



Human Capital Requirements for IT-BPO

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IT-BPO Sector need People

IT-BPO needs vast numbers of human talents...

- Need more than 5 million trained, certified BPO-fit people worldwide to touch the US\$250 billion mark by 2015 (Gartner)
- People produce in IT-BPO sector as opposed to machines in manufacturing sectors

...and Talents need BPO industry

- No other industry provides such mammoth white-collar employment opportunities
 - Fresh young talents...
 - Those displaced from other industries...

...and Talent is a key differentiator

- Cost
- Skills set, multi skilled workforce
- Recruitment lead time
- Ramp-up and scalability
- Time to reach acceptable productive level

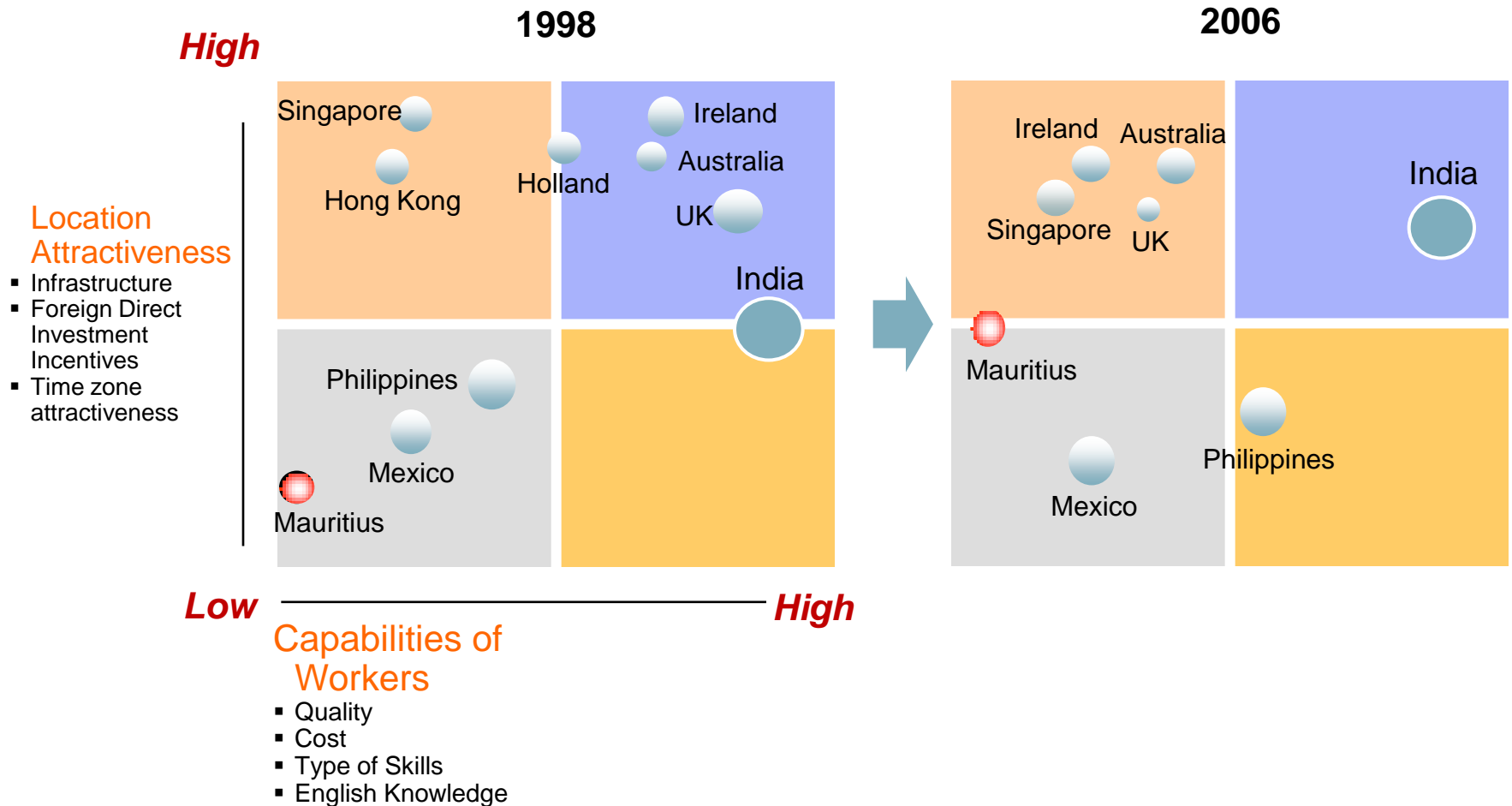


...And Mauritius too, *Needs* talents...

