

# The Mauritius IT/ITES Experience

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## Introduction

This chapter consists of five parts aimed at providing a picture of the development of the IT sector in Mauritius from its inception. It starts with an overview of the process of moving the economy towards a knowledge-based economy and then explains the reforms carried out in the telecommunications sector to create an enabling environment. Once this was done, the challenge was to attract foreign investors. How Mauritius is promoted as a viable location for ITES investment is described from the public sector viewpoint while a foreign investor shares his thought process in the choice of Mauritius as the location for his ITES. The final section provides the perspective of a key global player, Accenture.

## *A. Managing the Transition to an IT-based Economy*

*Donald Lim Fat*

## Introduction

This first part of the chapter describes how Mauritius got to where it is today. Going back to the start-up days of the industry in Mauritius, it looks at some of the key policy initiatives that were taken by both the public and private sectors. What was the vision back in 1994? Who were the key players? What were the deliverables? How did we go about doing it? What is the outcome? Concretely, what has been achieved? What are the remaining challenges?

## The vision

The vision is fairly simple. Back in 1994, with the impending conclusion of the General Agreement on Trade and Tariffs (GATT), which would result in the erosion of trade preferences, there was great concern in both the public and private sectors about how to transition into an information-based economy. Basically we were looking at how

we would shift from agriculture and other traditional sectors to a new way of doing business, and at new businesses that could be developed.

## **Key players**

Who were the key players? The Prime Minister's Office, the Ministry of Finance, which was very much involved, and of course, the Ministry of Telecommunications were the main players from the government. The Financial Secretary took the lead on programme co-ordination. The main private sector representation came from the Joint Economic Council in Mauritius, which is the umbrella organisation for all of the country's private sector institutions, the Mauritius Chamber of Commerce and Industry, the banking sector and the textiles industry, which is a key player in Mauritius. The government bodies involved were the Exports Processing Zones Development Authority (EPZDA), National Computer Board and Central Informatics Bureau. The World Bank acted as a facilitator, supporting the initiative in various ways towards its achievement. Consultants who specialised in telecommunications provided external support at two levels: strategic assessment and legal drafting.

## **Deliverables**

The objective as we looked at the IT infrastructure, framework and specific applications was a comprehensive transformation. The focus was on telecommunications and the aim was to have several projects that would show clearly to the population the benefits of IT, both in government and in the private sector. The main questions in modernising the telecommunications framework in Mauritius were: how do we get better quality services at competitive rates? What is the role of government? What is the regulatory framework that needs to be put in place? We also had to address the IT related acts, and in terms of government services we pinpointed a few for improvement, for the sake of those services themselves but also to demonstrate the benefits of using IT within those sectors. In financial terms, we set in place a project for a real time gross settlement system for interbank payments. In the stock exchange, we decided there should be an automated share industry, with a registrar general, loan information system, and a set of other services. With respect to cargo clearance, the issue was how to automate the process of submitting import and export documentation.

## **The process**

The process focused on telecoms. The Telecoms Advisory Council was established with the objective of making it as independent as possible. This meant equal membership from both the public and private sectors. In the public sector we had Telco Finance

and the State Law Office, which was very important for redrafting the Telecoms Act. In the private sector we had the leaders in the private sector. The Minister of Telecoms appoints the chair of the Telecoms Advisory Council with a mandate to advise the minister on telecoms policy. We established a steering committee for all of those projects and CIB and NCB were both very much involved in this. The outcome was a new Telecoms Act in 2001. It took a long time and 13 drafts of the telecoms legislation before the Telecoms Act was finalised. The Telecoms Act has meant has introduced competition and multiple ISPs. There are two dominant mobile operators; a third one has not made inroads into the market.

