

The CBI ITO/BPO Program 2005 – 2009

In the period 2005 – 2009 CBI offers ITO and BPO support programs in selected low cost countries. The two programs have similar structures but different target countries and target groups.

It is **IMPORTANT** to emphasize that the ITO and BPO programs are **SEPARATE AND INDEPENDENT PROGRAMS** with, as mentioned above, similarities in their structure and general criteria for participation but **DIFFERENT target countries**.

Our definition of ITO and BPO services

IT Outsourcing (ITO): delegating some (or all) of the IT functions to one or more external partner(s).

- ***Software related services:***
Service candidates are: coding, testing, localisation, re-engineering, maintenance, (web) application development, web site development, etc. Any or all parts of a SDLC, key process/practice area (engineering, project management, quality assurance) or product component which has to do with the design, creation, testing and maintenance of software code.
- ***IT infrastructure services:***
Service candidates are: remote maintenance and monitoring, product support (hardware, software), IT security, network monitoring and management, etc.
- ***IT Intensive Services (ITIS):***
Digitization, CAD/CAM, CAE, GIS, animation, graphics design, document/content management etc.

Business Process Outsourcing (BPO): delegating fully or partially of (non-core), IT intensive business functions to one or more external partner(s). Candidates include: finance/accounting, human resource management, payment services, customer care, supply management, marketing, transcription (medical, legal), back office operation, data entry etc. Please note that IT service providers are entirely excluded from here!

The objectives of the programs

- Assist service providers in low cost countries in order to build (and improve) marketable capabilities, services and European market knowledge;
- Provide knowledge transfer and business information on offshore outsourcing (training, information on markets, marketing, technology trends, processes, project management, competition, etc.)

- Identify and benchmark strong services providers in the target countries and introduce them on the European market
- Establish an integrated European marketing program for ITO and BPO service providers from the selected low cost countries
- Provide matchmaking and promotion opportunities
- Assist European service buyers in their offshore outsourcing buying decision and guide them through the whole outsourcing process from strategy formulation to finalizing a deal.

Target groups of the programs:

- Selected service providers in low cost countries
- Counterparts: business support organisations, industry associations in the target countries
- Service buyers in **selected European countries** and territories (UK, Germany, Benelux countries, Scandinavia)

Target countries for the **ITO Program**: Egypt, South Africa, Macedonia, Serbia.

Target countries **BPO program**: South Africa, India, Philippines

Service providers in low cost countries

There are a number of criteria companies in the target countries must meet in order to be considered to be invited to the program (depending on which program is active in a certain country).

General conditions to participate in the program

- at least 51% locally owned, or (co-) owners who reside in another developing country (excluding developing countries characterized as UMIC or higher*);
- 25 to 500 employees;
- no joint venture with a company based in a country with a classification of UMIC or higher;
- compliance or the willingness to comply with EU market requirements;
- no licensing commitments that prohibit or limit export possibilities of products to the EU
- competitive prices and sufficient capacity;
- a management which is able to communicate in English;
- the willingness and capacity to invest in adaptations of, for instance processes, if and as required by the European market.

What do we offer to service providers?

- Technical assistance, outsourcing audit and training by CBI
- EU market information and EuroITX.com registration (company profile, visibility, logo)
- A set of material
- EXPRO seminar in Rotterdam
- Co-financing quality certification
- Marketing activities in Europe
- Event participation (short workshop, conference, etc.)
- Selected companies are, however, **requested to:**
 - participate actively
 - pay Euro 1000,- commitment fee. The fee is due after the first Technical Assistance mission and only if the company decides to further participate in the program.
 - link to the EuroITX.com web site
 - Provide material to the EuroITX.com web site

Counterparts

In every low cost country, participating in the programs, we work together with one or more counterparts.

Our counterparts are usually industry associations, government institutions or chamber of commerce. In any case an organisation which has very good relationship and insight of the sectors and they also play an important role in the sector development. We encourage cooperation among all local stakeholders of sector development in order to maximise the impact of our programs. During the programs we also build a map of local initiatives which support the ITO and BPO sectors locally. We encourage our counterparts to sign an MoU with CBI.

