

NATIONAL STRATEGY TO DEVELOP JAMAICA'S GLOBAL DIGITAL SERVICES SECTOR: 2021-2025

A BUSINESS PROCESS REVIEW AND OPTIMIZATION EXERCISE
RESULTING IN A GAP ANALYSIS AND ACTION PLAN FOR
ADAPTING TO FUTURE DEMAND FOR DIGITAL SERVICES IN
THE GLOBAL SERVICES SECTOR



Developed by Avasant LLC
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Executive Summary

Jamaica, like most Caribbean economies, is highly reliant on tourism with the sector contributing an average of 30 percent of national GDP over the past 5 years. While the short to medium term economic impact of the pandemic on the tourism sector will be significant, Jamaica can leverage its mature BPO services sector to mitigate the overall impact. Steps to further increase the BPO sector employment base to include more professionals and broadening the scope of services by adding emerging digital services can significantly assist the country in overcoming some of the challenges as well as better aligning the current BPO sector in line with global growth patterns.

The Jamaica Global Digital Services Sector roadmap, at a high level, attempts to meet the following national social and economic objectives:

1. Repositioning of Jamaica as a higher value destination while building on its existing strength as a credible nearshore customer service destination
2. Continued employment generation across the outsourcing value chain
3. Drive both foreign and domestic investments growth into the sector
4. Improve sector revenue generation to support government revenue streams
5. Improve domestic service provider participation in the sector
6. Encourage domestic entrepreneurship especially within digital services space
7. Support overall economic diversification

Based on the assessment of both domestic and external factors, the key niche subsegments offering the most potential for Jamaican GSS include:

- Knowledge Process Outsourcing (KPO)
 - Market Research Services
 - Business Research/Financial Research Services
 - Digital Content Management
 - Content Strategy
 - Content Creation
 - Content Distribution
- Business Process Outsourcing (BPO)
 - Omni Channel Customer Services
- Information Technology Outsourcing (ITO)
 - Mobile and Web Development Services
 - Digital Commerce
- Vertical Specialization
 - Tourism Specialization
 - Digital Government Solutions

The Jamaica GSS Recommendation and Action Plan provides timebound recommendation and action plan to achieve the target growth objectives while taking into consideration the

various facets of the global and domestic global services sector as analyzed. The recommendations have been classified based on Digital Competitiveness Index (DCI) framework pillars used for the Current State Assessment. The recommendations specifically focus on targeted initiatives under the Digital Ecosystem and Human Capital as these two pillars are expected have the maximum impact towards the attainment of the set objectives.

1. Expand/Strengthen Current Industry Association Mandate
2. Sector Policies and Regulations Realignment
3. Develop a 'Single Window' Digital Sector Industry Platform
4. Develop Domestic Knowledge, Technology Services Ecosystem and Delivery Capacity
5. Realign Value Proposition Messaging
6. Domestic Service Provider Market Expansion
7. Target Markets Expansion
8. Improve Domestic GSS Image
9. Sector Focused Multi Level Skill Development Initiatives
 - Level 1 – CC/BPO Skill Development Track
 - Level 2 - Higher Value Services Training Track
 - Level 3 – Digital Talent Development
10. Develop Online Training Delivery Capacity
11. Easing Travel/Stay Requirements, Hiring of International Resources
12. Strengthen Services Export Promotion/Outward Industry Promotion
13. Develop Global Services Incubation Facilities
14. Support the Expansion of the National Broadband Infrastructure
15. Incentivize Domestic GSS SMEs/ Streamline Incentive Process
16. Conditional Government Contracts to Domestic GSS Enterprises
17. Increase Government Digital Initiatives / Digital Adoption

The estimated costs of implementing the recommendations over four years is approximately US\$7.5 million.

Over the past five years, the Jamaica GSS Sector has been averaging a 20 percent annual employment growth which is among the highest in the world. The high growth rate also augurs well for the overall economy due to its multiplier effect on other associated sectors and service segments. However, the Call Centre (CC)/BPO segment, which forms the mainstay of the current Jamaican GSS sector with over 80 percent of the existing service offerings, has been the most impacted by the emergence of digital technologies especially Artificial Intelligence (AI) and Robotic Process Automation (RPA). Globally, the CC/BPO segment has seen a marked decline as a key employment source as adoption of digital technologies especially in delivering lower value services has significantly reduced the need for human resources. On the other end, the higher value services segment is witnessing a much higher demand for skilled resources as the same set of digital technologies is aiding the expansion

of the global services offerings by bringing more services under the global ambit of global services delivery.

