



Emerging opportunities - Offshore outsourcing in Egypt

A growing contact center market looks to build
global business

A Datamonitor white paper

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We help our clients, 5000 of the world's leading companies, to address complex strategic issues.

Through our proprietary databases and wealth of expertise, we provide clients with unbiased expert analysis and in-depth forecasts for six industry sectors: Automotive, Consumer Markets, Energy, Financial Services, Healthcare, Technology.

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Customer Care in Egypt

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INTRODUCTION

According to Datamonitor research, the global offshore outsourced contact center market will grow from 138,000 agent positions (APs) in 2004 to 241,000 APs by the end of 2007. The driver of much of this growth is the effort of western companies to save costs on domestic customer care overheads, in locations where wages and facility costs are substantially lower. Recently, a variety of these destinations have grabbed headlines, including India, Central Europe, South Africa and the Philippines. In this white paper, Datamonitor focuses on the newest call center market in North Africa, Egypt.

This white paper aims to enable readers to:

- **Understand the main drivers for offshoring their customer care facilities**

What are investors' key determinants when looking to place their customer service operations offshore?

- **Identify the key nearshore markets and their local nuances**

What are the national markets are currently attracting customer care business from Western countries? What are the particular strengths and weaknesses of these locations?

- **Learn about Egypt as a contact center outsourcing location**

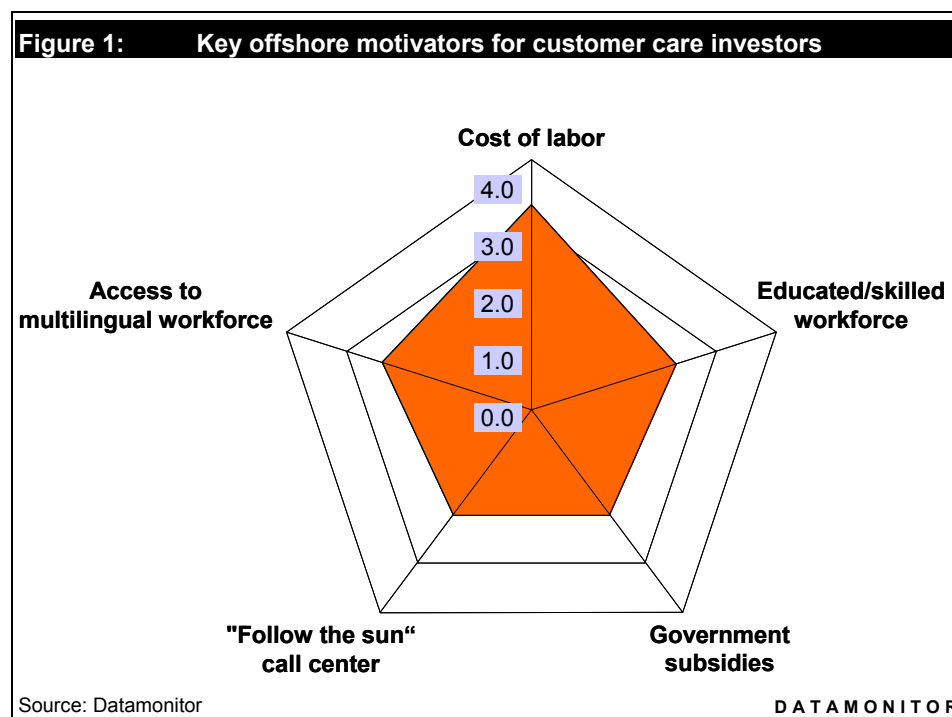
How is Egypt positioned as a customer care location of choice, with regard to key demographics, existing competition and economic / political stability?

- **Gain knowledge of the current competitive positioning within Egypt's contact center offshore outsourcing market**

Who are the main contact center outsourcers in Egypt currently, and what are their areas of specialization?

WHAT IS DRIVING NEARSHORE CUSTOMER CARE?