We also developed several successful applications for using IT to deliver services to the public. For instance, no one needs an ID to access the Companies Database, and it is simple, practical and powerful to use: entering a company name is the only step needed to get the registration number. The TradeNet system was developed in 1998 to speed up trade transactions and connect members of the trading community in one data network. Cargo clearance time is very critical for the private sector, because the whole economy depends on cargo clearance. There is an automated process for all the trade procedures. We set up a real time gross settlement system to speed up transfers between banks, and we set up a central depository and settlement system. We are now exporting several systems and services skills that were developed in Mauritius.

## **Conclusion**

The three main factors that contributed to success in Mauritius were: the right mix of players from the government and the private sector; a very focused project management approach; and persistence when drafting the Telecoms Act. There are two significant remaining challenges: resolving the pressing requirements for talent in the booming BPO sector, and the cost of Telco services, which is one item to be addressed from a private sector perspective.

## ***B. The Role of Telecoms Reforms***

*Dr Krishna Oolun*

### **Introduction**

This section highlights some of the major milestones in the reform of the IT sector, and touches on the regulatory framework and how IT is really an economic enabler. It concludes with a look at the major challenges and some thoughts on the way forward.

## **Telecoms reform**

The first major milestone in the reform of the telecommunications sector took place in 1996 when the government published a White Paper on the telecommunications sector, 'Fostering the Info-Communications Society'. The Telecommunications Act of 1998 that followed did not last long as it very quickly became clear that merely having legislation in place was not enough to move forward; the wave of convergence was already there, with elements of IT, broadcasting, and telecommunications. That is why after three years of operation, the initial Telecommunications Act of 1998 had to be revamped into the ICT Act of 2001. There were other initiatives, like the privatisation of the incumbent operator, the Data Protection Act of 2008 and, most recently, major amendments to the Electronic Transactions Act with a view to introducing infrastructure to ensure secure electronic transactions.

## **The IT market**

The IT market today is characterised by two fixed line operators, three mobile operators, and eight international operators with three gateways. We have a broadband internet service, wholesale businesses and the sale of equipment. As our main regulatory functions, we operate ex-ante and we are now moving gradually into ex-post having recently signed a memorandum of understanding with the competition commission of Mauritius. Basically, these are our main functions with regard to the ex-ante. As early as 1994 authoritative data published by the International Telecommunications Union (ITU) showed that IT could be an enabler for the economic sector. For instance, an increase of 10 per cent in a country's mobile density contributes to an increase of 0.7 per cent in GDP. Similarly, an increase of 10 per cent in broadband penetration contributes to an increase of 1.3 per cent in GDP. These figures would indicate that promoting mobile density and broadband penetration is a move in the right direction.

## **Outcomes for Mauritius**

What has been the result of all the initiatives that have been implemented in Mauritius? In terms of tariff, the international private leased circuit, which is one of the fundamental elements for BPO activities and for lease connectivity, has been on the decline.

The volume of mobile traffic has evolved because of one fundamental economic law: increase the volume to reduce the cost per minute. This is one of the reasons why it was necessary to increase demand. How do you increase demand? Liberalise, open the market and create new applications.

There has been a significant increase in the volume of international traffic and a substantial improvement in internet traffic. The tariff has increased since the onset

of liberalisation, and international call rates have decreased as the market has been opened to competition. Mobile call rates for local calls have also undergone significant decrease. Regarding indicators, there has been a constant increase in fixed-line penetration, in mobile penetration and even in internet penetration. However, more work is needed because it is still on the low side.

DSL business connectivity at 2 megabits per second can be obtained for as little as US\$300. In terms of ensuring there is a large enough highway for BPO activities international capacity increased from 64 megabits per second in 2001, when we were thinking about opening up the markets, to 465 megabits per second in 2007 when we were fully operational. Today, we have got 3 gigabits per second. This capacity is bound to increase threefold by next year.

