

**BPI:SA**

Business Process  
Enabling  
South Africa

**SHARK  
ISLAND**  
NEW SOUTH WALES

## Case Study Analysis of South Africa as a BPO Delivery Location

2018

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# 1. Introduction

To showcase South Africa as a preferred Business Process Outsourcing (BPO) delivery location in emerging markets, BPESA has produced this case study compendium. It is tributary to major current research being undertaken in the BPO sector in South Africa. Each year, BPESA produces the sector key indicator report detailing various metrics which assess the overall performance of the sector in the country - this publication is available on the BPESA website.

The case study compendium serves two purposes: firstly as an exhibit of South Africa as an attractive BPO location, and secondly as an assessment of South Africa's performance since the advent of BPO in 1999 in the country.

## 1. Objectives of the Case Compendium

- a.) To profile companies using South Africa as a delivery location
- b.) To identify major drivers for use of South Africa as a BPO location of choice
- c.) To provide an analysis of the BPO landscape in South Africa

## 2. Methodology

The survey is based on an initial study of existing white papers, documents and reports that have been produced by analysts, specialists and interested parties on BPO in South Africa. This is followed by interviews conducted on all stakeholders in the ecosystem; operators, suppliers and local service providers.

## 3. Structure of the Case Study Compendium

The compendium is divided into sections;  
Section 1: The South African BPO value proposition  
Section 2: The South African BPO landscape  
Section 3: The BPO Skills outlook, and  
Section 4: International BPO Companies delivering services from South Africa

## 1.4. Executive Summary

This document profiles 14 international BPO companies servicing their clients out of South Africa. It is the second of a series of publications that will be done annually. The document begins by giving an outline of the South African BPO market and its unique attributes.

The environment possesses a distinct competitive advantage - the existence of a vibrant domestic BPO market with an estimated 50,000 employees servicing the industry. It is this competitive edge that sets South Africa apart from its major competitors, namely India and the Philippines.

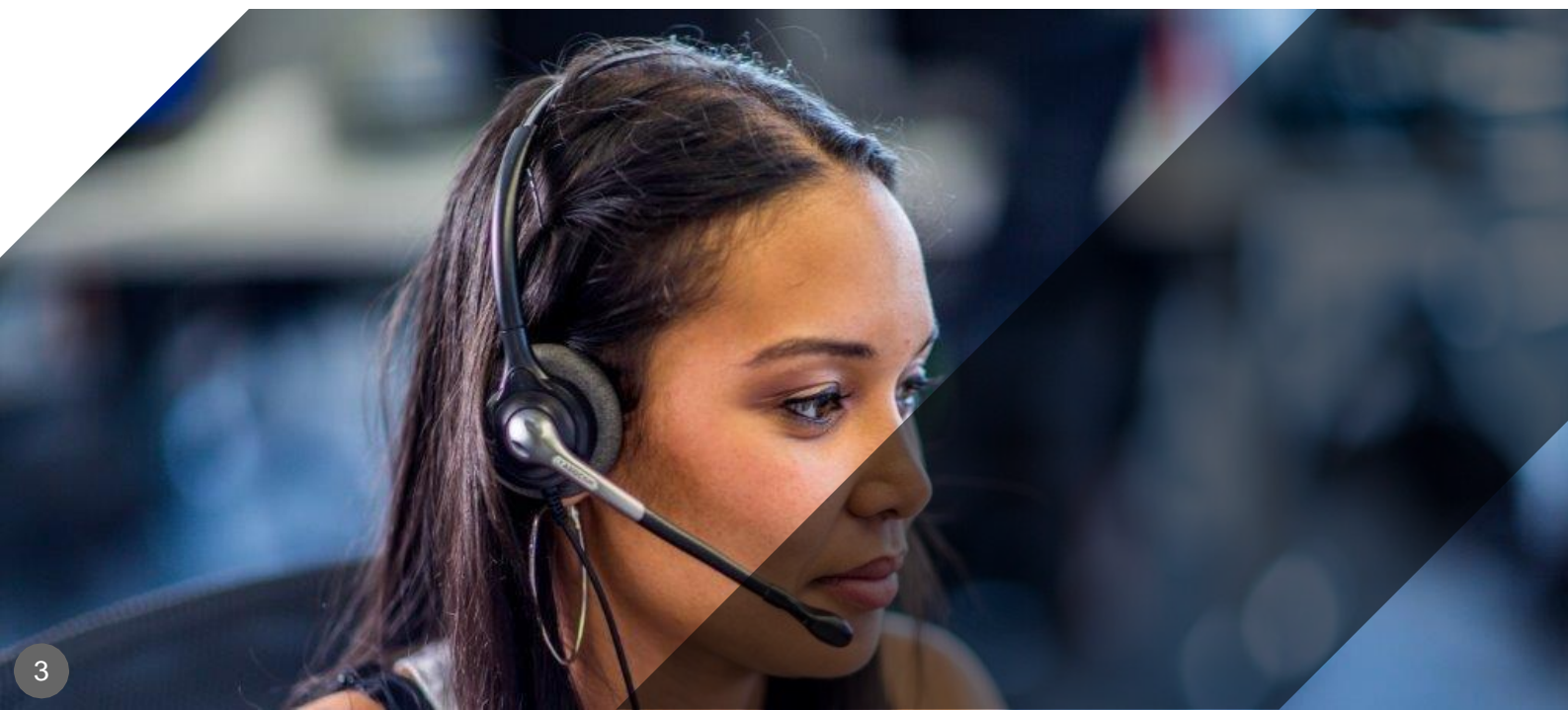
The growth of BPO in South Africa is being accelerated by a compelling value proposition:

- Availability of a skilled English-speaking talent pool
- Deep domain skills
- Significant cost savings
- Robust enabling environment
- First world experience

Most of the companies profiled in this compendium are taking advantage of cost savings of up to 60% to reduce their operating expenses –with the biggest cost saving being displayed through labour arbitrage.

Skills development remains a focal area for the country, with a multitude of initiatives introduced to manage the demand. The immediate skills strategy is to mobilise the sector through establishment of technical working committees to collectively review, refine and evolve the existing BPO sector skills strategy.

The compendium is designed to influence the future progress of the South African BPO activity by profiling companies that provide good examples of BPO best practice world-wide. These companies include, Aegis, Amazon, Barclays, EOH, Lufthansa InTouch, Merchants, Mindpearl, EXL, Webhelp, WNS, BYC, ODITY, Capita, Cognia Law and OUTsource.



## 2. What Does South Africa's BPO Environment Offer Investors Today?

South Africa's BPO environment is more robust and competitive than most of the emerging global locations. In 2016, South Africa was named Offshoring Destination of the Year at the 2016 Global Association (GSA) awards in London. The country also received the National Outsourcing Association's (NOA) Skills Development Project of the Year in 2014, the European Outsourcing Association's (EOA) Offshoring Destination of the Year Award in 2013, and the NOA's Offshoring Destination of the Year Award in 2012.

South Africa has a large pool of good quality English speaking talent with high empathy, cultural affinity, and niche domain skills, which have led to success in next generational service delivery as summarised below:

- High quality of life with superior business and operating environment infrastructure
- A wide variety of government support in areas of skill development and infrastructure incentives for increasing investment in the BPO sector
- Global contact center standards – ISO 18295 are based on South African standards (the global standard development was led by South Africa)



- Availability of highly skilled, English-speaking talent pool with neutral accent and very high empathy levels
- Additional talent pool through impact sourcing
- Cultural affinity with UK, Australia, and, increasingly, the US
- Recognized domain knowledge in the banking and financial services sector
- Availability of talent across multiple global delivery location options across the country

### ***Evolving capabilities for next-gen services for digital contact centre***

- South Africa is pivoting towards delivery of next-generation of contact center and digital services
- In the core strength of contact center, companies have successfully demonstrated capabilities for high quality multi-channel customer experience, supplemented by deep customer analytics

### ***Strong foundation in contact centre and niche areas of work***

Apart from contact centre, which has been one of the key strengths of South Africa's BPO industry, the scope of international delivery has expanded into non-traditional areas of work, such as financial services, legal process services, and healthcare

### ***Significant costs savings***

- Cost of operations are at least 50-60% lower than those in England and Australia for both voice and non-voice work
- Incentives further reduce the costs to bring them in range of costs in the Philippines and India



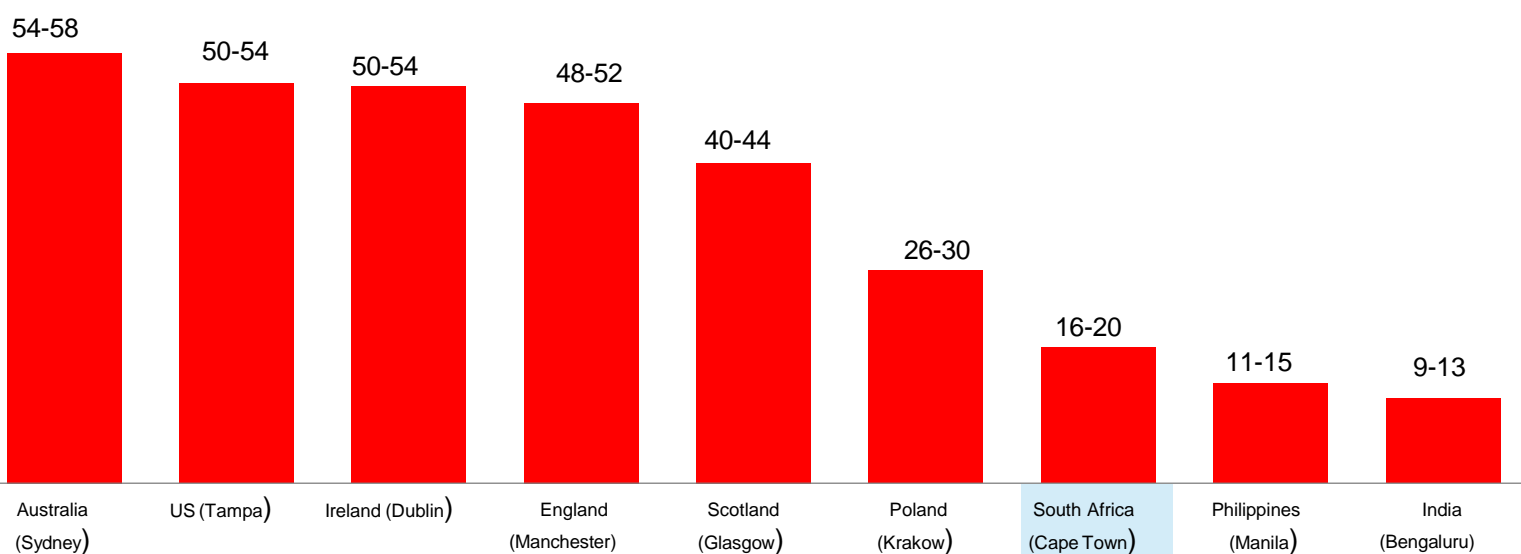
## 2.1. Cost Saving

- South Africa offers major cost saving alternatives of at least 60%, when compared to other source destinations such as the UK.
- The national incentive scheme provided by the government helps to further lower the cost basket for foreign investors.

South Africa offers significant cost arbitrage for contact centre delivery as compared to source geographies. The following diagram shows the direct operating costs per FTE across various BPO locations, with South Africa having the lowest cost of operations for English language contact centre.

**Operating cost per FTE for Contact Centre<sup>1</sup>**  
2018; US\$ '000s per annum per FTE

- **Delivery-related operating costs in South Africa are ~60% lower than those in tier-2 UK cities**
- **Even upon including corporate and leadership overheads, total costs are still 40-45% lower**



- Operating cost is driven by people cost (salaries and benefits), facilities costs, telecom costs and other miscellaneous costs
- South Africa has one of the lowest cost of operations for English language contact centre delivery as compared to other onshore locations. This is primarily driven by low salaries (lower cost of living and lower competitive intensity for talent) and real estate costs as compared to other locations

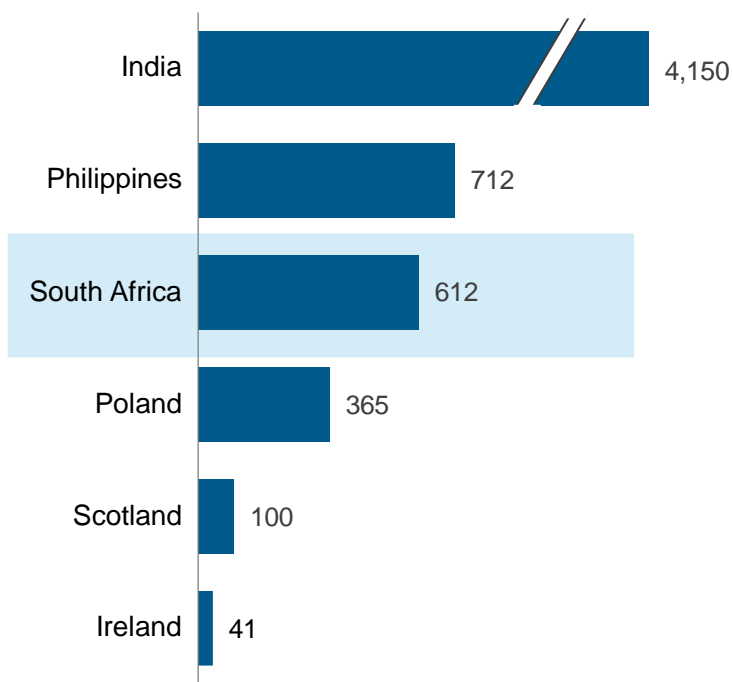


## 2.2. Education and Deep Domain Skills

- According to the Department of Education, South Africa produces approximately 180 000 tertiary and 430 000 high school graduates annually.
- South Africa is home to the University of Cape Town and the University of Witwatersrand which was ranked among the world's top universities for development studies in the QS World Rankings by Subject for 2016.
- The University of Cape Town's MBA programme consistently features in the Financial Times' Top 100 MBA programmes. Each year, South Africa's tertiary education sector produces a significantly large number of qualified actuaries (three times as many as India and the Philippines combined), chartered accountants, and other specialists.
- South Africa has also been recognised as an internationally renowned Legal Process Outsourcing (LPO) destination with strong legal skills similar to those of European countries

Of all popular BPO offshore and nearshore locations for the country's source markets, South Africa is 3rd in terms of depth of its talent pool, with an annual supply of graduates. Figure 3 (below) demonstrates the large talent pool with niche skill availability within South Africa:

**Annual supply of new talent for English language BPO 2017<sup>1</sup>; '000s**



<sup>1</sup>Represents end of year 2017

Note: Includes all relevant degrees/qualifications for employment in the IT/BP sector