When analyzing the key offshore drivers for companies, executives cite the following that are outlined in Figure 1. This data comes from a recent Datamonitor survey that questioned 250 customer service executives, in which they were queried on their key motivators to outsource customer care offshore. The scale ranges from 0: Unimportant to 4: Very important.



- Cost of labor:** As seen in Figure 1, investors in nearshore services consistently identify contact center wages as a key determinant of where they will locate their operations. Many of the nearshore markets that were perceived as being cost-friendly have seen their competitive edge eroded, due to economic growth associated with development. Therefore, previously untested markets that can provide cost savings will be welcomed by nearshore customer care investors.

- **Educated / Skilled workforce:** The capacity to man contact centers with agents proficient in western products and services and who have shown the ability to grasp customer care technology are also important to western investors. However, weaknesses of workforces in traditional offshore locations have led to a backlash from customers. Outward migration of skilled workers from developing countries in the European Union is also becoming a problem. Therefore, new offshore markets that can provide technologically aware and commercially sophisticated labor will find tremendous interest in their services.
- **Government subsidies:** Over the past decade, governments in prospective nearshore markets have provided customer care specialists with financial support, generally relating to agent training, facilities and tax breaks. However, given budgetary constraints, many of these incentives have dried up. As such, contact center offshore investors hoping to benefit from financial support would be pleased to find new prospective locations that can offer not only a quality workforce, but bottom-line incentives as well.
- **Access to multilingual workforce:** Western customer care investors are concerned with finding agents that have no trouble fluently conversing with customers. This has been a contentious issue recently, with end-customers complaining of agents in various offshore locations having excessively difficult accents and very formal vocabularies. Therefore, any prospective location wishing to house nearshore customer care must ensure the highest level of language capacity.
- **Follow the sun capability:** Offshore customer care facilities' ability to provide service at awkward times is also a requirement for many investors, especially those found in North America. Therefore, a central location where agent need not be brought in at extreme times is also attractive for western firms, due to savings on overtime and security provisions.

The ability of customer care facilities to satisfy any or all of these requirements is crucial in developing new business. As will be demonstrated in the next section, the current offshore national markets are having mixed degrees of success.

ANALYSIS OF THE CONTACT CENTER NEARSHORE

Datamonitor has identified the following markets as the major markets for offshore contact center operations. These markets are being analyzed because they currently constitute the main competitors that Egyptian contact center outsourcers are facing in their efforts to win business from North America and Western Europe. The largest markets are currently India and the Philippines, with Mexico, North Africa and Eastern and Central Europe also posing some threat. Below, each will be analyzed from the perspective of strengths and weaknesses.

India

India is the market leader in global contact center offshore outsourcing. Outsourcing in India has a long history, and is considered mature, as seen in the relatively low annual growth rates in Table 1. There are several advantages to using India as an offshore customer care location. Theoretically, one of the most compelling is the quality of agent that can be found in that country. This is because contact center work tends to attract very skilled workers that are generally university educated, and that see such a role in a career light.

However, there are also disadvantages to using India for customer care. For one, due to the maturity of the market, skilled agents are at a premium, resulting in rising wages. As well, there is considerable concern among western investors due to the spoken accent of Indian agents, which many end customers have difficulty understanding. The distance between India and other western commercial centers is also seen as a disadvantage, in addition to India's almost unilingual focus on English language services.

Table 1: Offshore outsourced agent positions – India, 2004 - 2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>CAGR</u>
Agent positions (000s)	79.0	96.0	109.0	121.0	136.0	14.5%
Annual growth		22%	14%	11%	12%	

Source: Datamonitor

DATAMONITOR

Philippines

The Philippine contact center market has several advantages for western investors. For one, there are already several offshore outsourcers currently in operation within the Philippines, rendering the market relatively mature. As well, spoken English quality is strong, due to the longtime presence of the US military, post WW2. This has also helped influence the commercial culture, which is very similar to that of America. Finally, the Philippine government has made contact centers a priority in economic development, thus ensuring decent support from an infrastructure standpoint.

One main concern associated with the Philippines is political and economic instability. Not only are election upheavals regular, concerns over terrorism have surfaced in recent years. The effect has been to cause fluctuations in the local currency, which has been off-putting for many western investors looking for stability.

