.

Conversely, there is Egypt. The Egyptian pound has lost nearly half its dollar-traded value over the past 18 months. On the face of it, this may look

"Clients want business continuity - this means having a flag planted in more than one country."

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attractive to some BPOs and their clients; such a shift in FOREX means more affordable price points for enterprises in key demand markets. And in the near term, this may be true. However, the impact of inflation in Egypt should not be underestimated. All inputs, including labor, equipment and facilities quickly become more expensive, thereby eroding cost advantages that outsourcers can pass onto their clients in the form of more competitive pricing.

History shows that relying on cheap FOREX as a prime competitive advantage is a questionable strategy. Consider the Canadian experience. In the late 1990s, the Canadian dollar—aka the loonie—plummeted to less than 70 US cents. It stayed at that level for over a decade.

This sedate FOREX prompted some of the world's largest BPOs to open dedicated delivery centers for American consumers across Canada. After all, by doing so they could take advantage of not only proximity, language and cultural/commercial familiarity, but also cost arbitrage driven by the weaker Canadian currency. Then the trend reversed.

"Outsourcing operators need to constantly monitor FOREX and enact careful hedges to control dollar and/or euro-weighted costs."

Passivity gave way to panic as the loonie strengthened. By the time the currency pair achieved parity in 2008, the pricing advantage evaporated.

Moving forward, outsourcing operators need to constantly monitor FOREX and enact careful hedges to control dollar and/or euro-weighted costs. This is an important part of the modern BPO landscape that cannot be ignored. Thus, it is essential to keep a close watch on central bank operations, sources of country-level instability, and changing economic policies by governments. So too is having the know-how to provide the best strategies to hedge against sudden changes in currency prices. The global nature of today's business services space mandates no less.

Redefining offshoring: Egypt's emergence as a global leader

As the world rethinks offshoring strategies, Egypt makes a compelling case for its pivotal role in this sector. This North African nation, known for its rich history and cultural heritage, is now gaining recognition as a powerhouse in the global offshoring market.

Egypt's distinguishing factor lies in its abundant talent pool. Home to the largest and youngest multilingual workforce in the Middle East and the second largest in the EMEA region, Egypt produces over 650,000 graduates annually. Of these, 37% hold STEM degrees, and 80% are proficient in English and other European languages.

Egypt's ascent in the offshoring sector is not mere chance, but rather the outcome of deliberate efforts by the Egyptian government to prioritize digital strategies and talent development as key drivers of economic expansion. Initiatives such as 'Egypt: Future Work is Digital,' 'Next Technology Leaders,' and 'Egypt Makes Electronics' reflect a commitment to upskilling the workforce. These programs aim to equip hundreds of thousands of young Egyptians with the skills necessary to excel in tech and tech-enabled industries.

The proof of Egypt's growing influence in the tech world is in the numbers. In 2021/2022, the ICT sector grew by an impressive 16.7%, despite global economic challenges. This growth has not gone unnoticed by the international business community, attracting major multinationals and global engineering firms to Egypt.

Egypt's competitive advantage is further enhanced by its cost-effective infrastructure. With over 400 established offshoring players, the country offers state-of-the-art facilities and services at rates more affordable than many traditional offshoring hubs in Europe, the USA, and Asia. These cost savings have been a game-changer for many businesses, improving their profitability and providing a competitive edge in the global market.

Egypt's evolving offshoring landscape reflects innovation, growth, and opportunity. Whether you're a multinational corporation or a burgeoning startup, Egypt offers a unique blend of talent, technology, and governmental support that's hard to find elsewhere.

Ready to explore Egypt's offshoring potential? You're #JustInTime for Egypt. Connect with ITIDA at intl.marketing@itida.gov.eg and discover how you can be part of this thriving ecosystem.

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WHERE ARE GLOBAL BUSINESS SERVICES RELOCATING NOW?

Caribbean-UK CX is growing

It's 2023. Lockdowns have ended and the 'new normal' for business has arrived. Consequently, both outsourcers and their clients are seeking out new terrains, including places that even a few years ago may have been outside of consideration. **Peter Ryan**, Principal Analyst and Founder, Ryan Strategic Advisory investigates.

