



GLOBAL REACH. LOCAL EXCELLENCE

OFFSHORING AFRICA



Many businesses in markets, such as Europe and the USA, carry a large cost burden for their support staffing functions. This is often driven by the maturity of that market where salaries, rent and general cost of living are comparatively higher than other markets. In order to offset some of this cost burden organizations have looked to “offshoring” some functions to another country.

We see this regularly in the contact centre market where Asian countries have become powerhouses in voice based offshoring solutions.

WHY ARE BUSINESSES LOOKING TO AFRICA FOR OFFSHORING SOLUTIONS?

Offshoring's more technical description views it as; the outsourcing of non-core functions of your business to another country to leverage cost savings and promote scalability and flexibility. It is similar to traditional Business Process Outsourcing (BPO) but, this is not to be confused with offshoring. Outsourcing refers to making use of 3rd parties to perform business functions which can range from cleaning to consulting. However, offshoring leverages additional cost savings by making use of more affordable labor markets.

Through this pandemic South Africa has outperformed India, the Philippines, Malaysia, Poland, Egypt, and Northern Ireland, to take the top spot for the first time (2). According to the Annual Front Office BPO Omnibus Survey, this rating is based on the country's reputation as a **dependable, economical, and high-grade destination for business services**.

There is some skepticism from the experiences of "outsourcing" or "offshoring" in other markets (3). However, the recent pandemic has shown that having a global presence has meant that outsourcing concerns of quality control, taking local jobs, employee exploitations and general control issues have become less and less likely.

Having experienced a "work-from-home" market this almost serendipitous social experiment has shown that having virtual expert or skilled resources, even en masse, is doable and cost effective. Further still, countries like South Africa need the economic value that the opportunities bring as long as they come with fair and equitable wages. For example, companies choosing to make use of offshoring should align themselves with offshoring operations that adhere to and are awarded with the International Organization for Standardization (ISO) certifications (4). This is only one method for ensuring ethical, fair and economically beneficial operations.

Placement in the BPO survey means that South Africa has been graded as the top global location for business process services. The business services sector includes call centres, technical support, and back and front office services for multinationals and South African firms.

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South Africa has been consistently ranked as number two, globally, in the Ryan Strategic Advisory Annual Front Office BPO Survey (3 consecutive years). (1)
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Africa as an offshoring destination, is rapidly gaining market share due to the reasons shared in the infographic (right).

WHAT DOES OFFSHORING MEAN FOR TALENT IN THE REGION?

There are many benefits for skilled talent to consider an opportunity with an offshoring business:

- Working for an international company, with exposure to different ways of doing things and learn best practice
- Access to different types of training on skillset and systems including potentially travelling to the country of their employer for this training and upskilling
- Expands professional network
- It boosts the individuals CV for future roles, and makes the employee more valuable going forward
- Increases cultural awareness

PRI has opened a new division, **Gold City Offshoring** which offers BPO solutions to international and regional clients. Our international clients are already benefitting from as much as a 40% saving on salary cost alone. Additional cost savings are realized through other employment liabilities such as office rental, ICT, equipment and more. Gold City Offshoring operates from Grade A office space in Johannesburg with excellent internet connectivity, facilities and back up power.

WHAT DOES OFFSHORING MEAN FOR COMPANIES IN THE REGION?

Companies operating in Africa can also see great benefits from partnering with Gold City Offshoring to outsource functions to South Africa. There are a number of factors facing companies in Africa that may influence their decision to offshore to South Africa:

- Local specialist talent becoming increasingly expensive and hard to find
- This causes a reliance on expatriate recruitment which comes with a range of additional costs and liabilities including work permits, accommodation, relocation and USD linked salary
- South Africa has a wealth of locally based talent
- Additional costs such as office rental, internet connectivity and IT equipment are generally much cheaper in South Africa

Is it any wonder then, why we have looked into providing our clients this growing, viable and useful service under Gold City Offshoring!

OFFSHORING
AN AFRICAN SOLUTION



LANGUAGE
In Anglophone Africa English competency is generally quite high

TIMEZONE
More favorable than India / Philippines for Europe and Eastern USA



SKILLS
Generally good standard of education across Anglophone Africa and reflected in well developed workplace skills in a number of sectors (such as finance)



INFRASTRUCTURE
South Africa in particular has a very mature IT/technology infrastructure ensuring very good uptime and connection




COST
Efficiency on salaries, office rental and other sundries

Gold City Offshoring works in partnership with:



Business Process Enabling South Africa





EMPOWERING PEOPLE WITH DISABILITIES



GLOBAL REACH. LOCAL EXCELLENCE

PRI has been a pioneer, a point of reference and a job finder for people with disabilities (PWDs). Our Talent Management solutions showed that PWDs have interesting success rates.

After all, making job placements based on individual's abilities and interests in addition to technical needs, requires us to engage with organizations and encourage them to consider everyone equally. We take pride in our position of privilege, as we can offer expert inclusive hiring and human capital development advice.

Mozambique is still falling behind in employing PWDs. Even though approximately 2.6% of the population has been reported as having a disability (1). The World Health Organisation further states that about 40% of Africa's population has disabilities. As do 10 to 15% of school age children (2).

The Office of the Mozambican First Lady set out an initiative during the 2010 World Cup in South Africa, to send out a group of 70 skilled PWDs to South Africa and provinces around Mozambique on job assignments for the hospitality sector. Cinfortecnica (3) was the Mozambican organization behind the scenes, Lino Macamo, member of this association and our special guest for PRI Webinar on Special Talents (4) shared his experience:



If just more initiatives like this continue happening, we could be on to something. Deep down, PWDs are super talented people, all they need is to be trusted and given a room so they can compete on this new age of employment.

-Lino Macamo



PRI RECOMMENDS: PULSE ([HTTPS://OFFICEVIBE.COM/](https://officevibe.com/))

A short and easy method that gives valuable insights into the health and 'pulse' of an organization. Gives the freedom to measure in a scale of 1-10, what is important to the organization's priorities and goals, and the chance for a quick reaction to the feedback provided by their employees, this will create an environment where everyone feel valued and heard specially in these particular times we are living and working, mostly at a distance.

1. INE General Population Census 2017
2. The World Health Organisation
3. <https://www.facebook.com/cinfortecnica.mocambique.9>
4. <https://www.youtube.com/channel/UCwvYBjQjN8NTVhbKVpWNLAA>