



# Analysis of South Africa as a BPO Delivery Location

Market Analysis  
Abstract

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## Who Is This Report For?

NelsonHall's "Analysis of South Africa as a BPO Delivery Location" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within South Africa
- Decision makers exploring the benefits and inhibitors of South Africa as a delivery location as evidenced from the clients and vendor capability
- Vendor marketing, sales and business managers investigating additional sourcing locations
- Financial analysts and investors specializing in, or covering the BPO outsourcing industry and suppliers.

## Scope of the Report

This report analyzes South African BPO delivery capability.

The report addresses the following:

- The experience of organizations that use South Africa for international BPO service delivery
- The drivers for use of South Africa for delivery of BPO services for both contact center services and for financial industry-specific & back-office services
- The profile of companies using South Africa BPO service delivery by industry sector
- The profile of international service delivery from South Africa by service type
- The benefits sought from South African service delivery and the profile of benefits achieved
- The delivery cost structure associated with South Africa, including details of government incentives.

South African "BPO" service delivery typically covers three areas:

- International contact center services
- International non-voice services typically covering industry-specific financial services processes and back-office processes such as finance and accounting
- Voice and non-voice support for the domestic South African market.

This report focuses on the first two of these market segments and on the opportunity for organizations to support their international operations from South Africa.

By service type the scope of the report is contact center services, financial industry-specific services, and back-office services such as finance & accounting.



## Key Findings & Highlights

NelsonHall's "Analysis of South Africa as a BPO Delivery Location" consists of 58 pages.

Organizations have in the past often polarized their service delivery between use of onshore centers for delivery of high customer experience and complex processes and low cost offshore centers for simple transaction processing and customer service cost deflection.

However, the world has changed. While organizations still have a strong need to reduce their customer service costs, they are typically looking to do this through increased use of electronic channels and by improving customer journeys rather than at the expense of the customer experience. Indeed the most common need expressed by organizations in the area of customer service at the present time is the desire to reduce their customer service costs while maintaining their customer experience and levels of customer satisfaction. This is typically accompanied by a longer-term vision to continue improving their customer experience and customer satisfaction while retaining this lower cost point of operation.

At the same time, the balance in customer service is shifting. This is the result of two factors:

- Firstly, the move to electronic self-service for simple queries is in itself shifting the focus of customer service delivered by agents to the more complex end of the customer service spectrum
- Secondly, there is an increased focus on using customer service to drive sales and revenue protection through techniques such as welcome calls, health checks, and proactive customer interventions.

This is changing the skills required of agents, with a much greater requirement for agents to be able to build empathy with customers. Accordingly, the increasing requirement from offshore customer service locations is to be able to offer "onshore-equivalent" customer service or even "onshore-exceeding" customer service at a lower cost of service.

In this scenario, South Africa is worthy of consideration for "BPO" delivery whether via a captive or offshoring approach, since it offers an alternative to onshore services for delivery of high levels of customer experience and empathy and the ability to handle relatively complex processes. In particular, organizations seeking new BPO delivery centers whether for captives or outsourced service delivery should evaluate South Africa as:

- An "onshore-equivalent" for contact center services
- A location with strong revenue-generating capability in support of online businesses
- A GDN Center for financial industry-specific services and for delivery of "Africa-to-Africa" shared services.

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## Report Length

84 pages, consisting of 6 chapters

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