Colliers Strategy & Innovation team recently studied global markets best suited for a 500 to 1,000-person Business Process Outsource (BPO)/customer service center operation. We continually see opportunities to advise our clients on optimization of their footprint or, as we call it, the “Place Strategy.” Our focus for this white paper was on markets that maintained and demonstrated an economic environment supportive of a BPO or a technology industry employment base by multinational companies. An additional important factor in our analysis was strong English and Spanish language competency within the available labor force.

**Scorecard Approach**

We developed critical criteria based on the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor (25%)</td>
<td>Skill Indicators</td>
<td>Suitability of labor/talent pool</td>
</tr>
<tr>
<td></td>
<td>Scale</td>
<td>Capacity indicators for 1,000 customer service employees with language skills/flexibility to grow</td>
</tr>
<tr>
<td>Operating Cost (25%)</td>
<td>Labor</td>
<td>Payroll costs</td>
</tr>
<tr>
<td></td>
<td>Occupancy</td>
<td>Facility and business operation-related costs</td>
</tr>
<tr>
<td>Operating Environment (25%)</td>
<td>Labor Regulation</td>
<td>Flexibility and costs of hiring and terminating workers</td>
</tr>
<tr>
<td></td>
<td>Business Climate</td>
<td>Government bureaucracy and transparency, Geopolitical risk, Broad tax impacts</td>
</tr>
<tr>
<td>Infrastructure (25%)</td>
<td>Infrastructure Resilience</td>
<td>Risks to business disruption</td>
</tr>
</tbody>
</table>
The southwestern region scored the highest given the strong balance of labor quality, cost and accessibility. The markets identified have a track record for outsource operations coupled with ample labor pools to support the scale we defined.

The results initially produced a host of markets, and we determined that each needed to be multilingual with a reasonable share having bilingual capabilities, including English.

The resulting short list of locations for comparative analysis included:

- **Country-level factors** (regulatory, tax, risk resilience, geopolitical factors)
- **Market-level factors** (demographics, industry clusters, labor costs, real estate costs, access)
- **Our internal experience and insights**

### RANKING

**USA Region**

1. **El Paso, TX**
   
   “Labor supply is abundant and buoyant.”

2. **McAllen, TX**
   
   “Second-lowest overall costs.”

3. **Tucson, AZ**
   
   “Established location with proven call center track record.”

4. **Yuma, AZ**
   
   “Provides the low labor cost solution, with the trade-off of market scale and quality challenges.”

5. **Albuquerque NM**
   
   “Focused on more sophisticated customer service solutions.”

**Summary of our Findings:**

“The southwestern region scored the highest given the strong balance of labor quality, cost and accessibility. The markets identified have a track record for outsource operations coupled with ample labor pools to support the scale we defined.”
Summary of our Findings: Latin America Region

RANKING

1. Guadalajara, MEXICO
   “Lengthy track record and bilingual scale.”

2. Medellin, COLOMBIA
   “Developing, scalable and lower-cost solution across the BPO and call center space.”

3. Bogota, COLOMBIA
   “15-20% higher labor costs than Medellin, but shares many of same attributes.”

4. Buenos Aires, ARGENTINA
   “Offers a huge and deep talent pool and likely scalable for several European languages.”

5. San Jose, COSTA RICA
   “Small scale and popular, though sizable talent base and excellent track record.”

6. Panama City, PANAMA
   “Lower-cost location, but may not be scalable and sustainable long term.”

“The emphasis in Latin America today is identifying those multilingual populations that have not been oversubscribed and can support the appropriate scale. Emerging markets in Colombia and Panama are beginning to compete with the traditional markets.”
Summary of our Findings:
Asia Pacific (India/SE Asia)

<table>
<thead>
<tr>
<th>RANKING</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Jaipur, INDIA</td>
<td>“Recently developed into a location that meets the criteria for a global requirement of this nature.”</td>
</tr>
<tr>
<td>2.</td>
<td>Cyberjaya, MALAYSIA</td>
<td>“Planned and established media, services, IT corridor between Kuala Lumpur and international airport.”</td>
</tr>
<tr>
<td>3.</td>
<td>Chandigarh, INDIA</td>
<td>“Western-oriented, secure, attractive city, with good infrastructure, though relatively small scale.”</td>
</tr>
<tr>
<td>4.</td>
<td>Ahmedabad, INDIA</td>
<td>“Somewhat similar to Chandigarh, though has grown more rapidly and with more direct competition.”</td>
</tr>
<tr>
<td>6.</td>
<td>Coimbatore, INDIA</td>
<td>“Less-developed BPO and services base. To date, primarily Indian company-oriented.”</td>
</tr>
<tr>
<td>7.</td>
<td>Pune, INDIA</td>
<td>“Transitioning towards a tier 1 city.”</td>
</tr>
</tbody>
</table>

“India presents a majority of the opportunities identified due to a robust economic environment with large densities of high-quality labor.”

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EMEA: 108

$2.3 billion in annual revenue

1.7 billion square feet under management

16,300 professionals and staff

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