



Martin Roe
CEO - CCI Global

'Recognizing Africa's Untapped Talent, We forged ahead and never looked back'

Having led and managed BPO operations across USA, Europe & APAC over 3 decades I have been most inspired by the phenomenal talent in Africa. CCI's growth and our dominant position in these pioneer markets is largely due to recognizing and nurturing these talented people. I am privileged to be part of their journey to grow and develop the BPO industry across Africa, by investing in people and uplifting the communities we operate in.

18 years ago, we decided to venture into Africa, and since then, we've been making progress. We fell in love with the continent and its people—warm, hospitable, highly intelligent, and ambitious youth striving to improve their way of living.

Our journey began in South Africa with our first call center, where we were pleasantly surprised by the talent Africa had to offer—a highly intelligent, multilingual talent pool characterized by hard work and an unwavering belief in never giving up.

Recognizing the untapped talent, we forged ahead and never looked back. Now, with 17 delivery sites across South Africa, Kenya, Ethiopia, Ghana, Rwanda and Egypt, with a workforce of over 15,000+ employees, we support 80+ clients worldwide.


You may ask, Why Africa? Here's why : Africa presents a compelling combination, with a high-quality and readily available talent pool with a workforce characterized by empathy and emotional intelligence. Additionally, there is extensive multilingual proficiency, including languages such as Arabic, French, German, Spanish, Korean, and Italian in some instances.

With strategic time-zone positioning, language proficiency, and favorable cost dynamics, Africa stands out as an attractive destination for CX operations, particularly for organizations in the US, the UK, Australia, and New Zealand. Currently, Africa outperforms India and the Philippines in areas such as talent scalability, time-zone alignment, and understanding cultural nuances.

This report serves as a valuable resource for organizations planning to enter or expand their CXM operations in Africa. It provides a holistic perspective from industry peers, facilitating decision-making and offering a forward-looking view of the evolving landscape of African CXM.



Strategic Horizons: Mapping the CXM Outsourcing Landscape for English Support in Africa

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Executive summary

In response to significant shifts in the business landscape, enterprises are actively exploring new locations for Customer Experience Management (CXM) outsourcing. Organizations from around the globe – both enterprises and service providers – are increasingly considering Africa for CXM outsourcing. To gain a real-time picture of the potential of the African market for CX, we interviewed leading enterprises across sectors – telecom and media, technology, retail, travel & hospitality, BFSI, healthcare, and automotive – that are already outsourcing in Africa or strongly considering it.

The news for outsourcing in Africa is good! We found that

85% of respondents believe that Africa is an attractive destination for CXM outsourcing **82%** of respondents have seen a positive shift in their perception of Africa over the past three years

Positive sentiment is driven by benefits such as quality and availability of talent, location and time zone advantage, cultural similarities, language proficiency, and cost dynamics. Labor cost savings of up to 80% over onshore locations, relative proximity and time zone alignment, and the availability of talent with high English proficiency are among the prominent factors that make Africa an attractive destination for CX operations, particularly for enterprises locations such as the US, the UK, and Australia and New Zealand.

However, our interviews also uncovered some concerns, such as safety and security (80% of respondents), telecom infrastructure/electricity uptime challenges (70% of respondents), geopolitical instability (56% of respondents), and economic volatility (40% of respondents).

We also asked our respondents to compare key outsourcing markets, such as India and the Philippines, with Africa and found that there are areas in which African markets have an edge over their Asian counterparts, areas in which they compete equally, and a few in which the African markets are currently lagging. This nuanced understanding allows enterprises to make more informed assessments of Africa's position in the global outsourcing landscape.

Our research also uncovered several roadblocks that organizations most commonly face when considering Africa as a service delivery location:

- 34% cite lack of familiarity of the existing provider landscape
- 24% feel that organizational inertia to change is preventing them from further exploring Africa
- 18% enterprises feel that satisfactory performance levels are being achieved at their existing delivery locations outside Africa

Service providers, tech vendors, local governments, investment promotion agencies and enterprises are making significant investments in Africa, fostering rapid growth in the CXM market there. Propelled by these developments, we estimate that the BPO sector in Africa will generate 1-1.5 million new jobs by 2030.

This report is beneficial for organizations that are planning to enter or expand their CXM operations in Africa to gain a deeper understanding of the factors to consider in decision-making by providing them with a holistic perspective from their peers and offering a future view on the African CXM landscape.

Enterprise outsourcing selection criteria for CX

In the ever-evolving business landscape, amidst economic uncertainties, robust CX operations have become imperative for enterprises to remain competitive. The demand for CXM outsourcing is rising as end-customer expectations evolve, the challenging macroeconomic environment drives cost pressures, and organizations increasingly feel the need to concentrate on core competencies. When outsourcing customer support, it is important for enterprises to choose a favorable delivery location portfolio carefully and meticulously. In terms of delivery location assessment, enterprises must understand the key trade-offs and associated risks of operating in each region supported by a deep understanding of each location's role in their delivery portfolios, as well as potential/emerging locations that can serve their specific needs.

