



Building Digital Cities

# DIGITAL TRANSFORMATION & THE IT-BPM INDUSTRY

*JULY 20, 2022*







The IT and Business Process Association of the Philippines (IBPAP) is the enabling organization of the IT and Business Process Management (IT-BPM) industry in the Philippines. Founded in 2004, it serves as the one-stop information and advocacy gateway for the industry.

**IBPAP**<sup>®</sup>  
IT & Business Process Association  
PHILIPPINES

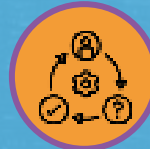
# GLOBAL IT-BPM INDUSTRY: 2021 & THE WAY FORWARD

## 2021 GLOBAL IT-BPM INDUSTRY GROWTH



-  Positive Enterprise Sentiment
-  Pent-Up Demand
-  Vaccine Rollout
-  Digital Acceleration
-  Fiscal Stimulus Across Multiple Geographies
-  Need for Cost Optimization

## Forces that will drive the growth of the global services industry in 2022.

-  Continued growth across industries.
-  Rising next-generation business models and assets.
-  Increased digital adoption among traditional players.
-  Talent shortage in onshore geographies.
-  Demand from GBS organizations
-  Inflationary pressures on enterprises.

# AN INDUSTRY IN RESURGENCE

## Exceeding 2022 Targets

### 2021 PHILIPPINE IT-BPM INDUSTRY GROWTH

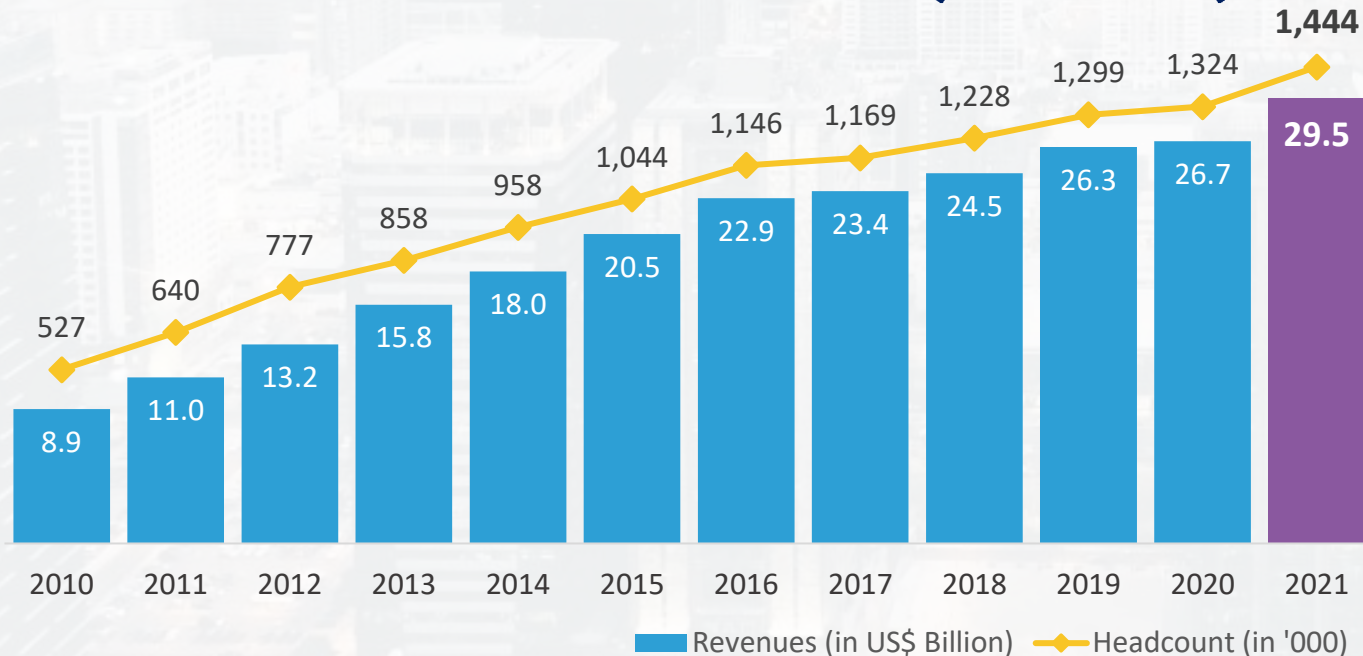


**HEADCOUNT**  
**9.1%**



**REVENUE**  
**10.6%**

### PHILIPPINE IT-BPM INDUSTRY (2010-2021)



Pent-Up Demand



Higher Confidence in the  
WFH Model



Growth in E-Commerce,  
Fintech, Healthcare,  
Technology, etc.



# A PILLAR OF THE ECONOMY

## Driving Investments, Employment & Real Estate



### INVESTMENTS

IT-BPM IS THE **SECOND LARGEST INDUSTRY IN PEZA** WITH **PHP328.6 BILLION IN INVESTMENTS**.



**12.33% of Total PEZA Investment**

**Almost 970K Direct Jobs Generated**

SOURCE: PEZA



### EMPLOYMENT

THE IT-BPM INDUSTRY **CONSISTENTLY RANKS** AMONG THE **LEADING SECTORS OFFERING JOBS** NATIONWIDE.

#### MOST IN-DEMAND ROLES:



CUSTOMER SERVICE



IT



DATA ANALYTICS



FINANCE



HEALTHCARE BPO

SOURCE: DEPARTMENT OF LABOR & EMPLOYMENT



### REAL ESTATE

THE SECTOR REMAINS TO BE THE **FUNDAMENTAL CATALYST** OF THE REAL ESTATE INDUSTRY, ACCOUNTING FOR **153K SQM.** OF DEMAND FOR H1 2022.