Within the context of the Strategy recommendations, for 2021-2025, sector employment growth is expected at an average of 13 percent and revenue growth at 16 percent post-2020 COVID stabilization i.e., employment – from around 43,167 in 2021 to approximately 70,400 in 2025 and revenue to US\$1.150 Bn. The higher revenue growth is based on the expected contribution of higher value services into the sector revenues in the next 2-3 years reaching a ratio of almost 50:50 between niche and higher value services and traditional services by 2025.

Introduction

In the current globalized world, almost every economy is intrinsically intertwined with each other as part of the global goods and services trade. A disruption at any level to this densely interconnected global economy has a widespread socio-economic impact on all interrelated economies.

Global Services Sector

In recent years, the Jamaican economy had been on an upward growth trajectory registering between 1 percent and 1.9 percent growth since 2012 and was expected to continue a similar growth pattern for the next 3-4 years¹. However, the global pandemic is expected to severely impact Jamaican economy owing to its reliance on the tourism sector and a significant contraction in key global markets (in Jamaica's context) -- including the US by 6 percent and Europe by 6.6. percent -- impacting the possibility of a faster recovery. This combination of slow international recovery and domestic dependence on travel and tourism sector, a key economic pillar, makes Jamaica even more susceptible to deeper economic challenges. According to the Planning Institute of Jamaica (PIOJ), year-to-date (January to June 2020) the Jamaican economy is projected to have declined 10.2% relative to 2019, while the forecast for Q3 (July to September 2020) is a further contraction of 8% to 10% relative to 2019.

The current COVID-19 global pandemic is expected to have a far more severe and widespread socio-economic impact than similar economic challenges in the past. Unlike, previous economic/health challenges (2008 financial crisis, 1997 Asian financial crisis, SARS, MERS) the current global pandemic has directly impacted every country in the world.

According to the International Monetary Fund (IMF), the global economy is expected to contract by 5 percent in 2020, the worst recession in over 90 years, with the expectation of growth in 2021 highly uncertain².

Given these vulnerabilities it is imperative and opportune for Jamaica to diversify away from its traditional revenue streams by strengthening other core services sectors especially the global outsourcing sector.

¹ Note – World Bank Data

² IMF – June 24, 2020

Global Outsourcing Service Market Overview

The global Information Communication and Technology (ICT) sector³ has emerged as a key services sector export segment for many developing countries and is playing a significant role in socio-economic transformation. According to the World Trade Organisation (WTO), for 2018 (latest available data published in 2019), global ICT services trade was valued at US\$ 1.756 trillion with US\$ 438 Billion in cross border exports. It further adds that the ICT sector has “recorded remarkable growth in the last decade, with IT services expanding by 11 per cent annually on average. IT services were resilient during the financial crisis...” indicating to the resiliency of the sector.

According to the National Association of Software and Services Companies (NASSCOM)⁴, the Indian IT industry body, the global IT-BPO market spend⁵ was valued at around US\$ 1.4 trillion⁶ in 2019 (for 2018) and is projected to grow at a Compound Annual Growth Rate (CAGR) of 2.4 percent to US\$ 1.5 trillion by 2021⁷. Notably, beginning in 2020, NASSCOM has stopped issuing growth and revenue forecasts owing to the dynamic sectoral growth as new technologies emerge. In addition, the mentioned forecasts are expected to be revised owing to still unknown impact of the COVID-19 pandemic.



The global IT-BPO spend (procurement of outsourcing services) is highly skewed with 'IT Services Spend' three times that of 'BPO Services Spend'. The Global IT-BPO Sourcing Spend⁸ is growing at a faster rate (6.7 percent) when compared to the Global IT-BPO Spend (2.5

³ Note: The Information Communication and Technology (ICT) sector has two key subsegment- Telecom, Business Services and IT. The IT services are further sub-divide into IT and BPO services. The term IT-BPO covers the ambit of domestic and international 'outsourcing' services.