Table 2: Offshore outsourced agent positions – Philippines, 2004 - 2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>CAGR</u>
Agent positions (000s)	17.7	22.7	27.7	33.6	38.6	21.5%
Annual growth		28.1%	22.1%	21.1%	14.9%	
Source: Datamonitor						DATAMONITOR

Mexico

Similar to Canada, Mexico's close proximity to the United States gives it an automatic advantage in terms of outsourcing opportunities. This relatively short distance from major US cities is also an advantage for outsourcers in Mexico. Especially in Northern areas of the country, English is spoken fluently among segments of the population. As well, the growing US Hispanic population is easily served from Mexico at an economical rate. Investors also appreciate the current government's focus on political and economic stability.

In terms of limitations, the Mexican outsourcing sector has placed a great deal of emphasis on serving the US Latino population, which could limit its growth long-term, as comparatively, this market is relatively small. As well, concerns over corruption and a lack of business transparency are also persistent.

Table 3: Offshore outsourced agent positions – Mexico, 2004 - 2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>CAGR</u>
Agent positions (000s)	8.4	11.7	16.1	21.9	25.7	32.4%
Annual growth		40.4%	36.7%	36.3%	17.6%	
Source: Datamonitor						DATAMONITOR

Due to their proximities, the following markets are most likely to come into competition with Egypt for offshore outsourcing from abroad.

North Africa

Many contact center investors have chosen Morocco and Tunisia as their destination of choice due to its close proximity to Western Europe, and its familiarity with French culture and linguistics.

Some problems are obvious with Morocco and Tunisia as an all-around location for nearshore contact centers. For one, there is a preponderance of French-speaking agents, as opposed to a multilingual atmosphere, thus limiting this national market to France and other smaller centers. As well, this region is limited in urban locations outside of Casablanca, Tunis and Marrakech, which could have an inflationary impact on wages and commercial real estate.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>CAGR</u>
Agent positions (000s)	3.2	4.0	5.0	6.3	7.2	22.6%
Annual growth		25%	26%	25%	15%	
Source: Datamonitor						DATAMONITOR

Eastern and Central Europe

Investors from the west are attracted to Eastern and Central Europe for its strong commercial sophistication. The countries most attractive to Western offshore investors include the Czech Republic, Poland, Hungary and the Baltics

Agents from this region are likely to use western goods and services, providing them with an inherent understanding when they speak to concerned customers on the telephone. Equally, investors like the political and economic stability found in these countries since the political and economic liberalization of 1989.

However, there are several challenges facing contact center outsourcing in Eastern and Central Europe. The most obvious is the ever-tightening labor market. This is

due to the 2004 entry of several countries in this region to the European Union, providing its young, educated and multilingual workforce with access to employment in more lucrative Western European countries. The net result is agent wage inflation, which erodes cost savings associated with this region. Real estate prices are also rising due to demand for commercial property, further reducing the Czech Republic's advantage. This is compounded by the likelihood of reduced government incentives to potential investors. As seen in Table 5, Datamonitor forecasts a drop in the annual growth of offshore outsourced agent positions, due to the challenges mentioned above.

Table 5: Offshore outsourced agent positions – Eastern and Central Europe, 2004 - 2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>CAGR</u>
Agent positions (000s)	2.7	3.7	4.8	6.0	6.8	26.0%
Annual growth		36.2%	32.0%	25.3%	11.7%	
Source: Datamonitor						DATAMONITOR

DESTINATION EGYPT – AN EMERGING CONTACT CENTER OPTION

Egypt is a viable client service choice for companies concerned about reducing overhead costs, while at the same time maintaining a very high degree of customer interaction quality. A close examination of socio-economic and demographic issues highlights the potential of Egypt in this field.