Further, the industry/vertical and whether they are in B2B or B2C determines their major pain points, which significantly influences key outsourcing drivers. For instance, industries such as retail and travel/hospitality prioritize scalability because their business activities vary radically within a year. Other key factors to consider include the potential cost savings, the quality and availability of talent, language proficiency, and cultural compatibility. Exhibit 1 shows enterprises' outsourcing selection criteria.

EXHIBIT 1

Enterprises' outsourcing selection criteria by enterprises
(called out by percentage of enterprises)

Source: Everest Group (2024)

	Cost arbitrage	100%
	Quality and availability of talent	93%
	Language proficiency	80%
	Cultural similarities	65%
	Scalability	60%
	Time zone advantage	57%
	Size & footprint of outsourcer	47%
	Domain expertise	40%
	Government/infrastructure support	33%
	Greater BCP	27%

Key benefits of Africa as a CX delivery hub and its evolving enterprise perception

Africa is increasingly becoming a hub for CXM outsourcing, attracting both enterprises and CXM service providers from around the globe, particularly for English language support. South Africa has traditionally served as the primary African hub for the delivery of CXM services from Africa to the UK, Australia, and North America given its relative maturity in the BPO space. Today, countries such as Egypt, Kenya, Nigeria, Morocco, Ethiopia, Rwanda, Ghana, and Mauritius are also emerging as key destinations. This trend reflects the growing recognition of the untapped talent pool, cultural affinities, favorable cost arbitrage, improving regulatory landscape, and multiple government initiatives to foster a highly competitive services economy in Africa.

Enterprises cite the following benefits that Africa offers specifically for CXM delivery:

- **Talent quality and availability:** With a median age of 25 and 420 million people between the ages of 15 and 35, Africa has a vast untapped young talent pool. African countries have been investing in talent development, creating skilled labor and emphasizing quality and continuous improvement to ensure the availability of a highly skilled workforce, as acknowledged by 83% of respondents in our research. Reputable organizations such as the Business Process Outsourcing Association of Kenya (BPOAK) and Business Process Enabling South Africa (BPESA) work to promote excellence in the Global Business Services (GBS) industry through training, investment assistance, and networking opportunities.
- **Societal similarities:** Many African countries share languages, government structures, and educational systems with buyer locations; 60% of respondents say these similarities enhance the customer experience, especially for voice-based services serving to English-speaking audiences. Respondents tell us they particularly appreciate the African workforce's emotional intelligence, sense of empathy, and societal similarities to drive truly impactful customer interactions.
- **Broad language proficiency:** In addition to the 250 million-plus English speakers, Africa boasts proficiency in French, Portuguese, Spanish, and Italian, not to mention its large Arabic-speaking population. About two-thirds of our respondents (65%) consider Africa a viable option for enterprises that are looking for scalable multilingual talent at a competitive price point. Among English speakers, the African workforce (particularly those from South Africa, Kenya, and Nigeria) is favored for its neutral English accent.
- **Location and time zone advantage:** Three-quarters of our respondents say Africa's time zone alignment to mainland Europe and – to a lesser extent to North America – enable greater real-time collaboration and streamlined communication than to other key locations such as India and the Philippines. For those in Europe, the geographical proximity also allows for more frequent on-ground visits, facilitating contact listening sessions for quality improvement. Egypt's proximity to Continental Europe and the UK, and Morocco's proximity to Spain and Portugal positions them as attractive locations for businesses operating in these regions. For North America-based organizations, depending on the time zone, Africa provides at least three hours of overlap for collaboration.
- **Government support:** Nearly half (45%) of respondents noted that governments in African countries are actively fostering a business-friendly environment to help grow BPO operations. While specifics vary from one country to another, some common forms of government support include tax incentives, investment promotion agencies, infrastructure development, and workforce development programs.

Africa is aligning its BPO operations with global CSR and ESG standards, which gives enterprises an edge in sourcing talent that aligns with ESG or impact sourcing requirements. For example, Kenya has established a special economic zone for CXM businesses, and the Rwandan government is investing heavily in Kigali's efforts to become a technology and innovation hub

- **Cost:** Africa's labor costs are similar to key offshore locations such as India and the Philippines, while enterprises consider the quality of its workforce to be on par. Agent salaries in African countries such as South Africa, Kenya, and Mauritius, can be as much as 80% lower than onshore locations.