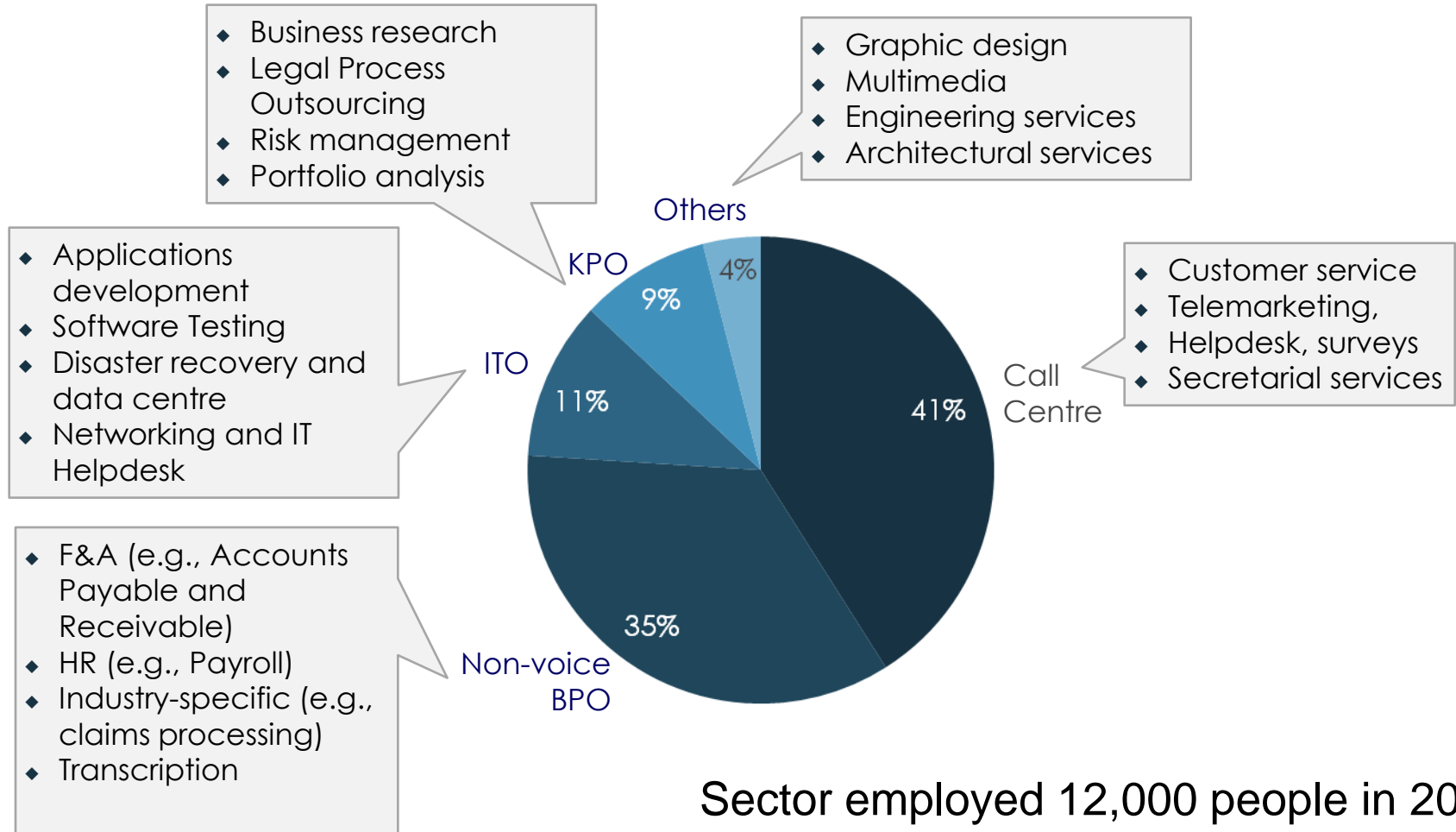
More than 15,000 ... over the
next 5 years just to meet
existing demand!



