

SOUTH AFRICA'S GLOBAL BUSINESS SERVICES (GBS) INDUSTRY

Value Proposition Brochure



the **dtic**

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

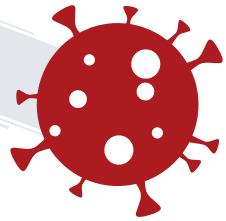
investSA
ONE STOP SHOP

BPESA

Business Process
Enabling
South Africa

SOUTH AFRICA'S GLOBAL BUSINESS SERVICES (GBS) INDUSTRY

Strong Resilience in the Face of COVID-19



The COVID-19 situation had an unprecedented impact on South Africa's GBS industry. It began with the confirmation of the first COVID-19 case, followed by the announcement of a nation-wide lockdown and its implementation after a 4-day notice period. However, South Africa's unique value proposition underpinned by strong government support, technological readiness, first world infrastructure and skilled talent, ensured strong in-built resilience in the system to minimise the impact of disruption and ensure business continuity.

1 Strong government support in policy alignment and granting 'essential services' status to the GBS sector:

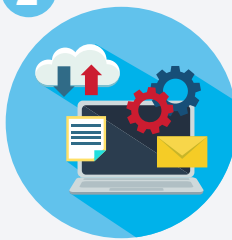


- Significant mobilisation effort to ensure unambiguous communication on protocols to enable remote and in-premise working
 - Harmonious collaboration with provincial governments and bodies such as BPESA, dtic and Public-Private Growth Initiative (PPGI) in extending real-time support throughout the crisis
 - Bestowed 'essential services' status upon GBS sector within a week of lockdown implementation
 - Instances of national and provincial governments (e.g. Western Cape government) extending support to home-deliver laptops
- Strong commitment from government to provide ongoing support to increase benefits and incentives for GBS sector

“The government and enabling bodies took a strong decision in the beginning of the COVID-19 crisis, which not only helped in building a deep sense of confidence about business continuity among existing clients, but also helped attract new business, especially from US-based clients.
- CEO, leading legal service provider”

“We have won 5-6 new business deals recently, with all our clients wanting to de-risk from typical offshore locations such as India, Philippines.
- Country Head, leading professional services firm”

2 Proactive investment in enhancing digital Customer Experience (CX):

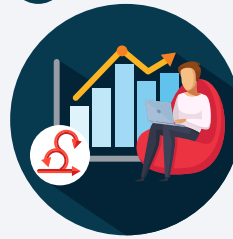


- Existing investments in digital transformation initiatives (e.g. shift from voice to chat/messaging, use of cloud systems)
- Significant government and private sector investment in creating digital academies and introducing learning and skill development programmes at the graduate level, focused on niche areas (e.g. analytics, cloud)

“We were on a path of cloud migration over the last year, hence were well-prepared. We plan to invest ZAR 40-45 million in creating a Conversational Experience platform underpinned by chat, messaging, chatbots and AI wherein customers will be given an option to shift from voice-to-messaging, to provide a seamless anywhere, anytime and on any channel experience.
- Managing Director, leading BPO solutions provider”

“The quality of customer service delivery is superior in South Africa; the TCV is higher, customer experience is better and customer retention is more than what we have witnessed in other delivery locations.
- Country Head, leading professional services firm”