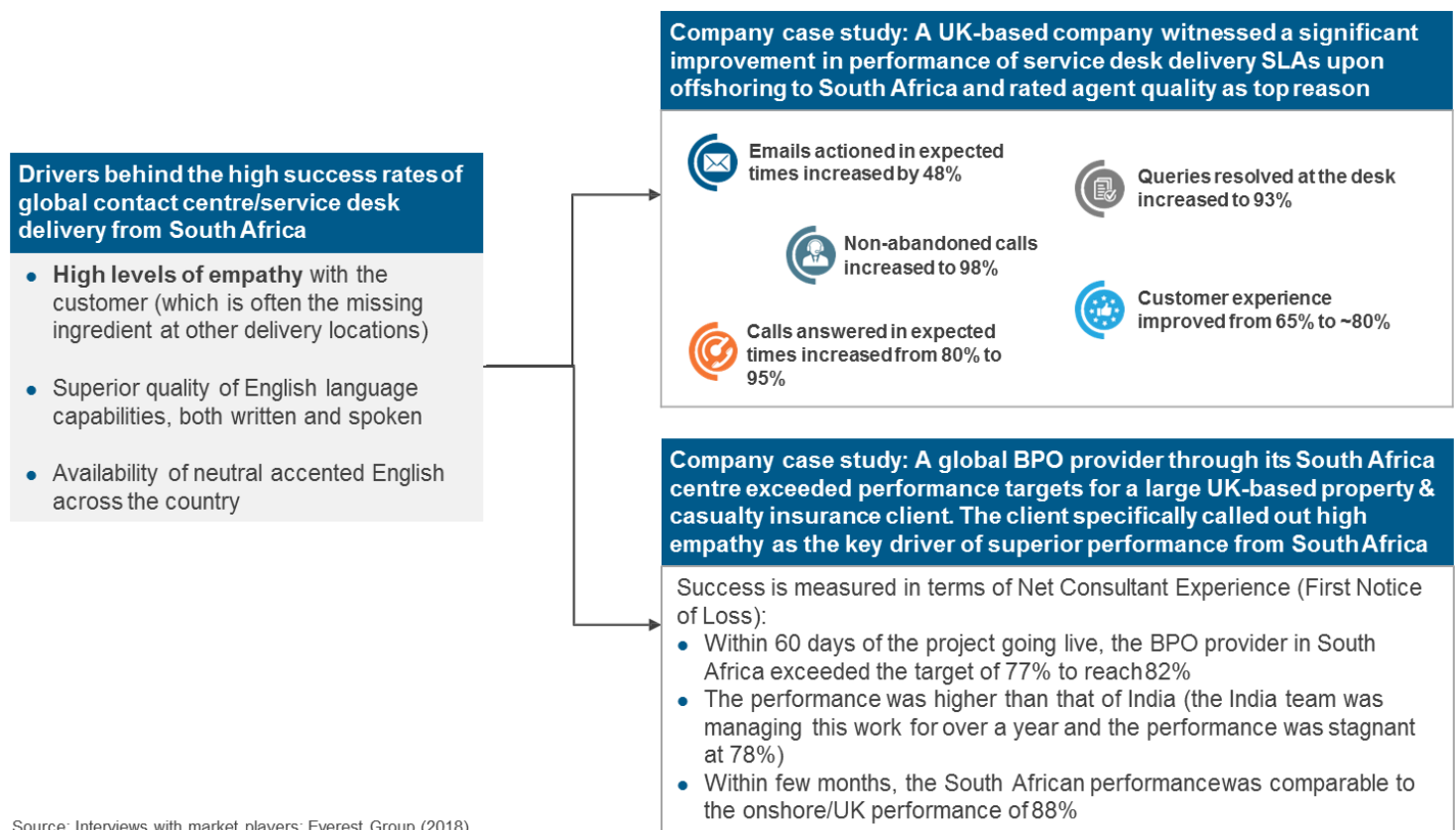
Figure 3: Annual supply of fresh talent for English language BPO.  
Source: Everest 2018

- South Africa has a **highly skilled, English speaking talent pool**. It has been ranked third among all African countries in terms of English-speaking skills<sup>2</sup>
  - Additionally, people in South Africa have a more **neutral accent** as compared to those in India and other offshore geographies – this makes it ideal for **contact centre delivery to UK and Australia**
- Increasingly, the central and provincial governments in South Africa are introducing **learning and skill development programmes** at the graduate level which are focused on futuristic, digital-ready skills; some of these involve **new certification courses** in leading public universities

### 3. Cultural Affinity

- South Africa is similar to many English native speaking locations such as the UK, Australia, and the USA and makes it the ideal destination to service English markets.
- High levels of cultural affinity have improved the quality of the South African offering through “call intelligence,” where South African customer service employees are able to create rapport and empathise with customers.

Figure 4 below attempts to show how empathy skills and greater cultural affinity have been rated as the top drivers for South Africa’s excellent performance.



## 2.4. Robust Enabling Environment

South Africa boasts a robust enabling environment due to the following:

- Attractive investment climate and strong public sector support
- Rapidly improving telecoms
- Political and socioeconomic stability
- Modern transportation networks, sophisticated telecommunications, and internationally acclaimed tourism facilities have positioned South Africa as a prime business destination
- International airports located in major locations such as Durban, Cape Town, and Johannesburg provide direct international flights across the globe

South Africa provides a robust enabling environment for the BPO industry to flourish:

### National-level incentives programs

- **Business Process Services (BPS)** incentive scheme offers a lump sum cash incentive per job created in the global offshoring/outsourcing sector for a minimum number of jobs created. Alternatively, it offers a percentage bonus for each job, if the number of jobs created exceeds the minimum number
- **Employment Tax Incentives** are aimed at encouraging employers to hire young work seekers through a cost-sharing mechanism with the government
- **Seda Technology Programme** offers grants to provide technology support to small and women-owned enterprises
- **Special Economic Zones (SEZ) incentives** include a slew of building and rental allowances, corporate tax, and employment incentives upon setting up in a SEZ

### Infrastructure development

- SEZs offer state-of-the-art infrastructure, tax incentives, rebates and a duty-free zone for smooth business operations
- In some cities, such as Tshwane, Durban, and Port Elizabeth, the government has built BPO parks which are self-sustaining units providing the necessary ICT infrastructure, training and development support as well as reporting and performance management

### Digital-specific support initiatives

- **Work readiness and tech skills development** programmes have been instituted through a collaborative effort between universities, training institutes and private sector in South Africa. The most prominent amongst these is the Cape Innovation and Technology Initiative which trains students in IT infrastructure, cloud, big data analytics, and now, cybersecurity and artificial intelligence skills
- **Digital Innovation Precinct and ImpaCT** are other initiatives in Johannesburg that are focused on providing additional training and education for software engineering, game development, data science and other digital skills

### Skills development programs

- **Learnership programmes are disbursed by SETAs.** These are work-based learning programmes related to a specific field of work, comprising both theoretical and practical training. While these are available at the national level, some cities in South Africa and various private sector companies (in association with training institutes) have developed their own programmes. Some new initiatives are as follows:
  - Implementation of 200 call centre learnerships in the Western Cape through Impact Sourcing
  - Development of community-based contact centres in nine provinces to build a skills pipeline
- **Jobs Fund** co-finances various organizations (public, private, NGOS, etc.) for projects that are expected to result in subsequent job creation. One of the most successful examples is that of the Harambee Youth Accelerator which is an Impact Sourcing project
- **Monyetla Work Readiness Programme** is specifically focused on the domestic BPS and offshoring sector which is accredited by either BankSETA, FASSETT, MICT SETA, IN SETA or Services SETA. The training programme is led by employers (including recruitment agencies and training providers) to ensure that at least 70% of successful beneficiaries are employed for at least one year
- **Skills supply chain programmes** are instituted at the city-level (Tshwane, Durban and Cape Town) and provide funding support for targeted skills supply chain capacitation
- **Leadership trainings by TULA Leadership Academy** are increasingly becoming prevalent in the BPO space which focus on building team leaders with knowledge on operational roles and responsibilities, performance measurement and management, workforce management, attrition, business continuity management, among others
- **Impact Sourcing programmes** have been introduced by training institutes such as Harambee, Career Box, and Maharishi which collaborate with private sector companies to bring down youth unemployment and target the vast talent potential in the country for the BPO sector
- Industry-wide initiatives are led by BPESA which include:
  - **Facilitating collaboration** between the private and public sector across the skills supply chain to share knowledge and work on targeted projects to gear it for future skill requirements
  - **Development of a skills portal** which enables BPO operators and suppliers of skills development services to interact via a single platform
  - **Skills forums** wherein BPESA facilitates quarterly forums across the country for skills practitioners to create a networking and knowledge sharing forum regarding the skills supply chain

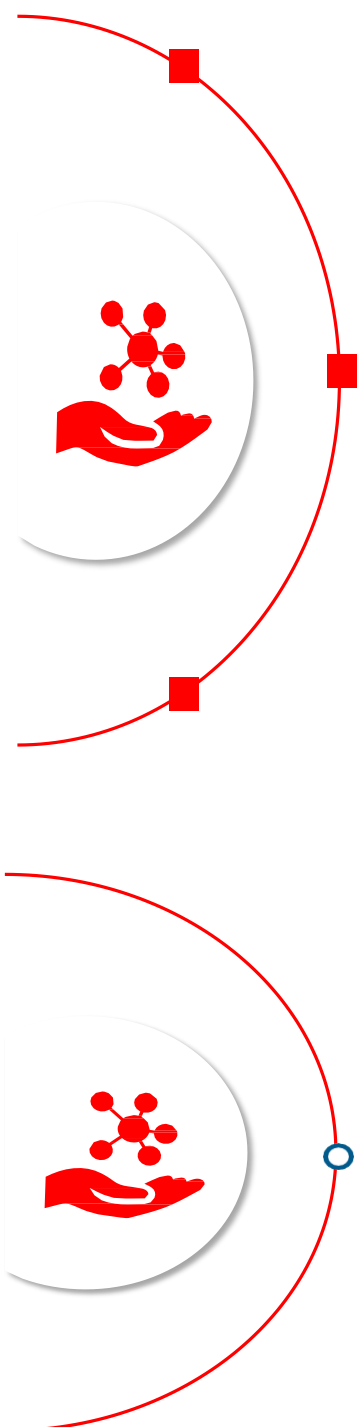


Figure 5: South African BPO enabling environment  
Source: Everest 2018

## 2.6. Government Support and Incentives for BPO

The initial Business Process Services (BPS) incentive scheme was implemented in January 2011. Since then, the South African Department of Trade and Industry (dti) estimates that approximately 9,000 offshoring jobs have been created. This initial scheme has now been replaced by a revised BPS Incentive, effective between October 1, 2014 and March 31, 2019.

In order to qualify for the scheme, applicants need to display their involvement in “projects that meet the strategic objectives of the dti”. In addition, approval of applications is subject to the availability of funds and compliance of their projects with the relevant provisions of the Public Finance Management Act (PFMA).

The primary objective of the incentive is to create employment in South Africa through servicing offshore activities. The secondary objectives of the program include:

- Creating youth employment opportunities
- Contributing to the country’s export revenue from offshoring services.
- The Business Process Services Incentive consists of two components:
  - A base incentive
  - A graduated bonus incentive, dependent on the applicant exceeding certain annual offshore job creation targets.
- The key eligibility criteria to qualify for BPS Incentives are:

- o Be a registered legal entity in South Africa as a going concern and with a valid tax clearance certificate
- o Be involved in starting a new operation or expanding an existing operation
- o Submitting an application for BPS Incentives prior to the engagement of qualifying jobs but having already secured a contract for offshore BPS activities
- Comply with the requirements for Broad Based Black Economic Empowerment (B-BBEE) as issued in the Government Gazette 11 October 2013 in terms of the Codes of Good Practice. This entails applicants:
  - o Achieving at least level 6 B-BBEE contributor status or submitting a plan showing how this will be achieved from 12-months to end of 24-months from the date of incentive grant approval
  - o Achieving level 5 B-BBEE contributor status from 24-months to 36-months from the date of incentive grant approval
  - o Achieving level 4 from 36 months to end of the incentive period
- The project must employ at least 80% youth, defined as people between the ages of 18 and 35
- The project must by the end of three years from the start of the operation, or the expansion, create and maintain at least 50 new offshore jobs in South Africa
- In a joint venture, at least one of the parties must be registered as a legal entity in South Africa.

Assuming the above conditions are met, to qualify for BPS Incentive, a project must achieve at least 60% against the evaluation criteria shown in Table 1.



Evaluation Criteria	Category Weights (%)	Parameters Measured	Sub-category Weights (%)
Credibility of the company/parent	40	Company /Parent revenue	33
		Number of years since inception	33
		Company/Parent Net profit (PAT)	33
BPO/Shared Services credentials	20	Shared services scale or total number of BPO delivery FTEs globally	50
		Offshore scale of BPO delivery FTEs / shared services	50
Scale of operations in South Africa	20	SA entity scale	50
		Current scale of offshore BPO jobs in SA	50
Soundness of application under review	20	Contract duration	25
		Revenue of buyer (end user)	25
		Strength of contract (Transition plan, processes, timelines, termination clause)	50

Table 1:BPS Incentive Qualification: DTI Evaluation Criteria  
Source: DTI, 2014

The project must at least score a minimum of 5% category weight for each above-mentioned evaluation criteria.

The base incentive is calculated on projected offshore jobs to be created based on a tapering scale and is awarded on actual offshore jobs created as per the definition of full-time equivalents. The base incentive offers a differential (two-tier structure) incentive for non-complex jobs and complex jobs, based on a fully loaded operating cost per job and is paid for a period of five years (60 months) from the date at which offshore jobs are created. The base incentive will be determined at application stage depending on the fully loaded operating costs.

The base incentives for non-complex jobs and for complex jobs are as follows:

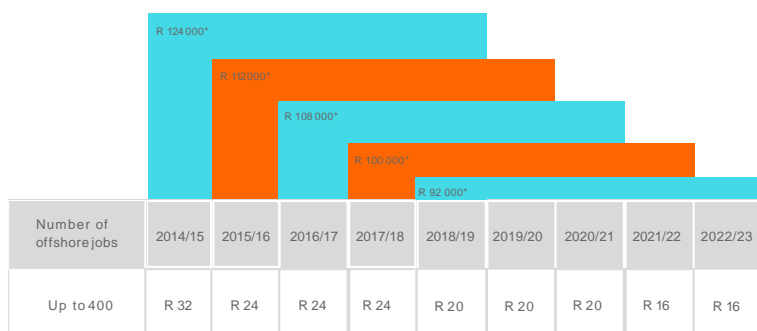


Figure 6: Non-Complex Jobs

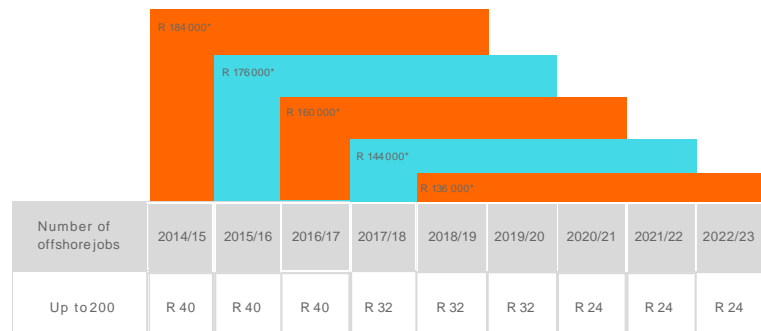


Figure 7: Complex Jobs

\* Total grant per job created and maintained over 5 years

“Non-complex jobs” are jobs where the fully loaded operating cost is less than or equal to R300 000 per annum with wages contributing at least 65% of the operating cost base for a steady state of operation

“Complex jobs” are jobs where the fully loaded operating cost is greater than R300 000 per annum per job with wages contributing at least 65% of the operating cost base for a steady state of operation.

