



RESEARCH INSTITUTE

Everest: Philippines Poised to Emerge as Non-Voice BPO Provider

Philippines Is Second Largest Low-Cost BPO Destination after India

Press release

DALLAS, January 22, 2009 – The Philippines, whose offshore market has grown 46 percent annually since 2004, is poised to emerge as a leading destination for non-voice Business Process Outsourcing (BPO) work for buyers looking beyond India to grow their offshoring footprint, according to the [Everest Research Institute](#). The US\$35 billion global BPO market has an addressable opportunity of US\$220-280 billion by 2012, with 90 percent of the addressable opportunity in non-voice work.

Although a number of providers are leveraging the Philippines for a vast scope of non-voice functions, there is limited awareness of the Philippines' capability in non-voice services, which has grown significantly over the past three years, according to the Institute's study, [The Silent Knight: The Philippines' Emerging Non-Voice BPO Capability](#). The study includes contributions from the [Business Processing Association of the Philippines](#) (BPAP). The US\$6.8 billion Philippines offshore market employs more than 450,000 people for mostly voice-based services.

"Success in voice-based BPO services has positioned the Philippines as the second largest low-cost BPO destination after India, and both countries combined account for 50 percent of the BPO market in revenue terms," said [Nikhil Rajpal](#), Principal, Everest Research Institute. "While some providers are leveraging the Philippines for non-voice functions, the scale of work is relatively low. However, tremendous market potential exists if service providers can successfully manage talent-related constraints."

Other study insights include:

- Most current activity and scale in non-voice BPO is concentrated on transactional services, such as finance and accounting and medical transcription
- Judgment-intensive services, such as research, analytics and legal services, are being performed, although scale and maturity are low
- Multiple suppliers and multi-national captives have expanded their service portfolios in the Philippines to include multiple non-voice BPO services in addition to voice-based BPO services, although the scale of operations in non-voice is low
- The Filipino government is focused on development of the non-voice BPO industry, providing incentive programs to attract investors as well as providing grants and infrastructure developments

"Managing talent-related constraints, especially the availability of specialized and managerial skills, will determine operational success in the Philippines," said [Jimit Arora](#), Research Director. "We expect strong growth to continue in the non-voice services sector, especially in the transactional services space. However, these constraints suggest the Philippines is not likely to replace India as the nerve center for the sourcing and management of services for many organizations."

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To read an extract of [The Silent Knight: The Philippines' Emerging Non-Voice BPO Capability](#), purchase the report, or inquire about other research services, visit www.everestresearchinstitute.com, e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

Other Institute **Global Sourcing (GS)** studies providing additional insights into the offshore market:

- [Market Vista: Q3 2008](#)
- [Ready to Compete – South Africa's BPO Capabilities in the Financial Services Sector](#)
- [Global Sourcing in Banking, Capital Markets and Insurance](#)
- [NASSCOM-Everest India BPO Study: Roadmap 2012 – Capitalizing on the Expanding BPO Landscape](#)

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The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's wealth of knowledge and experience provides unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

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