Market sizing

Datamonitor estimates that the total market size for the Egyptian outsourced offshore contact center sits currently at 655 agent positions (APs). This number is expected to rise rapidly over the next five years at a compounded annual growth rate of just over 50%, to 3,775 APs by 2009. In terms of volume, APs in Egypt are on a par with key nearshore markets including Poland, the Czech Republic and Hungary, but greatly exceeds the annual growth rates of each of these markets. It is also important to note that this expansion is at a rate greater than even that of Mexico, one of the fastest growing offshore outsourcing destinations in the world.

Datamonitor also notes that despite the fact that the number of APs forecast is relatively small, Egyptian contact center offshore outsourcing has the potential to exceed these projected levels. However, this will depend greatly on the ability of Egyptian outsourcers to sell their services to foreign firms, overcoming existing perceptions of the domestic business climate, as well as in face of competition from other offshore destinations.



Table 6: Offshore outsourced agent positions – Egypt, 2004 - 2009

	2004	2005	2006	2007	2008	2009	CAGR
Agent positions	450	655	965	1,455	2,300	3,775	50.4%
Annual growth		46%	47%	51%	58%	64%	

Source: Datamonitor DATAMONITOR

Cost analysis

Agent cost

As indicated in Table 7, Egypt is very competitive as an offshore outsourced contact center destination (note that the total price includes the price paid for and the wage earned by the particular customer care agents listed). Specifically, Egypt, at 54% of the cost of a US inbound voice-based customer care agent is a less expensive option than Central European locations including Hungary and Poland. Egypt is also less costly on an agent basis than Canada and Mexico, both favored locations of US-based outsourced customer care. The only national market where Egypt is more expensive is India. However, it should be noted that the price difference between the two locations is marginal, and is offset by the very high caliber of agent found in Egypt.

Table 7: Agent cost analysis - Type of agent and cost per hour, 2004

	<u>Canada</u>	<u>Hungary</u>	<u>India</u>	<u>Mexico</u>	<u>Poland</u>	<u>Egypt</u>	<u>USA</u>
\$							
Collections (outbound)	25.7	16.2	14.6	16.5	16.4	15.3	29.7
Direct response (inbound)	25.3	15.9	14.35	16.5	16.1	14.9	29.2
Telemarketing / telesales (outbound)	25.7	16.2	14.6	16.5	16.4	15.1	29.7
Voice-based customer care (inbound / outbound)	24.0	14.7	13.3	16.2	16.4	14.5	27.0
Multi-media customer care (inbound / outbound)	24.0	14.7	13.3	17.4	16.4	14.7	27.0
Technical support / help desk (inbound)	26.2	16.5	14.85	17.4	16.6	15.5	30.2
% US price for voice-based customer care agent	89%	54%	49%	60%	61%	54%	100%
Source: Datamonitor							DATAMONITOR

Agent wages

Egyptian agent wages are also competitive when compared against other offshore destinations, based on Datamonitor analysis. Specifically, Egypt's wage rate is lower than all other offshore locations examined, including Canada, Mexico, Poland and Hungary. Again, the one exception is India, where hourly wages were lower than those found in Egypt. However, this is to be expected, given India's significantly larger labor pool.

Table 8: Agent wage analysis – 2004

(\$)	<u>Canada</u>	<u>Hungary</u>	<u>India</u>	<u>Mexico</u>	<u>Poland</u>	<u>Egypt</u>	<u>USA</u>
Per hour wage of an inbound voice-based customer care agent	8.65	2.5	1.2	3.5	2.5	2.1	10.0
% US wage	87%	25%	12%	35%	25%	21%	NA
Source: Datamonitor	DATAMONITOR						

Workforce

Availability

With more than 75 million people, Egypt has the largest population among North African countries. However, of particular note is Egypt's substantial unemployment rate, which currently hovers at between 12 – 15% while comparatively low compared to other customer care destinations in this region, it is crucial to note that the jobless rate in greater Cairo, the hub of Egyptian call centers and the commercial capital of Egypt, nears the 20% mark. As such, contact center outsourcing investors will be unlikely to have difficulty finding agents to staff their facilities. It is also important to note that Egypt is not part of any customs union, as are many European countries, thus limiting outward migration of young and educated Egyptians, keeping the agent market more cost-effective.

