

How a BPO firm is beating odds to stand out

By Edith Mutethya

The going has been very tough for the Business Process Outsourcing and Contact Centre industry in Kenya.

BPO operators have been battling to survive owing to many challenges ranging from high bandwidth costs to training costs that have failed to come down in spite of government's effort and World bank subsidies.

Although the industry is listed as a key driver of Vision 2030 due to its estimated high potential for job creation and revenue generation, the cost implications of the industry has been so heavy that many players have had to close down shop.

Yet in spite of the harsh operating environment, a few BPO operators are thriving.

Fast growth

Horizon Contact Centre Kenya is one of such BPO firms which are performing well and rapidly growing. The BPO firm was established in November 2008, when most of the operators were shutting down operations. Today the firm has grown from 25 seats as at June last year to 800 seats currently.

The firm's Chief Executive Officer Sanjay Sikka says that over the last 12 months, the growth has been fantastic.

"We attribute the growth to the confidence that clients have with us as well as our flexibility and the transparency we give to them," he says.

According to Sikka, heavy investment in people, process and technology has seen them realize the growth. These, in addition to scalability and capacity have helped them remain on top.

"Our mantra, 'our core our people' is drawn from a deep understanding that the capacity of your

human capital determines a company's success. With a vast range of highly skilled, passionate, innovative university graduates, we have a huge capacity to meet client's demands for a wide range of services on-demand," he says.

He adds, "At Horizon we believe strongly that the core of our operations is our

Enactment of a data protection law is very critical in helping BPOs get clients

people. We have created an environment that will allow our staff to enjoy an on-site Bistro, Internet Café, Chill Out Zones, Library Study, and a Doctor's surgery with dispensary."

Sikka says BPO industry in Kenya is a billion dollar business and Horizon Contact Centre sees itself as being among the pioneers and a benchmark in the sector.

The firm intends to take advantage of the fact that Kenya stands a better position to be the BPO destination in the region.

Advantages

"Kenya has four distinct factors that give it a comparative advantage over the emerging BPO destinations. These factors include skills and talent availability, the operating environment, the communications infrastructure, and cost competitive environment," says Sikka.

On the operating environment, the government is committed to developing the sector as one of its pillars of growth. This is evident in the financial commitments already made and the

drive to develop the world-

class telecommunications infrastructure required for a BPO sector to escalate.

The government and the private sector have proven their commitment to giving the region a World-class infrastructure with four players having established fiber-optic links.

"On a global scale, Kenya is cost competitive even when compared to Egypt, India and South Africa. The labour cost (for basic voice) is competitive in Kenya when compared to other destinations," notes Sikka adding that they want to take advantage of the four factors.

Good language skills

Horizon Contact Centre targets the Americas (United States, Canada, Latin America and Asia Pacific) and EMEA (Europe, Middle East and Asia) for its clients. The firm has been able to service these two segments by utilizing its strategic geographical positioning.

"Kenyans have good language skills and neutral accents giving them a distinct strength in the contact center field. In addition, many Kenyans study in the US and UK and they have a strong understanding of the US and UK work ethics and values," he notes. Sikka says the firm believes firmly in establishing Kenya as a major Outsourcing destination.

"We have fully allocated operational agents workstations within the Center to encourage local or international operators to base their business in its facility. This will allow outsourcers to access state of the art facilities and best of breed technology without large start-up costs," he says.

He says Horizon has the capability to house over 1,200 agents, making it the largest outsourcing contact center in the entire region.

However, Sikka says Horizon has the challenge of marketing Kenya as a



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Horizon Contact Centre CEO Sanjay Sikka

BPO destination especially changing the perception that people in UK and US have against the country specifically on political instability.

For the sector to run smoothly, he says there is need for the country to have a one stop shop to coordinate BPOs. "Currently we have the government, ICT Board, and the BPO society all trying to coordinate the sector," he says.

Data security

On the issue of data security, Horizon has a vendor in the UK who manages the ministry of defense of France and UK. The vendor's reputation is recognized and respected hence when they approach a client from either US or UK and mention the vendor on the issue of data security, the client gains confidence to partner with them.

He says enactment of the proposed data protection bill in Kenya is very critical in helping BPOs get clients from the target market (US and UK).

According to Horizon Contact Centre Executive

Director in charge of Business Development Ravi Kohli, the coming into effect of the EAC common market protocol has positively impacted their operations. He says many overseas companies eyeing the East African market are setting their offices in Kenya, which is an advantage to Horizon as the company will be able to get more partners.

"With the implementation of the EAC common market protocol, we will be able to attract French speaking countries thus growing our client base," he says.

BPO has been identified as one of the six pillars of economic growth underpinning Vision 2030. The Vision 2030 blueprint calls for Kenya to "become the top BPO destination in Africa." The plan is to create at least 7,500 direct BPO jobs and grow the industry's Gross Domestic Product (GDP) contribution from almost nothing to Ksh10 billion, by 2012.

Insufficient ambition

However, a study by an

international consulting firm; McKinsey and Company indicates that the vision is not sufficiently ambitious and that Kenya has the potential to generate Ksh 45 billion and 20,000 direct jobs by 2014.

The study suggests that Kenya should build a track record in BPO by targeting Africa-friendly companies in the US and UK.

It also suggests that the government should show commitment to the industry by offering global incentives in line with other BPO countries for instance, establishing a modified EPZ framework.

According to Information and Communication Permanent Secretary, Dr Bitange Ndemo, Kenya's BPO industry has experienced slow growth due to lack of enough trained personnel to attract international clients.

"Already we have laid up-to date infrastructure by laying undersea fiber optic cables, the missing link has been trained personnel," he says.