

WNS

Extending Your Enterprise

Offshoring to South Africa – The nuts and bolts

June 2013





Extending Your Enterprise

Agenda

About WNS

SA sweet spots

Commercial models

Commercials – exchange rate

Transition

Operational Structure



Investing in South Africa's future by
empowering our youth



WNS

Extending Your Enterprise

About WNS



South Africa offers a First World experience in terms of its infrastructure and quality of life

WNS is a Well Established Global BPO Leader

- **History:** British Airways captive, spun-off into a third-party operation
- **Net Revenue*:** \$436.1 Million in FY2012-13 (Non-GAAP Financial Measures)
- **Employees:** 25,000+ and serving 200+ clients
- **Stock Exchange:** NYSE traded since July 2006
- **Operational footprint:** China, Costa Rica, India, Philippines, Poland, Romania, South Africa, Sri Lanka, UK and US
- **31 delivery centers** around the world
- **600+ business processes** from simple transactions to complex analytics
- **Industries:** Banking & Financial Services, Consulting & Professional Services, Healthcare, Insurance, Manufacturing, Retail & Consumer Packaged Goods, Shipping & Logistics, Telecommunications, Travel & Leisure and Energy & Utilities
- **Horizontal services:** Contact Center, Finance & Accounting, Research & Analytics, Human Resource Services, Legal Services, Transformation Solutions, Procurement, Risk Management

About WNS South Africa

About WNS South Africa

Established	Locations	Employees	Holding Company
2003	Century City, Bellville, Johannesburg	2000+	WNS

Accreditations



Broad-Based Black Economic Empowerment
Level 4 contributor with VAS



Registered Further Education and Training (FET) College



Registered Financial Services Provider



PCI Tier 1 Compliant

Industry Recognition

2012	2010	2009	2008
Best Outsourced Contact Centre	Best Offshore BPO Centre	Best Offshore BPO Centre	Best Offshore BPO Centre
Community Spirit of the Year	Best Offshore Customer Service Centre	Best Offshore Customer Service Centre	Best Offshore Customer Service Centre
Manager of the Year	Customer Service Agent of the Year	Customer Service Agent of the Year	Best HR Service Provider
Best Support Service Individual of the Year	Sales Agent of the Year	Sales Agent of the Year	Best Wellness & Design Contact Centre
		Manager of the Year	Sales Agent of the Year
			Trainer of the Year

*No industry awards were conferred in 2011

Contact Centre Services

Account Management	Customer Retention	Customer Acquisition	Collections	Social CRM	Customer Analytics
Customer Care	Loyalty Programs	Sales – Inbound	Early Stage Collections	Customer Intelligence	CSAT Analytics
Technical Helpdesk (L1, L2, L3)	Reward Programs	Sales – Outbound	Late Stage Collections	Network Analysis	Sales Analytics
IT Helpdesk	Courtesy Calls	Sales Completion	Preset Reminders	Competitor Analysis	Loyalty Analytics
Database Management	Referral Campaigns	Cross Sell / Up Sell	Skip Tracing	Industry Analysis	Promotion Analytics
Account Status		Campaign Management			Web Traffic Analytics
Order Processing		Telemarketing			Call Volume Forecasting
Billing & Payments		Telesales			Optimal Agent Staffing & Scheduling
Dispute Resolution		Appointment Setting			Consumer Behavior Analytics
Warranty Service		Computer-Assisted Telephone Interviewing (Research)			Customer Lifecycle Analytics
Computer-Assisted Telephone Interviewing (CSAT)					Customer Segmentation

The Nuts and Bolts

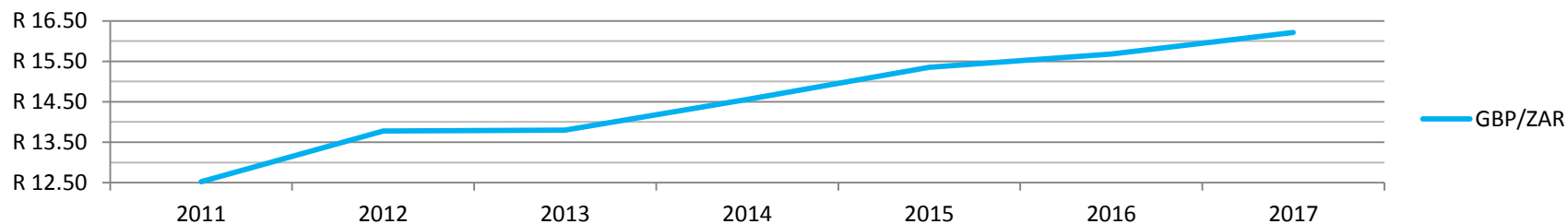


The SA Sweet Spot

- **Location:**
 - Cape Town is the best location for international work **but** remember to plan for business continuity
- **Scale:**
 - Ideal size per process is +- 400 FTE's
 - Overflow between campaigns is not recommended
- **Service:**
 - Cost rating may change due to the exchange rate

