

THE BIG PH IT-BPM LEAP

The Philippine IT-BPM Industry
Roadmap 2028



ROADMAP TO 2028: IT & BUSINESS PROCESS MANAGEMENT

August 2023

ROADMAP 2028 SPONSORS



THE PHILIPPINE IT-BPM INDUSTRY: BY THE NUMBERS

The preferred destination of choice for delivering IT-BPM services

1.6M



Talent Force
(2022)

18%



Global IT-BPM
Market Share

\$32.5B



Revenues
Generated
(2022)

#1



In Customer
Experience

#1



In Healthcare
Services

#1



In Employee
Satisfaction
Among GICs

#2



In IT & Digital
Services by Scale

#2



GICs by Scale

15%



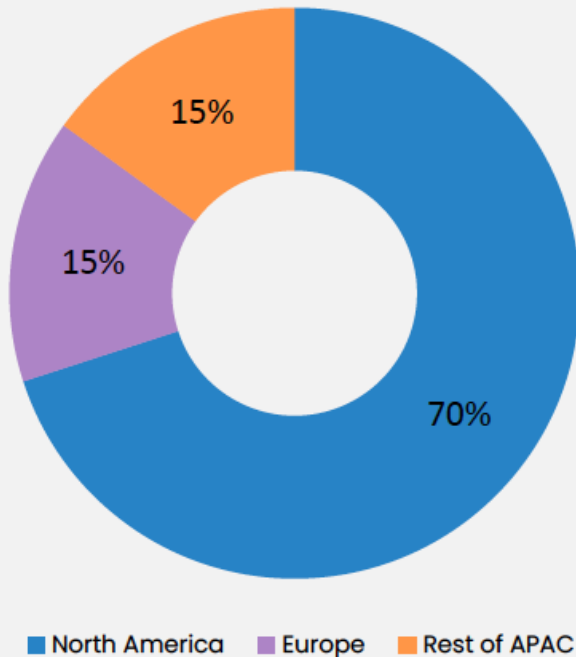
Fastest Growing
Creatives Industry

THE PHILIPPINE IT-BPM INDUSTRY

Supporting major geographies and industries across various functions

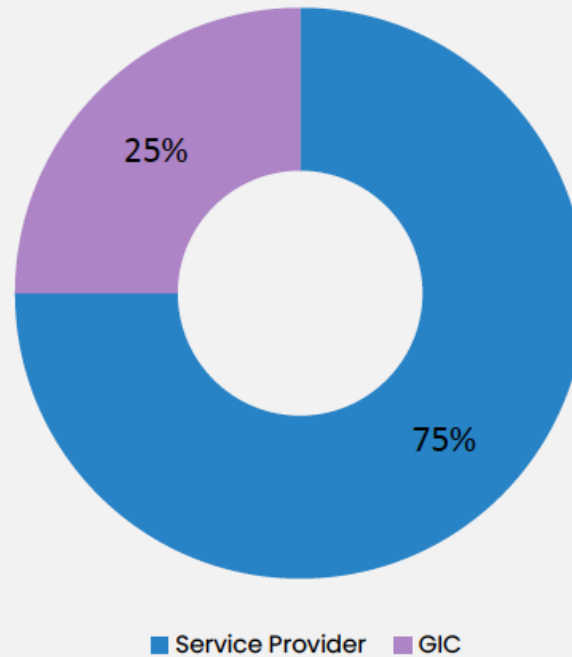
North America continues to be the largest client geography for the country, driven by the Filipino talent's cultural affinity and neutrality of the Filipino accent