Education

Egypt is competitive in terms of providing well-educated potential contact center agents. This is due to the 200,000+ graduates that leave universities each year. This very high number is accentuated by the focus on information technology within these institutions, with approximately 80 000 students graduating in this domain annually. Not only does this ensure contact center agents will be technically adept, but this pool also provides customer care facilities with an ample supply of engineers and system administrators to manage back-end operations.

Linguistic skills

The Egyptian labor force is known for its proficiency in western languages. This is because at the university level, instruction is carried out predominantly in English, with some institutions focusing on French and German. There are also several very large post-secondary institutions located in Egypt funded by foreign governments, including the United States, Canada, France and Germany, all which produce many multilingual graduates annually.

It is also important to note that the spoken languages in Egypt are reputed to be accent-neutral. This is very important when serving countries where offshoring has become a contentious political issue.

Commercial sophistication

Given its close proximity to Western Europe, as well as due to long-established trade links, Egypt's workforce is accustomed to using the same goods and services found in western countries. As well, the popularity of western music, movies and television has also helped accustom younger Egyptians to the West's culture, and has had a positive effect on developing accents and vocabulary.

Stability

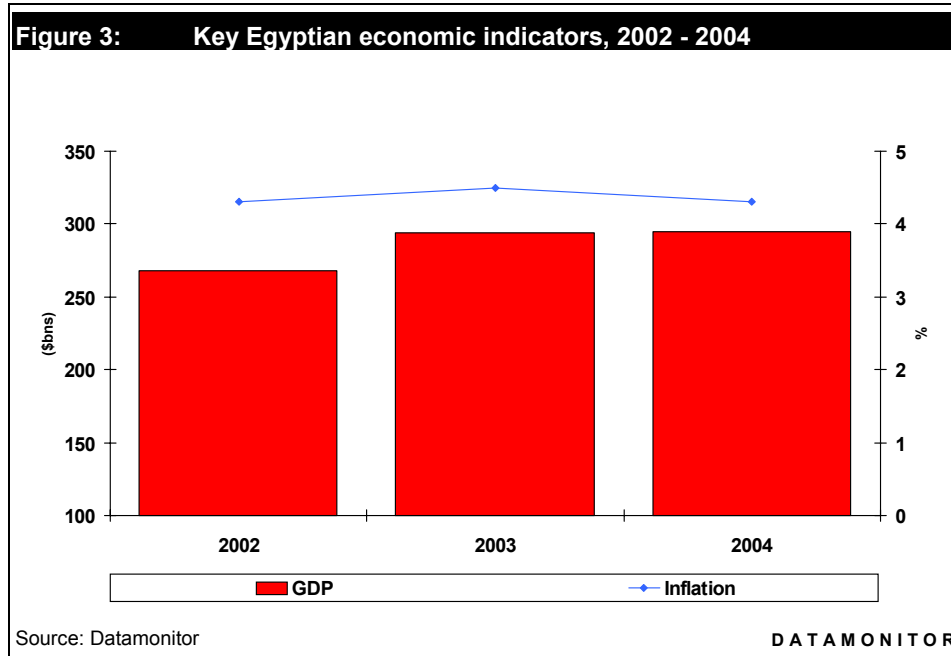
Qualitative evidence suggests that Egyptian workers are known for being cooperative and non-confrontational. As such, in the Egyptian workplace, unionization is not widespread, and strikes are extremely rare. This is crucial in the contact center environment, as foreign investors will not want their customer care disrupted due to labor disputes, an ongoing worry in other offshore destinations.

Business climate

Stability

The Egyptian economy is both stable and growing. This is seen clearly in Figure 3, which shows both GDP growth and inflation at very sustainable and relatively constant levels. Economic stability is crucial for any customer care investor, as heavy

shifts in growth can lead to adverse business conditions, most notably cost fluctuations, which can erode long-term competitiveness, as was seen in Ireland in the early part of this decade.



Another indicator of the stable business climate in Egypt is the consistent growth of its stock market over the past five years. As seen in Figure 4, growth has been consistent year on year, with no evidence of downturn or disruption. This points to ever-increasing confidence among both domestic and global investors in this national market.