## **Future challenges**

Having gone through all these reforms, what are the challenges facing the sector today? As mentioned above, convergence in relation to regulatory reforms is one of the major issues that has to be addressed. Another relates to cloud computing, which when viewed from an economic perspective very often has the effect of converting capital expenditure into operating expenditure. Therefore, from a regulatory perspective, how do you address those issues? What products and services should be left for ex-post, and what are those elements that should be addressed ex-ante? We have introduced what we call the 'rate on return regulation' on our international private leased circuit and we have had a significant decrease.

For the future we have to stop thinking about what we call the cost base determination or cost base tariff, and we have to think about strategic tariffs. This has to be done in collaboration with the industry. Looking at cloud computing and distributed networking, the other element to ensure is security. One of the major drawbacks in cloud networking these days concerns security and trust in your transactions. In this regard, identity management will be something to address from a policy and then a regulatory perspective.

## **Conclusion**

To paraphrase one of the conclusions of the November 2009 World Economic Forum, if you want a sustainable economic base in this world, invest in IT. How do we do that from the regulatory perspective? I believe that regulatory reform appears in a continuum. At this point Mauritius has achieved the government objective to liberalise; we have established industry aspiration – cost base IUC, cost base determination and so on. Now we have to move onto the next step, consumers' interest, which is where we are linking in everybody who is concerned with this sector.

## ***C. Promoting Mauritius***

*Ken Poonoosamy*

### **Introduction**

The following contribution looks at the factors that have prompted investment in the BPO industry in Mauritius. The BPO industry is a huge market to be tapped, and there is already exponential growth as is well known. What is interesting in this BPO landscape is that the emerging offshore markets, including Mauritius,<sup>1</sup> are now gaining market share, rising from 7 per cent in 2005 to 22 per cent in 2009.

### **Mauritius economy: the reinvention process**

During the last 40 years the Mauritius economy has gone through a process of diversification, from trade preferences to global competitiveness. It has shifted from dependency on sugar (70% of export earnings) in the 1970s through manufacturing and tourism in the 1980s and the export of financial services in the 1990s. Since 2006 and going forward the main objective has been to make Mauritius a knowledge diversified platform getting more contributions from emerging sectors like the services sector.

What matters most to investors is the bottom line: whether they can make money and whether they can reduce costs. The entire economic structure of Mauritius changed when the government, recognising the need to focus on the cost of doing business, decided to simplify its tax incentives, tax breaks and tax schemes. In 2006, it initiated a reform process based on three main pillars: a low tax regime of 15 per cent, applied to all sectors across the board at the same level; business entry, i.e. attracting people to come to Mauritius to open up their businesses; and recruiting talent, skills and know how. It is good to know that today, if an expatriate wants to come to Mauritius and work in the IT sector, it takes him/her only three days to get an occupation permit for three years. That is quite a bold change in terms of the way we do business.

### **Competitiveness**

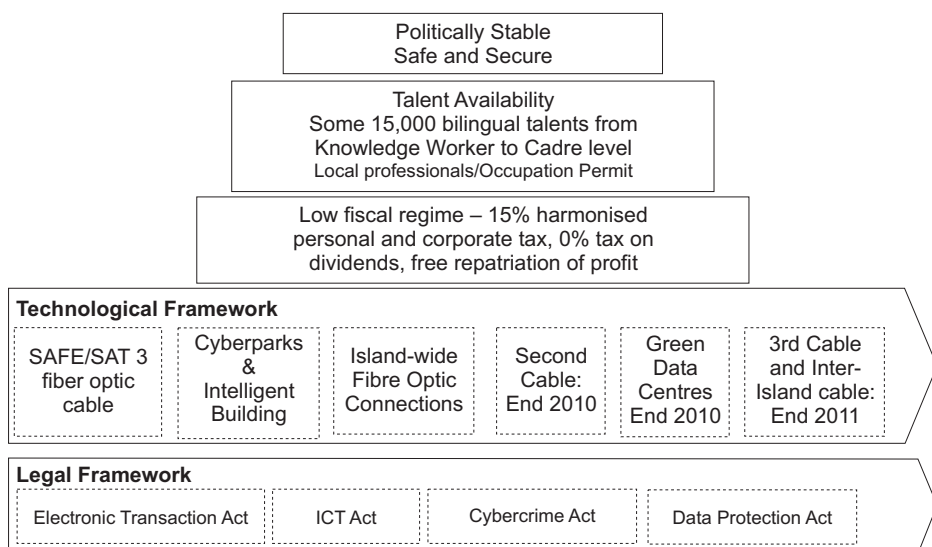
Looking at a range of indexes (Table 18.1), Mauritius is well positioned with different countries in terms of BPO centres. It ranks 17th among 183 countries in the 2010 World Bank Doing Business Survey and is among the top three countries in Africa in all indexes.