The enthusiasm to sample new territories was highlighted at Nearshore Americas' CrossConnect Forum event, held in March in London. It was the first of its kind, premised on the concept of showcasing the best on offer BPO-wise in the American nearshore positioned for UK businesses.

But, based on the alignment felt between British investors and those firms particularly from the Caribbean, CrossConnect Forum clearly resonated.

The reality is, organizations that contract for business services are desperate to realign their delivery destinations not just this year but for the foreseeable future. Companies and BPOs are no longer satisfied with sticking with one or two countries where front-line CX has traditionally been provided. The desire to diversify their geographic risk has never been higher.

This is providing notable opportunities for outsourcers (and their clients) and for locations that are emerging as BPO delivery points.

In the UK, the last Ryan Strategic Advisory Front Office CX Omnibus Survey validated this point. Based on the views of enterprise outsourced service buyers, it found that business continuity is a top priority. Hence, the chance to explore new geographic delivery options at CrossConnect Forum in London was one not to be missed.

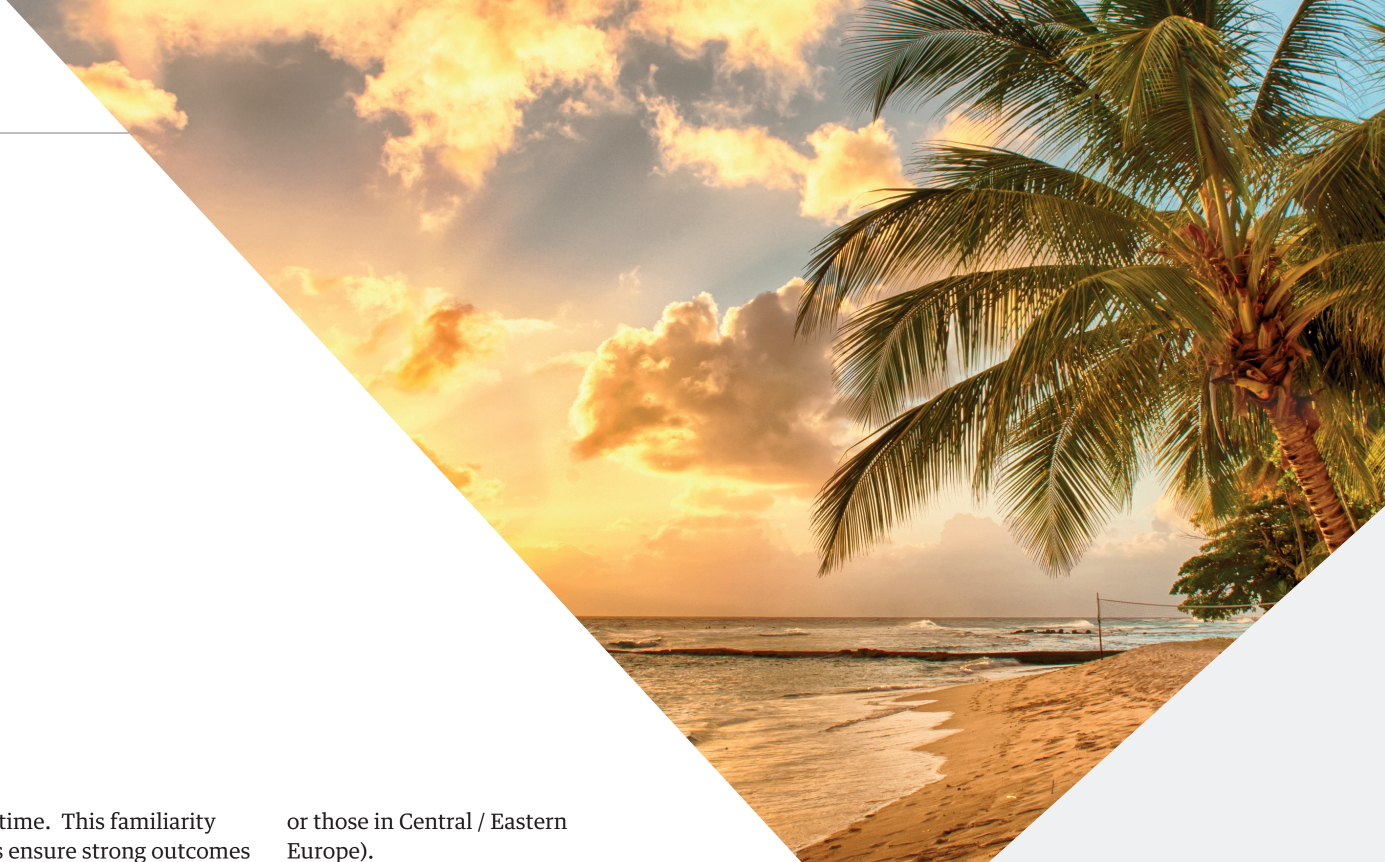
Certainly, as an event CrossConnect Forum did not disappoint.