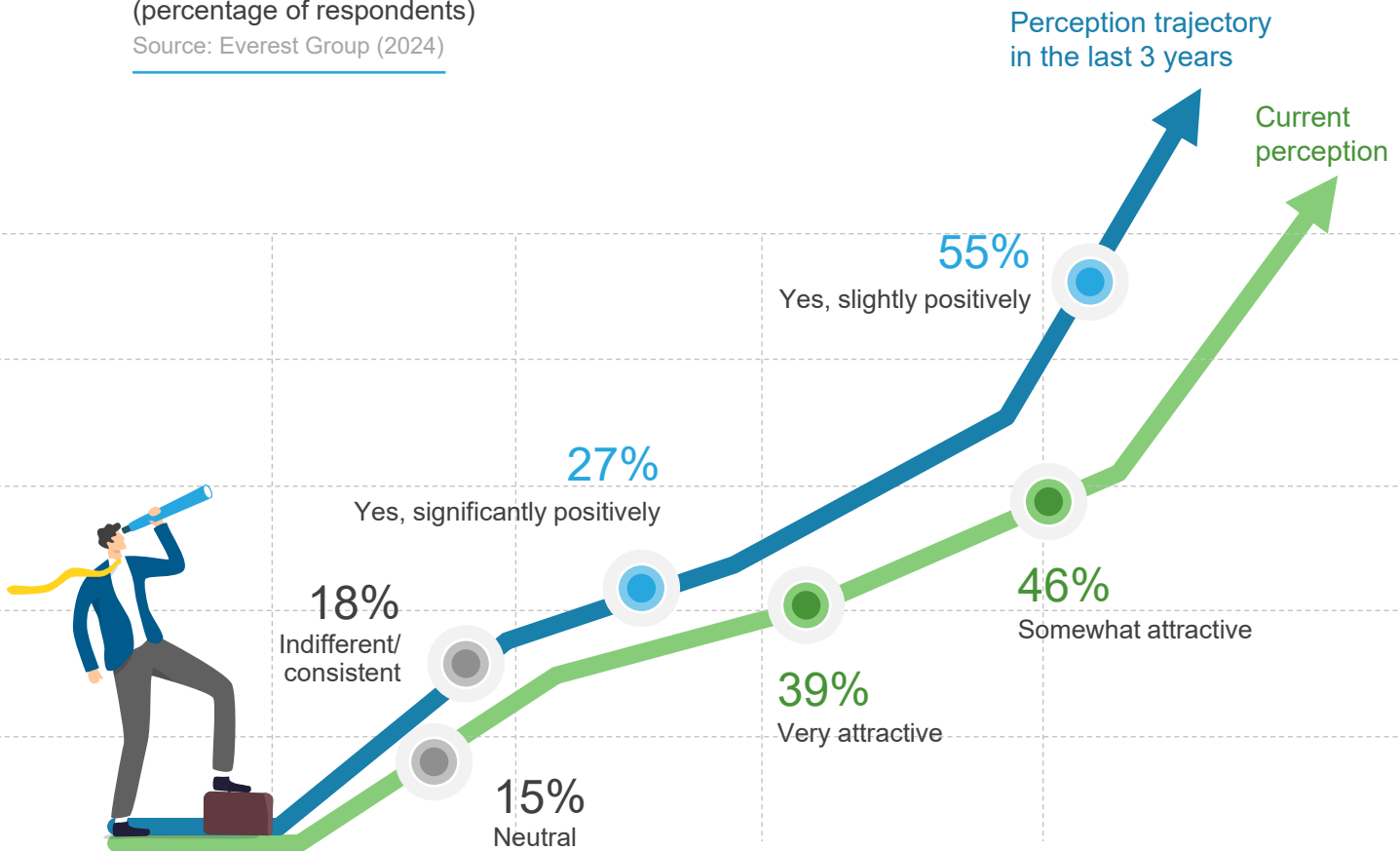
Its many benefits have firmly placed Africa on the CX outsourcing map, particularly for enterprises in the US, UK, and Australia and New Zealand. Exhibit 2 shows changing perceptions of Africa as a service delivery location.

85% of enterprises we interviewed believe Africa is an attractive destination; **82%** acknowledge a positive shift in their perception of Africa over the last three years

EXHIBIT 2

The changing perception of Africa as a service delivery location (percentage of respondents)

Source: Everest Group (2024)



Recognizing this opportunity, various African governments are striving to create a conducive business environment, attracting money from investment bodies, tech vendors, service providers, and enterprises; some examples include:

- Mauritius and South Africa have received a net portfolio investment inflow of US\$1.29 billion and US\$1.10 billion respectively in 2022, whereas Rwanda received US\$400 million in Foreign Direct Investment (FDI)
- Global retailers such as Amazon and Woolworths have established their own shared service centers and many more global enterprises are increasing their outsourcing activities in Africa
- To enhance internet connectivity and stimulate local growth through startups, Google is planning to invest US\$1 billion over five years in Africa
- Similarly, Huawei has initiated a cloud awareness campaign to attract expansion opportunities and enhance local cloud infrastructure in Africa
- Samsung has launched a 10-year plan aligned with key developmental aspects linked to the National Development Plan to build a proficient workforce in South Africa. It is also undertaking CSR initiatives such as the Samsung Innovation Campus and Samsung Engineering Academy, with the aim of addressing the shortage of technical skills in Africa
- Various global and regional CXM service providers established new delivery centers in South Africa and Morocco in 2023. Many service providers have also publicly announced their long-term commitment to the continent, with plans to open additional delivery centers across Africa in the next two to three years
- A major Indian IT services company launched a global delivery center in Rabat, Morocco, in 2023 to lead transformation projects for clients in various areas, including digitalization, engineering, cloud, and artificial intelligence

