



OVERVIEW

THE PHILIPPINE IT-BPM INDUSTRY

February 2023

ROADMAP 2028 SPONSORS



Globe
BUSINESS

LEECHIU
PROPERTY CONSULTANTS



JPMORGAN CHASE & CO.



SM PRIME

THE PH ADVANTAGE: THE LEADING CHOICE FOR DELIVERING WORLD-CLASS IT-BPM SERVICES



NO. 1
CUSTOMER
EXPERIENCE

NO. 1
HEALTHCARE
SERVICES



NO. 1
EMPLOYEE
SATISFACTION
AT GIC



NO. 2
IT AND DIGITAL
SERVICES BY
SCALE



NO. 2
GICs BY
SCALE

FASTEST
GROWING
CREATIVES
INDUSTRY



1.5 M

Employed in
IT- BPM
services
industry

2nd LARGEST

Location for
delivery of IT-BPM
services

US\$ 31B

Annual revenue
from IT-BPM
services



Home to delivery centers of
top companies



Competitive cost-talent
arbitrage



Multiple well-
developed cities



Serving multiple different
industries and processes



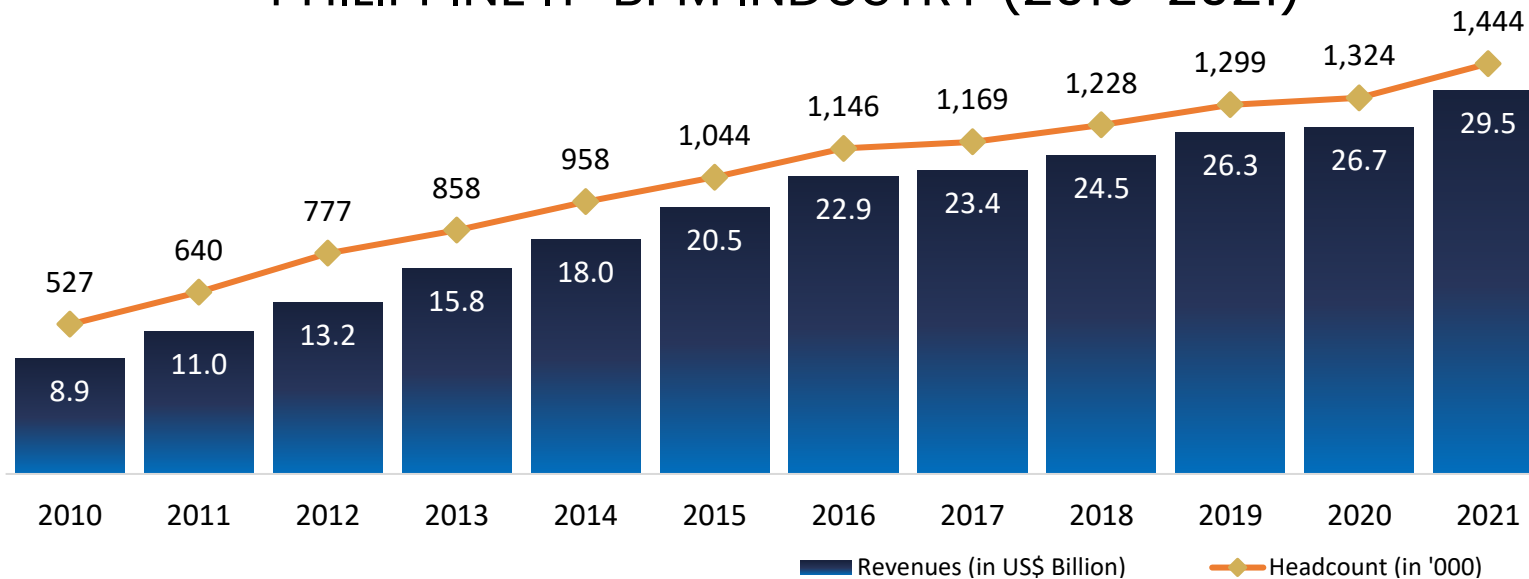
Robust ecosystem to support
global service delivery

THE PH ADVANTAGE: OFFERS A DISTINCT VALUE PROPOSITION FOR THE IT-BPM INDUSTRY



THE PHILIPPINE IT-BPM INDUSTRY HAS WITNESSED STRONG GROWTH, WITH REVENUE AND HEADCOUNT GROWING SIGNIFICANTLY OVER THE YEARS

PHILIPPINE IT-BPM INDUSTRY (2010-2021)