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



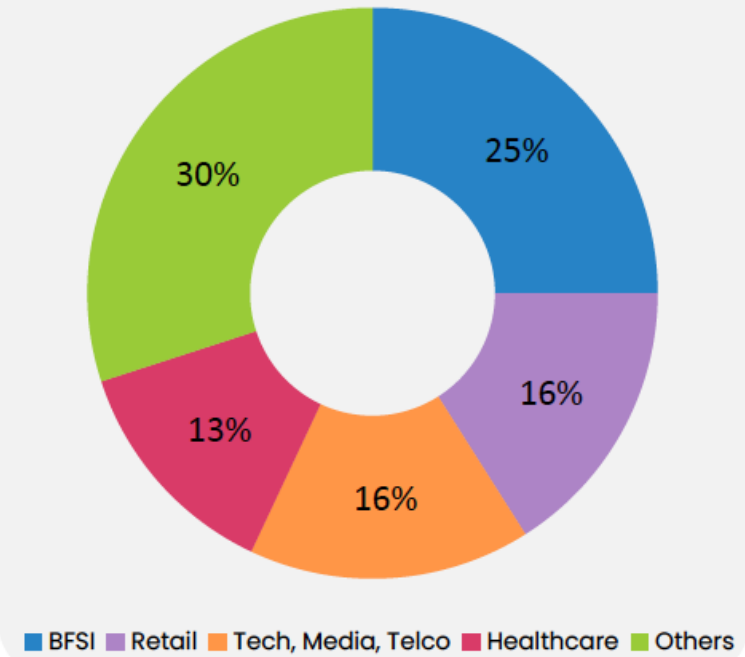
While predominantly a service provider driven industry, **the Philippines has also been hosting a growing number of GICs** from across the globe

PH IT-BPM SOURCING MIX



The Philippines boasts a wealth of industry expertise, with strengths in the BFSI and healthcare sectors

PH IT-BPM INDUSTRY MIX



STRENGTH BEYOND VOICE

Offering both transactional and complex voice and non-voice services



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

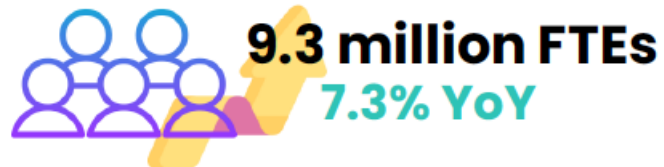
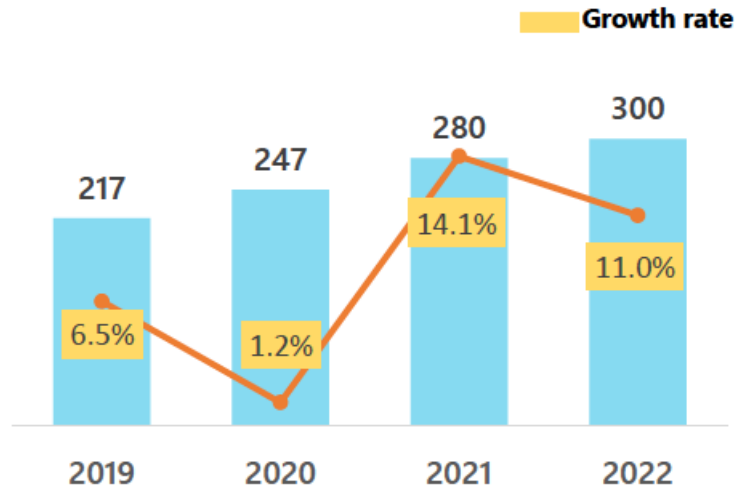
IT-BPM INDUSTRY PERFORMANCE IN 2022