A strong grouping of enterprise decision-makers, outsourcing executives and influencers mixed seamlessly with investment promotion professionals from across the American nearshore to explore new possibilities in CX BPO delivery. Yet, where potentially the strongest alignment came through was between British businesses and countries in the Caribbean.

As a concept, this outsourcing pathway has been steadily gaining ground for the past couple of years. In early 2021, Ryan Strategic Advisory spelled out how the effects of Brexit were fusing with the pandemic to cause outsourcers to locate to the Caribbean in a bid to service the UK consumer market.

There are several reasons for this. Probably the most relevant among these is the incredible alignment between the UK and countries in the Caribbean from a cultural and commercial perspective. Native English delivery with spot-on accents—the King's English—from the Caribbean is only the most obvious driver. Caribbean locations have attracted greater foreign investment thanks to their common law systems that are familiar to global businesses. All the while, they have maintained warm, strong ties with the UK. Travel between peoples of both regions has only grown

"The most relevant among these is the incredible alignment between the UK and countries in the Caribbean."



over time. This familiarity helps ensure strong outcomes between Caribbean-based agents and UK consumers.

And, as pointed out by Yoni Epstein of itelCX during his opening keynote presentation at CrossConnect Forum, accessibility is an important consideration for British executives. The Caribbean is equally (if not more) straightforward to visit than other parts of the traditional English-speaking BPO delivery world.

Then there is the solid time zone alignment: when UK businesses are ending the workday, it is still morning in Jamaica, Barbados and Saint Lucia. Working with Caribbean operators ensures that British businesses avoid higher labor costs associated with night delivery, either domestically or in countries aligned to the British time zone (such as South Africa or those in Central / Eastern Europe).

Let there be no illusion, this Caribbean CX BPO play for the UK is not a pie-in-the-sky concept - it has wheels and is rolling. This was validated by Scottish operator Ascensos' announcement that it is opening a delivery site in Trinidad and Tobago, one that will be leveraged to provide support to UK customers (in addition to those in North America).

Already numerous Caribbean islands have proven themselves as excellent CX management destinations. Expect this trend to continue.

"When UK businesses are ending the workday, it is still morning in Jamaica, Barbados and Saint Lucia."

As it does, it's easy to foresee how niche skills possessed in the island region will be tapped for value-added services. Jamaica has a large population of trained nurses, a good compliment to the expected growth of telehealth in the UK, for example. The Caribbean also boasts a large share of skilled jurists, which could help fuel the growth of legal process outsourcers.

Bottom line: as more and more operators target British consumers with delivery from the Caribbean, this form of cross-Atlantic CX may take on a life of its own as a unique delivery pathway.

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SOUTH AFRICA – AN UNDEREXPOSED GLOBAL OFFSHORE LOCATION

Despite the UK being one of South Africa's source markets, based on the numerous alignment points such as; cultural affinity, scalable English speaking talent availability, attractive price point, high quality, empathetic engagements and conversations, it is only more recently that the country has started peeking on many buyer communities' radars. Most notable is the North American markets, United States and Canada now at 27% of the mix of geographies being serviced from South Africa.