The bonus incentive is paid at the end of year five.

The bonus incentive for non-complex jobs is available to applicants that create and maintain more than 400 offshore jobs over a 5- year period and it is structured into the two components shown in Exhibit V-2.

Number of offshore jobs	Bonus incentives	Illustration
Greater than 400 but less than or equal to 800	20% once-off	<p>Bonus calculated for each job created and maintained between 401 and 800</p> <p>Illustration: If an investor creates 420 actual offshore jobs in 2014/15, 430 jobs in 2015/16, 440 jobs in 2016/17, 450 jobs in 2017/18 and 460 jobs in 2018/19. Given that an investor created and maintain more than 400 jobs over a 5-year period, the bonus incentive amount at the end of the fifth year (2018/19) is calculated as follows:</p> <p>• Bonus: <math>R\ 32,000 \times 20\% \times 20 = R\ 128,000</math></p>
Greater than 800	30% once-off	<p>Bonus calculated for each job created and maintained in excess of 800</p> <p>Illustration: If an investor creates 850 actual offshore jobs in 2014/15, 865 jobs in 2015/16, 875 jobs in 2016/17, 880 jobs in 2017/18 and 900 jobs in 2018/19. Given that an investor created and maintain more than 800 jobs over a 5-year period, the bonus incentive amount at the end of the fifth year (2018/19) is calculated as:</p> <p>• Bonus: <math>R\ 32,000 \times 30\% \times 50 = R\ 480,000</math></p>

Table 2: BPS Incentive Bonus Scheme: Non-Complex Jobs  
Source: DTI, 2014

The bonus incentive for complex jobs is available to applicants that create and maintain more than 200 offshore jobs and it is structured into the two components shown in fig 4 and 5 above.

Number of offshore jobs	Bonus incentives	Illustration
Greater than 200 but less than or equal to 400	20% once-off	<p>Bonus calculated for each job created and maintained between 201 and 400</p> <p>Illustration: If an investor creates 220 actual offshore jobs in 2014/15, 230 jobs in 2015/16, 240 jobs in 2016/17, 250 jobs in 2017/18 and 260 jobs in 2018/19. Given that an investor created and maintain more than 200 jobs over a 5-year period, the bonus incentive amount at the end of the fifth year (2018/19) is calculated as:</p> <p>• Bonus: <math>R\ 40,000 \times 20\% \times 20 = R160,000</math></p>
Greater than 400	30% once-off bonus	<p>Bonus calculated for each job created and maintained in excess of 400</p> <p>Illustration: If an investor creates 450 actual offshore jobs in 2014/15, 465 jobs in 2015/16, 475 jobs in 2016/17, 480 jobs in 2017/18 and 500 jobs in 2018/19. Given that an investor created and maintain more than 400 jobs over a 5-year period, the bonus incentive amount for the fifth year (2018/19) is calculated as:</p> <p>• Bonus: <math>R\ 40,000 \times 30\% \times 50 = R600,000</math></p>

Table 3: BPS Incentive Bonus Scheme: Complex Jobs  
Source: DTI, 2014

The potentially challenging element in directly accessing the BPS Incentive program for International organisations looking to establish own operations, or captives, is the necessity to achieve B-BBEE Contributor status.

The award of points within the scorecard is shown below

Element	Weighting (Points)
Ownership	25
Management Control	15
Skills Development	20
Enterprise & Supplier Development	40
Socio-Economic Development	5

Table 4: B-BBEE Generic Scorecard  
Source: DTI, 2014

This requires organisations to achieve:

- B-BBEE Level 6 contributor status within 12- 24months ( $\geq 70$  points)
- B-BBEE Level 5 contributor status from end 24-months to 36-months ( $\geq 75$  points)
- B-BBEE Level 4 contributor status from end 36-months to end of incentive period ( $\geq 80$  points)

## 3. The South African BPO Landscape

The Global BPO market has an estimated value of US\$100 billion and projected to grow to over US\$120 billion by 2022. The market employs approximately 5.3 million people world-wide. South Africa's current share of offshore BPO jobs is at 0,6%, generating approximately US\$60 million per year in offshore revenue. Unlike other major and emerging BPO locations, the South African BPO sector has a unique vibrant and mature domestic market which complements its international service offering. This distinct competitive advantage provides the country with an opportunity to position itself correctly into global BPO value chains. Currently, BPO activity is present in the country's three main provinces; KwaZulu Natal, Gauteng and Western Cape.

### 3.1. Where are the Jobs?

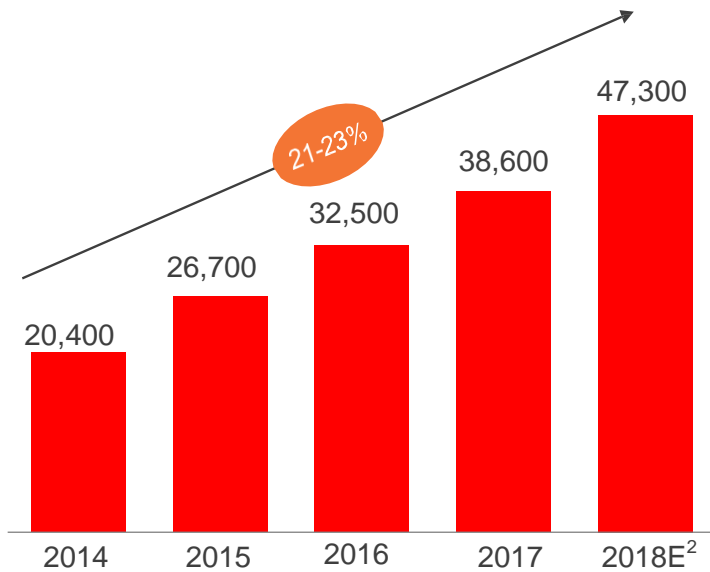
Global BPO activity is prevalent in South Africa's three main cities; Cape Town, Johannesburg and Durban. It is also present in emerging cities like City of Tshwane and Port Elizabeth where the local industry is strengthening its value proposition by establishing BPO parks. The COEGA BPO park is a mega investment for Port Elizabeth while the Hamanskraal BPO Park is expected to trigger global BPO activity in the City of Tshwane.

Unlike other BPO locations such as the Philippines and India, South Africa has a vibrant domestic BPO market with an estimated 50,000 employees. The presence of this local market strengthens the quality of offering as best practice is often shared in the ecosystem.



### 3.2. Market growth and FTE distribution by City

The global services market in South Africa is growing at a rapid rate of 22% annually over the past four years:



- While the **global IT/BP services** industry has been experiencing **slow growth** due to macroeconomic slowdown and geopolitical uncertainties, **South Africa has witnessed consistently high growth over the past four years**
  - This is also indicative of the fact that it is steadily becoming an **established location** for delivery of a **multitude of functions**
- It is expected that this **growth will continue** in the near future driven by adoption of **digital- and technology-focused solutions**

<sup>1</sup>Reflects the BPO market (both business process and IT services) for global delivery in South Africa

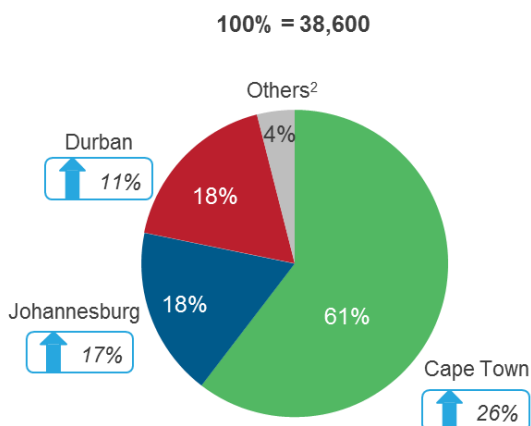
<sup>2</sup> Estimated figures for the year 2018

Figure 8: Global business service headcount and growth  
Source: BPESA Barometer, 2018

#### 3.2.1. FTE distribution by city

While the majority of the global business services headcount is concentrated in Cape Town, other locations are growing at a fast pace. The following diagram shows FTE distribution by city. Cape Town accounts for 61% of the global services market while Johannesburg and Durban are evenly distributed at 18% each. The rest of the cities, mainly Port Elizabeth and City of Tshwane all account for 4%.

Global business services headcount | Breakup of headcount by delivery locations  
2017<sup>1</sup>; Number



- All the delivery locations in South Africa have been showcasing double digit growth over the past five years
- Cape Town has traditionally been the leading location for global business services delivery due to its large and varied talent pool, superior infrastructure, and high quality of life
- However, many service providers and even enterprises have set up global delivery centres in Johannesburg, and Durban which have their unique value propositions
- Given increasing levels of concentration risk in the more established locations, companies are now looking to locations such as Tshwane and Port Elizabeth which are heavily investing in infrastructure and skill development programmes targeted towards this sector

<sup>1</sup>Represents end of year 2017  
Includes Tshwane and Pietermaritzburg

Figure 9: Call centre market distribution by FTE by City  
Source: BPESA Barometer, 2018

### 3.2.2. Key cities leveraged for global service delivery - Cape Town



Characteristics	Value
Population	3.78 million
Working age population (in %)	69.60%
GDP (in billion rand)	283.28
Key universities/colleges	University of Cape Town, Cape Peninsula University of Technology, University of the Western Cape
Transport infrastructure	Extensive network of road/bus and air infrastructure with 115 international flights to London, Sydney and Tampa, daily
Others	<ul style="list-style-type: none"> <li>Cape Town is the capital of the Western Cape province and is also the legislative capital in South Africa</li> <li>Located on the coast, this city offers a superior quality of life and is home to a large and multicultural community, including expatriates</li> <li>Characterized by low poverty levels, easy access to schools and healthcare, and high levels of safety and security</li> </ul>

#### IT-BP facts

<b>Entry-level talent pool</b>	More than 50,000 relevant degree holders are available for hire at the entry-level every year	<b>Cost savings</b>	Cape Town offers 65-70% lower costs than a tier-2 city in England for contact centre work
<b>Employed talent pool</b>	Cape Town has the highest employed talent pool in the global BPS sector at 23,500 FTEs	<b>Names of key companies</b>	Amazon, Barclays, Carphone Warehouse Group, Cognia Law, Computacenter, DXC Technology, Direct Line Group, Exigent, IBM, iiNet, Ipreo, iSelect, JP Morgan Chase, Laser, Merchants, Old Mutual Group, Pixelfaerie, Symantec, WNS

### 3.2.3. Key cities leveraged for global servicedelivery - Johannesburg



Characteristics	Value
Population	4.3 million
Working age population (in %)	72.7%
GDP (in billion rand)	455
Key universities/colleges	University of Johannesburg, University of Witswatersrand, University of Pretoria
Transport infrastructure	Superior quality transport infrastructure, particularly in the business district, characterized by cheap taxi cabs, increased rail connectivity through the Gautrain railway system, and international air connectivity (two airports and 141 flights to London, Sydney and Tampa, daily)
Others	<ul style="list-style-type: none"> <li>Johannesburg is the economic hub of South Africa, characterized by a booming financial services industry, large talent pool, and lowest percentage of NEA or Not Economically Active population in South Africa. It is also the seat of the constitutional court</li> <li>Originally small, its international BPO industry is growing fast, given increasing concentration risk in Cape Town</li> </ul>

#### IT-BP facts

<b>Entry-level talent pool</b>	More than 55,000 relevant degree holders are available for hire at the entry-level every year	<b>Cost savings</b>	Johannesburg offers 60-65% lower costs than a tier-2 city in England for contact centre work
<b>Employed talent pool</b>	Johannesburg has the second highest employed talent pool in the global BPS sector at ~7,000 FTEs	<b>Names of key companies</b>	Accenture, Barclays/ABSA, British Airways, Bosch, BMW, Chevron, Cognizant, Deloitte, DHL Express, Ford, Genpact, Hogan Lovells, IBM, RCI Bank, Rio Tinto, South32

### 3.2.4. Key cities leveraged for global service delivery - Durban



Characteristics	Value
Population	3.4 million
Working age population (in %)	70%
GDP (in billion rand)	279
Key universities/colleges	University of KwaZulu-Natal, Durban University of Technology
Transport infrastructure	Established and advanced transport infrastructure characterized by good quality roads and railway system, and international air and trade ports. Additionally, direct flights to London have been introduced by British Airways, complementing the existing 84 flights to London, Sydney and Tampa
Others	<ul style="list-style-type: none"> <li>Durban has been one of the leading locations for manufacturing and trade purposes, which has contributed to its growth as an international BPO location. It is characterized by a large talent pool and low cost</li> <li>It offers good quality of life at a much lower cost as compared to Cape Town, and hence, is becoming a favoured destination for expats</li> </ul>

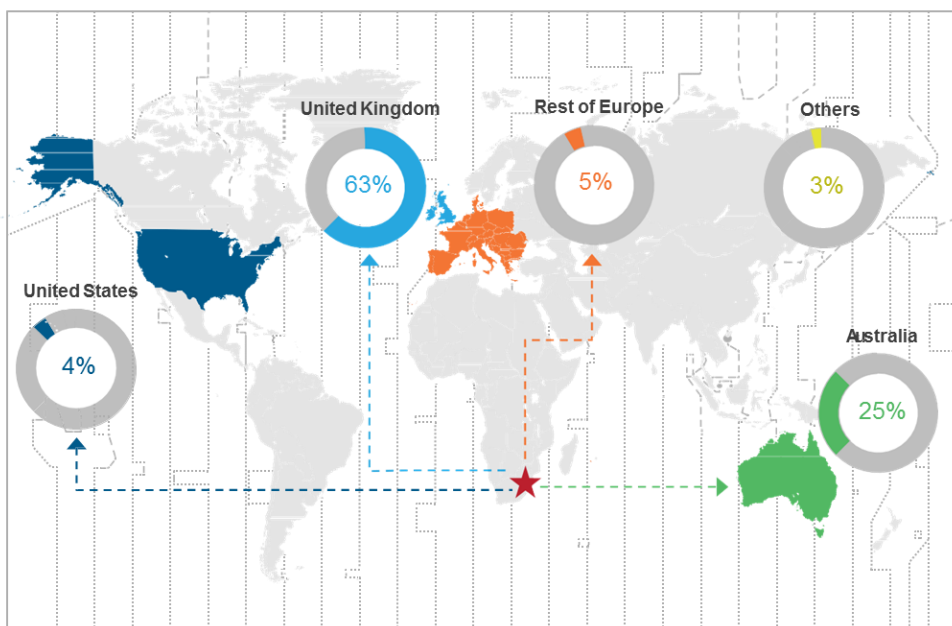
#### IT-BP facts

<b>Entry-level talent pool</b>	More than 54,000 relevant degree holders are available for hire at the entry-level every year	<b>Cost savings</b>	Durban offers the lowest cost of operations in South Africa and ~70% lower costs than a tier-2 city in England for contact centre work
<b>Employed talent pool</b>	Durban has the third largest employed talent pool in the global BPS sector at ~6,800 FTEs	<b>Names of key companies</b>	Aegis, BCX, CCI, <i>Deloitte (domestic)</i> , Discovery Health, EOH, <i>EY (domestic)</i> , Igniton Group, Outworx, Telesure, Unilever, WNS

### 3.3. Markets serviced

Although the United Kingdom remains the key client geography; South African providers are increasingly delivering work to Australia and the United States. Figure 8 below shows source market distribution for South African BPO.