16-18% OF THE GLOBAL
MARKET SHARE



LARGE-SCALE &
SKILLED TALENT POOL



ATTRACTIVE COST
SAVINGS POTENTIAL



WORLD-CLASS
INFRASTRUCTURE



DIGITALLY-ENABLED
WORKFORCE



LEADER IN CREATIVE &
DESIGN SERVICES

2022 GROWTH FORECAST



HEADCOUNT
7%-8%



REVENUE
8%-10%

THE PHILIPPINE IT-BPM INDUSTRY

Supporting major geographies and industries across various functions



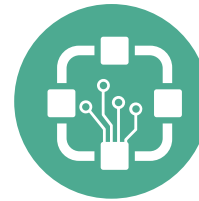
Contact Center



Business Process



IT-ADM



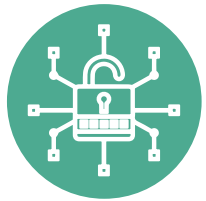
IT- Infra



Digital Services



Analytics



Cybersecurity



Healthcare



Corporate Functions



Industry-specific services

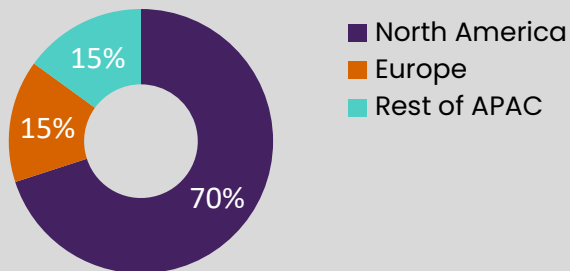


Animation



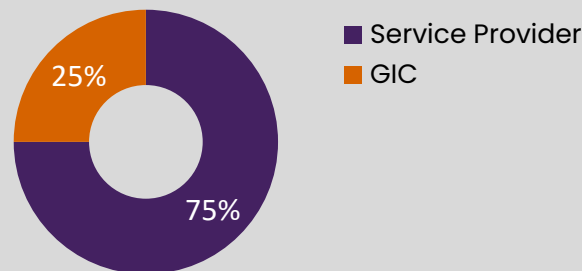
Game Development

North America continues to be the largest client geography for the country, driven by the Filipino talent's cultural affinity and neutrality of the Filipino accent



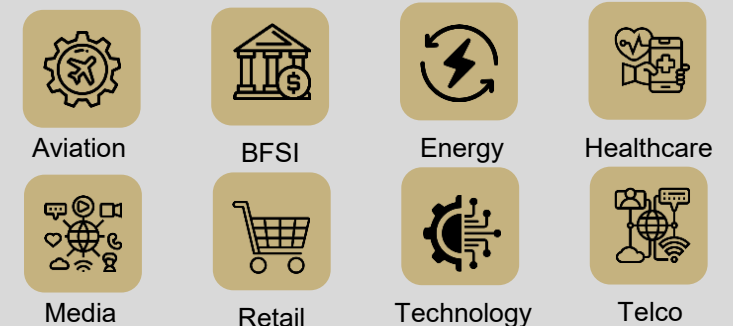
**PH IT-BPM KEY BUYER GEOGRAPHY
(AS % OF REVENUES)**

While predominantly a service provider driven industry, the Philippines has also been hosting a growing number of GICs from across the globe



PH IT-BPM SOURCING MIX

The Philippines boasts of a health mix of industries that it caters to with an in-depth domain knowledge



PH IT-BPM INDUSTRY MIX

THE PHILIPPINE IT-BPM SUBSECTORS

CONTACT CENTER & BUSINESS PROCESS



 **1.2 Million**
FTEs

- Omnichannel digital delivery of services
- Large talent pool with high English-proficiency and multilingual competence
- Growing non-voice and digital capabilities

GLOBAL SHARED SERVICES



 **220,000+**
FTEs

- Second largest GBS location based on headcount
- Provides high-value back office, voice and IT support functions
- Large presence of BFSI, Tech and Manufacturing captives

IT & SOFTWARE



 **170,000+**
FTEs

- Strong foundation in traditional IT services
- Steady supply of technical and engineering talent with high technical aptitude
- Supports US, EMEA and APAC markets

HEALTHCARE



 **170,000+**
FTEs

- One of the biggest and fastest growing offshore location for healthcare payer outsourcing
- Large pool of medical professionals, including US-licensed nurses
- Growing capabilities in high-value services

