



Selecting locations that will  
work for you, today  
& tomorrow  
**Focus Session**

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# Agenda

1. Mistakes that you don't want to make
2. How to select locations?
3. 'Best Practice' mix of locations
4. Proven, emerging destinations for the tough stuff
5. Will technology change siting requirements?
6. Any questions?

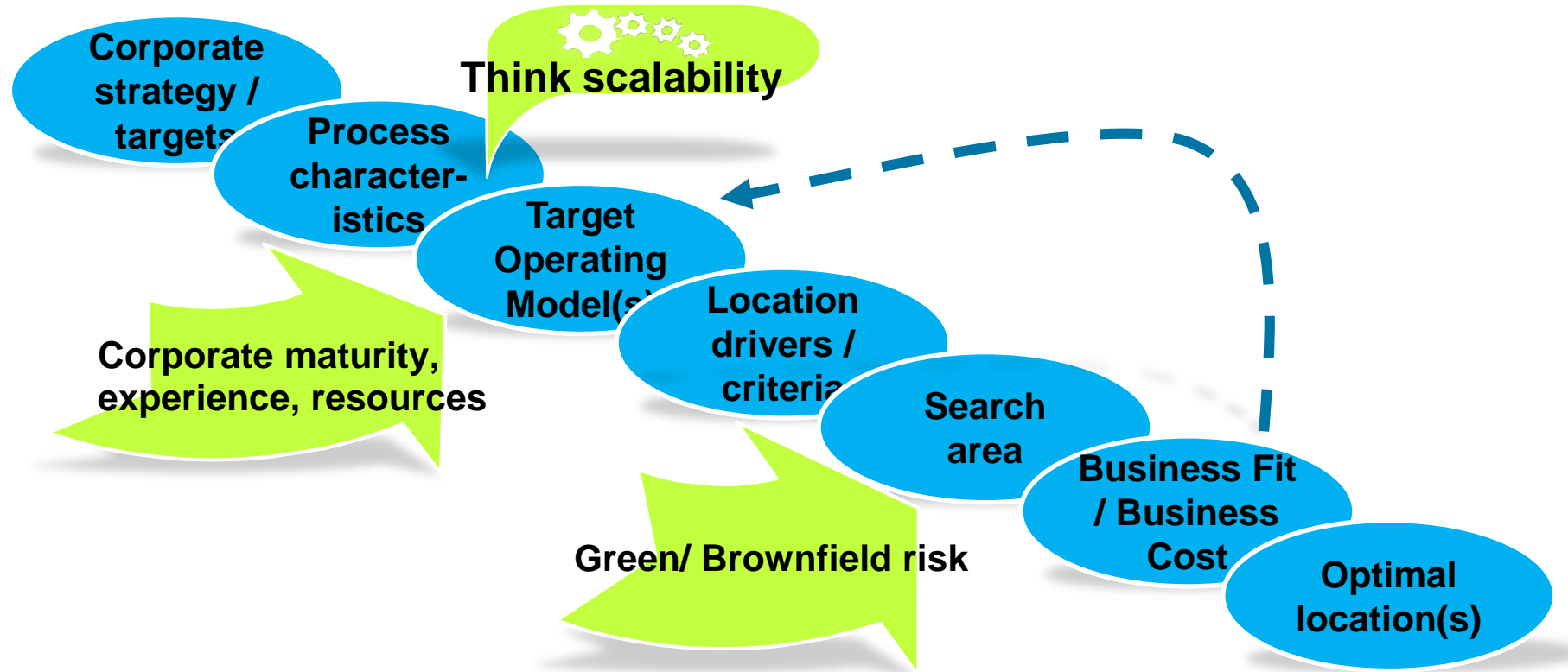
# 1. Mistakes that you don't want to make

- Starting to think of locations too late
- Making rushed & rash decisions
- Following the flow
- Stakeholder management
- Dealing with unions
- Not conducting a proper analysis on recruitment pools
- Underestimating the impact of micro-location selection
- Selecting a safe landing zone and then focus on cost