**Table 18.1.** International benchmarks

Index	Rank
World Bank Doing Business Survey 2010	✓ 17th out of 183 countries ✓ 1st in Africa
Outsourcing Readiness Index (Africa) 2009	✓ 2nd out of 15 African countries
Ibrahim Index of African Governance 2009	✓ 1st out of 48 African countries
Global Competitiveness Index 2008	✓ 55th out of 122 countries
Democracy Index 2008	✓ 26th out of 167 countries
International Property Rights Index 2007	✓ 30th out of 70 countries
Index of Economic Freedom 2009	✓ 18th out of 183 countries
A.T. Kearney Location Index Report – 2009	✓ 25th out of 50 countries
<i>Mauritius is among Top 3 in Africa for all indexes.</i>	

Source: Everest Research Institute (2009)

What is it important for us, in terms of attracting global business, is cost competitiveness. Other contributors have already set forth the ways in which we are trying to reduce the cost of telecommunications, and how we attract investors – broadband readiness, intelligent habitat, the ecosystem and, more importantly, talent availability. Mauritius has a cost arbitrage of around 70 per cent compared to its direct competitors in Europe. We suggest to our investors that if they want to establish an operation in the country, the full time equivalent cost ranges from US\$18,000 to US\$20,000 for basic activity. Mauritius is leveraging its bilingual capacity (English and French), making it more competitive and putting it a position to tap the French BPO market. Taken as a whole, Mauritius is a complete eco-system for global business delivery (Figure 18.1).



**Figure 18.1.** An eco-system for global business delivery

Source: Everest Research Institute (2009)

## Going forward

In terms of broadband development, the aim is to triple the broadband capacity in Mauritius with connections to additional fibre optic cables. The forecast is for an explosion in demand driven by growth in all sectors. By 2015 international internet connectivity is expected to reach 1.5 Gbps per head (up from 1 Gbps in 2008), which will be equivalent to Hong Kong and Singapore.

Mauritius already has eight intelligent habitats around the island, from Grand Baie Business Park in the north to Rose Belle Business Park in the south. We are also being quite strategic in anticipating the possible future position of the IT sector. We are tapping into a new industry called the land-based oceanic industry. We have already gone into the different phases, but what we need now is to create more value added in terms of businesses. Initially, the project aimed to use the coolness of deep-sea water for activities such as bottling and desalination. However, we realised that a number of green data centres in Singapore and in Europe are facing an important critical factor: the cost of electricity and their carbon footprint. In this light we decided to refocus the project and make a new industry by creating a habitat for green data centres using deep-sea water to cool off servers. The project is being developed on 120 hectares of land and we already have commitments from green data centre providers for around 10,000 square metres.

The talent pool must be increased to meet demand. Mauritius has a gross tertiary enrolment ratio (that is, school leavers between the ages of 18 and 25 who go into tertiary education) of around 41 per cent. That it is not enough to cope with the growing demands of the new sectors; with the liberalisation of telecommunications providers have been showing a great deal of interest. What we need is heavy investment in educating and training our human resource. The industry and the ministry of education have taken a number of initiatives and the regulators are involved in seeking ways to address this issue, but we need to go faster so that we can cope with the new interest.