The BPO sector in Africa is poised to generate an estimated 1-1.5 million new jobs in the continent by 2030

Main risks associated with Africa as a CX delivery location

Notwithstanding its many benefits, outsourcing to any new location has risks, and Africa is no exception. Risk severity can vary significantly with the nature of work, the industry, and the outsourcing market. The key risks our respondents noted include:

- **Safety and security:** The majority (80%) of respondents cite crime, which can affect employee safety and business operations security, as the biggest risk. Safety concerns, especially in the outskirts of various African cities, underscore the need for meticulous location analysis prior to establishing operations. Enterprises noted that cities like Laos and Nairobi have high crime rates, affecting business operations and employee well-being
- **Telecom infrastructure / electricity uptime:** Just behind safety and security, 70% of respondents note that many African countries face infrastructure challenges, including unreliable power and

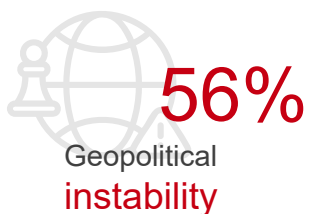
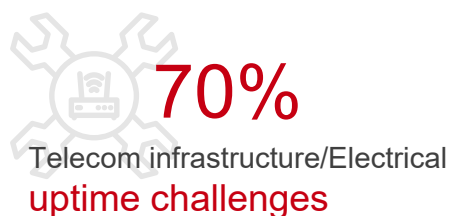
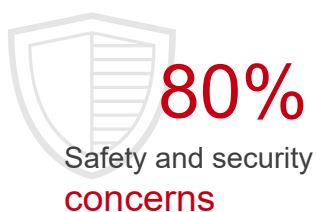
internet connectivity. South Africa, for example, has power supply challenges, with frequent load shedding and power outages. Some African countries are privatizing their telecom and power sectors to improve network uptime and power grid infrastructure. For instance, at the Connected Kenya 2023 Summit, the government announced its decision to allocate a 48% stake to private investors to construct a 100,000-kilometer national fiber optic network. Notably, the BPO sector typically also maintains a robust power backup infrastructure to effectively manage outages

- **Transport:** According to 63% of respondents, public transport system reliability poses a significant challenge, impacting employees' daily commutes, and, therefore, operating hours. To remedy this issue, the United Nations Environment Program (UNEP) is developing a Pan-African Road Map for Active Mobility with the objective of obtaining ministerial support from all 54 African countries by the end of 2023.
- **Geopolitical instability:** At 56% of respondents, geopolitical concerns are fairly widespread. Many African countries have a history of political instability and conflict, which can disrupt business operations and create safety concerns.
- **Economic volatility:** In many African countries, economic instability drives currency fluctuations and inflation. Respondents noted that economic volatilities invariably affect employee livelihoods, potentially compelling contract renegotiations with their outsourcing partners to cover rising costs.
- **Regulatory environment:** Just over a quarter of respondents (27%) said that complex regulations present challenges in terms of compliance and adherence to data protection laws, which negatively impacts the handling of customer data in Africa.

EXHIBIT 3

Top six risk factors associated with CXM outsourcing in Africa
(called out by percentage of enterprises)

Source: Everest Group (2024)



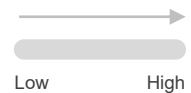
Comparison of Africa as a CX delivery location with India and the Philippines

To properly assess the increasing interest in outsourcing CXM processes to Africa, it is crucial to conduct a comparative analysis with well-established offshore markets such as India and the Philippines. Our respondents tell us that there are some ways in which African service delivery outperforms these other locations, while of course they also underperform in some areas. It is also important to recognize the fact that each African market has its own unique capabilities and concerns.

Areas in which African locations outperform India and the Philippines

According to our respondents, Africa outperforms India and the Philippines in a few key areas:

- Availability of scalable skilled talent:** A vast majority of our respondents said that Africa is especially suitable for voice, chat, and back-office customer and technical support, whereas India is often restricted to IT-specific technical support or chat. Given its relatively untapped potential and younger workforce (versus India and the Philippines), our respondents believe that Africa has more potential for future scalability than other more saturated markets
- Time zone alignment:** Respondents noted that Africa has better time zone compatibility with Europe (and to a lesser extent North America), facilitating real-time collaboration and efficient communication. The significant time differences also require the India/Philippines CXM teams to work night shifts or extended hours to align with their clients' business hours
- Language similarity:** Respondents noted that Indian CXM agents may not be as familiar with certain idiomatic expressions or American regional preferences as are their African counterparts. Further, the African English accent, especially in countries where English is an official language (such as South Africa, Kenya, and Nigeria) is generally well received in North America and the UK. For reference, the EF English Proficiency Index 2023 study ranks these countries' English language proficiency at the following levels (out of a total of 113) among the countries assessed:



The South African accent is generally perceived very positively by Americans. They are direct communicators, contrasting with the more indirect communication style of Filipinos. We see this directness as an advantage in our business context.

