

Finding the right home for your BPO operation

By [Steve Rennie](#)

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The announcement by Amazon, the world's largest online retailer, that it would be opening a customer service centre in Cape Town in October has put South Africa firmly on the map as a preferred location for business process outsourcing (BPO).



Amazon said in July that it would be opening a call centre to service its US and German markets and be creating up to 1000 jobs in the process. The company said that one of the main reasons it had chosen South Africa was because its time zone made it convenient for Amazon's customers. The company also applauded the Western Cape government's backing of a customer service industry in the region.

As well as a favourable time zone and government support for BPO, foreign companies looking to base parts of their business offshore choose South Africa for a range of reasons:

- South Africans' neutral accent and English-speaking skills.
- A good cultural fit with customers on the other end of the phone line.
- The ability to get a skilled, educated workforce at a cheaper wage than in many Western countries.
- A lower labour turn-over rate than many of the typical BPO destinations such as India.
- The country's improving telecoms infrastructure offering increasing capacity at prices that are dropping.
- A reasonably favourable exchange rate.
- Excellent systems and infrastructure, including property.
- World class customer service levels.

SA's pedigree as BPO destination assured

With companies including Shell, The Car Phone Warehouse and BSkyB's TEAMtalk media locating customer call centres

in South Africa, the country's pedigree as a premier BPO destination is assured. In 2004, the South African government set a target of 100 000 people employed in the BPO industry by 2014, with R1.75 billion in direct foreign investment and a R16 billion contribution to the GDP. Despite a tough economy, a Business Trust report card showed that by July 2009 87 000 jobs had been created and there had been R1.5 billion in foreign investment.

Having said all that, setting up a new operation in a foreign country is always challenging, and it is vital to find the right partners along the way especially for the big investments such as property.

Whether companies choose to buy or rent the space for their call centre and other operations, finding the right property is key to the success of the venture.

Some of the things to consider when choosing a property for your call centre or other BPO operation:

1. Location & staff:

- Call centres generally have the highest concentration of staff per 100m² than any other office user. So it's important that call centre employees are comfortable, both from the point of view of attracting new staff, and retaining existing team members.
- Decide where the best place is to be situated to attract the correct calibre of staff to your operation.
- Availability of public transport - are your offices easily accessible via public transport routes, including trains, taxis and buses.
- Is there ample secure parking for staff members with cars?
- Is your property and its surrounds safe and secure, especially if staff members are going to be working shifts?

2. Location & infrastructure:

- Enough power and broadband infrastructure is essential, with fully-redundant back-ups in case of emergency.
- CBDs are typically less affected by power load shedding than outlying areas.
- Does the nature of the business require "Chinese walls" between various teams working with competing customers, or privacy to avoid sensitive account information being overheard?

3. Growth:

- Depending on the company's expansion plans, the office complex needs to have enough space for the company to grow without having to relocate.
- Alternatively, some BPO organisations prefer to split their operations to benefit from being based in two separate locations to minimise business downtime and ensure compliance with the SLA's they have in place with their clients.

A local property partner with local knowledge, contacts and expertise is an important partner in laying the foundation for a successful BPO operation in South Africa, creating a win-win situation for all concerned.

ABOUT THE AUTHOR

Steve Rennie is managing director of Rennie Property, one of South Africa's top-performing specialist commercial property management companies. It offers property management, broking and consulting services and was established in 1997. For the past 13 years Rennie's has looked after some of South Africa's most prestigious buildings including Melrose Arch in Johannesburg, and the ABSA Centre in Cape Town. Its present portfolio of properties under management is valued at more than R6 billion. For more information go to [\[www.rennieproperty.co.za\]](http://www.rennieproperty.co.za).