⁴ Source: NASSCOM Strategic Review 2019

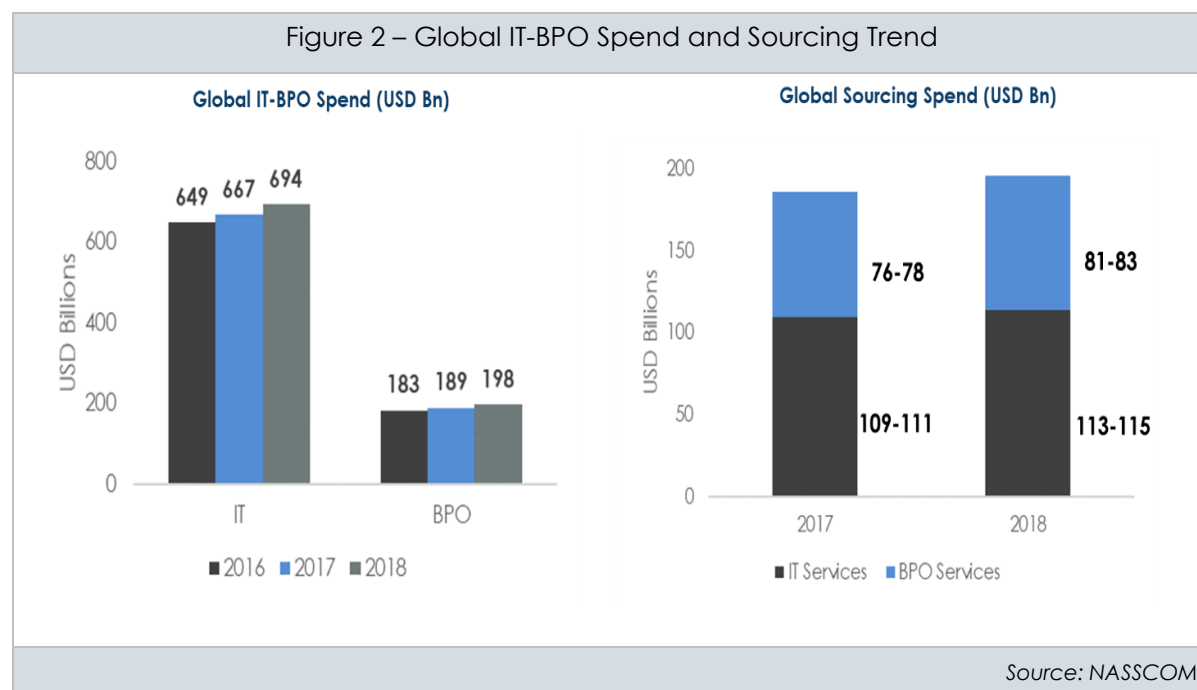
⁵ Note: IT-BPO Spend refers to the actual spend on procurement of IT-BPO services and is a better representation of demand for IT-BPO services as against market size estimates.

⁶ Note: The Global Spend also includes Packaged Software at US\$ 515 Billion

⁷ Note: The definition of IT services varies across organizations leading to varied market size, growth and revenue estimates. For the purpose of the report, Avasant considers IT, BPO (Digital) and packaged software

⁸ Note: the outsourcing industry is mainly classified into two verticals – IT and BPO with Digital Services forming a horizontal service line enabled by digital technologies across both the segments.

percent and 4 percent), indicating to a larger portion of IT-BPO services being progressively sourced from global locations. However, it is important to note that only a small portion (22 percent) of the total 'IT-BPO Spend' is accounted for 'Global Sourcing' i.e., procurement of IT-BPO services as an import commodity.



While a significant portion of Global IT-BPO Spend (Demand) for IT-BPO services is from developed geographies across the world, especially US, UK, and Japan, the IT-BPO Sourcing (Supply) landscape has a much wider geographic spread with several global locations exporting a range of IT-BPO services. Countries with a mature IT-BPO landscape having the ability to provide both IT and BPO services and the flexibility to adapt to rapidly changing market dynamics (through re-skilling and technology adoption), are expected to dominate the global outsourcing landscape for the medium to long term-future. Table 1 below shows some of the top IT-BPO-Digital locations.

Table 1 – Top IT-BPO-Digital Locations in the World

No	Country	Service/Geographic Focus	Market Maturity
1	India	IT/BPO/Digital (Global)	Market Leader
2	China	IT (East Asian Markets)	High (Product Development)
3	Malaysia	IT/BPO/Digital/ GIC ⁹ (Global)	High – Offshore GIC's
4	Philippines	BPO (Predominantly CC/SSO Services)	Medium