– Senior Director, Customer Service Centers, US-based multinational medical technology company

Country	Rank	Proficiency level
South Africa	9	
Kenya	19	
Philippines	20	
Nigeria	27	
India	60	

Areas in which African locations are on par with India and the Philippines

African locations perform on par with their Indian and Filipino counterparts in a variety of areas, according to our respondents:

- **Cost arbitrage:** While many factors impact cost, including geographic location, type of service provider (global/local), and type of CXM process outsourced, among others, our respondents find that the average cost for African locations is similar to that of Asian outsourcing giants such as India and the Philippines
- **Government support:** Enterprises believe that Africa is actively working to create an environment conducive to outsourcing, and it shares commonalities with India and the Philippines in terms of government support. Many African countries have robust investment promotion agencies collaborating with governments to attract foreign investments. For example, Kenya is known for its business-friendly environment and safety; it offers licensing support, tax benefits, and engages in CSR initiatives with entities such as UNICEF and the African Union
- **Performance levels:** Like India and the Philippines, multiple African countries are actively investing in skill development programs focused to enhance CX agent capabilities. These programs contribute to a workforce that is proficient in handling complex / high value customer service, adapting to evolving industry demands. Most respondents noted that there is no perceivable difference between African agents' performance / KPIs and their Asian peers

Areas in which African locations underperform India and the Philippines

There are, of course, areas in which the African continent underperforms Asia. While these vary from market to market, our respondents shared some common concerns:

- **Telecom/electricity infrastructure:** India has strong telecom infrastructure fail safes, including internet backups. Three-quarters of our respondents believe that the power infrastructure in South Africa is weaker than in places such as the Philippines or India, and countries such as Mauritius are reportedly challenged by limited internet infrastructure backups. While some countries are taking steps to address this challenge, at this point they lag behind their Asian counterparts
- **Safety and security:** Over half – 60% – of our respondents noted safety is a significant concern, as it affects employee stability and creates anxiety for hiring enterprises. Issues such as terrorist attacks, civil unrest, and theft are prevalent even in the comparatively mature South African market, while respondents feel these issues are less common in India and the Philippines. Some African governments have implemented long-term development programs to address this challenge, such as Rwanda Vision 2050, which aims to enhance the country's overall economy and improve residents' well-being
- **Economy and currency:** Economic and currency risks in Africa, heightened by geopolitical uncertainties, are underscored by high unemployment rates and frequent strikes, particularly in Nigeria and South Africa. In contrast, respondents generally view India and the Philippines to provide more economically stable climates. Our respondents feel that African countries need to become economically stable over sustained periods to be at parity with India and the Philippines

EXHIBIT 4

Areas in which Africa is ahead, at par, and behind India and the Philippines

Source: Everest Group (2024)



Decoding the current African CX delivery landscape

Currently, Africa consists of 54 sovereign countries, including island groups, each with its own unique culture, history, and strategic priorities. In navigating the diverse advantages and challenges within African markets, it is vital to understand the nuanced differences among countries and regions. To more easily analyze maturity across African markets, enterprises tend to categorize its locations in two broad categories: established and upcoming (from a CXM outsourcing perspective). In assessing locations for categorization, they consider factors such as the robustness of its provider ecosystem and talent pipeline, the level of government support, and its political stability, elements that are critical for the BPO sector to flourish.

The following tables explore the key strengths and improvement areas for established and upcoming African locations.

Established CXM markets in Africa



South Africa

(Cape Town, Johannesburg, and Durban)

Countries (notable cities)

Strength areas

- The only African country in the G20, South Africa is the most mature outsourcing market with 300,000+ call center agents, 70% of whom serve the UK market
- Attractive cost profile for CXM support services in English, being roughly 50-70% less expensive than similar talent in onshore markets
- Strong talent pipeline, with up to 60% of the overall workforce involved in the BPO services sector; boasts the highest literacy rate in the continent (~95%)
- Enterprises appreciate its robust data protection regulations, such as the Protection of Personal Information Act (POPIA), which enhances data security and privacy compliance

Areas of improvement/concerns



Public strikes and a high crime rate pose safety and security concerns in some locations



Power outages are not uncommon due to national electricity capacity constraints



Enterprises noted a lack of technical and managerial skills in the workforce, despite its maturity



Egypt

(Cairo and Alexandria)

Countries (notable cities)

Strength areas

- Availability of skilled workers with English language proficiency and the ability to handle complex customer support services
- The hourly agent rate ranges from US \$10-12 per hour, which is up to 50% less than rates in the UK and other European locations
- Cairo is among the top 20% least expensive cities in the world, making it more attractive for enterprises than other locations such as Morocco or South Africa
- Egypt boasts 50+ universities that attract talent from across the country, at both entry and experienced levels
- With its ICT 2030 strategy, Egypt is investing to improve infrastructure, digital transformation services, training programs in IT skills, and capacity building