ANIMATION



 **5,000+**
FTEs

- Offers end-to-end creative (i.e., pre-production, production, and post-production) services
- Key clients include Walt Disney, Cartoon Network, DreamWorks, Nintendo and Warner Bros.
- Large pool of creative animators and game developers

GAME DEVELOPMENT



 **5,000+**
FTEs

THE PHILIPPINE ADVANTAGE

Strength beyond voice



Clinical Trial
Management



Patient
Care



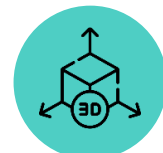
Pharmacovigilance



Medical
Billing/Coding



2D Animation



3D Animation



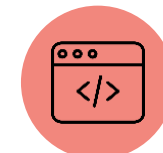
Game Quality
Assurance



System
Integration



Mobile App
Development



Software
Dev



Software
Quality Assurance



Legal
Research



Auditing



HR Services



Bookkeeping



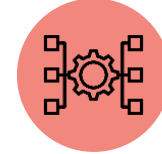
Content
Creation



Content
Moderation



Game
Development



IT
Infrastructure



Data
Science



Cloud
Computing



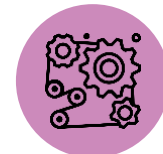
Cybersecurity



Financial
Reporting



Core
Banking



Engineering
Design



Payroll
Processing



Data
Analytics



Accounting



Asset
Management



Tax Reporting



Commercial
Mortgage



Social Media



Real Estate



Insurance
Administration



Financial
Analysis



Business
Intelligence



Inventory
Management



Market
Research



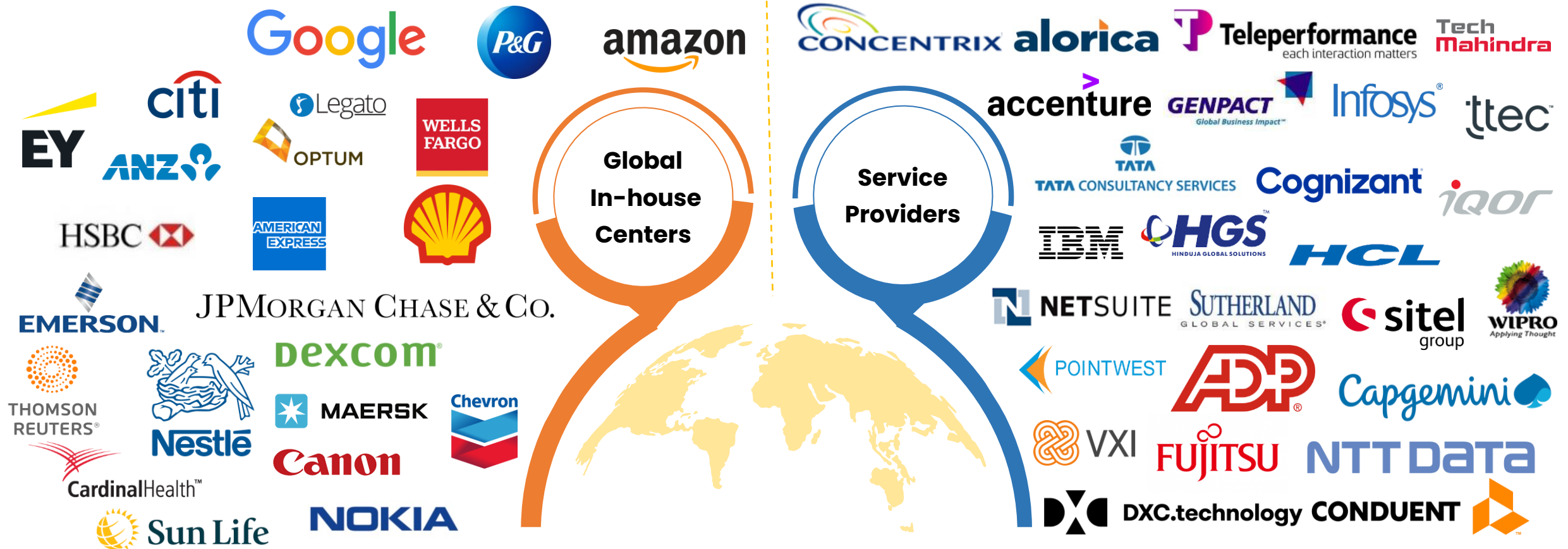
Claims
Management

- Animation
- Contact Center
- Game Development
- Healthcare
- Global Shared Services
- I.T. & Software

THE PHILIPPINE ADVANTAGE

The country hosts majority of the top firms across the world

IBPAP[®]
IT & Business Process Association
PHILIPPINES



Creatives: Animation and Game Development Services



Aiming
Global Service

FUNGUY
STUDIO

GAME OPS

level up

NI
NETWORKS

SYNERGY88

TOEI ANIMATION

TOON CITY
MORPH ANIMATION, INC.

