



SEPTEMBER - DECEMBER 2005

www.africa-investor.com

africainvestor

Digital Rush: why tech investors are heading to Africa

Pension power:
institutional investment for the long term

UNCTAD:
delivering investment to Africa

Property means prizes:
Peruvian economics guru
Hernando de Soto

Investment superhighway:
regional focus on southern
Africa's Sadc

Ai
blue chip index

ISSN 1745-1647



9 771745 164005



Dial up profit

The market for offshore services is finally turning towards Africa. Beyond Outsourcing is a South African company with the expertise to deliver

Business process outsourcing (BPO) and offshoring is a major world-wide trend. Although the major centres have been for some time India, the Philippines and China, South Africa is rapidly emerging as the new destination of choice, particularly for contact centres and back-office administration and processing.

"The global shift in services offers significant potential benefits for host countries, in particular in terms of job creation," says Henry Loewendahl, Director of OCO Consulting. "For example, in 2003 there were more than 400 call centres in South Africa employing 80,000 people. Not only do export-oriented services offer the potential for rapid job creation, they also typically pay higher-than-average wages and can play a key role in upgrading transferable skills,

Speed and operational excellence are critical

especially customer service, IT, and accountancy skills."

Beyond Outsourcing is a South African company that believes it is best-placed to take advantage.

"In a nutshell, Beyond Outsourcing is a performance improvement business, playing firmly in the Business Transformation Outsourcing space, which provides sustainable business transformation, whether it is increased effectiveness, efficiency, share holder value, or reduction in cost," says Beyond Outsourcing Group CEO, Suzanne Ravenall.

South Africa is able to offer the same time zone as Europe; high education levels, with literacy in excess of 80 per cent; a strong work ethic and low staff turnover rates; high productivity levels, with the normal working week between 42-45 hours; high levels of proficiency in English and other European languages; cultural compatibility with first-world Europe; and exceptional value for money – the estimated savings through offshoring to South Africa have been put at 20-40 per cent by Call Centre Magazine.

As a result, there has been a significant

increase in the number of international companies choosing to offshore in South Africa. To date, more than 30 international companies have established call centre and BPO operations in South Africa, many as outsourcing arrangements. These companies include Lufthansa (call centre and IT outsourcing), Adcock Ingram (call

centre outsourcing), British American Tobacco (call centre and IT outsourcing), E-media (call centre outsourcing), Pfizer (call centre outsourcing), Gateway and AOL (call centre outsourcing).

This growth is expected to continue at an ever increasing rate, with the predicted global BPO and outsourcing sector in the

Case Study of a Beyond Outsourcing client project for a major corporate in South Africa

"Our objectives were quick turn-around time and flexibility, in order to implement point-of-service distribution and a value-added service to our distribution channels," says the client. "In our case, Beyond Outsourcing exceeded its predictable outcomes and we became the leading company in our industry."

Business challenges

Physically brand 6,000 stores and implement consistent point of sale standards and maintain on a 6 weekly cycle

Sufficient, capable staff

Sustainable compliance with process

Sufficient, relevant business intelligence and the mechanisms to collect data

Effective resolution process for all front line issues

Reduced churn

Pricing consistency in all outlets

Business requirements

Increase knowledge of product through in-store training

Provide generic and scalable effective process – and enforce policies and processes in relevant sales channels

Data collection – allow executives to have immediate access to dynamic data to make operational and strategic decisions (bring the store to the boardroom-type concept)

Field force to be implemented calling at varying frequencies to manage the in-store challenges

Solution

Generic and scalable processes end-to-end with the ability to push changing branding, marketing and sales objectives to the shop floor in record time

Full PDA/pen technology solution allowing immediate data push and ability for business intelligence

Issue management system escalating front line issues immediately to relevant person for resolution within 24 hours

Implementation of nationwide trained field force

Build and implement an Academy to provide best of breed training to industry

Institution of back office team to manage in field operations and problem resolution

Benefits Beyond Outsourcing has helped deliver

Heading towards over a 300% ROI for coming year

Delivering hard data from the shop floor within 45 seconds to the executive's desktop through PDA/pen technology

R10m saving on budget with increased levels of service

90% of front line issues resolved in-call – 10% escalated and resolved in 48hrs

In-store, our solutions touch and train 312,000 customers face-to-face per annum

6,000 customers trained per annum through registered training programmes

All branding guidelines and Plannograms adhered to, assisting in reaching brand dominance across South Africa

The necessary speed and capability to be able to change a product or launch a product within one week to over 6,000 outlets

Decreased level of churn

Compliance at 98% across the spectrum of outlets called upon



English-speaking world to grow to US \$60 billion by 2008.