Areas of improvement/concerns



Although Egypt has a relatively stable government, it has a history of conflict with neighboring countries



While Cairo and Alexandria offer a safe environment and attract global tourists, enterprises raised some concerns around the prevalence of crime in some parts of Egypt



Kenya
(Nairobi)

Countries (notable cities)

Strength areas

- Ranks second in Africa in terms of English language competency, with significant portion of the population proficient in English
- Talent is readily available, with universities graduating 130,000 students annually
- Compared to Western countries, the average annual cost of a CXM agent in Kenya is significantly lower at approximately US \$20,000 annually
- The Kenyan government has released a five-year sector plan specifically for the BPO industry outlining the government's vision of positioning Kenya to be a global technology and innovation hub, potentially generating US \$400 million in revenue by 2028

Areas of improvement/concerns



Respondents noted that organized crime is persistent in Kenya; although there are regulatory and institutional frameworks to combat it, the challenge remains



There are telecom infrastructure challenges, including occasional power and internet outages

Upcoming CXM markets in Africa



Morocco
(Casablanca and Rabat)

Countries (notable cities)

Strength areas

- Average cost for a customer care profile is US \$8,000 and US \$ 11,000 for IT support, both of which are considerably more attractive than other mature locations
- Has relatively well controlled inflation and as part of the Euro-Mediterranean partnership – offers various tax benefits for enterprises
- The Moroccan government, through its investment promotion agency, has implemented the Emerging Sourcing Markets Program, which is focused on attracting foreign companies to set up outsourcing operations in Morocco

Areas of improvement/concerns



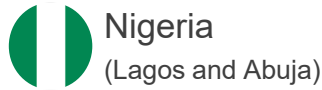
While it offers robust support for French, Spanish, and Arabic, it has relatively less support for English language than established African markets



The telecom infrastructure can be unreliable, making work from home difficult



Some organizations view its constitutional monarchy presenting regulatory and political risk



Countries (notable cities)

Strength areas

- Has cost-effective skilled agents with good English language and IT troubleshooting skills; customer support gig work is also prevalent in Nigeria, with agent costs of US\$ 8-10 per hour
- Has a large pool of young talent with high English proficiency available for support across different business verticals
- Cities such as Lagos have grown their supply of advanced tech support personnel

Areas of improvement/concerns



The telecom and electricity infrastructure is challenging



Other key challenges include high inflation, forex fluctuations, government instability, and security risks; rated 9/10 on the 2023 security threats index due to persistent safety concerns, driven by a high crime rate and Boko Haram presence



Countries (notable cities)

Strength areas

- Boasts the highest quality of life among African countries
- Organizations appreciate its smart city projects
- The Economic Development Board (EDB) of Mauritius promotes the country for outsourcing, aids investors, facilitates business setup, and shares BPO sector incentives
- Rich English-speaking support talent pool with English as an official language and over 90% literacy

Areas of improvement/concerns



Some organizations in Ebene noted that it has ineffective infrastructure, with internet and connectivity issues.



Has logistical constraints given its isolated island location



Inflation hit a decade high in 2022 due to external supply chain challenges driving up energy and food prices



Countries (notable cities)

Strength areas

- An emerging location offering an attractive talent-cost proposition at 10-20% savings over than peer locations such as Kenya and Nigeria
- The Ghana Investment Promotion Centre (GIPC) provides assistance to investors, including the BPO sector, offering networking opportunities and support services
- Has a skilled and trained labor force and boasts among the highest literacy rates (~85%) in West Africa

Areas of improvement/concerns



High public debt poses fiscal pressure, with about 45% of 2022 revenue (excluding grants) going to interest payments



Challenges related to quality of telecom and road infrastructure, electricity supply quality, and access to safe drinking water



There is concern about the threat of potential terrorist attacks, but the government has made countering terrorism a top priority



Rwanda
(Kigali)

Countries (notable cities)

Strength areas

- Cost-effective workforce, with annual customer support agent costs ranging from US \$8,000-\$10,000, which is significantly less than Mauritius and Morocco for bilingual French support
- Ranks second in Africa for ease of doing business and resource availability, offering incentives such as exemption from import duty VAT, and corporate income tax
- Investing heavily in education, especially in STEM programs, to develop its digital human capital through its Rwanda Digital Acceleration Project

Areas of improvement/concerns



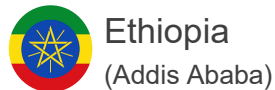
Rwanda is still developing a reliable telecom infrastructure and stable internet connectivity; although these issues are currently being addressed, respondents believe it will take some time to reach highly consistent levels



Inclusive growth remains a key challenge, as its poverty reduction momentum has weakened in recent years



Heavy reliance on large public investments has led to substantial fiscal deficits and a high debt-to-GDP ratio



Ethiopia
(Addis Ababa)

Countries (notable cities)

Strength areas

- Has the lowest customer support workforce cost across Africa at almost half the cost of a South African CX agent
- The government offers various tax incentives and programs for digital transformation and last year allowed privatization of the telecom sector, with Kenya's Safaricom launching its mobile network in Ethiopia