Global business services market | Breakup of headcount by source geographies 2018; Percentage



- South Africa serves countries spanning multiple time zones for BPO delivery
- United Kingdom and Australia have leveraged South Africa for many years for customer support; this work is evolving to include customer experience management (upskilling, retention, chats and social media interaction, customer analytics, etc.)
- Companies in the United States also have setups in South Africa in spite of time zone concerns – the quality of talent and lower cost of operations in South Africa supersedes these concerns

Figure 13: Source market distribution  
Source: Everest, 2018

### 3.4. Brands operating out of South Africa

There are many brands in South Africa which focus on both global and regional delivery:



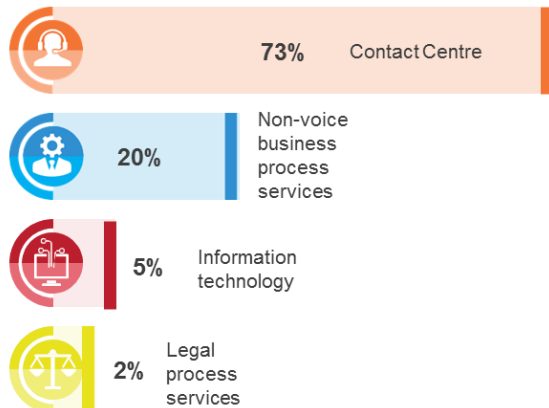
Figure 14: Brands operating out of South Africa  
Source: Everest, 2018

### 3.5. Services Delivered from South African Contact Centres

In the recent years, South Africa has been witnessing steady growth in non-traditional functions and sectors, such as information technology and banking.

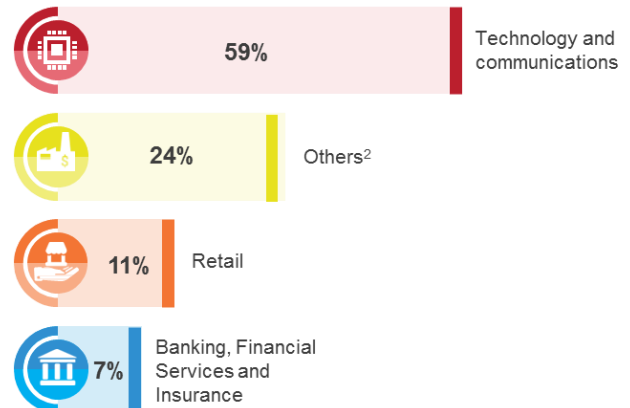
#### Global business services headcount | Breakup of headcount by functions delivered 2017<sup>1</sup>; Number

100% = 38,600



#### Global business services headcount | Breakup of headcount by industries served 2017<sup>1</sup>; Number

100% = 38,600



*"The South African banking industry will see major shifts this year from a competitive and operational perspective. The rise of Fintechs and digital banks will see conventional banks adapting to their competitors practices, and in some cases, acquiring them"*  
-A leading BFSI company

Figure 15: Global business service headcount by functions delivered and industries served  
Source: Everest, 2018

While voice-driven contact centre service has been the mainstay of the BPO industry, a large portion of this sector is now moving towards omni-channel delivery.

Integrated view of customer-related information

#### Current adoption

- The transition to omni-channel contact centers is very evident in South Africa, with many players successfully demonstrating strong capabilities
- Companies are taking advantage of the inherent talent in the country to build a holistic experience for customers
  - Not only does it leverage the high quality voice skills, but it also makes use of written language skills which too are far better in South Africa as compared to peer locations

#### There are many interesting examples from the voice-based sector in South Africa which are indicative of high success of omni-channel adoption

A recruitment consulting company was able to achieve 95% success rate in providing video, chat, and voice training in the English language to clients in China, Japan, and Taiwan

- 95% of the language consultants achieved 95% or higher rating in terms of client satisfaction through omni-channel
- The complaints index ratio was very low at 1:125 and the compliments index ratio was 1:10
- The client operated out of 4 other global sites, and after observing the exceptional success of the South Africa center, moved almost all of the global delivery work to South Africa



Figure 16: Omni-channel delivery  
Source: Everest, 2018

There are strong capabilities in many industry-specific niche functions delivered from South Africa.



Source: Interviews with market players; Everest Group (2018)

Source: Interviews with market players; Everest Group (2018)

Figure 17: Industry-specific niche functions delivered from South Africa  
Source: Everest, 2018

## 4. Country BPO Skills Outlook

The future of BPO talent development in South Africa will hinge on the following strategies:

- a.) Setting up of various theme-based skills working committees comprising operators, suppliers, thought leaders and the broader academic community to review and evolve South Africa's current value proposition as well as to prepare for and enable future growth (both organic and transformational)
- b.) Establishing community-based contact centre concepts where the location, staffing and training infrastructure is delivered from within a community which was previously associated with socio-economic hardships, gangsterism and crime, for example, the Zoe Incubation Centre in Cape Town and Career box in Johannesburg
- c.) Introduction of Impact Sourcing and Learnership model through the partnership between local and provincial government, international operators and private sector suppliers. This project is the first of its kind within South Africa where the crowd funding of multiple stakeholders is used to bring scale to a previously piloted model (ImpactSourcing)

The introduction of the post-graduate Diploma in Analytics at the University of Western Cape is one of numerous steps being undertaken to formalise and professionalise the BPO sector in South Africa. In addition to this Diploma, negotiations are under way to introduce a BPO Research Chair at the University.

## 5. Support at national level

South Africa offers a robust enabling environment in terms of development of skilled talent, and support programs are provided at national level.

### Skills Development Act and Learnerships

- The Skills Development Act was promulgated by the government of South Africa in 1998 to develop the skills of the workforce, improve the quality of life of workers and their prospects of work. The Sector Education and Training Authority (SETA) is responsible for the disbursement of the training levies payable by all employers
- Introduced in 1998, learnership is a work-based learning programme related to a specific field of work. SETAs oversee learnerships and ensure that they offer qualifications related to a specific occupation or sector of the economy
  - Learnerships are available for young people who have completed school, college or learning at other training institutions
  - In order to graduate, learnerships require the learner to complete a theoretical course and practical training which involves hands-on, practical learning in a workplace
- While learnership programmes are in place for multiple sectors across South Africa, the maximum uptake has been witnessed for information technology (end-user computing, technical services) and banking related services (wealth management and insurance)

### Jobs Fund

- The role of the Jobs Fund in South Africa is to co-finance various organizations (public, private, NGO, etc.) and their projects which are expected to result in subsequent job creation
- This fund has contributed greatly in the areas of infrastructure development, institutional capacity building, and enterprise development. Additionally, it has helped directly create jobs by supporting training programmes, entrepreneurial development and job placement services
  - One of the most successful examples is that of the Harambee Youth Accelerator project which aims to address youth unemployment challenges through personal development, skills enhancement, and formal job placement
  - As of now, Harambee has successfully placed more than 10,000 candidates with various project partners

### Monyetla Work Readiness Programme

- The Monyetla Work Readiness Programme was piloted in 2008 by the dti. It is a demand-driven skills development programme which aims to increase the talent pool for the BPO and offshoring industry
- The implementation model of this programme is different in the sense that it is driven by employers, recruitment agencies and training providers to ensure that at least 70% of the trainees are employed for at least six months. Additionally, it focuses on getting young unemployed people work ready through formal accredited training
- Typically, 3,000 people are trained in every cohort. Currently, five phases of the programme have been introduced for subscription and more may be under way

## 6. Specific programmes for contact centre skill development

### Development of a community-based contact centre in provinces across South Africa to build a skills pipeline

- In order to reduce the degree of unemployment in the country and promote the outsourcing industry, the city government, BPESA, call centre companies and other industry stakeholders are planning to build contact centre communities in nine provinces of the country
- The first community will be established in the form of a pilot programme in Delft in Cape Town. This will be a partnership between Zoe Incubation Centre (NPO) and Zailab (software and communication device company)
  - The objective is to establish a state of the art contact centre and training academy which will provide theoretical and practical training in a state of the art contact centre
  - The pilot will result in the employment/placement of 67-100 agents
  - The second phase of the model is expected to expand into the home-based agent model
- This project is expected to create employment opportunities that are closer to home. Additionally, it offers a training programme that covers core competencies, required skills for managing a business, call centre training, marketing and sales, etc. The partnership with Zailab is expected to bring to the workplace high-end technology solutions that enhance communications

### Implementation of 200 call centre learnerships in the Western Cape through Impact Sourcing and skills incubation in May 2018

- The City of Cape Town, BPESA, the Department of Economic Development and EOH Digital have decided to collaborate in the implementation of 200 call centre learnerships in the Western Cape as part of a pilot programme
- The learnerships will be conducted by EOH which will provide work readiness and National Qualification Framework training, and ensure workplace practical training (through a host employer) for a period of 1 year
  - The work readiness training will focus on workplace coaching, soft skills training, and life skills training (verbal skills, relation skills, decision-making skills, etc.)
  - The NQF training is intended for people who are already working in the contact centre or the broader BPO sector
- The trained members of the programme will spend 10 months with a host employer, i.e., an international captive/service provider. Additionally, the employer will hire at least 70% of the learners who complete the learnership in a permanent capacity

According to the Department of Education, South Africa has in the region of 600,000 English-speaking tertiary and high school candidates graduating annually. These graduates have potential to enter the BPO market. With a low-level entry requirement, the BPO sector in South Africa targets graduates from high schools who possess a matric certificate (highest school leaving certificate in South Africa, also referred to as Grade 12 qualification). Seamless effort by both public and private partnership is being undertaken to ensure that these graduates pursue their careers in the BPO sector. This is done through various career awareness programs, digital media campaigns and to some extent academically.



# 7. International BPO Companies

## Delivering Services from South Africa



### 1. Aegis

#### 1. Introduction

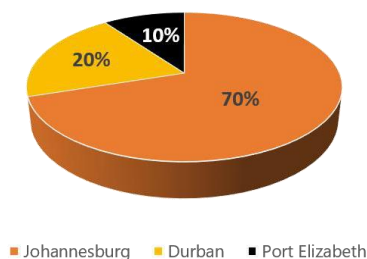
Aegis is a leading global business provider of customer experience management. The company

offers a comprehensive suite of solutions that helps business to get optimised customer connections and experiences from strategy development through to execution. Aegis has a presence in 44 locations across 9 countries and with over 40,000 employees managing more than half a billion customer interactions every year for over 150 clients across diverse sectors.

In South Africa, Aegis currently employs approximately 2,000 FTEs. The company plans to continue growth of over 3,000 FTEs in 2017/18 reporting period.

The introduction of the post-graduate Diploma in Analytics at the University of Western Cape is just but one of the many steps being undertaken to formalise and professionalise the BPO sector in South Africa. In addition to this Diploma, negotiations are under way to introduce a BPO Research Chair at the University.

Employee distribution in South Africa (2,000 employees)



The current breakdown of Aegis' activity in South Africa is 70/30 split across domestic and international business. All "international" activity is currently in support of U.K.-based organisations, but Aegis South Africa is aggressively targeting the US and Australian markets with quite a considerable amount of interest from them.

Aegis currently has many "international" clients, including Europe's largest charter airline and a global leader in legal and business research. The added value and increased revenue to these clients based on process improvement initiatives and improved sales has resulted in extension of contracts and Aegis cementing its footprint in SA as a preferred offshore partner.

Aegis clients choose and promote South Africa as there is a high cultural affinity and cost effectiveness. This provides a

strong foundation to deliver the core (and expected base services) clients demand. Propositions and solution innovations compliment this base to drive continuing value to our clients.

#### 2. Industries serviced

- BFSI
- Telcoms
- Energy and utilities
- Travel and hospitality
- Healthcare
- Technology
- Retail
- Auto & manufacturing
- Publishing & media
- Gaming
- ECommerce

#### 3. Solutions offered

- Outsourcing
- Technology
- Social Business

#### 7.1.4. Services provided

Aegis provides the full suite of customer services, including outbound sales calls in support of renewals and up-/cross-selling of a client's legal publications subscription business. In its last campaign of this type for this organisation, Aegis achieved a conversion rate that was 19% higher than target. The cost differential relative to providing these services from the U.K. was approximately 30%-35%.

Aegis delivers end to end customer services for a major European airline with over 300 FTE. This is an output-based contract driven by Net Promoter Scores, inbound and outbound up-sell and cross-sell value and propositions and service quality.

Aegis has a dedicated training academy which is integrated and aligned to recruitment through to graduation bay and full operational deployment. Aegis has multiple training modules to meet our client's needs with dedicated training teams specific to each client.

Overall, Aegis services from South Africa are 65% inbound, 20% outbound and 15% social media and technology support services.

By industry sector, approximately 50% of Aegis' South African services are in support of the financial services and telecoms sectors, with a further 30% of activity in support of the travel and Automotive sector. Beyond these sectors, Aegis has many clients in the media and hospitality sectors.

### 7.1.5. Differentiating strategy

- A customer centric approach to business - Customer Experience Management is the bedrock of Aegis' philosophy and business strategy. The company solution portfolio is designed to make companies and its brands relevant to your customer's life. Aegis also focuses on knowing what clients want to achieve and then align the right tools and methodologies to help fulfil them.
- Agility and flexibility levers- Given the rate of change, Aegis helps your company to identify business and market opportunity beyond the risk of volatility and develop inherent capabilities with its agile decision-making and solution delivery approach. Further, the flexibility factor helps create apt engagement models like JV's, carve-outs for better outcome orientation and customer lock-ins. The company focus is to enable business to continually create a distinctive corporate course, challenging changing circumstances to consistently 'deliver the goods.'
- New age services –The company's accelerated adoption and implementation of trending solutions and services (social media & analytics) helps businesses capture upside opportunities and deepen customer networks in a world of high-velocity changes. All Aegis services have one thing in common: the ability to keep business highly responsive and adaptive to change- sense incipient shifts in global dynamics, customer-competitor behaviours and accordingly power future profitability. All the services being mentioned span across all channels (customer facing and back-office operations) and is globally acclaimed for its unique 'best shore delivery'.
- Proprietary QPO approach - In today's competitive world the customer's measure between you and an alternative is quality. Aegis provides a seamless support, rapid response and add-on innovations using a Proprietary Quality approach developed in conjunction with COPC. The company also applies the Net Promoter Score (NPS) model to help peak efficiency in customer loyalty and fuel profit engines. Aegis uses the proven NPS metric to clients compare, clarify and cost the subtleties and dimensions of industry competitiveness and potential. It serves as a valuable yardstick to raise your performance bar, build on relevant customer choices and generate great growth.
- Collaborative culture –Aegis' culture is as diverse as its people; but the unifier is the shared passion in creating experiences that match expectations and set in the entrepreneurial spirit, be it for the company or clients. The right experiences paradigm makes working fun as it celebrates the different views and values people bring to the table and combines them to deliver real-world results. A fact that reflects in the global audience the company caters to, the empowerment our employees experience and the dynamic results we deliver.