## 2. How to select locations? (1/2)

*"It's tough to make predictions, especially about the future"*



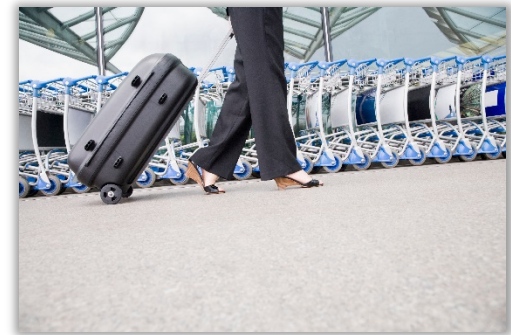
## 2. How to select locations? (2/2)

### *Renovate or relocate?*

Those that got it right the first time are off to a good start again

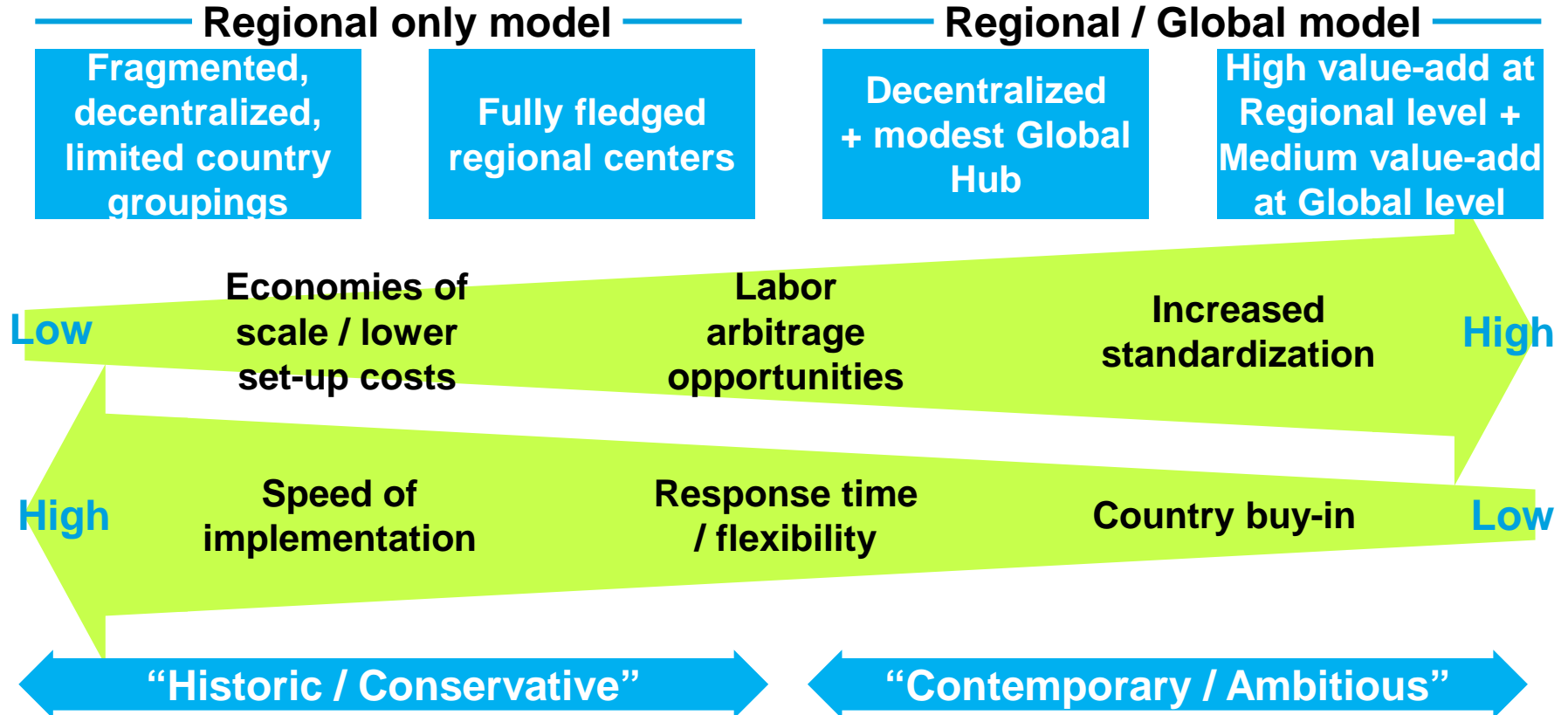
#### **Lessons learned from recent cases:**

- The power of reputation
- New “market maker” opportunities
- “Glocalise” job profiles
- Getting the right local leadership and empower them
- A Need for country-wide profiling
- Relocation packages needed
- ....