Areas of improvement/concerns



Respondents are concerned about health, food, and livelihood due to high poverty and unemployment



Lack of skilled talent due to poverty and food insecurity was exacerbated by extreme drought in 2022



High geopolitical risk due to conflicts in Tigray and its neighboring regions



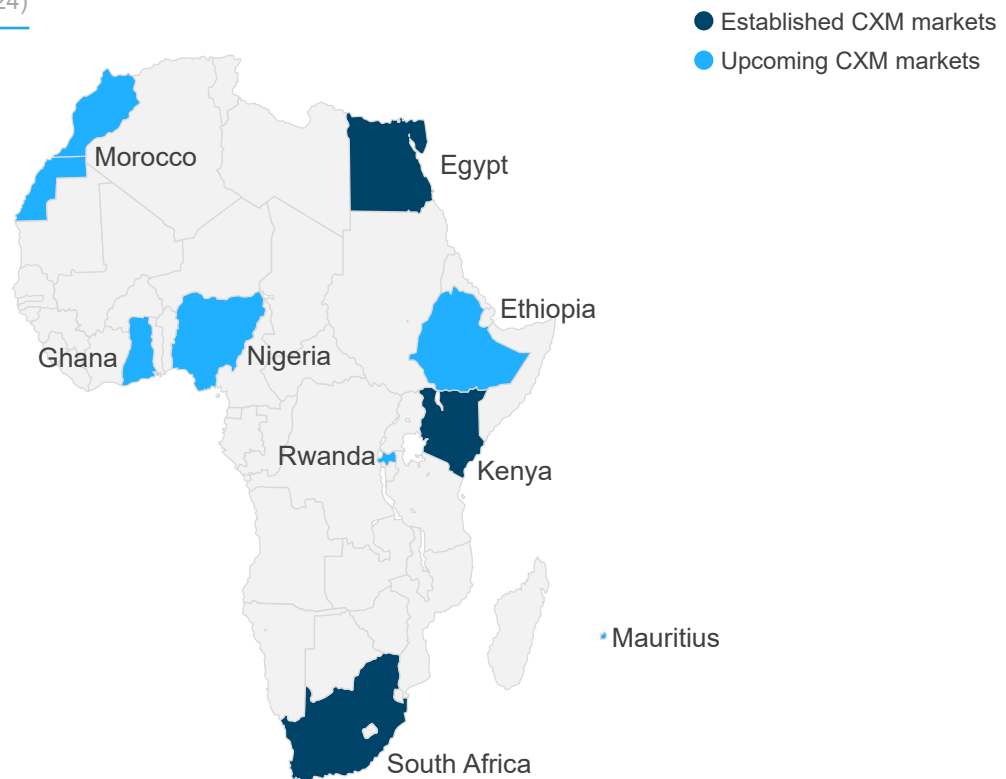
Smaller pool of English-speaking proficient agents

Rwanda is a country on the rise, with immense potential in the BPO sector. With a skilled workforce of over 60,000 English-speaking agents, competitive salaries, and growing physical and ICT infrastructure, Rwanda's global services delivery is gaining exponential traction.

EXHIBIT 5

Africa BPO maturity heat map

Source: Everest Group (2024)



Key roadblocks for enterprises and technology investments

Despite its obvious benefits, a variety of roadblocks have prevented enterprises from considering Africa as a CX delivery location. A key challenge is simply lack of familiarity about the provider landscape in Africa, which our respondents attributed to global providers' lack of emphasis on Africa, as they continue to pitch India and the Philippines as the first options in RFPs. Industry associations, government bodies, and business chambers will play a crucial role in advocating the benefits of outsourcing to Africa. Service providers can also collaborate with African governments to create outreach programs to highlight the benefits of delivery locations in Africa and open them to enterprise consideration.

34% of the enterprises said that they lack the market intelligence needed to make an informed decision to enter the African market, highlighting the need for greater awareness of the service provider landscape.

EXHIBIT 6

Key roadblocks for enterprises considering Africa as a delivery location
(percentage of enterprises citing the roadblock)

Source: Everest Group (2024)



Enterprises that are considering entering Africa must carefully weigh their mode of entry, as this decision will greatly influence their success and sustainability in the market, each option has advantages and disadvantages.