Looking at IT-BPO services delivery from the Mauritius platform, where do we want to position ourselves? We reject the notion that Mauritius should position itself in the poorly paid, low-end call centre operations, for several reasons.

If we want to double our GDP per capita in the next 10 years, we need to focus on high value niche markets. The niche markets are specialised BPO services, financial services, legal process outsourcing and human resource development outsourcing. What we have also seen is that this is reflected in the evolution of the industry. Of the 300 companies that we have, the BPO software development business continuity and disaster recovery is actually increasing. We have to admit that we are not the Philippines or India. We do not have the talent pool that they have, so in relation to call centres, it is difficult to imagine how Mauritius could have a competitive edge over them. Where we need to focus is the high value added services.



## ***D. Developing an Attractive BPO Location***

*Paul Halpin*

### **Introduction**

This contribution seeks to share some investor perspectives. There seems to be general agreement about the need to have public sector involvement in putting together regulations and legislation that attract and enable the BPO industry and the BPO investor. To be competitive these days, a country must have these regulations and legislation in place, and they must look similar to those established by the biggest players in the industry. In order to be globally competitive in this industry, you must have the same type of telecoms and IT enablement, through legislation and regulation, as that of the best in the world; that is a basic principle.

### **Staffing**

My company, Halpin International, is located in Mauritius and currently invests in BPO activities in the medical and hospitality spaces. The operation has 150 staff combined, which we think we can increase to about 300 on the medical side and 500 on the hospitality side. As for a supply of people, we do not see any difficulty in taking experienced people out of well-paid jobs in the public sector, because many of them were involved in getting the industry to where it is right now, and they really understand the challenge. It is widely accepted in economies that develop, and that espouse new technologies, that the public sector role diminishes at some stage and the private sector role increases. The requirement to control and regulate, and write new legislation, and do all those things that establish an industry, diminishes on an ongoing basis, and therefore the private sector should be able to offer fairly attractive jobs to people who have worked in the public sector. Another aspect of supply in terms of experienced labour is obviously taking people from other relevant sectors, like the medical and hospitality fields in Halpin's case. Of course, in terms of sustaining the supply, the education sector needs to come to the table.

### **Attracting investors: the basics**

#### *Simplicity and support*

Everybody agrees on the general basics of attracting investors but we would emphasise two in particular. First, permit simplicity. Allow investors to walk into your country with minimal effort; do not make it difficult for them to get a permit to locate or for

their spouses and children to enter and stay in the country. You will not get a second look unless you simplify your permit infrastructure. The great thing about Mauritius is that the permit infrastructure has been completely overhauled and simplified, and continues to be simplified; if you have all your pieces of paper, you can get a permit to locate here in three days. The impact that that has had on the Doing Business Index ranking organised by the World Bank has been very significant.

In our experience, a spouse can become a major roadblock that prevents an expatriate moving to your country. If spouses can find a reason why they cannot work in the country, or cannot live in the country, or cannot operate a family or a lifestyle, they will not want to move. So, make sure the necessary support infrastructure is in place for spouses.

The central message is this: investors are fickle people, and they will go wherever they want. One other point to remember is that attracting the investor is the first win. Thereafter, you must retain that investor. As to whether you use a carrot or a stick approach, it has to be carrots all the time. If there are any sticks in the bag, you need to get rid of the bag.

## **How to attract more investors**

### ***Continuity and responsiveness***

How do you attract more investors than you have up to now, and more investors in the IT-BPO sector than your competitor nations? Whatever your ambitions are – whether it is to be a big player, like India, Sri Lanka and others, or a modest player for additional jobs and another pillar to the economy – you must have continuity of investor-friendly personnel in your country. If you are a country that throws out the team every time there is an election or a change of government, you need to ask yourself if it is wise to do that. Is the brand that has already established itself in the world moving at a sufficient pace to sustain itself without continuity of investor-friendly personnel?