### 3. 'Best Practice' mix of locations (1/3)

*Options and characteristics*



### 3. 'Best Practice' mix of locations (2/3)

*GBS are more than Shared Services v 3.0*

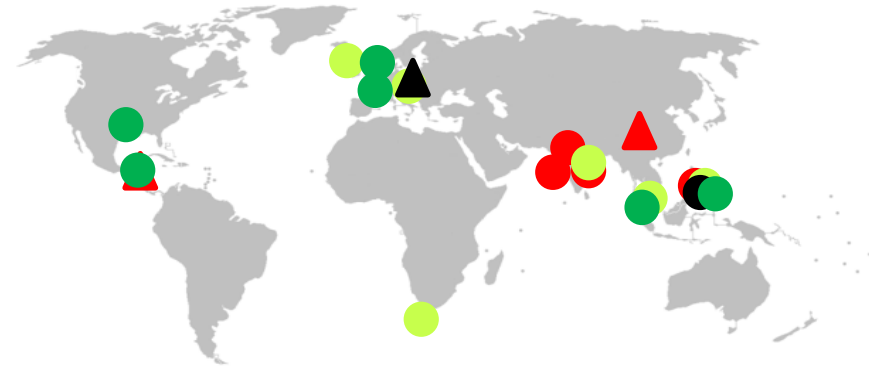
Differentiators	SSC	GBS
<b>Location Drivers</b>	<ul style="list-style-type: none"> <li>• Reduce cost</li> <li>• Increase control, alignment</li> <li>• Process scalability</li> </ul>	<ul style="list-style-type: none"> <li>• Increase alignment</li> <li>• Value creation, service, E2E support to the business</li> <li>• Functional scalability</li> </ul>
<b>Functions</b>	<ul style="list-style-type: none"> <li>• One, or a few</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-functional</li> </ul>
<b>Processes</b>	<ul style="list-style-type: none"> <li>• Significantly transactional / more script-based</li> </ul>	<ul style="list-style-type: none"> <li>• Significantly value-adding / increasingly knowledge-based</li> </ul>
<b>Staff Requirements</b>	<ul style="list-style-type: none"> <li>• Functional skills, more junior</li> <li>• Fewer FTE</li> </ul>	<ul style="list-style-type: none"> <li>• Analytical skills, experienced</li> <li>• More FTE</li> </ul>
<b>Geographical Reach</b>	<ul style="list-style-type: none"> <li>• Often determined by language needs</li> </ul>	<ul style="list-style-type: none"> <li>• Global</li> </ul>
<b>Key Location Criteria</b>	<ul style="list-style-type: none"> <li>• University graduates</li> <li>• Wage arbitrage</li> </ul>	<ul style="list-style-type: none"> <li>• Business-experienced resources</li> <li>• Accessibility</li> </ul>
<b>SSO Maturity</b>	<ul style="list-style-type: none"> <li>• Diverse maturity of centres and outsourcing across functions</li> </ul>	<ul style="list-style-type: none"> <li>• Global Business Services – integrated network of delivery</li> </ul>

### 3. 'Best Practice' mix of locations (3/3)

*SSO maturity, historical geographic footprint impact GBS location choice*

#### Tentative insights

- Apparently there is no single “best-in-class” TOM
- More mature SSOs are more prone to locate their GBS hub offshore...relative newcomers prefer Europe
- Companies with a historic multi-site SSO footprint evolve into integrated structure of CoEs