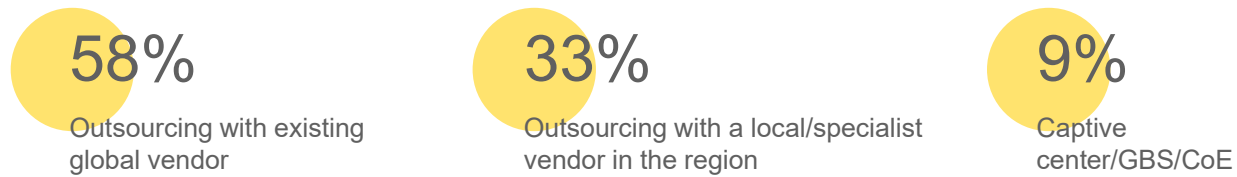
- Outsourcing to global CXM providers:** This choice is popular among enterprises seeking operational efficiency and cost-effective CXM operations; it is the most popular at 58% of our respondents. Large enterprises aiming to minimize risks by going with trusted service providers with which they have experience in other markets, in particular, prefer this option. One key advantage this option is these providers are able to quickly ramp up/down resources, enabling enterprises to adjust their operations swiftly
- Outsourcing to regional or specialized service providers:** This option is particularly attractive for medium and small enterprises. 33% of our respondents chose regional service providers because of their distinctive ability to offer a tailored approach and provide highly specific skill sets or qualities. Respondents also noted that the personalized engagement these local providers offer make them more receptive and amenable to work according to enterprise needs
- Setting up Global Business Services (GBS):** This option offers companies control over their operations while benefiting from standardized processes and streamlined workflows. However, only 9% of our respondents preferred this mode, as it demands a substantial investment and a significant commitment

Exhibit 7 shows the breakdown of preferences among our respondents for different approaches to entering the African market.

EXHIBIT 7

Entry options for enterprises looking to enter Africa
(percentage of enterprises citing the option)

Source: Everest Group (2024)



Technology investments in the African CXM landscape

Recent developments in generative AI and Large Language Models (LLMs) are beginning to alter the CXM landscape on a global level, prompting enterprises to rethink their sourcing strategies. Markets in Africa show healthy signs of embracing this transformative wave, establishing robust capabilities to offer cutting-edge digital solutions powered by AI technologies. Government initiatives in African countries are playing a pivotal role in fostering the growth of AI in Africa. South Africa and Egypt are leading AI adoption initiatives in Africa, but projects are widely spread:

- South Africa's National Artificial Intelligence Strategy is a leading effort as well as initiatives such as AI for Development and Artificial Intelligence for Sustainable Development Goals
- Egypt's government has launched a National Strategy for Artificial Intelligence, with the goal of establishing a flourishing AI industry in the country
- The BPO Association of Kenya (BPOAK) plans to position Kenya as a hub for machine learning investments in Africa through its joint initiative with SAMA Group, a data annotation company
- Nigeria has launched a National Centre for Artificial Intelligence and Robotics, with the primary goal of fostering innovation and facilitating the widespread adoption of AI technologies. This initiative is anticipated to propel Nigeria's AI market to US \$450 million by 2030
- In April 2023, the Cabinet of Rwanda approved its National AI Policy, a significant step toward harnessing the potential of AI for the country's progress, emphasizing the importance of nurturing local AI talent, promoting research and innovation, and ensuring the responsible use of AI
- Google AI's center in Accra, Ghana, emphasizes the use of AI for social good, targeting healthcare, agriculture, and education challenges; it collaborates with local institutions to advance AI research in Africa

The widespread adoption of advanced technologies such as cognitive AI and intelligent automation in Africa's CXM industry is contingent upon several key enabling factors. Investments in robust internet connectivity, data centers, and digital infrastructure will be crucial to support the seamless integration of AI technologies into CXM operations. The service provider ecosystem will play a vital role in proliferating the use of these technologies and creating a skilled labor force that can function in the digitally driven contact center operations of the future. Stable geopolitical conditions are essential to attract substantial investments from major technological providers, including organizations such as AWS and Google.

Conclusion

From the perspective of enterprises that are looking to expand their CXM operations, especially for English language support, Africa is emerging as a promising option. Our research suggests that a vast young talent pool, favorable time zones, and cultural understanding are some of the factors that make African locations strong delivery options for CXM services. Our research also shows that leading enterprises have a positive perception of Africa, including a positive shift in the last three years, signaling a strong intent on setting up operations there. That said, there are challenges that enterprises need to be aware of before making a move. Proactively navigating challenges such as safety and security risks, telecom infrastructure issues, and geopolitical uncertainties are vital to successfully delivering services from Africa.

During our research, enterprises also highlighted Africa's unique competitive advantage over other popular outsourcing locations such as India and the Philippines, as well as areas that need improvement. Global enterprises are already capitalizing on this advantage in the established African markets of South Africa, Egypt, and Kenya, and there is untapped potential in other emerging African markets such as Morocco, Nigeria, Ethiopia, Mauritius, and Ghana.

The ecosystem of service providers, tech vendors, investment promotion agencies, and local governments will need to engage to ensure that Africa realizes its full potential as a service delivery location. Various developments in this regard point to an inflection point for the African CXM market. Enterprises expressed the need for better awareness about the African BPO landscape to open new opportunities for them in the continent. Innovations and investments in tech will also invariably be pivotal in ensuring that African markets are future ready and in keeping them aligned with the evolving nature of CX services.

Enterprises that strategically leverage the Africa's unique strengths and navigate its challenges stand to unlock significant value. Considering the perspectives shared by a wide range of enterprises, Africa is poised to firmly establish itself as a key location in the CXM outsourcing landscape, signaling a transformative evolution in global BPO delivery.

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