Cost Effectiveness and Capabilities



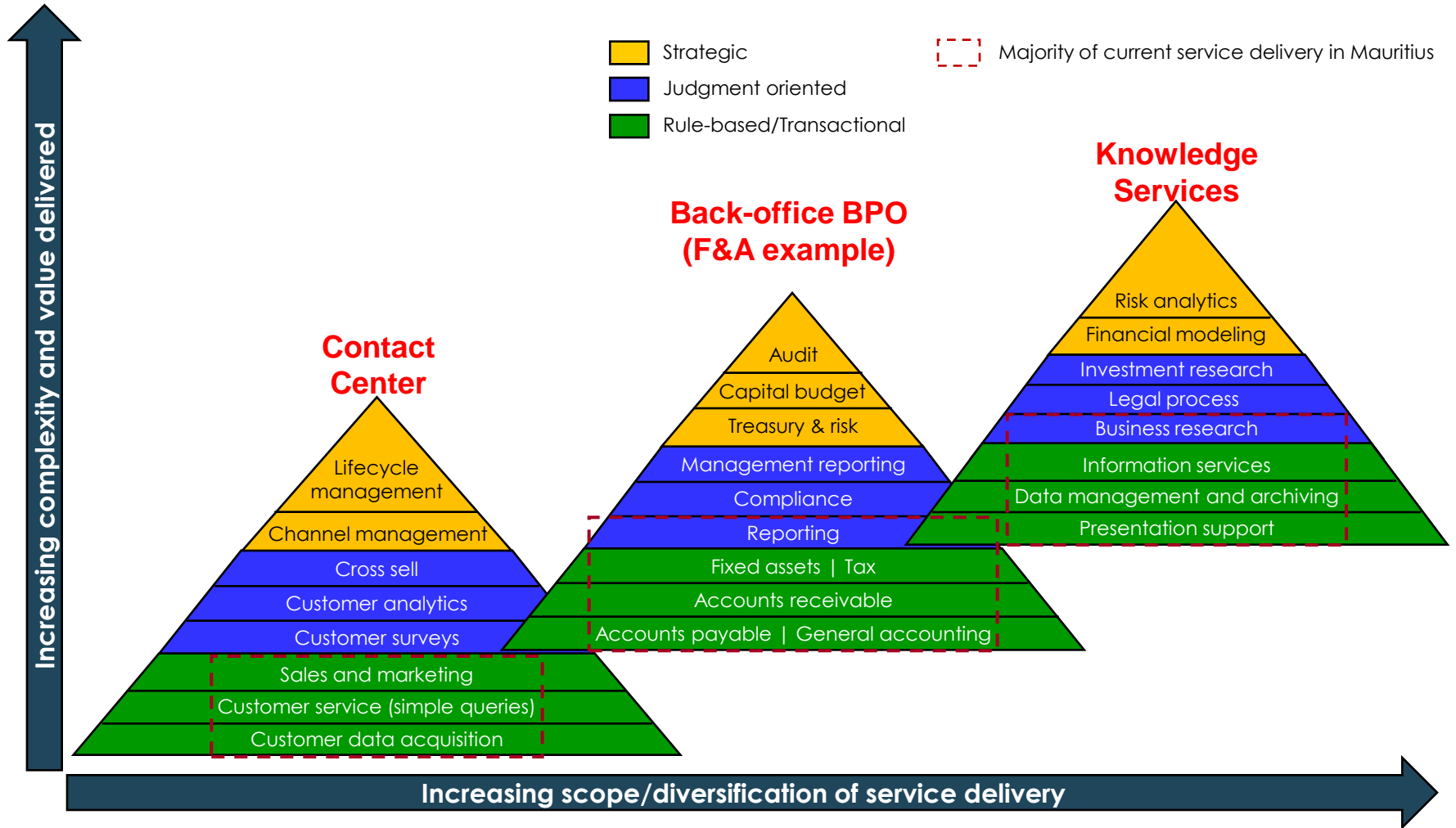
Employment level within functions served from Mauritius



Source: Everest Research (2009)