TOP DRAW

TOP-PEG
animation and game development services

THE PHILIPPINE ADVANTAGE

Robust & Diverse Filipino Talent



PROFICIENCY AND LITERACY

- Among the most English-proficient countries in Asia, with 96% literacy rate
- With multi-lingual capabilities including Spanish, French, German, Italian, Mandarin, Japanese, Korean, and many more
- Digital savvy



STRONG AND SKILLED TALENT POOL

- One of the youngest population in Southeast Asia
- ~850K higher education graduates each year, ~4.4M enrollees, and ~2.4K Higher Education Institutions (HEIs)
- Top disciplines: Business admin and related; Education; Engineering; IT-related; Medical



AFFINITY WITH DIVERSE CULTURE

- Empathic and service-oriented
- Strong affinity to the North American market due to cultural and historical links

A ROBUST & DIVERSE TALENT POOL



1.45 Million
Senior High
School Graduates

Academic Year 2021-2022



2,396
Higher Education
Institutions (HEIs)



4.4 Million
HEI Enrollees

Academic Year 2021-2022



850K
Entry-Level
Talent Pool

DISCIPLINES WITH THE MOST GRADUATES

240K

BUSINESS
ADMINISTRATION

103K

ENGINEERING

87K

IT-RELATED DISCIPLINES

51K

MEDICAL & ALLIED

41K

HUMANITIES, ARTS,
SOCIAL SCIENCES

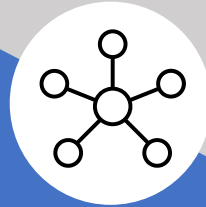
THE PHILIPPINE ADVANTAGE

Expanding infrastructure and strong linkages with government



REAL ESTATE AVAILABILITY

- The Philippines has a strong real estate infrastructure, with a total office space of over 17.4 million square meters and has been a key supporting infrastructure to the growth of the IT-BPM services industry.
- Philippine Economic Zone Authority (PEZA) zones have approximately 297 IT parks and centers which house over 1,200 IT-BPM companies



CONNECTIVITY

- Multiple public transport facilities like buses, minibuses, vans, and jeepneys are available to support connectivity by land.
- The Philippines also has a well-connected air transport network.
- The current administration has indicated its commitment to further improving connectivity in the country beyond the Metro Manila region.



RELIABLE AND REDUNDANT TELCO

- The Philippines is well connected through submarine cables as well as fiber optic networks, thus improving internet access, and speed and reducing latency.
- Over the last decade, the fixed broadband penetration (per 100 people) has become almost 4 times to reach 7.24 in 2020, against 1.87 in 2011.
- The government and largest telco players have taken measures to further strengthen the telco infrastructure



STRONG GOVERNMENT LINKAGES

- Close partnerships in various initiatives including education, locator support, and start-ups
- Constant communication with government officials and policy makers
- Countryside development such as the Digital Cities 2025

TRANSFORMING THE COUNTRYSIDE

Creating IT-BPM Hubs in Digital Cities Across the Philippines



TALENT
DEVELOPMENT



INSTITUTIONAL
DEVELOPMENT



INFRASTRUCTURE
DEVELOPMENT



MARKETING &
PROMOTIONS

METRO MANILA	BAGUIO CITY	 Centers of Excellence  Next Wave Cities™  digital cities 2025				
METRO CEBU	CAGAYAN DE ORO CITY					
METRO CLARK	DASMARINAS CITY	BALANGA CITY	ILIGAN CITY	MALOLOS CITY	ROXAS CITY	TAGBILARAN CITY
BACOLOD CITY	DUMAGUETE CITY	BATANGAS CITY	IRIGA CITY	METRO CAVITE	SAN FERNANDO, LA UNION	TARLAC CITY
DAVAO CITY	LIPA CITY	CABANATUAN CITY	LAGUNA CLUSTER	METRO RIZAL	SAN FERNANDO, PAMPANGA	TUGUEGARAO CITY
ILOILO CITY	NAGA CITY	DAGUPAN CITY	LAOAG CITY	OLONGAPO CITY	SAN JOSE DEL MONTE CITY	URDANETA CITY
	STA. ROSA CITY	GENERAL SANTOS CITY	LEGAZPI CITY	PUERTO PRINCESA CITY	TACLOBAN CITY	ZAMBOANGA CITY

THE PHILIPPINE IT-BPM INDUSTRY ROADMAP 2028 VISION

VISION

Become the world's #1 experience hub for digitally-enabled and customer-centric services while driving inclusive and sustainable economic and social growth for the Philippines.