⁹ Note: GIC-Global Inhouse Centers/ SSC Shared Service Centers

No	Country	Service/Geographic Focus	Market Maturity
5	Mexico	IT/BPO (Nearshore Hub)	Medium – Nearshore GIC's
6	Chile	IT/BPO/Digital (Nearshore Hub)	High – Nearshore GIC's
7	Poland	IT/BPO/Digital (E. European Nearshore Hub)	High – IT/Digital
8	Bulgaria	IT/BPO/Digital (E. European Nearshore Hub)	High – IT/Digital
9	Ireland	BPO/ GIC	High (Europe GIC Hub)
10	United States	IT/BPO/Digital (Tier 2 Locations)	High – Onshore IT/Digital
11	Costa Rica	IT/BPO/Digital (C America Nearshore Hub)	High – IT/Digital

India dominates as the world's leading outsourcing destination with a share of 55 percent market share. For 2019, it accounted for 24 percent of the 271 new global delivery centers which were set up worldwide (by US headquartered firms) with Europe accounting for 29 percent (incl. E. Europe)¹⁰. India is home to over 1,400 Shared Services Organization (SSO) or about 50 percent of global SSO/GIC units.

Emergence of Digital Services as Service Line

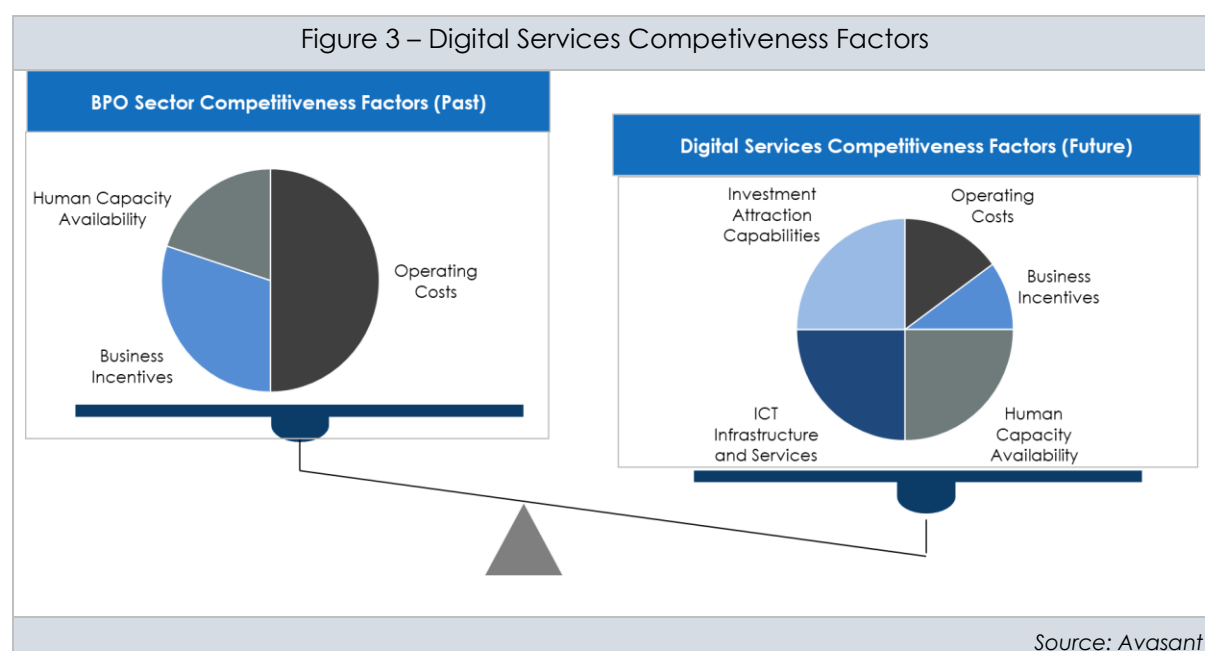
Digital Services has emerged as the key services subsegment accounting for over 20 percent of total outsourcing services revenue. The preeminence of Digital Services can be gauged by the fact that over 55 percent of outsourcing contracts now include a portion of digital services. According to NASSCOM, digital services revenues are expected to grow at 22 percent CAGR to aggregate to US\$ 267 Billion by 2020 and is expected to drive the future growth of the outsourcing sector.

In terms of locations, many Eastern European countries have established themselves as Digital Services hubs. Leveraging its large skilled IT talent pool and relatively lower costs, many countries like Estonia, Lithuania, Poland, Bulgaria etc. have established themselves as digital hubs and have attracted considerable investments into the domestic IT/outsourcing sector. The availability of talent along with easier access to key EU markets, mature digital ecosystem, and higher levels of digital adoption in public sector have made these locations attractive to digital startups and SMEs.