Examples of BPO processes delivered from Mauritius

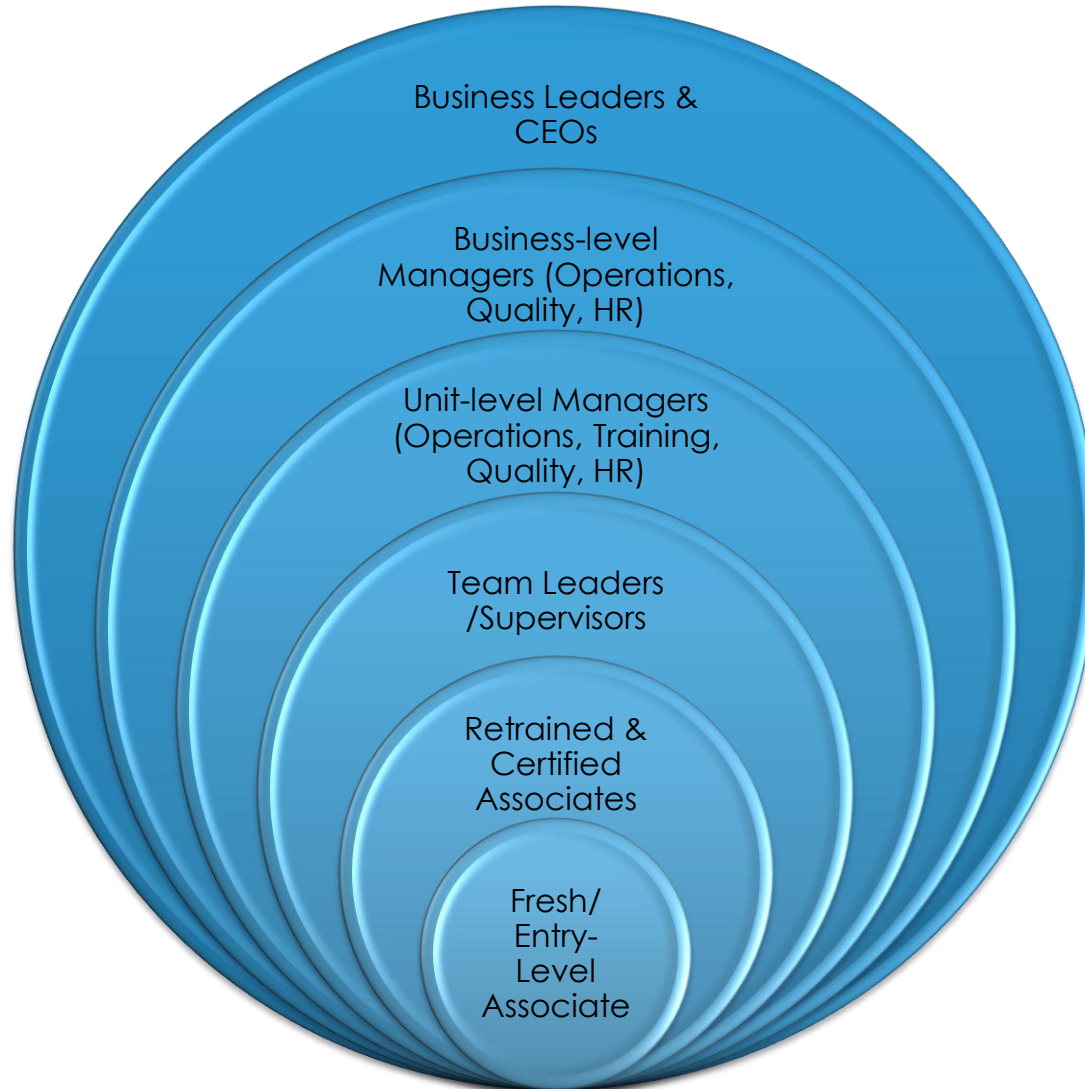
Need talents for basic as well as high value processes



Source: Everest analysis (2009)



Talent is needed across the Board



The SWOT of Mauritius Talents

English/French Language Competencies and Medium of Instruction

Awareness levels and consciousness about BPO among masses

Preponderance of traditional courses in universities

Willingness of highly qualified professionals to join the BPO sector

Experience and availability of Managers and Functional Leaders

Awareness and empathy for other cultures of the World

Experienced and availability of Managers and Functional Leaders

General Quality of Education

Service-consciousness; services sector; customer consciousness



Current State and 2010 Forecast

2010 Growth Forecast by Sector (Source: CSO Mauritius)

	Sector	Growth
1	ICT	12.7 %
2	Sugar	8.9 %
3	Construction	8.0 %
4	Banking	6.5 %
5	Textile	1.0 %
6	Free port	0.1 %