The industry is normalizing to pre-pandemic levels



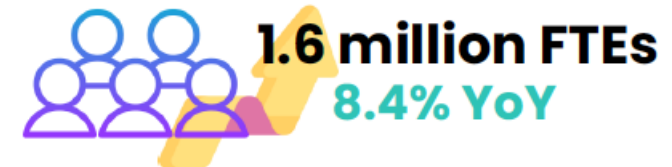
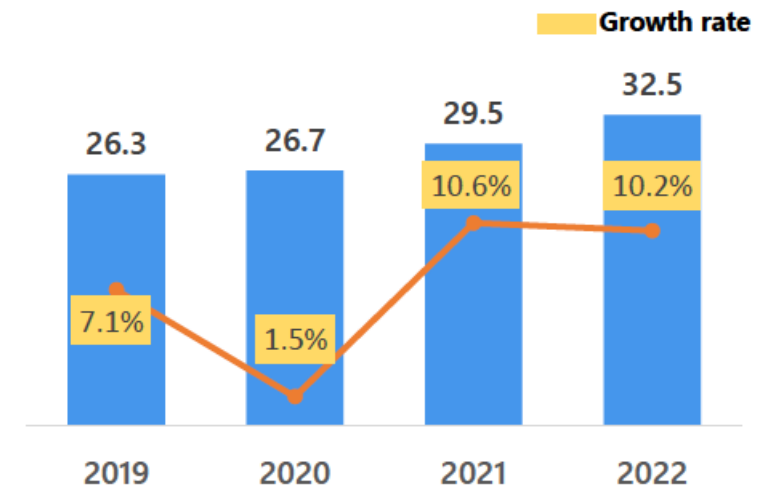
Global IT-BPM Industry Performance

Revenues (US\$ Billion)



Philippine IT-BPM Industry Performance

Revenues (US\$ Billion)



KEY INDUSTRIES DRIVING GROWTH IN 2022



TECH



RETAIL



HEALTHCARE



BFSI



TELCO

The Philippine IT-BPM industry is expected to remain resilient in 2023 despite the prevailing macroeconomic uncertainties

2023 Philippine IT-BPM Industry Forecast



HEADCOUNT
1.7 Million



REVENUES
US\$35.9 Billion

Source: ROADMAP 2028

What is your company's growth outlook for 2023?

HIGHLY OPTIMISTIC

51%

SOMEWHAT OPTIMISTIC

32%

NEUTRAL

17%

Source: IBPAP SURVEY (2023)

Key Growth Drivers of the Global Services Industry



Sustainable **cost optimization opportunities** from offshoring & nearshoring.



Rising **next-generation business models** and assets



Changing nature of demand of services.



Talent shortage in onshore geographies.



Differentiated work model strategies across geographies

Source: ROADMAP 2028

THE ROADMAP 2028 VISION

The six-year blueprint of the Philippine IT-BPM industry

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

- Add **1.1 million** new jobs to reach **2.5 million FTEs** by 2028
- **US\$59 billion annual revenue** by 2028



TRANSFORM

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



CREATE IMPACT

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

ROADMAP 2028 ACCELERATION LEVERS

Multiple levers is needed to ensure fast-tracked and sustainable growth

Acceleration level 1:

Policy & 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:

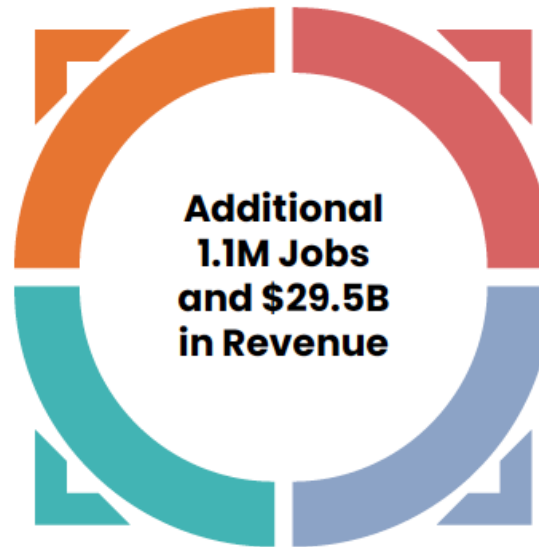
Infrastructure Expansion

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 & 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

Trends in IT-BPM

- Transition to more advanced digital technologies
- Migration to cloud infrastructure services
- Strengthening cybersecurity posture and data security policies
- Shift to hybrid working arrangements and reduced reliance on large brick-and-mortar offices

Impact of Data Localization

- Increase in cost of services
- Risk and compliance burden
- Risk to cybersecurity
- Disaster recovery and redundancy
- Global deals will need to be reviewed and restructured