- Imagineered infrastructure - 'Aegis elite' or 'experience centre in a box' is the company's pioneering concept to meet the need for world-class infrastructure within a short time-span; with quick-to-build-and-occupy structural buildings. It parallels as an upliftment initiative by providing developing regions with self-reliant, advanced ecosystems and location- based jobs. It's a thought built into around 2 million square feet of space that houses numerous offices and employees. The company's ergonomically designed, industry-standards compliant, state-of-the-art structures reflect organisation's standing as one of the major leagues in the business services industry.

### 7.1.6. Risk management approach

Aegis recognises the importance of effective risk management processes and systems. The Board is ultimately responsible for risk management and determining the nature and extent of the risks; it is willing to take in achieving its strategic objectives. It delegates operational risk management to its Risk Committees, which reports to the Group Audit Committee. There are currently two Risk Committees, the Aegis Media Risk Committee, chaired by the Group CEO, which focuses primarily on strategic and trading risks, and the Group Risk Committee, chaired by the Group CFO, which focuses on corporate and group function risks. The work of the Risk Committees is regularly reviewed by the Audit Committee.

Our risk management strategy supports the strategic objectives of Aegis Group plc, which are:

- Increasing exposure to faster-growing regions
- Growing digital profile and capability
- Broadening service offering across all clients
- Growing international client and new business profile

### 7.1.7. Accolades

- Aegis positioned as a Leader in the IAOP's Global Outsourcing 100 List 2014
- Aegis positioned in 2013 Magic Quadrant for CM Contact Centre BPO by Leading Industry Analyst Firm Gartner
- Aegis received Frost & Sullivan's Product Differentiation Award for Unique Social Media Engagement Solution – AegisLISAn
- Aegis named a Top 10 Outsourcing Service Provider by ISG
- Aegis positioned as a Major Player in the IDC Marketscape: Worldwide Business Analytics BPO Service

Contact [info@aegisglobal.com](mailto:info@aegisglobal.com)

## 7.2. Amazon

We Pioneer.



Amazon strives to be Earth's most customer-centric company where people can find and discover virtually anything they want to buy online. By giving customers more

of what they want - low prices, vast selection, and convenience - Amazon continues to grow and evolve as a world-class e-commerce platform, product pioneer (Kindle and Echo) and cloud computing provider (Amazon Web Services).

Founded by Jeff Bezos, the Amazon.com website started in 1995 as a place to buy books because of the unique customer experience the Web could offer book lovers. Bezos believed that only the Internet could offer customers the convenience of browsing a selection of millions of book titles in a single sitting. During the first 30 days of business, Amazon fulfilled orders for customers in 50 states and 45 countries - all shipped from his Seattle-area garage.

Amazon's evolution from Web site to e-commerce partner to development platform is driven by the spirit of innovation that is part of the company's DNA. The world's brightest technology minds come to Amazon.com to research and develop technology that improves the lives of shoppers and sellers around the world.

Amazon Cape Town provides global phone, email and chat support for our customers and third-party sellers across many of our global websites, including support of Amazon Kindle and its self-publishing services. Additionally, Amazon Cape Town provides similar deep technical support to our customers on the Amazon Web Services (AWS) platforms. Amazon Cape Town is a leading software development centre (<http://www.adccpt.com/>) playing a key role in developing the Amazon Elastic Compute Cloud (EC2) and other Amazon Web Services (AWS) products.



### 7.3. Barclays



Barclays Africa Group Limited (the Group) was formed on 31 July 2013 through the combining of Absa Group Limited and Barclays' African operations. Reflecting the

enlarged Group's Pan-African focus, the name changed from Absa Group Limited to Barclays Africa Group Limited on 2 August 2013.

Barclays' registered head office is in Johannesburg, South Africa and has majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania (Barclays Bank Tanzania and National Bank of Commerce), Uganda and Zambia. Barclays also has representative offices in Namibia and Nigeria as well as insurance operations in Botswana, Kenya, Mozambique, South Africa, Tanzania and Zambia. The customer service component of Barclays Africa is delivered from South Africa.

#### 7.3.1. The "our one Africa" strategy

Barclays is strongly positioned as a fully local bank with regional and international expertise. The bank aspires to build the leading financial services group in chosen countries in Africa and selected customer and client segments, and to remain locally relevant and competitive in all the countries the bank operates. The strategy targets the key areas for growth and maintains sound controls that focus on risk management –with sufficient stretch built in to deliver appropriate value for the bank's shareholders.

The integrated planning process ensures that the strategy and key resource considerations are integrated into financial and execution plans. This process reflects on choices in terms of the bank's strategic ambition and the opportunities we will pursue.

Barclays Bank Kenya and Barclays Bank Botswana continue to be listed on their respective stock exchanges.

#### 7.3.2. The Barclays Shared Services Centre

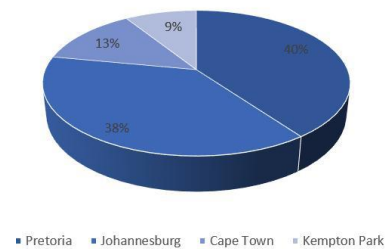
The advent of technology and globalisation has caused a glut of competing products on the market, yet executives have pressure for Return on Investment (ROI) for their shareholders. Therefore, manufacturing and services companies should continuously rationalise their operations to reduce waste and improve on customer service. One of the easiest ways on increasing shareholder ROI is to offshore captive operations to locations where customer service is cheaper. For Barclays India was the option.

Like many of the major financial institutions, Barclays established their shared services operations in India in the mid-2000s which has now grown to a business of 9,000 employees. As a bank, they had to de-risk the business by finding alternative locations. South Africa proved to have the right infrastructural, cost and skills implications.

South Africa is regarded as a strategic location for Barclays, as Barclays Africa Group Ltd (BAGL, inclusive of Absa) forms almost a third of Barclays PLC. Barclays Shared Services Africa was established in 2012 with the aim of supporting the 12 African countries in terms of infrastructure, talent development and business expansion. South Africa was an easy choice for Barclays due to the availability of English neutral language capability, financial services skills, political stability, and the existing infrastructure.

The Barclays SSC has 8,000 FTEs distributed in regions as represented by the following pie chart.

FTE distribution at Barclays SSC



This footprint combines the two largest shared services hubs in South Africa with an 'active-active' capability for business continuity. The Pretoria campus which is the largest hub is well located and close to the university and various educational institutions. Its proximity to a large pool of talent provides a definite advantage, and employee benefits include an open environment, health, and wellness facilities. The scale of the operation further provides opportunities for vertical and lateral career development.

#### 7.3.3 Service functions of the Barclays Shared Services Centre

The following services are delivered by the shared services hubs:

- Customer contact operations, including all call centre activities, both voice and multi-channel, across customer service, and sales
- Business processing, covering all high-volume middle and back office processes such as account opening, account maintenance and document management
- Specialist services, covering for example verification of customer details and anti-money laundering, along with emerging activity in legal process outsourcing
- Credit collections and recoveries.

Apart from supporting Absa in South Africa, Barclays Shared Services Africa performs the following functions in support of the broader Africa region:

- Business processing support for seven countries including Zambia, Ghana, Botswana, Tanzania, and Uganda
- 24/7 contact centre support for Zambia and Zimbabwe
- Processing services including payment processing in support of Mauritius and the Seychelles
- Collections in support of Zambia and Botswana

Most of the work currently done out of South Africa is conducted in English, as this is the primary business language. However, work is underway to expand the language services to the Africa regions, for example Swahili.

The benefits achieved by the scale of Barclays Africa Shared Services operation include an improved customer satisfaction rating by 24% year on year, multi skilling of staff, and the ability to absorb 23% more volume without increasing the number of people. The biggest challenge faced by Barclays is the absence of a 24/7 culture in South Africa.

Barclays is expanding its shared services capabilities from high-volume rules- based activities to also include lower volume and complex processes. From a cost perspective, the differential relative to other offshore destinations has reduced considerably over the past two years. Barclays also participates in the DTI incentive scheme to enhance employability in South Africa and to develop more offshore job opportunities.

#### 7.3.4. Sustainable growth and risk strategy of Barclays Africa

Barclays continued focusing on sustainable growth in 2016 and dealt with a number of significant developments which influenced its strategic considerations and performance. The most significant of these was Barclays PLC's decision to reduce its shareholding in Barclays Africa due to regulatory capital requirements. Despite this and other factors, Barclays focuses on strong corporate governance, customers, clients, employees and appropriate responses to regulatory change enabled the group to make progress on their goal to be the financial services group of choice in Africa.

The group's strategy focuses on opportunities for growth and takes into account the matters believed to be material to long-term sustainability. The group actively seeks to originate and manage credit risk in such a way as to achieve sustainable growth and risk-adjusted returns in line with Board-approved risk appetite.

Within the risk strategy, risk appetite defines the maximum amount of risk that the organisation can accept and is set at the start of the strategic planning process. This ensures that the business strategy is achievable within the parameters of the defined risk strategy and risk appetite, and that risk information is considered in the organisation's decision-making and strategic planning processes.



## 7.4. EOH



EOH provides the technology, knowledge, skills and organisational ability critical to Africa's development and growth. Following the Consulting,

Technology and Outsourcing Model, high value end-to-end solutions are provided to clients in all industry verticals.

Listed in 1998, EOH attributes its 36% compounded annual growth to a culture of remaining prudent and not just meeting but exceeding, customer expectations.

In 2007, EOH started its Business Process Outsourcing (BPO) division. EOH BPO offers a range of solutions that take care of non-core business processes enabling clients to focus on enhancing productivity, performance and growth.

### 7.4.1. Services provided

Customer Services Outsourcing	Human Capital Outsourcing	Healthcare & Admin Outsourcing
Claims admin and management	Technology solutions	Medical benefit management and administration
Offshoring of industry specific solutions	Human capital service	Hospital administration
Customer frontline office	Learning and Development Institute	Clinical trial admin and distribution
	LPO	

Through its knowledge-based BPO services, EOH gives clients business immediate access to expert insights, highly sought-after specialist skills as well as proven methodologies. EOH's strategic ability and enabling technologies are designed to assist clients in saving costs and achieving the best outcomes for their business.

EOH BPO delivers meaningful cost benefits to businesses while simultaneously addressing the skills shortage in South Africa.

To this end, the EOH Youth Job Creation Initiative has made noticeable strides since its inception in 2012. Initiated by former EOH CEO, Asher Bohbot, the initiative is deeply entrenched in EOH's business and has made a big impact in how partners and customers are engaged. Since 2012, over 35 000 learners and graduates have benefitted from the initiative, with 14 500 of them completing learnerships or internships. Of the individuals taken through the program, 83% have been placed in full-time employment, either within EOH or their partner networks.

In July of 2016, EOH elected to partner with 702 and National Treasury to assist with spreading the message about the importance of work experience in creating jobs.

The intent was to educate listeners and role-players in the economy, particularly CEO's, about the importance of creating jobs for the unemployed youth of SA through the implementation of work experience models. The response from all facets of South Africa was exceptional. The radio campaign reached more than 750 000 active listeners and resulted in the generation of a database of over 300 large corporates and 750 SMME's that showed an interest in participating in job creation using the EOH model.

The EOH Youth Job Creation Initiative is an on-going learning curve for EOH, resulting in the continual improvement of their models' structure and scalability, thus ensuring greater impact on the lives of more young people who are unable to access the economy of SA.

EOH focusses on three levels of intake: matriculants, diploma or university students. EOH carries out its "learnership" approach with every intake, whereby over a 12-month period, learners spend 40 days in the classroom and the remainder of their "learnership" working in specific entry-level positions. The aim is to take people into full time positions within the business at the end of this "learnership" period. These learnership programs are partly subsidised by the South African Government and partly by other funding partners. EOH has already achieved placement of personnel with large IT vendors such as Oracle, SAP and CA and is increasingly targeting new BPO opportunities, for example in International Call Centres.

EOH operates two models of employment within its job creation initiative:

- Retaining personnel on EOH payroll (approx. 25%) and placing these personnel with a third-party
- Transferring personnel to the company payroll and only providing training and project management (approx. 75%).
- In addition, EOH has a recruitment and placement business that can be used for deployment of personnel.
- The training provided by EOH includes:
- Accredited certification in a discipline (e.g. call center or programming)
- Work readiness programs
- Job-specific training modules which are relevant to the future employer

Out of the 40 days of training typically provided, approximately 80% is delivered via classroom learning and 20% via e-Learning. The accredited certification training consists of a 12-month program of which approximately 25% is classroom-based training with the remainder of the training taking place on-the-job.

The "work readiness" program is a 2-month program, consisting of 7 days classroom learning, with the remainder being "on-the-job" learning. In the workplace environment, EOH provides personnel to manage the relationship between placed "learners" and the client's business and supervisors, which is crucial in assisting previously unemployed personnel to successfully adapt to the workplace environment.



## 7.5. Lufthansa In Touch

Lufthansa InTouch is an International captive contact centre providing customer service for the airline industry. With its headquarters in Berlin, the company operates a service centre out of South Africa in the Western Cape. The centre in Cape Town was established in 1999 and now has a staff compliment of more than 320.

Lufthansa InTouch operates the customer services of the Lufthansa Group. The international network operates from seven centres worldwide. With a track record of more than fifteen years' experience in providing customer service for the airline, travel, and logistics industry, 2,000 Consultants assist passengers flying with airlines of the Lufthansa Group, 24 hours a day, 365 days a year.

### 7.5.1. Services provided

LH InTouch covers Business-2-Business as well as Business-2-Customer Services, in more than 30 languages and on about 200 country markets. The portfolio includes:

- Bookings
- Reservations
- Product and fare information,
- Miles & More services
- Travel agency support
- Group Sales
- Baggage tracing
- Web and Social Media support.



Figure 18: Lufthansa's omnichannel strategy



Figure 19: Lufthansa's global footprint

### 7.5.2. Brands serviced from South Africa

Lufthansa InTouch handles services for Lufthansa and its associated airlines as well as travel and logistic related business units with the Lufthansa Group. This includes:

- Lufthansa German Airlines
- Swiss Airlines
- Austrian Airlines
- Lufthansa Cargo

Germany, France, USA and the UK are amongst the key markets serviced from South Africa

### 7.5.3. Competitive edge

The goal of the Lufthansa Group is to be the first choice in aviation for customers, employees, shareholders and partners. Going forward, the Lufthansa Group therefore intends to continue playing a significant role in shaping the global aviation market. In this context, the strategy aims to systematically develop the Group based on the three pillars of network airlines, point-to-point airlines and aviation services.

The three pillars benefit from mutual synergies and economies of scale across business segments. Lufthansa Cargo, for example, transports a large proportion of its freight in the belly capacities of the Lufthansa Group's passenger aircraft. Lufthansa Technik, in turn, has access to maintenance licences for modern aircraft, which are negotiated with the OEMs when the Group airlines order new aircraft.

### 7.5.4. The setup of Lufthansa Group: Three strong pillars



\*Germany, Austria, Switzerland and Belgium

The development of new products and business models in line with the increasing digitalisation of the entire aviation value chain forms a key aspect of Group strategy and is being driven forward across all business segments.