Political stability

An enduring misconception that countries in the Arab world must work to overcome is that of instability and violence due to political tensions. However, upon examination, Egypt's political system is characterized by regular multiparty elections held every 4-5 years. This is in contrast to other countries in the Middle East, which have experienced large ideological swings, in many cases at the expense of foreign investment.

Business transparency

Relative to the region, Egypt's legal system is transparent, and is based on the English common law, the Napoleonic Code and Islamic law. There are provisions for judicial review and a supreme court is in place.

In order to reassure foreign investors, the Egyptian government has made several amendments to its business law. Highlights include heightened provisions against fraud, price manipulation and insider trading. As well, protection of intellectual property rights have also been strengthened to western standards.

However, Egypt still has some work to do in the domain of ensuring a clean business environment. This is noted by its poor rating in terms of overall corruption by the Corruptions Perception Index, which rates Egypt 77th out of 145 countries. The government continues to move in the right direction, by signing on to numerous global anti-corruption conventions, as well as reforming laws governing financial institution transparency.

Business culture

Egypt's business culture and top management is very westernized. Indeed, most commercial leaders are multilingual, speaking at least one Western language, with many having had experience working abroad. In addition, due to its cosmopolitan nature, Egypt has attracted a number of ex-patriots to help manage multinational subsidiaries located in Cairo. This is very important in the context of understanding not only how to conduct business transactions with western companies but also ensures a corporate culture based on western business practices.

Incentives

Following the example of many other contact center nearshore locations, the Egyptian government has implemented several provisions to aid the establishment and development of such facilities. These include:

- Tax breaks from the existing 40% current corporate levy for contact centers that wish to establish in Egypt, regardless of location. These reductions last for a period lasting between 5 to 10 years¹;
- Free trade zones are in place for companies to establish operations, which guarantee a tax-free period as mentioned above.

¹ Egyptian – UK Chamber of Commerce.

Firms investing in these locations are also guaranteed not to have any of its property confiscated or nationalized by the government. An example of such a location is the Smart Village (www.smart-villages.com) established for IT and communications firms based in Cairo, headquarters for major Egyptian contact center outsourcer, **Xceed**.

- Subsidies are also available to customer care specialists in terms of contact center agent training for up to 800 individuals annually at recognized educational institutes throughout Egypt.
- \$68 million to support additional training, marketing and technology development to foreign businesses.

IT focus

Egypt is rapidly developing a sophisticated telephony network, comparable to those from other developed countries and has developed a modern and reliable fixed line, mobile and Internet network that bode well for the contact center industry. As well, since 1999, the Ministry for Information and Communications Technology (MCIT) has also taken steps to ensure deregulation of the Egyptian telephony market. Egypt Telecom's monopoly over communications services has long been broken, and that company is slated for privatization later this year. In a special effort to develop the contact center industry, the government has dropped telephone rates to Western Europe and North America to \$0.07 and \$0.05 per minute, respectively. It should also be noted that VoIP adoption is also being explored by the MCIT, and western telcos are being courted to establish service operations in Egypt.

The MCIT is also working to ensure an IT-literate workforce by partnering with several major communications firms to train IT engineering graduates, in order to keep Egypt competitive in this sector. These partners include Siemens, Alcatel, Cisco and Lucent.

Industry cooperation

Egyptian outsourced contact center providers have recently formed an association called **Call Centers Egypt**, in order to encourage the development of this sector. As such, the various players work in tandem to ensure the long-term competitive nature

of this sector by providing its services. It should also be noted that mutual support is provided in the form of using each other's services, should extra-capacity be required, thus ensuring minimal disruption for clients.

Urban centers

Egypt has several cities in which contact center facilities can be located. The largest of these centers include Cairo, Giza and Alexandria, all of which have populations in excess of one million. This yields tremendous potential for offshore outsourcing, due in part to large pools of labor, multiple universities and excellent transportation and telecommunication infrastructures currently in place. It should also be noted that Cairo's underground system currently undergoing expansion to facilitate travel to the outer-reaches of the city, where many contact centers are located.