3 Rapid adoption of remote operating models, supported by an agile culture:



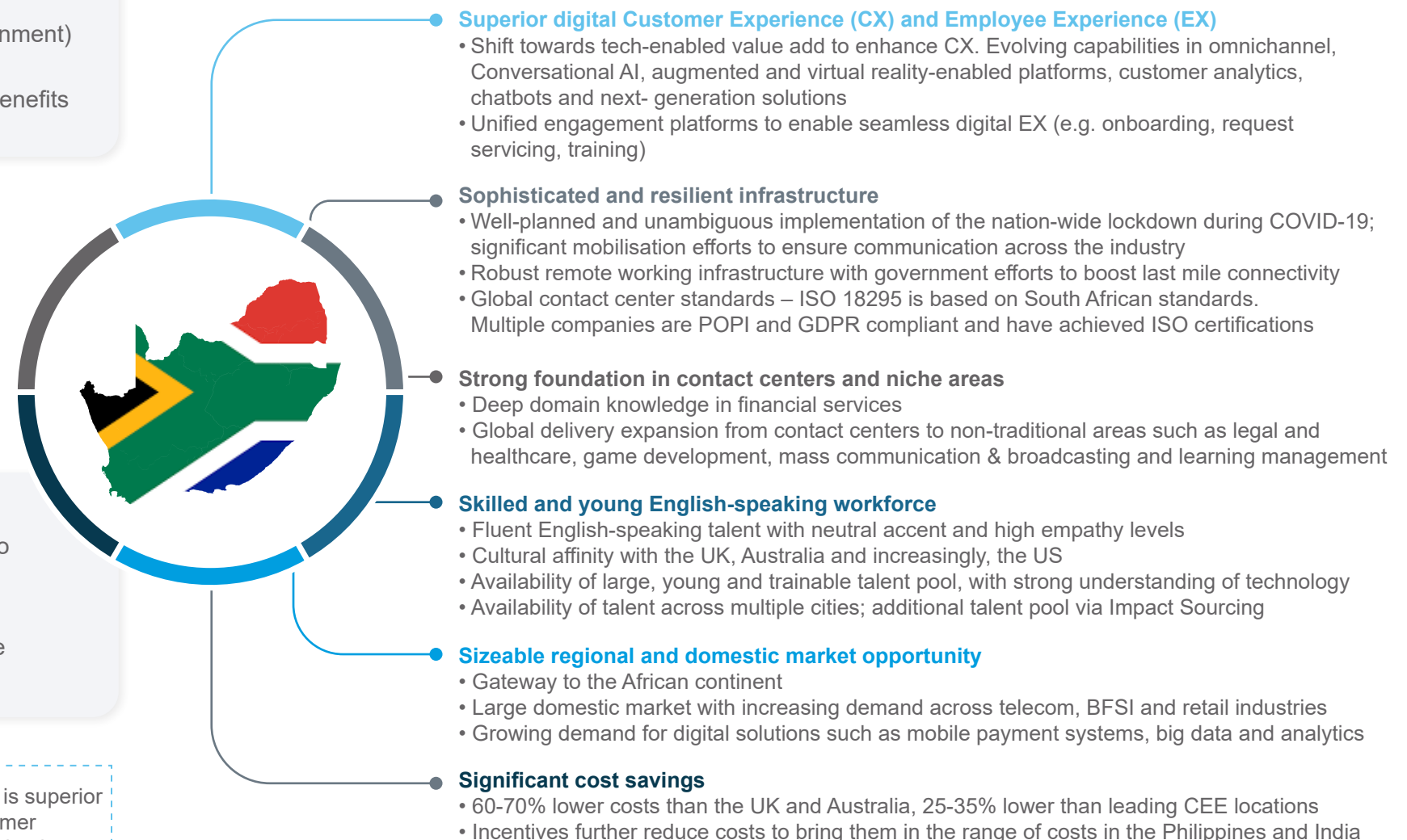
- Most companies enabled 40-60% of their workforce to work remotely during COVID-19; with a number of companies reporting a ~5% increase in productivity
- Robust remote working infrastructure, augmented by relaxations in network infrastructure provisions and additional spectrum allocation facilitated the quick transition
- Strong government focus on reassigning digital dividend spectrum for mobile broadband, ensuring last mile connectivity and reducing interconnect charges

“With more than 80% of the workforce working remotely, this model has been quite successful for us. We are now optimising our real-estate costs and planning towards a 50:50 operating model between in-premise and WFH.
- CEO, leading BPO solutions company”

“We rolled out a 300-seat contact center during lockdown: 50% home-based and 50% office-based. The onboarding and training of the workforce was done remotely, and the center has been operating very successfully.
- CEO, leading Contact Center Outsourcing specialist”

Leading Global Delivery Location for CX, Niche Domain and Next-Generation Digital Services

South Africa is a fast-growing world-class global business services location, achieving consistent recognition, driven by availability of an accent-neutral and empathic large workforce with niche domain skills, government support with improved access and enhanced enabling infrastructure.



South Africa has emerged as a dependable services delivery location which transitioned quickly to a remote-working model, offered resiliency for companies to relocate operations from other sites and ensured high-quality of service delivery. This has positioned the country in a new light, resulting in increased traction from global companies looking to geographically diversify their service delivery portfolios.