On this basis, the aim is to safeguard the Lufthansa Group's position as a leading aviation company in a dynamic market environment and to ensure its profitable growth.

To reach this target, the successful "7to1 –Our Way Forward" strategic programme is being continued. It addresses both external trends –such as changing value chains, increasing digitalisation and differentiated customer expectations –as well as internal challenges. The programme's seven action areas are being implemented both within the individual segments and across them. At the same time, some of the operating segments have set up individual programmes to increase efficiency and cut costs.

### 7.5.5. "7to1 - Our way forward":



Adapting their products and services in line with ever changing customer needs is a core task for all the companies in the Lufthansa Group. In doing so, it is vitally important to maintain their premium positioning. Certain local cost disadvantages compared with competitors from other markets are therefore to be offset by a strategy that aims for the highest quality.

## 7.6. Merchants



Merchants, a Dimension Data Company, is one of South Africa's leading BPO service providers. In addition to BPO services, Merchants offers customer management

contact centre services to assist organisations in establishing contact centre operations both locally and globally.

Merchants began its contact centre operations in the UK in 1985 and after managing several successful business models, were acquired by Dimension Data in 1997 and established its South African operations in 1999.

Merchants serves both the international and South African market, with the company's international activity principally in support of the Australian markets.

### 7.6.1. Principal verticals serviced

The principal industry sectors served by Merchants are:

- Telecoms
- Retail
- Financial services
- Travel
- Service Desk
- Insurance

Merchants is proud to have opened South Africa's first mega contact centre operation for one of telecoms clients and carries out full customer life-cycle services including sales, retention, upgrades, customer service, technical support, and provisioning. In terms of its Travel capability, Merchants services the country's national carrier passengers, managing travel queries, Voyager membership, and government travel arrangements. They also recently signed a five-year partnership with Australian Life Admin company, iSelect, as well as launched a highly successful contact centre for retailer, Massbuild.

Merchants also manages a Service desk for almost 30 blue chip companies in South Africa and operates a contact centre for Australian broadband operator, iiNet. They have an FTE of over 5 000 have operations in three major cities, namely Johannesburg, Cape Town and Durban.

While voice-based service delivery dominates, approximately 35% is non-voice, principally in the areas of web chat, email handling, and management of customer accounts online.

### 7.6.2. iSelect

Established in 2000, iSelect is one of Australia's most well-known health insurance comparative websites, however the company has recently diversified its offering to include car and life insurance, home loans, utilities and broadband.

The subsequent significant growth in their business meant that they had to find innovative means of providing continued high-quality services to their customers. And in doing so, provide new offerings to new and existing clients

and be available 24 hours a day.

Unable to find the necessary talent in Australia, iSelect looked to outsource their contact centre business, not for cost saving but rather as a means of enabling business growth –outsourcing would allow iSelect to effectively grow the business, while still providing top quality service to its already established clientbase.

With this as a base to work from iSelect investigated the available options, and after careful consideration embarked on negotiations with Merchants to manage its customer service operations.

The pilot project, established in 2016, was a partnership of equals between iSelect and Merchants with the latter designing, building and operating a world class contact centre in Cape Town. The business unit employs a skilled and educated sales force who deliver high quality telephonic sales driven by a desire to always get it right –no matter what 'it' may be.

In addition to availability, the Cape Town project also means that several new verticals identified by iSelect will be so much easier to launch because of the scalability of the project. Recruitment and ramp up of capacity is also made easier as the talent in Cape Town is on par with what was needed by the Australian organisation.

### 7.6.3. Challenges

The challenges faced by iSelect was twofold

- 1.To find a country and/or company that could deliver on the iSelect brand promise to always get it right.
- 2.To define the correct job profile that fitted a "Sales through Service" approach.

### 7.6.4. Solutions

iSelect and Merchants embarked on their partnership with 15 Live Answer consultants and 30 broadband consultants.

The success of the pilot project has seen the employment of additional consultants on the floor, as well as the implementation of three other verticals for the South African consultants:

- Health insurance launched in September 2016
- Car insurance in February 2017
- Energy in March 2017

By the end of June 2017, Merchants employed approximately 200 consultants on the iSelect account.

The contact centre, designed and built by Merchants, embodies the culture and flair of iSelect, and it is carried through from people to processes and even to amenities that are not generally found in the contact centre environment. These amenities include:

- An onsite barista
- A massage facility
- Door-to-door transport
- Night shift life style bonus
- Performance based salary increase every 4 months

Merchants invested in these services and benefits on the understanding that sales can be demanding and that the “Sales through Service” approach requires the consultant to balance the customer’s needs with the sales output – a challenge in even the best run contact centres.

Initially, the Merchants Attract team was tasked with finding experienced sales consultants dedicated to their vertical, however there was also a small team of customer service consultants who directed customers to the correct department. Since opening the Cape Town contact centre this team has doubled its size and is currently helping to direct thousands of Australian customers to the right departments a daily basis.

Through this partnership, Merchants is assisting iSelect in growing their business, as well as enriching the labour pool and providing South Africans with needed skills and knowledge.

#### 7.6.5. Successes

One of the most effective successes to be realised through this partnership is the twin leveraging of skills and knowledge. Merchants can use the sales experience they have gained through this partnership to provide similar services to other clients, both onshore and off. iSelect on the other hand can leverage off Merchants’ WFM, scheduling and optimisation experience to ensure their onshore contact centres are operating according to best practice.

#### 7.6.6. Massbuild

The Merchants Massbuild partnership is one where strategy and execution met perfectly allowing both business to grow and fulfil their business objectives, and even to be awarded gold at the 2017 BPESA CCMG Awards for the Best Outsourced Contact Centre.

Massbuild had a large customer base and served its clients through various channels (telephony, online, email and social media). The challenge for them was twofold – understanding these customer types and the reasons for their contacts (to ultimately delivery exceptional customer service) and how to manage these various channels of work effectively.

Massbuild had historically operated their own contact centre in house managing sales/service calls (customers seeking quotations, stock and information on products), customer account related queries, complaints/compliments and store related queries. Work came in via online applications, social media, email and calls.

Though able to serve all channels and having technical processes for their systems and in store procedures, they lacked customer facing processes from a contact centre perspective, as well as adequate reporting to understand their customer base and how to improve customer experience.

To achieve this, Massbuild reached out to Merchants to run a contact centre solution for them. As part of this Merchants’ operational support team, consisting of analysts and planners, delivered customer insight and drove process and technology improvements in the operation while the Quality team monitored process adherence, provide actionable insight and recommendations and drive customer experience through initiatives.

The strength of the Merchants Massbuild partnership lies in the fact that both entities have been open, honest and transparent with each other every step of the journey, from 2015 when the first 20 agents were placed in the contact centre, through to today where Merchants has ensured the Massbuild contact centre operation is digitally enabled.

One of the ways this enablement has taken place is through the introduction of Dimension Data partner, Britehouse to implement an SAP Cloud for Customer intervention (C4C). This cloud-based middleware interacts with the operation’s digital channel and integrates into the CRM system to facilitate communication between the agent and the customer.

When the operation first opened its doors, Merchants delivered on just two lines of service; general business and debtors. Now, because of the strong partnership, open communication and intentional expansion, the agents deliver 11lines of business including quotes, quote follow up, complaints, emails, Key account management and much more.

Most recently Merchants started answering calls for five of the Massbuild stores and managing the telephonic requests within the contact centre. Merchants achieved a 75% First Contact Resolution rate and provided the in-store assistants with additional 500 hours a month to help on-the-floor customers.

#### 7.6.7. Results

- The partnership delivered a customer service offering to Massbuild customers that consistently exceeded contractual obligations and expectations.
- Efficiency (AHT), customer experience, productivity and issue resolution improved on the back of improvement initiatives and optimisation
- This was achieved by creating interdependencies in the operational support team (Business Improvement, Quality, Training, Managing Intelligence and Workforce Management) and the continuous improvement cycle that was maintained by these departments.
- Quality analytics played a key role in this by providing the needed insight to drive efficiency and customer experience.

For more about Merchants, visit [www.merchants.co.za](http://www.merchants.co.za), or visit our LinkedIn company page and follow us on Twitter.



## 7.7. Mindpearl

"Since 2001, Swiss International Air Lines have operated a Customer Sales & Service facility in Cape Town, South Africa, provided by Mindpearl - a global multi

lingual contact centre operator and long-term partner of Swiss. The operation in Cape Town is one of 2 Mindpearl facilities supporting Swiss across the globe and Cape Town itself services multiple international markets for Swiss in several languages including English, French, German, Italian, Portuguese, Dutch, Greek and Spanish with a team size of approx. 80 FTE. South Africa and Cape Town in particular, is able to satisfy the need for native level European linguists with a very similar time zone to most European countries."

- Harald Rix, Head of Service Center Management, Swiss International Air Lines

In the period 1998-2000, two European airlines were looking to set up captives as low-cost alternatives to their Western European operations. The airlines had already consolidated their existing centres with one airline moving from 220 call centres to seven and the other moving from approximately 400 call centres to eight. Some of the prior call centres ranged from 3 personnel to 100. However, the locations chosen for the new consolidated call centres included relatively high cost locations such as Berlin, Dublin, London, Frankfurt, and Milan.

At the end of the 1990s, the airlines evaluated a number of locations in South Africa and chose Cape Town since the location was home to a large population of second generation. Europeans with native language skills and the Cape Town accent was typically familiar to European and U.K. callers.

Accordingly, a call centre in Cape Town was opened in 2001, shortly after which economic circumstances led to many of the European call centres being downsized or closed. Cape Town consequently grew rapidly and moved into 24/7 mode. The only call centre location retained in Europe was Barcelona.

A management buy-out then took place in 2005, which enabled Mindpearl to approach other airlines without the impediment of a parent company that was a competitor. The centre in Cape Town continued to grow driven by a high-level of cultural affinity and time zone compatibility, even though the Philippines and India continued to deliver services in areas such as directory enquiries and highly scripted calls.

Accordingly, Mindpearl supported airline customers from South Africa with complex unscripted enquiries in areas such as their frequent flyer miles, complex itineraries, sales, reservations, ticketing, consumer relations and disruption management.

In 2009, Mindpearl opened a complimentary centre in Fiji offering English on a 24x7 basis. This allowed them to balance their calls between the two centres, minimising the overnight shifts in Cape Town. The tangible results included staff retention, workforce optimisation, retention of key skills, and lower attrition rates.

### 7.7.1. Services provided

Mindpearl now has approximately 600 personnel in Cape Town, predominantly serving the airline sector. Clients include seven major international airlines.

The services supported by Mindpearl for airlines from Cape Town include:

- Reservations handling
- Frequent Flyer Loyalty programs
- Consumer relations
- Ticketing
- General sales and sales support
- Disruption management (flight control, monitoring aircraft throughout the journey to assist customers likely to miss flight connections by re-arranging and rebooking flights)
- Fraud Prevention Management

Activities are supported by Mindpearl via voice, email, social media, sms and webchat channels. One airline in particular has outsourced to Mindpearl for over 18 years. This prestigious airline is dedicated to providing the highest possible quality in all its products and services. Mindpearl supports this client across two of their locations, namely Cape Town and Suva, providing world class customer support to 22 countries in eight languages. In addition to supporting their Reservations, Sales, Sales Support, Ticketing, Social Media Customer Service and Frequent Flyer Programme, Mindpearl supports their crème de la crème products. Mindpearl's ability to handle sales support services further up the value chain reinforces their experience and expertise in supporting the airline industry and South Africa's value proposition. This airline selected Cape Town because it is able to satisfy the need for native level European linguists with a very similar time zone to most European countries.

The overall profile of languages supported by Mindpearl from Cape Town is approximately 30% English and 70% other European languages, principally German, French, Italian, Spanish and Dutch.



## 7.8. EXL Service South Africa (PTY) LTD



EXL is an international outsourcer company specialising in operations management and analytics with more than 26,000 professionals across the globe servicing over 750 clients from 38 global delivery locations across Australia, Bulgaria, Colombia, Czech Republic, India, Philippines, Romania, South Africa, UK and USA, offering more than 25 languages.

The centre in south Africa employs over 350 agents who service the UK and US markets with 85% of work being done for UK while 15% is for the US market. Exl has a 7-year relationship with a large UK P&C insurer being serviced from India. As part of strategy, “to be where our clients need us,” Exl decided to invest in a delivery centre in Cape Town, South Africa in June 2015.

The drivers for considering South Africa as a service delivery hinged on the following strengths:

- Large available pool of voice resources
- Superior customer experience delivery capability
- Cultural affinity to the UK
- Following similar time zones
- Strong government and industry support
- World-class infrastructure
- Cost effectiveness

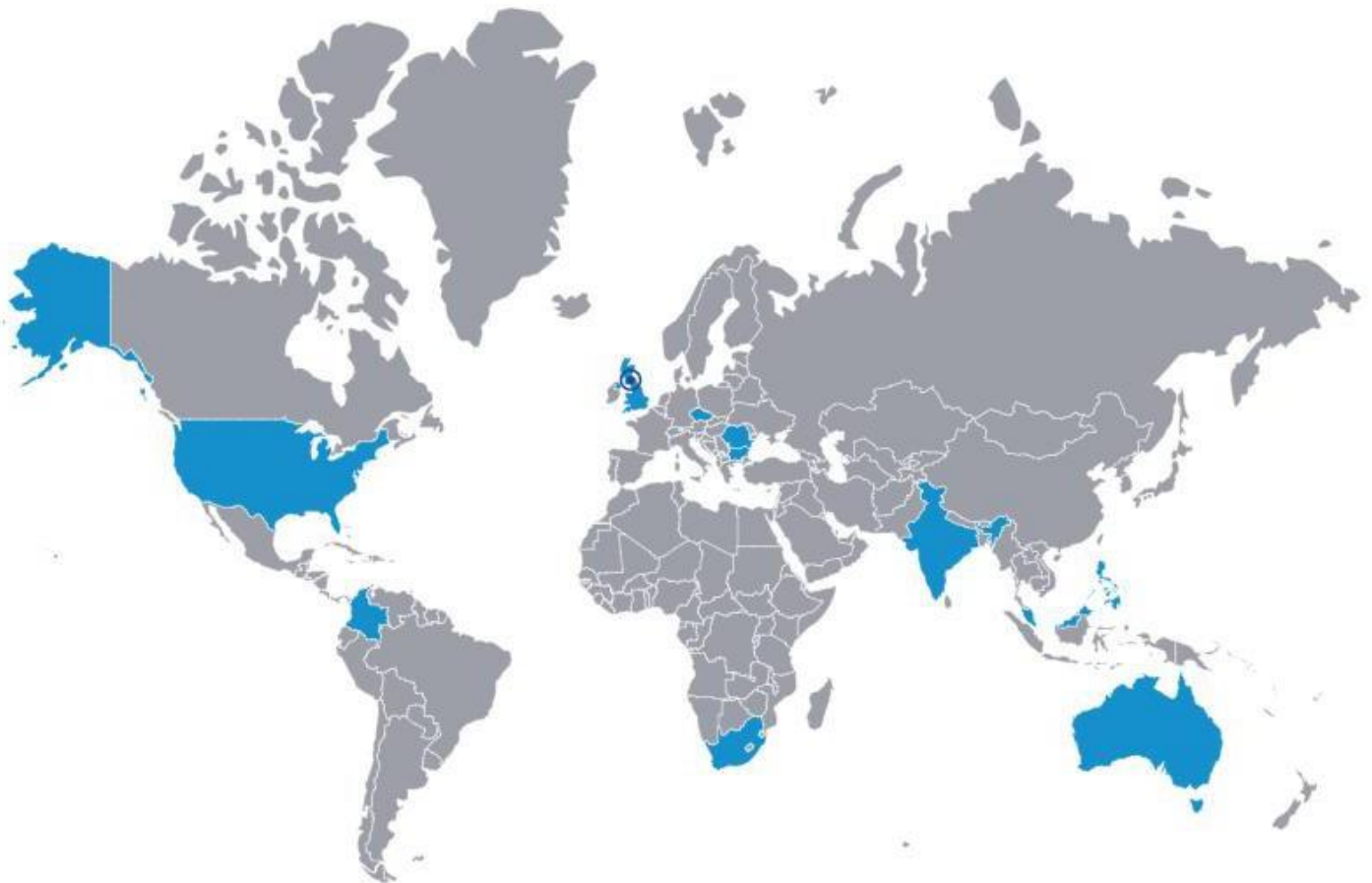


Figure 20: EXL's global footprint

## 1. EXL main verticals

- Insurance
- Analytics for baking sector
- Transportation and Logistics

## 2. Service functions

The centre specialises in inbound customer service for the following deliverables:

- Policy servicing
- Customer retention
- First notification of loss
- Webchat policy servicing and sales

## 3. Accolades

- Winner of Two Aecus Automation Awards for leadership in digital transformation, including
- Robotic Process Automation (RPA), cognitive computing, and advanced analytics. (2017)
- EXL is in the IAOP Global Outsourcing 100 list (2017)
- High Performer in the “HfS Blueprint for Digital Marketing Operations” (2016)
- International Association of Outsourcing Professionals Global Outsourcing 100: “Top Company” for Client References, Programs for Corporate Social Responsibility, and Programs for Innovation (2016)
- High Performer in “HfS Blueprint: Design Thinking in the As-a-Service Economy” (2016)
- EXL makes Forbes list of 100 most trustworthy companies in America (2015)
- Winner of four Aecus Innovation Awards for client engagements that integrate analytics and automation into operations management solutions (2015)
- Recognized for CIO100 award and CIO Hall of Fame by the International Data Group corporation (2015)
- Recipient of Information Mastermind award for excellence and transformational business contribution from IDG (2015)
- Named “Industry leader” for IT security in the business process management by NASSCOM and the Data Security Council of India (2014)
- Top 20 Leader by Service Area - Industry-Specific Services by International Association of Outsourcing Professionals (2014)
- Top 10 Leader by Region Served- Southeast Asia by International Association of Outsourcing Professionals (2014)
- Top 20 Leader by Region Served- United Kingdom by International Association of Outsourcing Professionals (2014)
- "Aon Hewitt Voice of Employee Award" for the IT and ITeS sector in India (2013)



## 7.9. Webhelp

Webhelp is a leading player in international outsourced Customer Services and Business Processing. It is the third largest contact centre operator in Europe. Headquartered in Paris, the Webhelp Group employs 35,000 people in 20 countries. Using expertise gained over more than 17 years we

help our clients understand their customers better while delivering innovative and transformational services.

Since 2013 Webhelp has created over 7000 jobs in South Africa and currently employees more than 4300 people in 5 locations - 3 in Cape Town, 1 in Pretoria and 1 in Johannesburg servicing 6 International Clients. Webhelp Group was founded in 2000 with South African operations being established in August 2013.

### 1. Verticals serviced

Within Webhelp's South African sites we service the following verticals:

Retail and Financial Services 68%

Telecoms 16%

Travel 16%

### 2. Brands serviced out of South Africa

Webhelp SA currently services a wide range of brands in its five locations in South Africa:

- Vodafone
- Yodel
- Office Depot (Viking),
- Direct Line Group (DLG)
- EasyJet
- Shop Direct

### 3. Services offered by channel used

Webhelp has been operating from South Africa since August 2013 and has 5 operational sites within the Johannesburg, Pretoria and Cape Town regions employing more than 4300 people.

Webhelp currently has six UK and European based offshore operations in South Africa; Office Depot, easyJet, Shop Direct, Yodel, Direct Line Group and Vodafone.

The next table outlines the various services we provide to our clients.



Client	Service Description	Channels Operated
Office Depot	Webhelp UK has worked with Office Depot, the world's leading supplier of office supplies, since 2006. In 2015 we started to transition the Office Depot business from the UK to South Africa. This was completed in 2017. More than 150 people based in Cape Town support Office Depot.	<ul style="list-style-type: none"> <li>• Inbound Customer Service</li> </ul>
EasyJet	One of the leading low-cost airlines, Easyjet operates UK domestic and international services to more than 30 countries. Over 500 people support our easyJet campaign based at one of our Cape Town sites.	<ul style="list-style-type: none"> <li>• Inbound Customer Service and support</li> <li>• Customer Retentions</li> <li>• E-mail</li> <li>• Back Office</li> <li>• Specialised</li> </ul>
Shop Direct	Shop Direct is the UK's second largest digital retailer. Webhelp South Africa supports with more than 1800 people from two sites: Johannesburg and Cape Town.	<ul style="list-style-type: none"> <li>• Inbound Service and Sales</li> <li>• Webchat</li> <li>• Digital</li> <li>• Back office support</li> <li>• Complaints Handling</li> </ul>
Yodel	Yodel is a UK based delivery and logistics company. More than 250 people provide multi-channel services to Yodel from our Cape Town site.	<ul style="list-style-type: none"> <li>• Inbound Customer Service</li> <li>• Social Media Service</li> <li>• Webchat</li> <li>• Complaints handling</li> <li>• Back office claims</li> </ul>
Direct Line Group	Direct Line Insurance Group is a UK based financial services company, many of the UK's leading insurance providers are part of the group. There are more than 100 people providing services on behalf of the Direct Line Group from Webhelp's Pretoria site	<ul style="list-style-type: none"> <li>• Inbound sales support and service</li> <li>• Inbound back office; claims, settlements and file management, LPO</li> </ul>
Vodafone	Vodafone is one of the world's largest communications companies. Webhelp has been a strategic partner of Vodafone for over 10 years. More than 500 people based in Cape Town support Vodafone in South Africa.	<ul style="list-style-type: none"> <li>• Inbound Customer Service</li> <li>• Small Business Management</li> <li>• PMC</li> </ul>

The Webhelp business continues to evolve, our resulting position in the market is that of a value add strategic partner. Our partners trust us to manage their customer relationships; the result is better customer experiences at a reduced cost. Our approach is to bring together innovative commercials, operational excellence and value-add services to deliver outstanding customer solutions aligned to our clients' needs and objectives.

We have proven methodologies in place that are bringing operational efficiency and commercial benefit to some of the world's leading companies across a variety of sectors:

- Building long term partnering relationships
- Putting customers at the centre of what we do
- Deep understanding of customers via analytics
- Investing in people development
- Achieving profitable growth

We have invested in delivering multi-channel contact to allow our clients to engage with their customers through their channel of choice, supporting our clients in creating service-based differentiation within their respective markets. We also have engaged with market leading technology partners to provide a state-of-the-art platform from which to base our partnerships with clients.

In less than 3 years, Webhelp has established a major, award-winning presence in South Africa. Our Group Chief Commercial Officer, Craig Gibson, holds a prominent role in the BPeSA leadership team. We have also invested £10 million into resources, world class infrastructure and facilities.

#### 7.9.4. Webhelp CSI strategy

Webhelp is passionate about being part of the local community working in partnership with Columba Leadership and Harambee Youth Accelerator as part of our Corporate Social Responsibility programme.

Webhelp sponsors 2 secondary schools, JHB and WC, promoting leadership skills and values. We have also placed circa 195 Harambee candidates into our operations as part of our impact sourcing model. Our clients, and our people, are very invested in both these initiatives.

Webhelp also participates in the Tshepo Action Lab started by the Premier of Gauteng in 2017 to create 250 000 jobs in Johannesburg and are members of the Global Impact Sourcing Coalition (GISC).

Webhelp is fully committed to developing and investing in our South African operations both now and for the future; continuing to add value to our clients, creating new and exciting partnerships and supporting our people.

#### 7.9.5. Accolades

Webhelp offers a contact centre environment and leadership team that is delivering high quality customer services. This is recognised by multiple industry award wins such as:

2016 - Contact Centre Management Group CCMG Best Contact Centre specialist (WFM)  
2016 - Contact Centre Management Group CCMG Best Contact Centre Operational Manager  
2016 - Contact Centre Management Group CCMG Best Contact Centre Sales professional  
2016 –BPeSA Best Project Manager  
2017 –Contact Centre World Awards–Best Project Manager  
2017 –CCMG/BPeSA Best Shared Services Centre  
2017 –CCMG/BPeSA Best Analyst  
2017 –CCMG/BPeSA Best Contact Centre Customer Service Professional  
2017 –CCMG/BPeSA Best Contact Centre Support Professional –Workforce Planning



## 7.10. WNS



WNS Global is a global business process management company headquartered in Mumbai, India. It has more than 34,000 professionals working

in 52 "delivery centres" across the world, including India, United States, United Kingdom, China, Costa Rica, Philippines, Poland, Romania, South Africa, and Sri Lanka.

WNS SA has a seat capacity of 4,500 in South Africa, currently housing ~4,000 FTEs. These seats are distributed across eight delivery centres:

- Cape Town (3 centres): 2,800 FTEs handling International work
- Centurion (1 centre): 200 FTEs handling Domestic Shared Services work
- Johannesburg (1 centre): 100 FTEs handling Domestic work
- Durban (2 centres): 500 FTEs handling Domestic work
- Port Elizabeth (1 centre): 400 FTEs handling Domestic work

The bulk of activity carried out from South Africa by WNS is contact centre related, however, the company has a dedicated Shared Services processing centre for the delivery of Finance & Accounting, Procurement and Human Resource services. Analytics has also seen large investment and remains a focus area for delivery.

The main sectors supported within the International business are:

- Utilities
- Financial Services

The principal country served by WNS SA within its International business is the U.K. though WNS SA also supports market entry into other African countries. One client who has recently gone live selected South Africa on the basis of:

- Quality of skills/English voice
- Cost-effectiveness/grants
- Cultural affinity and compatibility of time zone.

The service being introduced to South Africa was previously delivered from the U.K. and delivery from South Africa produced costs savings in the range 25%-40%.

### 7.10.1. Services offered

The types of activity being supported for international clients include:

- Customer service (all channels)
- Debt collection (moving towards multi-channel integration)
- Sales through service, soft up-selling and cross-selling.
- Back Office
- Correspondence
- Lead Generation

In general, the profile of services provided by WNS in support of International clients from South Africa is:

- Customer service 80%
- Collections 20%.

While 80% of activity is voice-based, approximately 20% is in support of correspondence handling, web chat, and multi-media. In terms of KPIs, WNS finds that South African delivery tends to outperform onshore delivery in sales & debt collection, with cross-selling on par with onshore delivery.

WNS is also seeing International clients place greater emphasis on:

- Improving customer service processes through reducing hand-offs and back office integration. Here, WNS has assisted clients in resolving billing queries within the customer service environment rather than as a separate back office activity
- Moving to non-voice channels, where WNS offers non-voice channels, including Social Media as a customer service channel
- Deriving product or industry specific information and insight into client behaviour, through the analysis done on customer data, interaction analytics and customer feedback surveys.
- Improving customer interaction metrics (NPS, FCR etc.), balanced by efficiency metrics such as Average Handle Time and productivity measures
- The quality and authenticity of customer conversations, while being compliance conscious.
- Judgement based interactions rather than script based

Levels of attrition are broadly on par with those from onshore delivery but are highly dependent on the nature of the customer campaign and client approach.

In the domestic South African market, WNS is handling cross-sell & up-sell and outbound lead generation in addition to customer service and is seeing increasing levels of activity in the B2B space. At the same time, here is increasing activity in support of multinationals in helping them use South Africa as a gateway into Africa through centralisation of other horizontal BPO services such as finance & accounting, procurement, and research & analytics services in South Africa to serve the African continent.

## 7.11.BYC Aqua Solutions



BYC Aqua Solution is a services company that provides outsourced Quality Assessments and solutions to the contact centre industry. The company is based in Cape Town and has offices in United Kingdom. BYC Aqua Solution provides services both domestically for the South African contact centre industry as well as for companies in UK, Australia and

Asia out of South Africa. With its headquarters in Cape Town, BYC Aqua Solution started operations in 2002.

BYC offers outsourced Quality Assessment services to the contact centre industry, allowing objective and cost-effective measurement of the customer delivery. We work across all sectors of business. In addition, we license our on-line QA and Coaching tool, called Aqua, to industry to allow them effective efficiencies in their internal QA measurement as well as a full suite of reports to suit their business needs. As a company we support our vast client base in ensuring their compliance is protected as well as the brand experience. Our tool allows real time access to results and ability to drive skills via the coaching commentary provided in our evaluations.

### 7.11.1.Verticals serviced

- Financial Services 65%,
- Motor industry 12%
- Cellular/Telco 10%
- Utilities 5%
- Leisure/Media 5%
- Other 3%

The brands serviced from the centre range from FNB, Old Mutual, AA, Tracker, SAB, Momentum, Water-plus, Manchester Outsourcing, Dragon Insurance to over 75 brands serviced across various continents.

BYC offers outsourced Quality Assessment services and solutions to our clients that range from large-scale and diverse captives such as banks and insurance companies to medium and small contact centres, we work in both the captive and outsource arenas. Our QA services cover a diverse range of services to multiple types of contact centres. Currently our business is allowing measurement of over 200,000 customer interactions monthly across all mediums.

From founder to now employing a team of 137 qualified Quality assessors and on-line coaches, BYC has won various industry awards and holds ISO 9001-2015 certification. With offices in South Africa and United Kingdom, we off-shore all our international work from Australia, Asia and UK to our offices in Cape Town.

One of our clients was able to re-deploy their 45 internal QA assessors into other areas of the business by utilising the BYC offering. We fulfil double the previous volumes of QA assessments per month with less than 50% of their previous headcount. This is due to our proven model of effective training of our resources coupled with providing them with a tool to measure the customer delivery but ensures efficiency in the process from a user perspective.

Our client was also encountering challenges with objectivity given their internal QA resources had organically grown in their contact centres, hindering the ability for true outputs in the customer delivery as well as protection of their licence to trade by ensuring compliance protection. BYC works extensively with our clients to identify their status quo as well as their strategic aims and constantly guides on how improvements can be made and where to ensure the client's brand protection where needed.

The long-term 'value add' relationship with this client will continue for many years to come as a result of our ability to protect their most valuable business assets, the internal and external customer.

Our approach to quality is ownership and extensive training to our teams in our clients goals and concerns. For BYC, Quality is not solely a 'tick-sheet' mentality, but ensures that our clients have the right skills in the right place, at the right time. Within our training, we cover Emotional intelligence within the scoring, ensuring our resources put themselves in the shoes of the customer during their measurement of the interaction. As a result, this ensures that we guide our clients in some of the key drivers for any contact centre i.e.