However, contact centers need not be limited to these three large locations, as there are a number of second-tier cities located in Egypt, which also have significant potential for contact centers, given their relatively large populations. These include Port Said, Suez, El Mahalla el kubra, Tanta and Luxor, all of which include large labor forces and numerous post-secondary institutions for contact centers to draw potential agents.

Egypt has also developed several new towns, in an effort to alleviate overcrowding in existing urban centers. These include Tenth of Ramadan City, Sadat City, Sixth of October City, New Ameriya City, Al Obour, Al Amal and Badr City. There are significant incentives for contact centers to establish operations in these locations, including the previously mentioned 10 year tax holiday (which can be extended in circumstances where investors decide to expand existing operations), as well as inexpensive land and labor.

Competitive overview

To date, there are five contact center outsourcers established in Egypt. The following provides a brief description of each, in terms of its business priorities and capabilities.

Xceed

Located in Cairo's state of the art Smart Village, Xceed is a provider of outsourced contact center services for both domestic and global customers. Providing contact center services since 2001, Xceed handles both inbound and outbound calls, in a variety of western languages, among others English, French, German and Italian. Notable international customers of Xceed include **Microsoft, General Motors and Net One**. Xceed is owned by Egypt Telecom.

C-3

C-3 is located in central Cairo and provides a variety of multilingual services to both domestic and global customers, serving callers in Western Europe and the United States. Languages that are serviced at C-3 include Arabic, English and French. Both inbound and outbound calls are handled at C-3's offices. Current global clients include **Wall Street Journal Europe, Tele-2 and Banque de poste belge**.

Raya

Established in 2000, Raya belongs to Raya holdings, and provides outsourcing services to both domestic and global firms. Located in Cairo, Raya agents handle both inbound and outbound services in Arabic, English, French and German. Vertical markets currently being served include **manufacturing, logistics and petroleum production**.

Ecco

Ecco is a subsidiary of NTC, an Egyptian IT and telco firm. Located in 6 October City in the Egypt Cyber Center commercial zone, Ecco services domestic and international customers in a variety of languages including Arabic, Italian and English. Key vertical markets include financial services, telcos and the public sector, and both inbound and outbound services are available.

Tamima

Located in the Maadi district of Cairo, Tamima specializes in both inbound and outbound contact center services. Areas of specialization include financial services and information technology customer care.

CONCLUSIONS

Evidence in favor of Egypt as an offshore contact center location is compelling. Investors from Western Europe and North America are likely to be impressed with Egypt's opportunities on several fronts, including:

- **Workforce:** Egypt's labor pool is ample and it is educated. It is clear that young Egyptians are enthusiastic employees, westernized in the commercial outlook and value the ability to speak numerous languages. This provides contact centers with an excellent opportunity to recruit the type of employees with whom they can be confident of serving foreign callers effectively.
- **Business culture:** Egypt possesses a commercial atmosphere that is decidedly westernized, and that has attracted numerous multinational corporations. Management level executives are multilingual, and foreign workers are commonly found. Such an atmosphere helps facilitate confidence in foreign investment in contact center services and an understanding of what clients and end-customers expect.
- **Stability:** In the middle east, Egypt is a hallmark of economic and political stability. As discussed earlier economic growth has been consistent and inflation has remained low. As well, elections are regular and democratic. Combined with efforts to strengthen transparent business practices, Egypt's stable investment climate should build confidence among prospective offshore contact center investors.
- **Industry development:** With the establishment of a local industry association, and support from the government, Egypt is rapidly gaining a reputation for quality infrastructure that is reliable and modern in terms of contact centers.

These key reasons are the foundation for growth in the Egyptian offshore outsourced contact center business. Given the enthusiasm shared by existing players and customers, it is very likely that this industry will continue its already rapid growth.

Q & A WITH XCEED CEO, DR. ADEL DANISH

CEO of leading Egyptian contact center outsourcing provider **Xceed**, Dr. Adel Danish recently spoke with Datamonitor analyst Peter Ryan about opportunities for offshoring contact centers to Egypt.