There must be sustained effort put into listening and understanding what it is that the private sector wants; what it is in the business processes of industries like banking, insurance and media that creates opportunities for your economy to service jobs in your part of the world. Mauritius has been very good at identifying individuals in each of the government entities that are responsible for marketing, promoting and facilitating, who can specialise in sectors and who understand the needs and challenges of different industries. Industry specific knowledge is very important. You need a strong government with change agents who are able to make executive decisions and ensure implementation happens, or you will fail to attract investors. There must be investor incentives. There has to be something to bring the investor to your country.

There needs to be continuous policy development, because the wind changes. It is like being on a sailing boat. This is a fast moving industry. Whilst there is continuous policy development, you also need to adhere to the promises that were made in the past. If there is a generation of investors who arrived five, six or ten years ago, and you made certain promises to them, for example about continuity of taxation and fiscal policy or their rights to continue to live and reside in the country, those promises must be assured. Another great thing that Mauritius has done is to maintain all such promises. You also need testimonials from existing investors. It is very difficult for the people from the public sector to market a country without the support of investors who have had good experiences. Nowhere is perfect but if you can be better than someone else, that is your target.

There have to be credible policies for talent development, both for those in school and those who have left school, so that you can draw people from other sectors. It is better still if you have industries where you already have a reputation for excellence. For instance Mauritius is well known for its excellent hotel and tourism industry and a very well established offshore financial centre, with lawyers, accountants and bankers: people who understand overseas transactions and the culture behind large investments.

### ***Value for money***

Price controls and progress made on tariffs in telecoms is only one half of the equation from an investor perspective. The other half is: is it value for money? Value for money relates to the quality of customer service the investor gets, from the person who lays the line to the building before operations commence right up to the CEO. The ability of the organisation – that is the Telco or the ISP – to deliver consistent, high quality, responsive customer service, not just Monday to Friday between 9.30 and 4.30 but 24/7, is crucial.

Another very important point is that there needs to be a citizens' welcome for inward investors. Mauritius is very used to welcoming people from all over the world on a tourist basis. They come, they have their holiday, and they go away. However, this is more like the long haul preparing for the Olympics: the bid is awarded eight years in advance; you have to build the central stadium and upgrade other support facilities; you have to develop the essential infrastructure like transport to support the influx of millions of sporting fans for 16 days; the imposition on the citizens is huge. Yet, if you want to be involved and competitive in the global IT enabled sector, it is that big a commitment. The only thing is, the people who come from overseas to watch the Olympics go home, but the IT-BPO imposition and consequent change in culture, in behaviour, in responsiveness, in the attract-and-then-retain story, is huge and does not go away. India, Sri Lanka and the Philippines know this and have done very well out of it. The benefit is that you get to keep your own people in their families at home, instead of having to emigrate. The cost is huge, because those people no longer get

to tell the world, 'This is the way we do it in our country'. The world gets to impose the set of behaviours and the business culture. Those who understand that, and those who show that they get that message without a second question, are going to be successful. Where people oppose that, the clients will leave and then the investor needs to move on.

### ***Facilities***

On another level, the availability of places in international schools is very important, as is suitable and available real estate at reasonable cost. Access to like-minded people is also a key factor. When you invite investors, they want to know whether there are people in the country who think like them. Other things that are on the World Bank's Doing Business Index include efficient courts and alternative dispute resolution processes – your ranking on the World Bank Doing Business Index will go up quite a lot if you can speed up the processes in the courts.

### **Conclusion**

There are many opportunities, but it is a globally competitive market and investors do not easily walk in the door. Emerging locations need to focus on what they want to be good at, what sectors they want to attract, and what they think their education system can provide. Professionalism above all is key, and there is a lot of hard work ahead.

## ***E. The BPO Success Story: A Private Sector Perspective***

*Josie Lapierre*

### **Introduction**

This final contribution to the chapter highlights the global company, Accenture, to show the 'value-added' of its presence in Mauritius for BPO. I will also share some best practices from a private sector perspective, but also as a player within the economy of Mauritius today.