*"The BPO industry has changed dramatically the countryside development not only in mature provinces like Cebu, (and) Davao but also nearby islands in the Visayas and Mindanao..."*

SOURCE: LEECHIU PROPERTY CONSULTANTS

# A CATALYST FOR INCLUSIVE GROWTH

## Encouraging Development in the Countryside

**FROM THIS...**



**... TO THIS**



Back in 2016, employment outside NCR was just around 270K or 24%.



By year-end of 2021, close to 420K or 29% of total industry workforce are located in the countryside.



In-demand provincial locations: Bacolod, Cebu, Clark, Davao, Iloilo, etc.



# TRANSFORMING THE COUNTRYSIDE

## Creating IT-BPM Hubs in Digital Cities



**TALENT  
DEVELOPMENT**



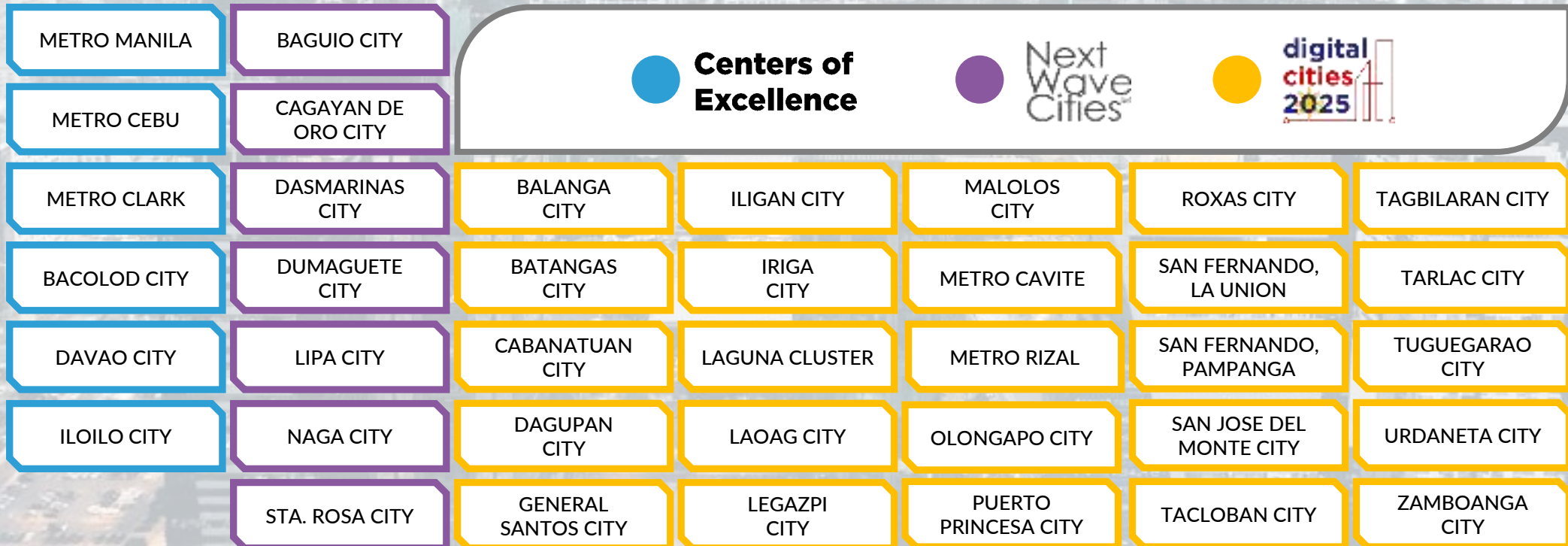
**INSTITUTIONAL  
DEVELOPMENT**



**INFRASTRUCTURE  
DEVELOPMENT**



**MARKETING &  
PROMOTIONS**



# BUILDING BETTER BUSINESS

## Resilient, Adaptive & Diverse



### REBUILDING SUPPLY CHAIN RESILIENCE

THE ONGOING **WAR ON TALENT** IS EXACERBATED BY **HIGHER ATTRITION RATES** AND GROWING **DEMAND FOR EMERGING AND NICHE SKILLS**.



### ADOPTING HYBRID WORK MODELS

**70%** OF GLOBAL IT-BPM COMPANIES PLAN ON IMPLEMENTING **HYBRID WORK ARRANGEMENTS**.

**80%** OF FILIPINO IT-BPM WORKERS PREFER A **HYBRID WORK MODEL OVER RTO**.



### ACHIEVING ROBUST BCPs

LEVERAGING OFF **ALTERNATIVE LOCATIONS** AND ADOPTING **MICROSITES** TO **ENABLE WFH** AND REACH **UNTAPPED TALENT**.

# EMERGING WORKPLACE MODELS

## Greater Opportunities for Tier 2/Tier 3 Cities



### DELIVERY CONSTRUCT

#### NETWORK OF INDIVIDUAL SITES

Multiple centers assigned by countries or groupings to support local demand.

#### REGIONAL

Centers organized to support regional demand.

#### HUB & SPOKE

- **Hub (Primary Sites)**  
Typically support multiple functions or large scale 1-2 functions.
- **Spoke (Secondary Sites)**  
Complement hubs (niche skills / language / timezone / client proximity / risk diversification).

#### HUB, SPOKE & SATELLITE

- Additional satellites along with a WFH delivery construct in addition to the hubs and spokes.
- **Satellites (Tertiary Sites)**  
Smaller distributed centers (e.g., office pods / shared workspaces) located in key talent hubs.
  - **WFH / WFX**  
Remote working, either permanently or part time, with / without corporate physical presence.



# THANK YOU!

Stay connected with us through [info@ibpap.org](mailto:info@ibpap.org).

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## PLATINUM CLUB