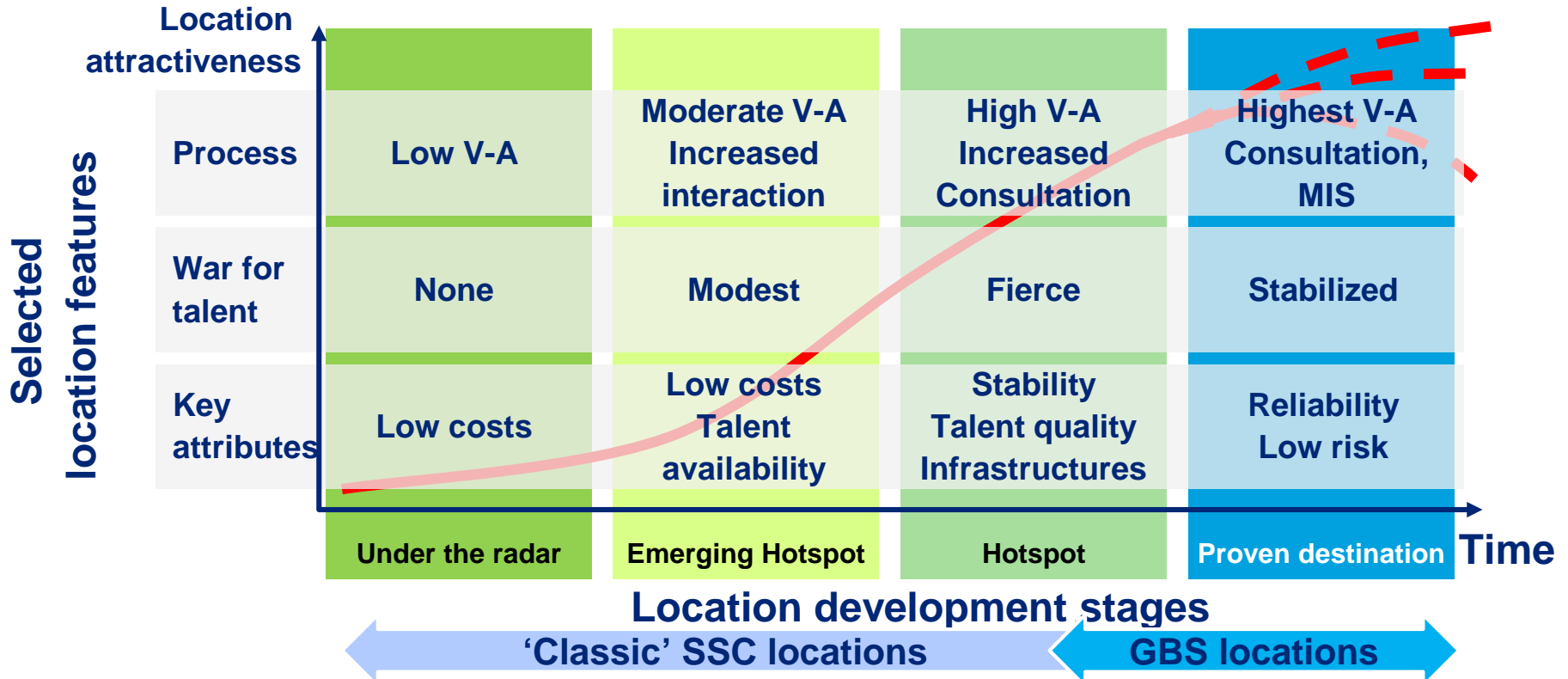
#### Some examples

- ▲ Transport company
- ▲ Energy company 1
- ▲ Energy company 2
- ▲ Consumer goods company 1
- ▲ Main / global hub ▲ Regional spoke



# 4. Proven, emerging destinations for the tough stuff

*Location dynamics ...*



# 5. Proven, emerging destinations for the tough stuff

*Process drives location*

## Traditional

- Barcelona
- Budapest
- Krakow
- Kuala Lumpur
- Mumbai
- Glasgow

- Greater Manila
- Greater New Delhi
- Prague
- Warsaw
- San Jose

## Emerging

- Belfast
- Bogota
- Cairo
- Chennai
- Istanbul
- Nairobi
- Pune

## 6. Will technology change siting requirements?

- Changes in location criteria?
- Changes in destination options?
- Death of distance?
- E-invoicing impacts
- The end of wage cost arbitrage?





Any questions?



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