Characteristics of our counterparts

- has broad industry knowledge and contacts
- accepted by the companies within the sector
- plays an active role in the sector development
- has good contacts with other industry stakeholders (government, industry associations, donors, etc.)

What do we offer to our counterparts?

- Seminars and training in Rotterdam (depending on availability, see www.cbi.nl)
- Capacity building and consultancy on-site
- Training
- Market and business information

What are the roles of our counterparts?

This is a very common question. Our counterparts implement and monitor the program, companies and sector development locally.

The roles and activities of our counterparts:

- coordinate and support activities
- pre-select companies to be visited by the CBI consultant (and make appointments for the company visit)
- organise logistics (make hotel reservations for CBI consultants, provide local transport)
- Organise training programs, workshops locally. When CBI delivers a training program locally, we ask our counterparts to organise it: provide venue, presentation equipment, publicity for the training and invite participants.
- follow-up with the selected companies
- regularly contact the selected companies
- promote the CBI ITO/BPO Program (web site, press coverage, articles, etc.)
- provide material to EuroITX.com

Service buyers in Europe

What do we offer to service buyers?

- Consulting services supporting the whole offshore life cycle process (OLCP)
- Outsourcing and market information
- Custom market research
- Matchmaking services
- Country information on our target countries

The structure of the Programs

Phase 1. Identification (January – June 2005)

During the identification phase CBI consultants, supported by the local SIPPO representative in Macedonia, will visit Macedonia and assess a number of companies. We ask our counterparts to recommend companies to be visited as well as pre-select companies for assessment. During the introductory workshop companies can also make site visit appointments with our counterpart.

Activities during Phase 1:

- Counterpart selection
- Needs assessment
- Short workshop on the latest market trends and the CBI sector support program
- Company visit and pre-selection
- Meeting with industry stakeholders

It is important to emphasize that the introductory workshop is open to any interested company or individuals! Any company that feels to meet the general CBI selection criteria can send their registration forms (see below) to either our counterpart in the country or directly to euroitx@euroitx.com. Companies which would like to be considered to participate in the program(s) must submit the following documents (before a company visit takes place):

- Company profile sheet (provided by CBI)
- Self-rating sheet (provided by CBI)

The above forms are downloadable from

www.euroitx.com/content/ict_program.php

can be requested from CBI (euroitx@euroitx.com) or from our local counterparts. Based on the submitted information (and the recommendation of our counterpart) decision is made if the CBI consultant will **visit** the company or not. During the company visit key issues are discussed briefly. Before the company visit takes place CBI provides guidelines on preparing for the company visit.

As a result of the submitted information and the company visit CBI decides if the company will be invited to participate in the program or not. In either case the company will be notified.

Before a CBI consultant visits a country our counterpart is requested to organise the workshop, pre-select companies to be visited as well as make appointments with companies and industry stakeholders.

Phase 2. Technical Assistance (September 2005 – March 2006)

If a company was visited during Phase 1. and CBI invites the company to participate in the program (and the company accepts the invitation);

- A Letter of Commitment (LoC) is signed
- commitment fee must be paid by the company (after the first TA mission)
- link to EuroITX.com must be established
- the company profile is made available at EuroITX.com

During Phase 2. CBI will deliver a few training programs. These training programs are open for any interested company but the selected companies (Phase 1.) must participate.

The CBI consultant will also visit the selected companies and company audit will be carried out. The basis of the company audit are the documents submitted by the company in Phase 1. (pre-selection checklist, self-rating sheet) and the report on the first company visit.

As a result of the company audit:

- the company will receive the consultant's report
- the consultant and the company will agree on possible follow-up activities and deadlines
- the company will prepare a detailed Action Plan

Phase 3. Preparation (November 2005 – December 2006)

Selected companies only enter this phase if;

- Action Plan was submitted and finalised. The AP evaluation result is positive and the company shows strong commitment.
- The overall CBI evaluation of the company is positive

During this phase selected companies carry out their Action Plan (finalised in Phase 2.) and prepare a draft European Market Entry Strategy document.

The CBI consultant will visit the selected companies and further audit will take place. CBI (and our local counterpart) will also monitor progress regarding the execution of the Action Plan and the preparation of the MES document.

CBI provides assistance to companies as needed. During the country visits CBI will deliver shorter workshops which are open to any interested company but selected companies must participate.