GOALS & OBJECTIVES



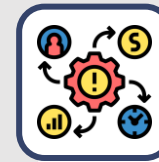
GROW TO

- **2.5 million FTEs** by 2028 (1.1 million additional jobs)
- **US\$59 billion annual revenue** by 2028



TRANSFORM TO

- **#1 experience destination** across CX, EX, and UX
- **High-complexity / high-skill** category jobs



CREATE IMPACT BY

- Driving **holistic and inclusive** economic and social growth
- Accelerating the **ESG agenda**

ACCELERATION LEVERS: THE PHILIPPINE IT-BPM INDUSTRY NEEDS TO DRIFT ON MULTIPLE ACCELERATION LEVERS IN ORDER TO ENSURE FAST-TRACKED AND SUSTAINABLE GROWTH

Acceleration level 1: Policy and Regulatory Support

OBJECTIVE:

Enable an enhanced business-friendly environment through unambiguous and relevant policies

INTERVENTIONS:

1. Enable **easier adoption of the hybrid model** through dedicated policies and uniformity of incentives
2. Ensure **cost competitiveness** of the Philippines by providing support through incentives/grants
3. Streamline regulatory compliance requirements and **improve ease of doing business** for IT-BPM companies

Acceleration level 3: Infrastructure Expansion

OBJECTIVE:

Promote development of enabling infrastructure for IT-BPM services in Metro Manila and the provinces

INTERVENTIONS:

1. Ensure **real estate development is in line with the industry** requirements in the new normal
2. Improve the **quality of telecommunication** infrastructure

Acceleration level 2: Talent Development

OBJECTIVE:

Ensure sustainable supply of skilled talent by revising the existing curriculum, introducing new and future-relevant educational courses, strengthening training programs, and proactively positioning IT-BPM as a preferred career option

INTERVENTIONS:

1. Upskill existing workforce and entry-level talent through a **national talent upskilling program**
2. Increase the capacity for **specialized degree courses**
3. Establish **early-stage interventions** to boost proficiency & employability of SHS and HEI graduates
4. Create an IT-BPM services **online talent hub**

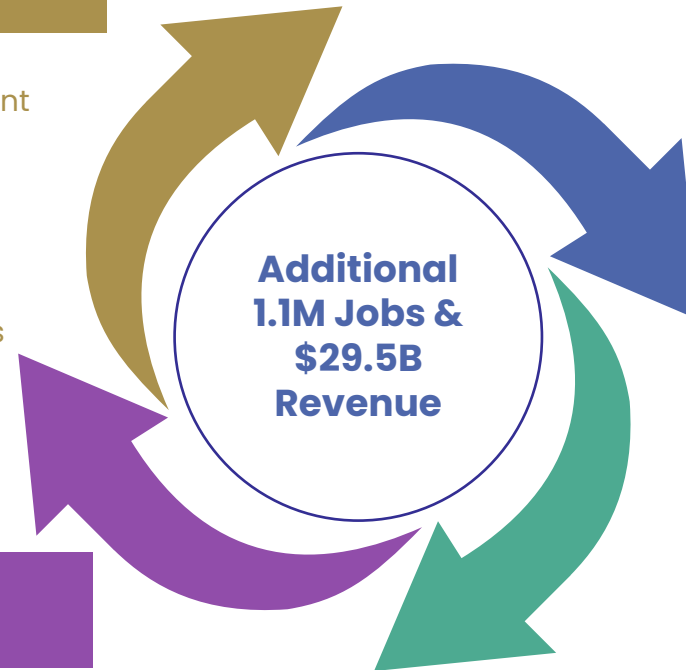
Acceleration level 4: Marketing and Brand Repositioning

OBJECTIVE:

Rebrand the Philippines as a provider of high value "experience" services and amplify marketing efforts (relaunch) to evangelize across stakeholders

INTERVENTIONS:

1. **Develop an enhanced value proposition** of the Philippines
2. **Propagate the enhanced value proposition** for prospective investors, employers, and employees



THANK YOU!

Reach out to us via info@ibpaphilippines.org.

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