Service	Client Location	Human Capital	Infrastructure	Cost
English voice	UK	9/10	10/10	9/10
	Europe	9/10	10/10	8/10
	Australia	8/10	9/10	8/10
	USA	5/10	8/10	5/10
English correspondence	-	8/10	10/10	8/10
English social media	-	8/10	9/10	8/10

Make Forex Work For You



Year	Actual / Forecast	Value at Year-End	Percentage Movement
2011	Actual	R 12.52	-
2012	Actual	R 13.78 ↑	10.1%
2013	Forecast	R 13.80 ↑	0.1%
2014	Forecast	R 14.56 ↑	5.5%
2015	Forecast	R 15.35 ↑	5.4%
2016	Forecast	R 15.68 ↑	2.1%
2017	Forecast	R 16.21 ↑	3.4%

Average 3 year benefit = 10 - 15%

Clear and Logical Commercials

- **Grant:**
 - Grant incentives are decreasing: plan your budgets and improvement initiatives / investments accordingly
 - Incentives: come to an end by March 2014
- **Do not bank all your offshore savings**
 - Re-invest some of the savings during months 1-6 to establish and settle the operation
- **Pricing model**
 - Use a transparent categorised pricing matrix. This will allow you to adjust specific pricing components when the environment changes e.g. new government incentives, reduction in telecommunication costs, labour cost changes etc
 - Ensure a quick, easy and pre-agreed change management process to adjust your commercials
- **Staff salaries:**
 - Do a proper salary due diligence ((**attract** ∨ **retention** ∨ **quality**) ∨ **future investment**))
 - Decide on how you want to position your operation (recommend middle to top for international work)
 - Structure remuneration for retention (do not use standard salary and KPI commission schemes.) Remuneration must be different to retain staff. There are a number of new captive and outsource entrants – plan with this in mind!

Be Well Prepared For Transition

- Staggered approach:
 - First, group to include as many support and management staff as possible to:
 1. Avoid transition bottle necks
 2. Provide additional transition agent support during first three months
 - Ideal team size is 1:12, Team Leader to Manager 5:1 and Manager to Senior Manager 5:1
 - Double the number of SMEs and coaches for the first 4-6 months
 - Recruit one to two teams per month for the first three months and then recruit a maximum of three teams per month thereafter
- Do not promote or transfer too many staff from the new campaign core staff pool:
 - Develop maximum 10% of the campaign staff for redeployment over a period of time
 - Recruit or transfer for balance of requirements
- Resist increasing the ramp too quickly – stability is achieved only after 9-12 months
- Expect a slight increase in attraction after the initial go-live phase and stabilisation phase
- Keep SA staff profiles in mind: the socio-economic factors and demographics are different – prepare your training material, recruitment profiles and assessment profiles accordingly
- Invest heavily in train-the-trainer and SME resources and programmes initially

Staffing – Local *is* Different

- Staff mix (dependant on size of campaign):
 - **Groups 1-3:**
 - Staff from existing operation: 30% (maintain the culture)
 - Experienced , newly recruited staff: 30% (stability, know what to expect)
 - New or less experienced staff: 40% (building the pipeline)
 - **Groups 3+:**
 - Staff from existing operations: 15% (maintain the culture)
 - Experienced staff: 25% (stability, know what to expect)
 - New or less experienced staff: 60% (building the pipeline)
- SA staff on average are younger than UK staff, and they require a different approach to incentives, environment, and support structures etc
- Be careful not to position too many foreign individuals in people management positions – position them as experts or specialist support staff etc.

Client Involvement – In SA

- **Training** – Invest in continual training and re-certification programmes
- **Operations** – Invest in an on-site client representative
 - Local SMEs to visit client operations during the course of the campaign – make them the specialist champions
 - Be involved in calibration sessions at all levels
 - Make the most of your MBR, QBR and ABR / SBR

In Summary

Cape Town is a great place for offshoring
provided it is the right type of work.

BUT

Globalised localisation
is the key to success.

Contact

Johann Kunz

Managing Director WNS SA

Johann.kunz@WNS.com

00 27 83 320 0303

00 27 (21) 527 6602

Outperform with WNS Global Services South Africa

This presentation and any files attached and/or transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. No part of this presentation may be given, lent, resold, or disclosed to any unintended recipients or exploited for any commercial purposes. If you are not the intended recipient and you have received this presentation in error, please return this material to the sender immediately and forthwith delete and destroy the presentation including any copies thereof from your records. We hereby notify that disclosing, distributing, copying, reproducing, storing in a retrieval system, or transmitting in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, or taking any action in reliance on the contents of the presentation in its entirety or any part thereof is strictly prohibited without the prior written consent of WNS, such consent being given at the sole discretion of WNS. Any views or opinion expressed in this presentation are those of the author and do not necessarily represent that of WNS. WNS makes no representations and to the full extent permissible by applicable law, WNS disclaims any warranties of any kind, express or implied, including any warranty of merchantability, accuracy, fitness or applicability for a particular purpose, and non-infringement of third party rights, as to the information, content and materials.