- ICT sector grew by 15 % in 2009 despite economic downturn contributing 5.4% to GDP (more than sugar)
- 35% IT-BPO market growth (2004-2008 CAGR)
- Sector employ around 12,000 people directly [Total labour force=544,800 including 21,000 foreign workers]
- 300 companies provide Voice/Non-voice BPO, IT services
- Origin of ownership of companies (France and UK dominate the market)



Forecast Employment and Revenue

Year	Direct	Indirect	Total	Revenue (Rs billion)
2009	12,000	24,000	36,000	5.4
2010	13,800	27,600	41,400	6.2
2011	15,870	31,740	47,610	7.1
2012	18,251	36,501	54,752	8.2
2013	20,988	41,976	62,964	9.4
2014	24,136	48,273	72,409	10.9
2015	27,757	55,513	83,270	12.5

Assumptions:

- Annual growth in employment of 15% (global market will grow above approximately 25%)
- Ratio Direct:Indirect is 1:2 (normally between 2 to 4)
- 1 FTE generates US\$15,000 pa of revenue (very conservative)
- Exchange rate: US\$=Rs 30 (constant over the period)
- No price increases over the period



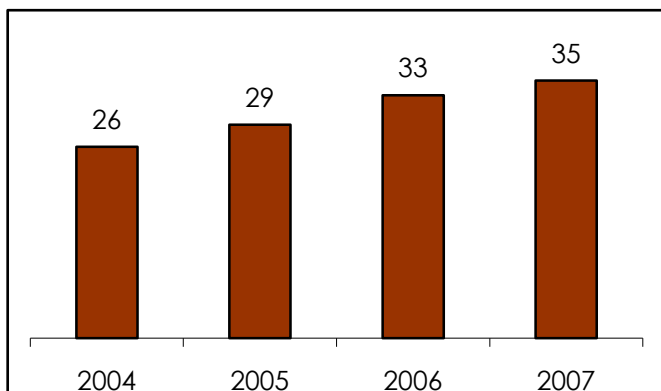
Education System Output

Output per annum:

O Level (SC)	6,300
A Level (HSC)	6,800
University	5,000
Total	18,100

Need 3,000 people for IT-BPO

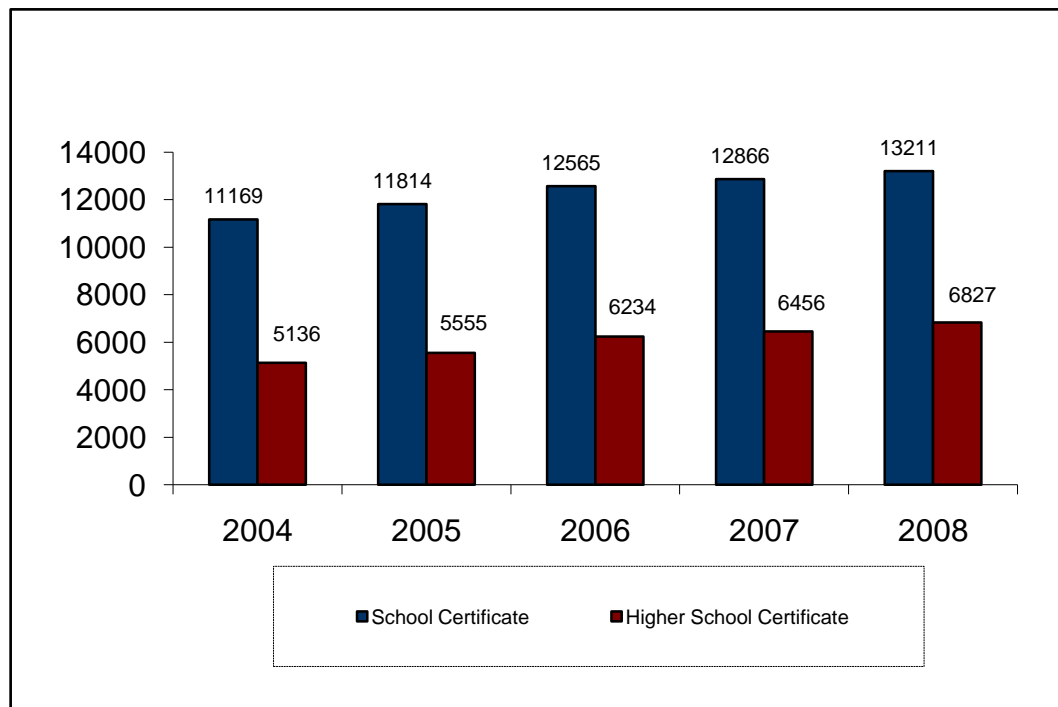
Tertiary Education Enrolment



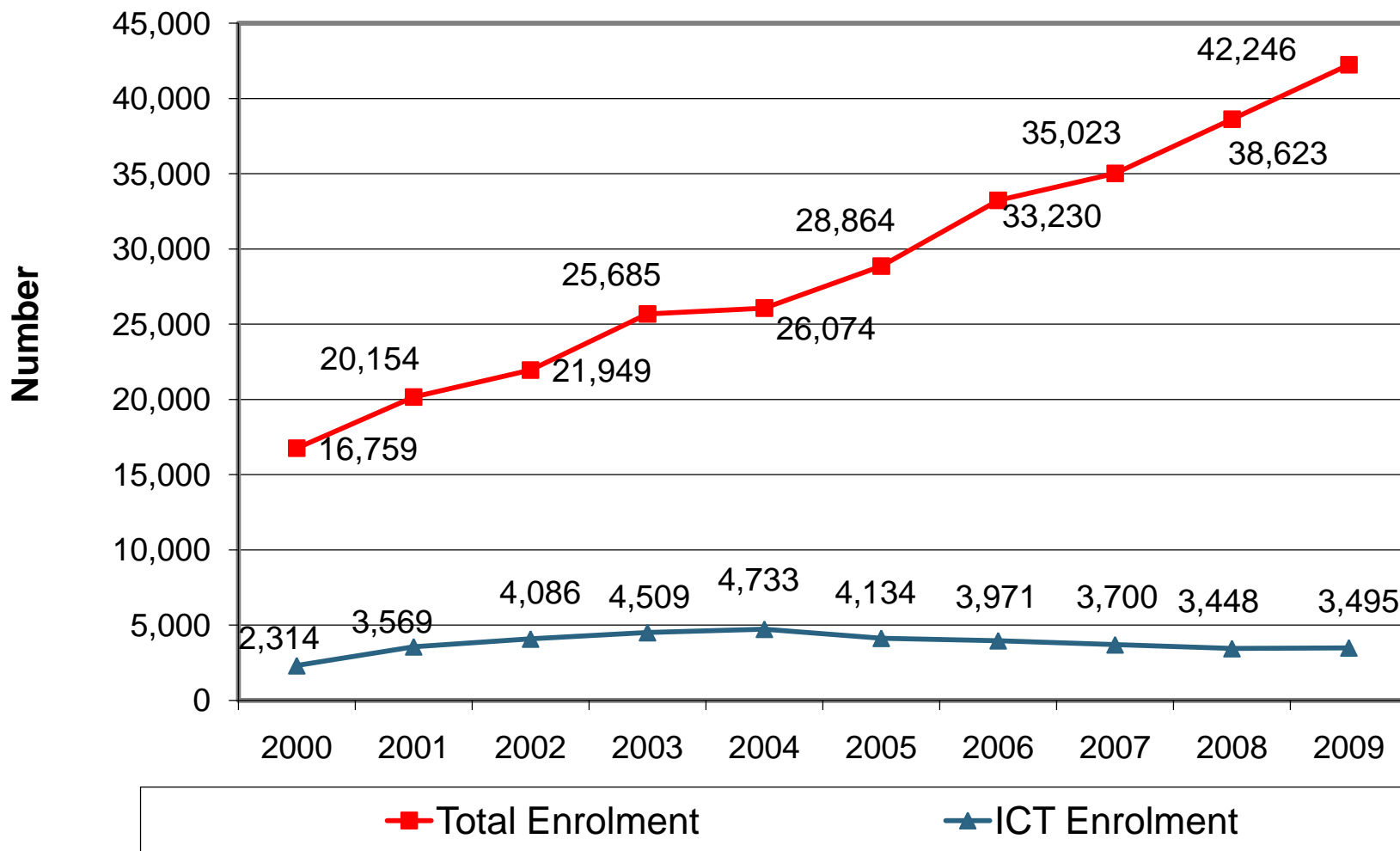
Enrolment 2009:

Public institutions	19,900
Private institutions	10,400
Overseas	12,000
Total	42,300

Secondary Education Output



Tertiary Education: ICT Enrolment Trend



Human Capital: Quantity

- Global market can sustain growth in excess of 25% annually
- Output (quantity) sufficient to grow the sector by 15% per annum
- IT-BPO is already an attractive sector (working environment, international exposure, skills development, etc.)

Need to consider:

- Encourage young people to choose science and engineering
- Home workers (mid career and retired) – cost of internet connectivity and hardware need to reduce
- Reduce and/or prevent brain drain
- Foreign labour (efficient work permit process)
- Regional collaboration for talents
- Attracting highly qualified professionals from established/traditional sectors to move to high value services (banking, insurance, medical, engineering, architecture)
- Decentralise business parks (concentration in Port Louis and Ebene)
- Culture - working hours, 24/7
- Maximise existing infrastructure (university lecture rooms, training centres across the country)
- Use university lecturers and trainers to offer IT-BPO top-up programmes



Human Capital: Quality

- Relatively good education system compared to many emerging countries
- Bilingual advantage
- Highly adaptable workforce
- Strong customer service mentality

Need to consider:

- Introduce foreign languages at secondary and university level (Western European, Chinese, Arabic) – key differentiator
- Industry specific certification for all levels of talents
- University curriculum need to be updated regularly to meet industry needs (closer collaboration between industry and academia)
- Education needs to offer soft skills and more practical learning
- Train and certify more trainers
- Review training incentive programme from government (HRDC grants, NEF)
- Middle and senior management talents from India are leaving US
- Attract foreign universities and business schools



Industry-driven Training

- The Outsourcing and Telecommunication Association of Mauritius (OTAM) and The National Empowerment Foundation (NEF) launched the National ICT Empowerment Training Programme in December 2009
 - Call centre (English and French)
 - BPO (started with F&A)
 - Software Development (starting in May) Impact growth of the sector
- Constraints:
 - Infrastructure
 - Lack of certified trainers
 - No certification provided
- OTAM signed a partnership with BPO Certifications Institute (BCI, a leader in BPO training and certification)



Risks of Doing Nothing

- Increased attrition
 - Salary inflation to retain / attract from other companies
 - Intellectual property risks
- Impact growth of the sector - quantity, quality (use lower skilled labour to deliver service)
- Drop in FDI
- Slow down country economic growth (IT-BPO employees are high consumers)
- Rise of unemployment
- Increase emigration
- Affect Mauritius' reputation as an outsourcing destination



Breeding Talents in the **Short Term**

Identify leading BPO Training companies to develop specific training programs according to standards prescribed by a global certification body



“Plug” or “top-up” university/ college and even vocational programs curricula with 4-6 month BPO training programs that end with the international Certification



Target students who have some knowledge of English or any other Second Foreign Language so that they can be immediately made “deployable” in BPOs



BPOs should provide 1-2 weeks of intensive “floor-exposure” and internship to trainee students; against the “first right to hire” facility



“Incubate” trainers & resources from BPO companies in short-burst 3T (Train the Trainer) programs and include them in university programs



Budget for “reimbursing” training & certification costs of fresh 10,000 talents to Training companies



Breeding Talents in the Long Term

Increase global exposure of youngsters through TV and Newspapers

Propagate BPO as a Career in Schools and Colleges

Encourage students to opt for modern career choices - study professional courses

Enroll university teachers in long-term BPO Trainer development programs

“Embed” longer-duration BPO-employability & Certification programs with strong Language modules in the university/ college and other vocational programs developed on international standards

Target students for domain-specific BPO training programs according to their majors/ subjects so that they can be made “deployable” in different forms of BPOs after they leave school/ college

BPO companies should provide 2 months of intensive “floor-exposure” and internship to trainee students

Budget for “reimbursing” training & certification costs of fresh talents to Training companies



Thank You