- First call resolution –identifying and reporting on blockages, opportunities and agreeing action plans to constantly improve their results
- Propensity to cancel (Sales environments) –here we provide clients with risk and ensure that global best practice is applied in the sales process.
- Propensity to pay (Collections environments)
- Immediate escalation of any risks identified for action (this is all reportable within our QA and coaching tool
- A choice of over 85 variable reports from dashboards on today's findings to higher level benchmark results enabling quality to remain at the fore-front of all internal stakeholder's priorities.

BYC meets with each client on a monthly basis to present our QA findings and agree future actions internally to support their strategic aims.

For us, 'quality assessments' must provide value at every level of the contact centre and ensure that all business assumptions made, are delivered to optimum effect.

The following is a distribution of source markets for the company:

- South Africa =80%,
- United Kingdom =10%,
- Australia =9%,
- Asia =1%

## 7.12. ODiTY



ODiTY is an international outsourcing company providing multi-channel call centre services in 14 languages and digital support to companies world-wide. The company has presence in Madagascar and Cape Town. The centre in Cape Town was established in 2016 after the acquisition of the then 118Contact company. The servicing of offshore market

started off with an initial headcount of 9 agents, with potential of an accelerated expansion in the next 5 years.

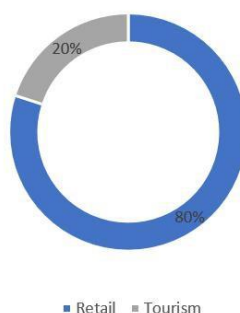
### 7.12.1. Services offered

The company specialises in pre-sale and after-sale customer relationship operations. It also offers premium or low-cost plans adapted to client stakes, in French or in multiple languages. For customer acquisition, lead transformation, assistance & customer service, web design, ODiTY offers companies custom-made solutions to increase performances, reduce acquisition and management costs and retain customers by offering them a richer and more fluid journey.

Multi-lingual Call Centre / 14 Languages	Digital
Qualifying & converting leads	Website development
Appointments, reminders, schedule management	Mobile application development
Traffic generation	SEO audit & optimisation
Customer service	UX audit & optimisation
Telephonic switchboard	e-Marketing campaigns
Payment reminders/Collections	Community management
Document data entry & digitising (BPO)	Graphic design & execution
Helpdesk	

### 7.12.2. Verticals serviced

Verticals serviced by ODiTY



### 7.12.3. Markets serviced

ODiTY mainly services the USA, Germany, French and the South African market. The USA market makes up 8% of its international market while the rest are at 92%. For ODiTY, focusing on customer experience has become the single most important way for achieving success, setting the basis for key differentiation and competitive advantage.

### 7.13. Capita



Capita South Africa ("Capita SA") is part of Capita Customer Management, the UK's leading provider of outsourced customer management services.

Capita invested in expanding its offshore delivery capabilities through establishing its South African operations in 2012. Capita SA now employs over 2,300 people across two sites in Cape Town. Capita's belief and confidence in the South African value proposition means they continue to invest in new technology, capabilities and new partnerships to grow their operation in Cape Town.

Capita SA's lines of business include the following:

- Inbound customer service
- Inbound & outbound collections
- Webchat sales
- Webchat customer service
- Customer service e-mail
- Back-office support and other shared services

Capita SA provides a full range of BPO (Business Process Outsourcing) services with fully hosted contact centre solutions trusted by global leading brands to transform their customer experience. This has given their clients the confidence that they can be trusted to service their customers to international standards, which has manifested in the further growth of existing clients and the addition of new business opportunities. Capita SA uses its expertise, infrastructure and scale benefits to transform its clients' services, helping to reduce cost to serve and adding value through continuous improvement. Their extensive experience means they offer a safe pair of hands to international clients looking to offshore with certainty.

Capita SA gears their people to be strategic and forward-thinking individuals who live in the vision of what the company is about.

Their strategy revolves around investing in the lives and careers of its people. Capita SA aims to retain its people through various programmes that help them develop as individuals and career professionals. Capita SA's purpose is to "enable people to help others". Capita SA promotes a great environment to work in by connecting people to each other, providing support and having fun.

They have identified that by attracting people of a high calibre, they can positively influence the ever-increasing issue of one of South Africa's greatest challenges – youth unemployment. Not only does Capita SA create meaningful employment, they also enable our youth to build careers.

Capita SA is a people-oriented business devoted to building relationships with stakeholders and partners. During the short space of time in which the business has grown, the trust that they have earned by providing direction,

implementing plans, and engaging with their people, has resulted in expanding their client base and extending their contracts within these realms.

This is their partnership ethos.

The driving forces are:

- Continuously improving, finding new innovative ways, becoming more capable together.
- Providing appropriate management capacity and resources to implement and track improvement initiatives.
- Commitment to maintaining open lines of communication between decision makers - clearly defined roles and responsibilities to create and achieve mutually agreed goals.
- Continuous improvement of sustainable management systems which create business benefits for both entities e.g. reduced risk, increased efficiency and productivity, and enhanced business continuity.

Capita SA services reputable international partners including O2, M&S, Dixons Carphone, iD Mobile, Celatone, Knowhow and Thames Water, which all include various key deliverables such as sales, collections, webchat and back-office support.

Capita supports a multi-shifted environment 7 day a week operational environment with its later shift ending at 1AM.

First call resolution (FCR) is an important metric within the contract centre, and in South Africa, FCR rates are equal to or higher than those delivered from the UK with South African delivery matching that from the UK in terms of CSAT. The initial move of elements of customer service delivery to South Africa was driven by Capita with one condition being that the move would not lead to adverse impact on the brand or quality of delivery and customer experience. Speed-to-competence was an important criterion with the initial target of 6-months being achieved in 3-months.

In addition to high FCR rates, the South African delivery has achieved cost savings relative to the UK of approximately 40%-45%.

Back-office work being carried out for telecoms operators by Capita from South Africa includes document indexing and distribution.

In terms of recruitment, not only does Capita attract people with experience in a contact centre environment, but also has people who have aligned skill sets within customer service in the hospitality and high-end retail industries. Induction and initial product training usually takes 4 weeks with advisors, then moving into a graduation bay that involves calling for part of the day combined with further training for up to a month. Additional quality and leadership support is provided outside of the training and the skills development areas.

Our vision is that the trust we earn will make us the BPO employer of choice, enabling us to create meaningful opportunity for young South Africans, to create a great experience, again.

## 7.14. Cognia Law



Cognia Law is an LPO headquartered in the UK and registered as Cognia Law UK Limited in the UK. South African delivery operations are operated by and services

provided to the clients of Cognia Law UK Limited and to South African-based clients, by Cognia Law (Pty) Limited.

### 7.14.1. Services offered by Cognia Law

#### Consulting Services:

- Consulting services encompass legal operations strategy, design and optimisation as well as advising on, and constructing, shared legal service centres.
- Clients include the in-house legal function of a variety of international corporations as well as law firms.

#### Legal Resourcing Services:

- Cognia Law supports clients in sourcing temporary project managers, paralegals and lawyers who can work in clients' offices or remotely to support project-related legal work.
- An example of this service is the temporary placement of various paralegals, senior paralegals, negotiators and subject-matter experts working onsite on financial services regulatory projects for clients.

#### Legal Managed Services:

- Cognia Law's LMS include:
    - (a) Commercial Contract Management;
    - (b) Financial Services Contract Management, e.g. Derivatives documentation;
    - (c) ADR and Litigation Support Services;
    - (d) Regulatory and Compliance Support Services;
    - (e) Claims Management Support Services;
    - (f) M&A and Due Diligence Support Services; and
    - (g) Asset Disposal Programmes.
  - Services of this nature are supported using best-of-breed technologies such as Relativity, Kira Systems, Exari and SmartDX, as well as bespoke applications created for clients.
  - Skilled attorneys and project managers are trained to use standardised, ISO-compliant processes and a project management methodology, in addition to delivery processes based on Lean Six Sigma.
  - Cognia Law can upscale quickly and efficiently due to the number of lawyers and paralegal resources they have at their disposal thanks to a well-managed pipeline.
- (a) Commercial & Financial Services Contract Management:
- Supporting a tier 1 investment bank with the re-papering of their client contracts related to the use of the bank's trading platform;
  - Acting as a delivery partner to a tier 1 European investment bank to plan and deliver a remediation project to ensure compliance with the new set of minimum standards for margin for its French FBF agreements;
  - Extracting the client and supplier contracts of a pharmaceutical/drug discovery and development company in relation to the implementation of a new contract management platform;

- Operating a specialist contract negotiation team for a UK-headquartered tier 1 investment bank that is Cognia Law set-up, staffed and managed and that works as an extension of the bank's global in-house legal team. The work undertaken by the team generally relates to the negotiation of derivatives documentation, due diligence and the drafting of documents relating to structured debt products and programmes of the bank;
- Working as an extension of in-house counsel for clients ranging from a mid-tier UK software company to a global market research group. Cognia Law undertakes contract risk reviews, red-lines, traffic light reviews and negotiations, depending on the needs of the client and the specific contract;
- Operating a team that has been setup for a European asset management company. This entails engaging, housing and managing a team that works as an extension of the in-house legal teams in Paris and New York to support business-as-usual ("BAU") negotiation work; and
- Provision of ongoing, on-demand contract management support services to a regulatory reporting software company that includes negotiating incoming contracts between the client and their ultimate clients and contract management using the client's technological platforms and contract negotiation tools.

#### (b) ADR and Litigation Support Services:

- Supporting a US-based law firm with foreign language review for a Multinational Retail Corporation and a Multinational Corporation and eCommerce Company from Cognia Law's London delivery facility;
- Supporting the in-house legal team and appointed law firm of an international mining company by uploading large volume data into a leading eDiscovery tool;
- Performing document de-duplication, review and bundle preparation (witness bundles and others as required); and
- Working with a law firm to provide ADR support services for a construction dispute.

#### (c) Regulatory and Compliance Support Services

- Cognia Law provides solutions for supporting clients in addressing regulatory requirements.
- Compliance teams perform:
  - o On-going legislative research on multiple jurisdictions;
  - o Mass document reviews as part of internal audits or risk assessments; and
  - o Implementation exercises on resulting audit recommendations (e.g. re-papering projects).

#### (d) Claims Management

- This service provides for a range of disciplines, from insurance to medical malpractice. Teams can develop a fully integrated and streamlined case management model for high volume, less complex and lower value claims.

#### (e) M&A and Due Diligence Support Services

- Cognia Law supports individual partners and deal teams with their pre-deal document review requirements on a project-by-project basis.
- By employing a standard intake process and a dedicated account manager, Cognia Law defines the due diligence requirements with an instructing partner/lawyer, including the scope of the review, the review criteria, data capture format (including the anticipated use of graphics), VDR arrangements and a delivery schedule.

## (f) Asset Disposal Programmes

- Cognia Law supports clients with large asset disposal programmes through:
  - o the collection and collation of relevant data;
  - o an automated process that greatly improves oversight and enhances reporting ability; and
  - o a reduction in the total time to create a Virtual Data Room for bidders.

Cognia Law provides its clients globally with individually tailored legal, compliance and risk management solutions. Cognia Law's clients benefit from their:

- investment in finding and growing talent,
- ability to be agile and scalable;
- near and offshore delivery capacity; and
- proven collaborations with their best-of-breed technology partners and other legal service partners.

The Cognia team believes in challenging the existing status quo and current “best practices” in favour of an even higher value-adding client experience. Integrity, consistency and performance frame their philosophy.

For more information about Cognia Law's innovative range of services, visit [www.cognialaw.com](http://www.cognialaw.com)

## 7.14.2. Verticals serviced

Legal Services to:

Financial services sector clients 62%

Law firms 25%

Mining sector clients 6%

Professional services clients 5%

Pharmaceutical sector clients 1%

Research, knowledge, data and information services sector clients 1%

## 7.14.3. Campaigns serviced from South Africa

- Tier 1 Investment Banks (support London based inhouse legal team);
- Tier 1 European Asset Manager (support Paris based inhouse legal team soon to be extended to New York);
- International and domestic law firms (support London, Paris, US and South Africa based teams);
- International Mining House (support South Africa based in-house legal team);
- Research, knowledge, data and information services sector clients (support UK, South African and US based teams); and
- Pharmaceutical sector clients (support UK and South Africa based in-house legal team).

## 7.14.4. Markets serviced

- UK - 54%
- USA –22%
- France/Switzerland –13%
- South Africa –10%
- Canada –1%

These markets access the following services:

Legal Managed Services:

- Commercial Contract Management
- Financial Services Contract Management
- M&A, Due Diligence Support
- Asset Disposal Programme Support
- Alternative Dispute Resolution / Litigation Support
- Claims Management Support
- Regulatory Compliance Support

Consulting Services:

- Legal Operations Strategy / Target Operating Model Design
- Legal Knowledge Management
- Legal Shared Service Centre
- Legal Project Management

Legal Resourcing Services:

- Derivative On-Demand Legal Professional Support Team
- Senior Legal Network
- Foreign Language Support

### 7.15. OUTsurance



OUTsurance is serving an insurance company within its parent group of companies from South Africa. Six years ago, the group, OUTsurance International Holdings Pty

Limited, launched Youi, a general insurance company in Australia.

Youi had reached the point of employing 800 personnel near Brisbane and needed to enhance its service hours and increase its cost-competitiveness to maintain its market momentum, so started to investigate offshore locations such as the Philippines, India, and South Africa.

However, it was very important to Youi for any offshore call centres to be highly compatible with its Australian call 30 centres and to have strong links to the company's head office. The company was looking to use offshore call centres to extend the company's customer service hours and also to extend its sales window while maintaining high compatibility with onshore service delivery.

South Africa was chosen both for its ease of access to Youi management and because of its English language accent neutrality.

Accordingly, in January 2013, Out established a call centre in South Africa to support the Australian business. The centre started with 40 personnel, now employs approximately 270, and is continuing to grow.

The centre operates from approximately 07:00 South African time to 15:00 South African time, in order to serve the West Coast of Australia until late evening local time.

This has a cost advantage compared to serving the West Coast of Australia from centres on the East Coast of Australia.

The profile of services delivered from South Africa is sales (approximately 60%), and customer care (approximately 40%), with the centre also now beginning to support claims.

The centre has achieved broad cultural affinity with Australian customers and is narrowing the gap in terms of handling the finer intricacies of for example Australian language, with CSAT for customer service from South Africa now broadly in line with that from onshore in Australia.

"Proportion of leads converted to sales" is another key metric for the South African operations and at present the South African performance is within 10% of the Australian onshore performance with the gap continuing to close.

In addition to easier access to management and telecoms infrastructure (stability of VoIP is very important to Youi), Youi is achieving a cost differential relative to its Australian operations.

Youi has recently launched a business in New Zealand and the South African call centre is now supporting this business for part of the New Zealand day.

In terms of recruiting, Youi is looking for a "matric" qualification rather than tertiary education, and on recruitment, personnel undergo a 4-week initial training period covering product, systems, and sales training. Typical age of personnel in the centre is 23-29.