THE GLOBAL SERVICES MARKET IN SOUTH AFRICA HAS GROWN AT A RAPID RATE OF 22% ANNUALLY OVER THE PAST FOUR YEARS

South Africa Offers World-class Delivery Locations Across 6 Cities:

Cape Town



Durban



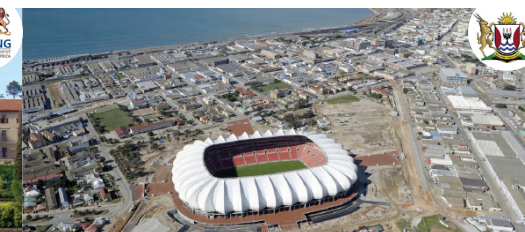
Johannesburg



Pretoria/Tshwane



Port Elizabeth



East London



Leading Companies Providing Global and Regional Service Delivery from South Africa:



South Africa PRIDES ITSELF

on its ability to offer distinguished customer services, as well as, complex back-office and niche domain services.

Deep Domain Skills:



2,000+ qualified actuaries



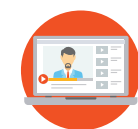
5,000+ legal graduates per year



12,800+ master degree graduates per year



45,000+ research and social sciences graduates per year



86,000+ engineering ICT and science graduates per year



250,000 registered doctors, nurses, paramedics



45,000+ chartered accountants

Global Recognitions:



Certified and Compliant Global Business Services Delivery:



High empathy, greater cultural affinity and innovative digital and technology capabilities have been

Distinctive advantages in English talent:

Spoken

Written

16.5 million English speakers with neutral accent

17.6 million youth population aged 18-35

410,000 English speakers added to workforce annually

Ranked 3rd amongst English service locations



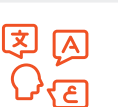
Cultural affinity to sourcing markets: Australia, UK & US



Proficient CX-lifecycle expertise



High levels of empathy



Large pools of multilingual talent: Dutch, German, French, Italian and Spanish

- Companies are building a holistic, service-centric experience for customers, leveraging the high-quality voice skills and excellent written communication skills which are far better in South Africa as compared to peer locations.
- Many companies are successfully demonstrating strong capabilities in omnichannel service delivery given significant increase in the use of technology, especially automation and chatbots, to enhance customer experience.

rated as the top drivers for South Africa's excellent performance on service quality standards

SOUTH AFRICA OFFERS SIGNIFICANT COST-TO-QUALITY BENEFITS FOR SERVICE DELIVERY AS COMPARED TO SOURCE GEOGRAPHIES

Significant Cost Arbitrage for Voice and Non-Voice Services:




~65% lower
voice-based BPO delivery costs as compared to source destinations, such as UK, US, Australia and Europe.



~60% lower
non-voice BPS delivery costs as compared to source destinations, such as UK, US, Australia and Europe.

Conductive Digital Business Environment:

 <p>has rolled out more than 157,400 kms (97,803 miles) of fibre in South Africa. Its network connects over 3 million premises</p>	Liquid Telecom’s African network spans over 70,000 kms (43,500 miles) across borders, and includes The East Africa Fibre Ring	Dark Fibre Africa has around 13,000 kms (8,077 miles) of installed fibre
	State-owned enterprise, Broadband Infraco, has around 15,000 kms (9,320 miles) of fibre in the ground	SEACOM spans around 4,000 kms (2,485 miles) , and includes lines connecting major cities as well as metro fibre rings

South Africa’s telecommunications infrastructure is one of the most advanced on the continent with a network that is 99.9% digital and includes the latest in fixed line, wireless and satellite communication. Going forward, a 9,000 kms undersea cable will link East London Industrial Development Zone (ELIDZ) to Mauritius and India, thus further growing the network.

Solid Capabilities to Support a Wide Spectrum of Global Business Services:

DOMAINS

BANKING, FINANCIAL SERVICES AND INSURANCE

- World-renowned financial services destination, with a sophisticated and tightly regulated banking and insurance sector
- Availability of high-quality and digital-ready talent, including: 45,000+ CAs; 1,800+ CFAs; and 2,000+ actuaries
- Ability to deliver complex insurance and banking processes such as life insurance, fund administration and asset management

HEALTHCARE

- Distinctive healthcare industry expertise for international and domestic BPO delivery
- 250,000+ registered doctors, nurses, paramedics, students in healthcare
- Ability to provide care management, insurance and a variety of medical advisory services