The sudden realization for buyers and BPO's who were not already being serviced out of South Africa is that the geography is a ***''Gem within the Global Offshore Mix''*** and this can be attributed to several aspects;

- The two decades of collaborative country promotion into key English speaking source markets such as Australia, The UK and USA
- Growing client communities engaging one another for learnings and referencing the affordable high-quality service they are receiving via world class BPO operators located in South Africa
- The visible positive collaboration between local industry and government connected by a strong national industry body – **BPESA**
- A prevalent global South African community stationed at executive levels of large multi nationals who understand the opportunity of offshoring services into South Africa tapping into the widespread available English-speaking talent who offer high-quality, empathetic customer service
- Cost mitigation further improved by incentives at both national and regional level
- The entrench focus on meaningful social impact, driving the global **Diversity, Equity and Inclusion (DEI) and Environmental Social and Governance (ESG)** agendas through Impact Sourcing and inclusive hiring practices embedded in the South African BPO landscape
- World class infrastructure within major cities set-up to support 24-7 service lines

2020 caused global corporates to relook and re-think their global sourcing strategies and offshore business models to build in redundancy and geographical risk mitigation. Through South Africa's close and functional public private partnership, the country's BPO's were offered essential service status and managed to continue operations.

Not only did the SA community continue servicing domestic and global customers but grew by just under 17 500 new seats as international clients scrambled to find stable, functioning environments able to service customers. It was off of this success that South Africa's GBS CAGR (compounded annual growth rate) has continued to grow at 24% since 2018.

As customers mature and become more demanding, global brands are hard pressed to service a growing spectrum of cross-generational needs. These span conversational CX chat lines, chat and e-mail, self service technology, a broadening spectrum of self-select channels (channels of choice), AI enhanced serviced lines, back office etc. South Africa has always stood out when it comes to conversational CX, but of late more and more clients are realizing the ability for the country's youth community to support more complex and up the value-chain customer engagements resulting in additional service lines being offshored to SA.

In addition to global brands managing traditional outsourcing and offshoring to third party providers (BPO's) or setting themselves up as captive operations in alternate geographies, is their need and desire to ***"Do Good, while doing Business"***. Little known fact is that ***Impact Sourcing*** as a global inclusive hiring strategy was launched out of South Africa in 2016

Africa
Impact Sourcing Chapter
BPESA

The country has for the past three decades embodied intentional transformation through inclusive hiring strategies which consider diversity and equity for previously excluded communities and individuals. This embedded focus allows clients being serviced by South African based to assist global brands with meaningful social impact and achieving true DEI. With the mounting pressure on US, UK and Australian organisations to source from a declining pool of willing and affordable skills in country, more and more of these brands are looking for alternate talent pools. South Africa has a 68% youth unemployment rate including graduates and school leavers.

This community of enthusiastic, service-oriented youth are searching for work opportunities. With English as a base, the GBS sector offers meaningful career opportunities in call / contact centres and BPO's which has opened a solution to these global brands. Labour arbitrage, meaningful social impact, quality service delivery are a few of the benefits international buyers are benefiting from when choosing to consider expanded delivery locations with South Africa standing out as a desirable offshore location. Having placed first for the past two years as the ***most preferred CX offshore location*** in the annual Ryan Strategic Advisory, Omnibus Survey, global clients are clearly identifying South Africa as a core location within their global sourcing mix.

In addition, the African continent offers a unique commercial growth opportunity and South Africa is the most obvious landing point when growing into this emerging customer market. The innovative agility showcased by South African organisations is experienced by clients outsourcing to providers located in the country. The ability to solution and reconsider processes and procedures through a new lenses has seen many improvements in customer service lines as efficiencies and cost saving mechanisms are solutioned in. Global firms would be remiss in not considering South Africa as part of their ***offshore business model***, besides the beauty of the country, the warmth of her people, the opportunity to ensure social impact are all reasons to visit.

For more information contact Traci Freeman, Investor Promotions, traci@bpesa.org.za / +27 83 657 3112

Ghana on track to join the global BPO map

Sean Goforth, Director of Research, Ryan Strategic Advisory reflects on a recent trip to Ghana and assesses its potential as a BPO location.

"Ghana's talent pool combines native-English capacity and niche technical skills."