### **Accenture**

Accenture employs some 180,000 people in 120 countries across the world. We have 75,000 people in outsourcing. This is broken down between BPO and IT outsourcing

– mainly application outsourcing, and infrastructure outsourcing that is concerned with technology to a greater extent.

We have three main pillars: consulting, technology and business process outsourcing. From a global perspective BPO was set up as one of the three pillars for the first time in September 2009. This is mainly a consequence of the global financial crisis that started in 2008. The crisis had a real impact on consulting because of the short-term contracts, and because clients had to face a number of difficulties. What is interesting in terms of developing this sector is the fact that BPO contracts, even if tough to negotiate, will usually last between five and ten years. This was a global way of thinking and a way of positioning BPO as the third pillar within Accenture, which is in alignment with the way government and the key institutions in Mauritius are seeking to make the IT sector a key pillar of the economy. Although this started some years ago, it has reinforced our strategy and indicated that we are moving in the right direction.

### ***Global Delivery Network***

Accenture is structured with key poles in the northern part of the world – in Canada and the US and in Europe. BPO kicked off in India in 2002. China is more recent from a BPO perspective. This is mainly driven by the kind of growth that China is experiencing today, but China is also very much a domestic market so it is mainly focused internally compared to India or the Philippines. We also started business in Mauritius in 2002 with around 70 employees. Today we employ more than 800 people, about 500 in BPO and 300 or so in IT outsourcing. It is not difficult to recruit people, but one of the key success factors has been to maintain sustainable growth. It is easy to recruit, but then you have to retain your employees, and the investors as well. It has to be sustainable from a client perspective.

Another success factor for us in Mauritius has been a very close public-private partnership from the start. This has helped us to build relationships with our clients; when we bring people to Mauritius, it helps to be able to share our experience as Accenture, but also to have the opportunity for our potential clients (because very often it is part of a tender) to meet with key institutions. In this regard, we have had strong support from the Board of Investment and from some other key institutions.

### ***The Empowerment Programme***

Developing people has also been important. The Empowerment Programme, in which we have participated for the past three years and shared in our network, has been a big success from our perspective. It is a public-private programme to recruit and train new people, funded 50 per cent by government and 50 per cent by the private sector. On the basis of performance, we either employ them, or give them back to the market. It is a win-win approach both for the public and private sector, because

we are putting newly trained people on the market, but at the same time it helps us to manage our workforce by keeping up with new demands that might come from different opportunities.

### ***Shift in the market***

Since the global financial crisis there has been a shift in the market, not only from the investors' point of view but also from the clients' point of view. Few decisions were taken in 2008/2009, especially at board level, because from a purely financial perspective there were so many risks and unpredictable factors. On this basis we have seen an increase in what we call 'up-selling', which has been a major opportunity for Mauritius as a country and for Accenture as a company. Up-selling is meeting more of our client demands from a BPO perspective in the short term. For example, there has been an increase in terms of scope with a client on a contract. This might just be for six months and then be confirmed for a longer-term period, but this is where the public-private partnership programme has helped us a lot.

### ***Workforce***

The quality of the workforce in Mauritius has enabled Accenture to progressively grow its business. The current plan is to increase the workforce from 800-plus to 1,400 in the next two to four years. We are seeing more and more business coming to Mauritius as well despite the fact it is very small, with just 1.2 million inhabitants. If you look at the other destinations, there is a lot of synergy in Europe, for example, especially Eastern Europe. One of the benefits for Mauritius as a country is the erosion of the competitive advantage of Eastern Europe. Being bilingual French and English gives Mauritius the possibility to be a differentiator, and is an asset to sell to clients and to the network.