“We provide the vital link between strategy and delivery of business results,” says Ravenall.

“Our solutions deliver **predictable outcomes**. Simply put, this means that results, rather than being forecasted become predictable.”

Over the past seven years, Beyond Outsourcing has developed **generic and scalable operational toolkits** to achieve these predictable outcomes. This means they can be applied to any company of any size, in any industry, in any country. Through outsourcing and offshoring their operational business processes to Beyond Outsourcing not only do our clients benefit from our internal economies of scale, they also benefit from the lower cost base in South Africa with little increase in risk.

Beyond Outsourcing recognises the significant potential of offshoring to South Africa and has built capacity to meet the huge anticipated demand, particularly in the area of transformational outsourcing.

The South African Government has stated clearly its strategy is to position South Africa as the financial centre for Africa. This strategy is built on six pillars, one of which is South Africa being a global hub for financial BPO. This strategy includes the growth in contact centres, as well as back office transaction processing. Incentives for foreign investors demonstrate the government's commitment to promoting SA as the international offshore destination of choice

“South Africa has emerged as a major contender for large-scale, advanced BPO operations,” says Loewendahl, “as demonstrated by the flagship investment from Computer Sciences Corporation – a 1,000-job, \$68m centre focusing on IT services.”

The opportunities for offshoring in South Africa are not only linked to contact centres and financial transaction processing. IT and all aspects of back-office administration and processing are also ripe for outsourcing and offshoring. The need for speed and operational excellence has become critical.



Suzanne Ravenall, Beyond Outsourcing Group CEO

Awards

- One of SA's Most Promising Companies 2003 and 2004
- One of SA's Best Companies to work for 2003, 2004 and 2005
- One of SA's top 300 Companies in 2003 and 2004
- Awarded BSI ISO9002
- Suzanne Ravenall voted one of SA's Leading Managers 2003 and 2004 and featured in International Who's Who
- Suzanne Ravenall was nominated as one of the top 5 finalist's in the Nedbank Business Women of the Year award and was the runner up for the Business Women of the Year for African Investor 2004
- Nominated as one of the Top Women in Business and Government – Owned Company 2005
- Nominated for World Entrepreneur of the Year award – Ernst & Young 2005 (SA leg)

FDI outsourcing projects in Africa since 2004

Company	Location Country	Year	Description
Orascom (Egypt)	Algeria	2004	Call centre for mobile phone networks
LDFC (India)	Mauritius	2004	Business process outsourcing (BPO) centre
Hinduja (India)	Mauritius	2004	300-seat BPO centre for US insurance sector
Fujitsu (Japan)	South Africa	2004	Up to 1,000-seat IT help desk for Europe & BPO
Maximum CSC (US)	South Africa	2004	Back office support centre Dynamics (US)
		2003/4	1,000-job call centre and BPO centre for IT services
Omnicom (US)	Tunisia	2005	220-job technical support help desk for French market
Stream (US)	Tunisia	2004	BPO customer support centre for the French market
Webhelp (US)	Morocco	2005	3rd call centre in Morocco (120 jobs)
SITEL (US)	Morocco	2005	2nd call centre in Morocco
Noos (France)	Morocco	2004	Technical support centre
Dell Computer (US)	Morocco	2004	250-job customer and technical support centre
Telefonica (Spain)	Morocco	2004	3rd call centre in Morocco (500 jobs)
Arvato (Germany)	Morocco	2004	Call centre
ClientLogic (Canada)	Morocco	2004	450-job call centre
Percall (France)	Morocco	2004	2nd technical support centre in Morocco (30 jobs)
Amitelo (Spain)	Morocco	2004	Multilingual call centre and technology centre for MEA
B2S (France)	Morocco	2004	Call centre

Source: www.locomonitor.com