



INDUSTRY SITUATIONER

BPO industry to increase by huge 23.4% in '08 — study

By Bobbit Mariano

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(First of two parts)

The local business process outsourcing (BPO) industry is expected to increase by 23.4 percent or an estimated 129,000 seats this year according to Catriona Wallace, president of callcenters.net, a market research company.

In a presentation of Asia Contact Center Industry Benchmarking Report 2008 in Makati last Friday, Wallace said the growth of local BPO can mainly be attributed to Filipinos' language skills which is a key advantage.

"Your accent is more of American and neutral. You also have a highly educated population," she noted. About 14-percent increase was recorded between 2007 and 2008.

To have a continuing BPO growth in the Philippines, Wallace said there should be updated telecommunication infrastructure, political stability and skills. "The search for the right people with the right skills, however, still remains a major concern for Philippine-based call center" she said.

Wallace further commented "these results show that the Filipino contact center industry is leading the market in the region in this global trend of transitioning from cost to profit centers. The contact center is fast becoming an organization's most valuable revenue-generating asset and the result suggests that the Filipino industry recognizes this.

President Arroyo earlier projected a 40 percent growth in the country's BPO industry for 2008.

Speaking at the e-Services Global Sourcing Conference and Exhibition, Mrs. Arroyo said while the Philippines currently employ 300,000 persons in the BPO and contact center industry, she wants these increase by at least 40 percent to meet the growing demand worldwide.

She said the Philippines at present is only second to India in terms of supplying the workforce in the BPO industry, but it has already been recognized as the "premiere global destination for these types of IT-enabled services."

Wallace, on the other hand, stressed that the industry must continue to address its human resource challenges such as agent attrition. We are seeing some improvement in this with agent tenure in the Philippine increasing steadily, with the average time an agent remains working in center now being 22 months, up from 18 months in 2007.

The 2008 BPO industry report details results from contact center industries in Singapore, China, India, the Philippines, Malaysia and Thailand. The research, sponsored by Autonomy etalk and Genesys, involved interviewing 539 contact centers executives representing 2,488 contact centers and 259,699 contact center seats across Asia.

The study assessed contact center strategy, revenue generation, operations, human resource management, technology, customer service, channel management, outsourcing, key performance indicators and management challenges. A total of 87 Filipino-based organizations were involved in the study.

Results reveal that the Asian Contact Center Industry is in a period of transition from the provision traditional service and support to being service and sales or revenue generation focused.

(To be continued)

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