In the 3rd quarter of 2006 an EXPRO seminar will be offered to participating companies in Rotterdam. The majority of the costs will be born by CBI. However, the conditions for participation are;

- Action Plan is ready and implementation progress evaluation is positive
- Draft MES document is submitted before deadline and evaluation is positive
- CBI evaluates the company and the participation of the company positive

At the end of Phase 3. CBI will evaluate the participation and progress made of each company and will decide if the company continues to Phase 4. or not.

Phase 4. European marketing (October 2006 – September 2008)

Various activities will take place in the Marketing phase.

Throughout the whole program (every year) various IT and BPO events will be visited by CBI consultants. This might also include event sponsorship. Seminars and trade fairs proved to be excellent opportunities for promotion.

Phase 4. will include the following activities;

- Promotion via EuroITX.com
- Attending seminars and events by participants - with CBI support (**entry criteria**: active participation, positive CBI evaluation)
- Event sponsorship by CBI and SIPPO. SIPPO and CBI will support, with small shares, the MASIT collective stand at SYSTEMS 2005 and 2006. SIPPO will support some selected Macedonian companies recommended by CBI, involving them at SIPPO collective stand at CeBit.
- Advertisements
- Direct mailing and press releases

Beside promotion activities CBI and SIPPO (depending on conditions and resources) will co-finance quality certification as well (**entry criteria**: active participation, positive CBI evaluation).

EuroITX.com

For the CBI ITO and BPO programs we have created a web site at;

www.euroitx.com

The site is one of the most complete and up-to-date European information source on offshore outsourcing. It also provides essential information for our partners on the European offshore outsourcing market, management issues, market entry tools, outsourcing processes, best practices and research papers. All our partners are also registered in the vendor marketplace.

CBI: Your European partner for the European market

The CBI (Centre for the Promotion of Imports from developing countries) is an agency of the Dutch Ministry of Foreign Affairs. The CBI was established in 1971. The CBI's mission is to contribute to the economic development of developing countries by strengthening the competitiveness of companies from these countries on the EU market. The CBI considers social values and compliance with the most relevant environmental requirements to be an integral part of its policy and activities. CBI offers various programmes and services to its target groups:

Market information

A wide variety of tools to keep exporters and Business Support Organisations (BSOs) in developing countries in step with the very latest development on the EU market. These include market surveys and strategic marketing guides for more than 40 product groups, manuals on export planning and other topics, fashion and interior forecasts and the CBI News Bulletin, a bi-monthly magazine. This information can also be obtained from our website at **www.cbi.nl** For all information on non-tariff trade barriers in the EU CBI has a special database, AccessGuide, at **www.cbi.nl/accessguide**. And finally CBI's Business Centre is offering free office facilities, including telephones, computers, internet and copiers for eligible exporters and BSOs. Market reports, international trade magazines, cd-roms and much more can be consulted in the information section of the business centre.

Company matching

The company matching programme links well-versed suppliers in developing countries to reliable importing companies in the EU and vice versa. The online matching database contains profiles of hundreds of CBI-audited and assisted exporters in developing countries that are ready to enter into various forms of business relationships with companies in the EU, as well as many EU companies interested in importing or other forms of partnerships such as subcontracting or private labelling.

Export development programmes (EDPs)

EDPs are designed to assist entrepreneurs in developing countries in entering and succeeding on the EU market and/or in consolidating or expanding their existing market share. Selected participants receive individual support over a number of years by means of on site consultancy, training schemes, trade fair participation, business-to-business activities and general export market entry support. Key elements usually include technical assistance in fields such as product adaptation, improving production, implementing regulations and standards and export marketing and management assistance.

Training programmes

Training programmes for exporters and BSOs on, among others, general export marketing and management; trade promotion; management of international trade fair participations and developing client-oriented market information systems. The duration of the training programmes vary between two days and two weeks and are organized in Rotterdam or on location in developing countries.

BSO development programme

Institutional support for capacity building for selected business support organisations. The programme is tailored to the specific needs of participating BSOs and can include train-the-trainer assistance, market information systems support and staff training. CBI's role is advisory and facilitative.

More information on CBI can be obtained at;

www.cbi.nl