LEGAL SERVICES

- Preferred destination for the provision of bespoke legal services with presence of multiple Forbes 2000 law firms
- 5,000+ legal graduates annually which supplement the pool of ~25,000 practicing lawyers
- Delivery of services such as Integrated Legal Services, contract drafting & negotiation, patent support and legal writing

ICT AND DIGITAL

- Fast-growing sector with highly advanced ITES, IT outsourcing and technical helpdesk expertise
- 86,000+ young and trainable ICT graduates supplement the talent pool annually
- Niche domain services augmented by capabilities such as automation, AI, blockchain and analytics

GBS SUB-SECTORS

CONTACT CENTERS

Mainstay of the GBS industry, Contact Centers account for 73% of the headcount, with companies shifting towards omnichannel delivery and adoption of automation and chatbots, to enhance customer experience

FINANCE AND ACCOUNTING

4th top global Finance and Accounting destination with deep domain skills to support complex services such as analytical financial planning & accounting, actuarial services, budgeting & forecasting and management reporting

HUMAN RESOURCES OUTSOURCING

Proficient and multi-faceted Human Resources Outsourcing ecosystem across recruitment, training and skills empowerment, with reputable digitally-enabled talent, servicing global businesses

PROCUREMENT OUTSOURCING

Established expertise in providing Procurement Outsourcing services with a sizable talent pool of Chief Procurement Managers (CPOs) and MCIPS professionals, with the ability to pivot to e-procurement.




South Africa subscribes to Impact Sourcing, embracing the concept of inclusive hiring and building inclusive supply chains, with BPESA being a founding member of the Global Impact Sourcing Coalition (GISC). It further conducts multiple national Skills Development Programs focused on upskilling/reskilling to create distinct advantages in niche skills availability.


Incentives & Support:

GBS incentive program


South Africa’s cost competitiveness, relative to the source markets and peer locations, has been further augmented by the Global Business Services (GBS) incentive programme (effective 1 January 2019, by the Department of Trade, Industry and Competition (**dtic**)). The incentives ensure that any organisation locating service delivery centers in South Africa and facilitating job creation, extracts real value from its investment.




5 year cash incentive




Real value cost competitiveness




Targeted youth employment



Non-complex
Complex
Highly complex



Incentive for new jobs created and sustained over five years



Reducing OPEX between 8 - 10%

Other incentive programs

- Employment tax incentives
- Special Economic Zone (SEZ) incentives
- Global Business Services incentives

Digital-specific support initiatives

- Work readiness and tech skills development programs
- Digital Innovation Precinct and academies

Skills development programs

- Government-funded work-based learning programs
- Skills supply chain programs
- Impact Sourcing programs

InvestSA

- A dedicated division in the **dtic** which focusses on investment promotion, facilitation and after care with One Stop Service investment centers located in the main cities

* In addition to the above National-level incentives, Provincial-level incentives are also provided

TYPES OF ANALYTICS SOLUTIONS DELIVERED FROM SOUTH AFRICA



- Text-to-speech analytics for quality assurance and tracking performance of agents
- Prediction algorithms and social media analytics to determine customer behaviour
- Knowledge Process Outsourcing (KPO)
- Root cause analysis for contact center agents
- Digital investment platforms that help customers choose right investment solutions

BPESA

BPESA is a not-for-profit company that serves as the industry body and trade association for Global Business Services in South Africa serving the international and domestic markets. Its purpose is to market South Africa to the world as an attractive place to offshore their business processes, thereby stimulating local job creation, particularly for unemployed youth, and coordinating industry role players to provide a sustainable supply of suitably skilled people to enable the sector to remain competitive and to grow.

BPESA promotes domestic and foreign investment into the Global Business Services Sector including call / contact centers, shared service centers and the Digital / ICT sector in South Africa and works with its partners including national and provincial government as well as social partners and sector stakeholders to stimulate economic growth, new job creation and skills development.

InvestSA

InvestSA is a division of the South African Department of Trade, Industry and Competition (the **dtic**).

The division supports investors exploring opportunities in South Africa by helping with information, facilitation and aftercare. Available "One Stop Shops" across the provinces provide practical assistance to streamline the process of setting up a business in the country across provinces.

OUR STRATEGIC ALLIANCES:

International:



Domestic:



BPESA

Business Process
Enabling
South Africa

CONTACT DETAILS

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