As COVID quarantines ended last year, outsourcers' desire for business continuity stirred a wave of expansion into small, previously overlooked BPO destinations. Suddenly such far-flung places as Peru and Uzbekistan were being considered for new investment. Yet no region ginned up as much interest as 'emerging Africa,' encompassing over a dozen countries on the continent that could, with the right investments and under the right circumstances, gel into a powerful outsourcing region. The promise of creating impactful jobs that would lift employees from poverty and build communities made the prospect all the more appealing.

For a time, it looked as if the rising tide would lift many—not all, but many—boats. BPO investment in Rwanda increased, thanks in part to the country's efforts to cut red tape, lower taxes, and create the easiest place to do business on the African mainland. The Kenyan capital of Nairobi gained traction as a native-English alternative for outsourcers overly reliant on South African delivery. There were even rumbles that Zimbabwe, an international business pariah due to past bouts of hyperinflation, had gained government backing to build a substantial services export sector. And earlier this year, French BPO titan Teleperformance announced its acquisition of Majorel, a largely Africa-based operator with more than 20,000 employees in the region.

Alas, the rising tide has crashed into rocky shoals. A string of coups toppled one democratically elected government after another, helping to form a "coup belt" that stretches from Guinea to Sudan. Stretching out over 3,500 miles, the New York Times calls it "the longest corridor of military rule on earth." Once giddy investors have grown cold on the region, avoiding even those countries well away from trouble spots. Recently a massive carbon-offset project centered on buying forest land in Zimbabwe collapsed, casting doubt on the entire global regime to curb emissions through the purchase of offsets. With risk appetite shrinking, in October Africa's largest ETF (AFK) fell to levels last seen during the depths of the pandemic.

But just as 'emerging Africa' was overhyped, it looks as if the reaction to bad news is now similarly overdone. Africa's youthful demographics and improving internet connectivity can still power a new era of services exports, including BPO and ITO. Post-acquisition, Teleperformance plans to double down on Majorel's presence in Africa. According to an email from Teleperfor-

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mance, the outsourcer expects to add capacity at operations in Egypt, Ivory Coast, Kenya, Morocco, Senegal, Togo, and Ghana.

Teleperformance is not alone in its bullishness on Ghana. At Ghana Digital Innovation Week, held in Accra on November 6-8, international players and homegrown outsourcers alike struck an upbeat note on the country's potential. A set of speakers from other global outsourcers operating in West Africa told an audience that Ghana's talent pool combines native-English capacity and niche technical skills. Ghana also enjoys a stable democracy. According to the Economist Intelligence Unit, Ghana is the most democratic country in Africa north of Botswana.

Then there's e.Services Africa Limited (eSAL). It has 350 agents at its two contact centers in Accra, offering omnichannel solutions with native-English and Spanish delivery, as well as significant capacity in French, Portuguese, Italian and a variety of African tongues. The outsourcer's executives expect to open a third center next year, as they eye global outsourcing trends that can work in favor of African BPOs.

"Organizations that used to go to India and the Philippines, they are now looking for alternatives, especially because some companies want to downsize or sunset operations in mature markets," says Ernest Otu, Senior Manager for Sales at eSAL: "Where will they find the youth and the right skills to meet the demand for services? Ghana is that alternative."

And the mantra about impact sourcing holds true: all BPO jobs created in Africa are impact sourcing. This was evident during an analyst visit to eSAL offices. Given its political and economic stability, Ghana has become a refuge for many in west Africa fleeing militants, gangs, and poverty. Some, like eSAL agent Haydee, arrive with native-French, allowing them to deploy their linguistic prowess to provide customer services excellence to end-users in Europe or North America, while also becoming providers for their families. Also consider Otu. He began as a call center agent nearly 15 years ago, working his way up to team leader and, from there, steadily gaining promotions and management skills.

"According to the Economist Intelligence Unit, Ghana is the most democratic country in Africa north of Botswana."

The 'emerging Africa' tide may have gone out, but with each such tide a few nations are delivered on to the global BPO map. Rwanda and Kenya both appear to have gained varying levels of critical mass over the past few years; each is poised to mature into an outsourcing destination for services delivery from East Africa. Ghana has a similar potential for outsourcers interested in delivery from West Africa.

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