Q: Why do you see Egypt as a good location for foreign companies to outsource customer care?

A: I see several advantages to Egypt. Let us start with human resources; this country has an abundance of well-educated young graduates with a westernized commercial outlook and who are fluent in the major languages of North America and Western Europe. They are enthusiastic to work in customer care, and see agent positions as a career path, as opposed to a stop-gap following their studies, which helps in reducing turnover. I also feel that Egypt's aggressive focus on developing a world-class IT and communications industry bodes well for contact center outsourcing. Since 1999 the MCIT has invested heavily in telephony network, making certain that our communications infrastructure is solid and reliable.

Q: Briefly, please give us an overview of Xceed.

A: Xceed was founded in 2001 as a subsidiary of Egypt Telecom. Its initial mandate was to provide both IT services and business process outsourcing. We began moving into the contact center space in 2003, and have had a great deal of success in attracting both domestic and international clients, both inbound and outbound.

Q: Can you tell us who these clients are?

A: Domestically, we handle customer care for Egypt Telecom. However, it is on the global side that we are most excited. Since 2004, we have been supporting customer service activities in several western European countries on behalf of Microsoft. From the standpoint of the United States, we have also begun providing customer care for General Motors and Florida-based communications firm Net-One.

Q: In your view what is it that attracts international firms to Xceed?

A: There are several reasons customers cite to us. The main one revolves around our commitment to quality. We feel that our agents are among the best in the business, anywhere in the world. To work as an agent at Xceed, recruits must be university educated and speak a minimum of two languages fluently. Once hired, they must undergo a series of instruction regimens, including accent / cross-cultural training, brand awareness (in some cases administered by the client themselves), and cross/up-selling techniques. After they have been placed on the telephone with customers, agents are constantly monitored to assess their performance, and subsequent training is done to strengthen any areas of weakness.

Our management team also deserves mention. Xceed has recruited a crop of executives from across a number of vertical markets, including telcos, consumer goods, financial services and contact center outsourcing. Most of our managers have worked in both western Europe and North America, affording them an excellent commercial understanding of those regions, and what their consumers expect in terms of quality customer care.

Q: What about your technology infrastructure? How does it fit into Xceed's quality focus?

A: Xceed has in place some of the best technology infrastructure available to contact centers. From the standpoint of our call routing and data networking, we use the latest Avaya and Cisco hardware available, in order to ensure clients the maximum reliability.

Data protection is also something that we have given priority. Currently, Xceed has in place a number of security provisions ensuring that customer information is safe, including state-of-the-art Microsoft and Cisco firewalls that prevent fraud from both the inside and outside. These are redundant, so if one goes down, another will instantly be activated. Should users from the outside require access, a secure VLN connection can be established. From a physical standpoint, our building is completely secure, with interdepartmental movement restricted to only those with specific authorization.

Q: How does Xceed benchmark its quality standards?

A: We subscribe to two different quality-monitoring standards. The first is the **ISO 9002** standard that was developed for contact centers, to which we rigorously adhere. But, we have gone one step further, and are working toward **COPC** certification, which is the benchmark laid out specifically by call centers by some of their biggest clients, which include firms such as **Microsoft, American Express, Motorola and Diners' Club**. We are seeking approval this year, and are confident that we will be successful.

Q: Do you see any challenges ahead?

A: The only one I forecast for Xceed will be the same faced for all contact centers in Egypt, and that is to overcome false perceptions from abroad about our country and its investment climate. However, with the formation of **Call Centers Egypt**, which will work closely with the Egyptian government to promote the industry, I am confident that investors worldwide will quickly understand the excellent quality that Egyptian contact centers like Xceed have to offer.

Q: What do you see as the biggest opportunities for Xceed in the coming five years?

A: Xceed plans to continue to ramp up business development overseas, and we are confident that we will succeed. Not only are our agents and technology superb, but we have significant room for expansion in our facility, making new business ventures feasible in a minimal amount of time.