The BPO giants, India and the Philippines, speak English so Mauritius is not at all positioned as an English-speaking country. French is a small market in terms of global companies that are looking at outsourcing to decrease their operating costs by at least 40 per cent. This is where, from a company perspective and from a country perspective, several criteria come into play; a workforce is one of them, and partnership with government and a stable political environment are others. In 2010 for instance, we faced many questions from our people in Europe and elsewhere in the run up to elections, due to negative media reports that gave the impression there was going to be a civil war in Mauritius. This is another challenge, and political and economic stability are key criteria, as well as the inflation growth rate.

### ***Accenture in Mauritius***

Accenture has three facilities in Mauritius: one based in Cassis, close to Port Louis, where we have our BPO structure; another at Altima, where we have our technology

services; and we are also on one floor in Cyber City. The way a country is positioned, especially in relation to technology and risk, is critical from a company perspective. When we are looking at BPO, the critical part is that those multinationals are outsourcing their key activities, such as finance, accounting and procurement, to us. For example, if they are in insurance they would be outsourcing their claims or in the case of human resources, their payroll. So, continuity of business is critical. One of the perceived disadvantages of Mauritius is its size – the fact that it is seen as a mere drop in the ocean. These are the kind of gaps that we still need to work on. How do we take care of our country, which is small, for the betterment of its citizens? How do we close the gaps to ensure that our clients and the network are satisfied with the plans? There are unpredictable phenomena such as the recent volcanic activity in Mauritius, and there are other things that can be managed by putting in place appropriate mitigation plans. This is what we need to emphasise to investors and clients: first, that there are solutions and, second, the fact that Mauritius is an island does not mean it is more risky than other countries.

### ***BPO capabilities***

Companies in sectors like BPO or technology outsourcing are not competing within a country; they are offshore structures competing with other global companies in other countries so competitive advantage is from a global perspective. It is possible for a small country to compete with India, with the Philippines, with China, but it has to find the differentiated factor. In the case of Mauritius, it has been the workforce and languages. The fact that Mauritius is a bilingual country was a key point for us to sell to our clients and to the network. There are very few countries in the world (Cameroon is another example) that are bilingual in English and French. All the business was going to India until certain developments in the financial services and the IT sector there made investors more risk-averse. This is therefore where there has been a spreading of the footprint from a global perspective. Mauritius is now developing skills in Italian, German and Spanish, positioning itself to be more competitive with Eastern Europe where people are moving out of this kind of job, and there is price erosion as well.

### ***Image of the sector***

One of the key components to consider is whether the workforce is prepared to move into this sector. This was an initial barrier in Mauritius because BPO was perceived as call centres – a perception that was further fuelled by promotional pictures of people wearing headsets. From a cultural perspective, because of the diversity of people we have in Mauritius, with influences from Africa, Asia and Europe, it did not look all that thrilling compared to being a lawyer or an architect or similar. In Mauritius, even though young people all have mobiles, are connected to the world and are on Facebook day in and day out, they are still deeply influenced by their parents, who do not approve of their children working in call centres.

We have also provided feedback on this, which the government has taken on board. This has led to improvements in the way the ITES-BPO sector is projected, which has had a positive impact on the population and also helped to enhance the image of the sector. Other success factors are the flexibility of the labour force, an attractive time zone and the fact that we are also operating Central European Time (CET) hours.

## **Conclusions**

Today, in Mauritius we are mainly structured around finance, accounting and procurement, the supply chain and what we call custom. Another key area is experience in operational excellence and productivity. In seeking to ensure you have the right kind of resource pool, you must have a framework. It is not just about recruiting people in IT who are able to do finance and accounting jobs; it is also ensuring that you can recruit all the key skills in terms of IT as well as human resources, support services, people who understand BCM software, and so on. This is also something Mauritius can find readily available in the market, and this is our strength.

## **Note**

1. Other Commonwealth countries that are emerging as offshore destinations in the BPO market include: Jamaica, Malaysia, Nigeria, Singapore and South Africa.