¹⁰ Source: NASSCOM Strategic Review - 2018

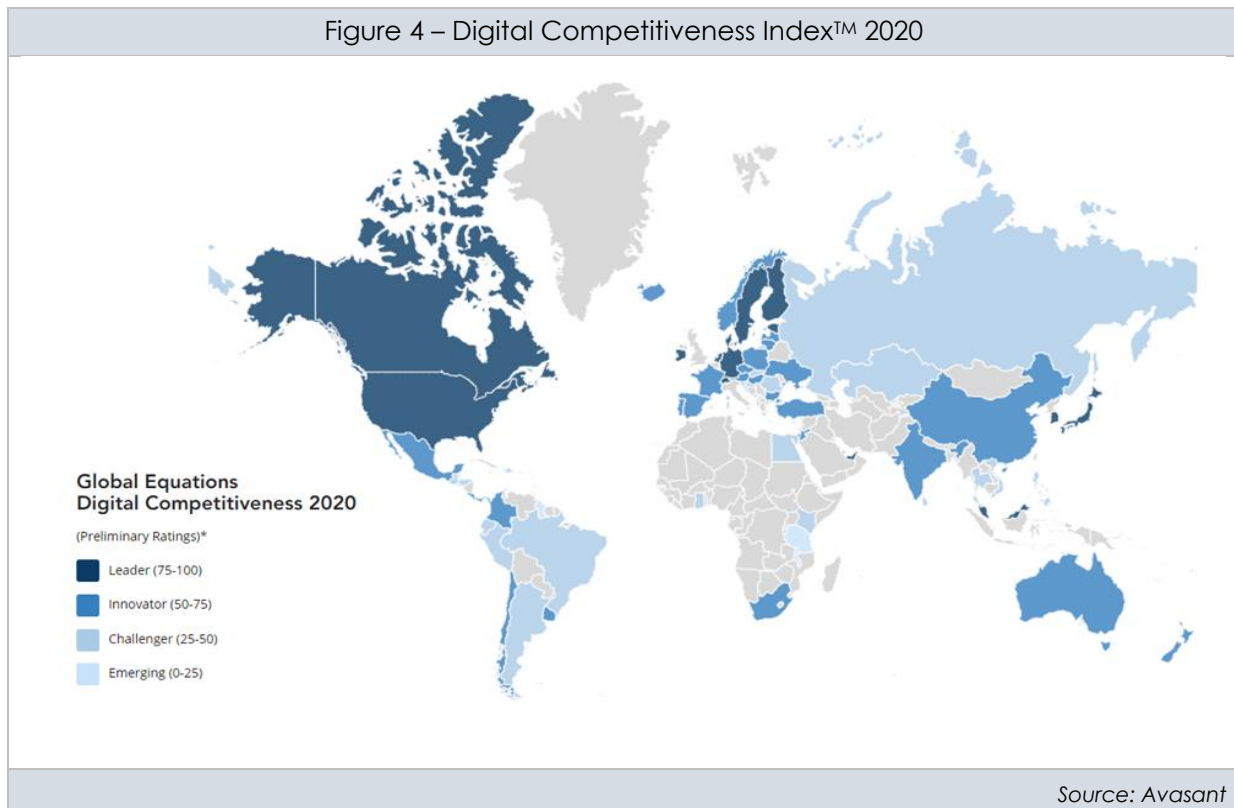
Global Services – Accelerating Digital Competitiveness

As digital technologies and related services become mainstream, service providers are continuing to incline towards locations with the ability to support a '*digital service delivery ecosystem*'. While operating costs, availability and scalability of talent and competitive business and policy incentives were the key drivers during the past two decades these factors have become much less critical to service delivery. Service providers and end clients are now increasingly considering locations on its Digital Infrastructure, Digital Ecosystem, Digital Skills, Business Environment etc. with cost competitiveness playing a much less critical role. Jamaica must now take steps to reposition itself and focus on building its reputation and capability by transitioning from models that solely focus on cost arbitration and repetitive workflows, to providing an enabling environment for innovation and skills evolution. The following figure outlines the shift from traditional cost competitiveness focused delivery models to a digital competitiveness model.



Recognizing the shifts in the global outsourcing landscape, Avasant has developed a new framework to assess the 'digital' competitiveness of global services locations - Digital Competitiveness Index™ (DCI). The DCI framework evaluates the digital readiness of a location across key foundational service delivery pillars and provides a holistic assessment of its digital standing. It also enables locations to identify existing gaps and comparative advantages, in turn supporting better policy decisions and preparedness for a technology driven global service delivery ecosystem.

Based on the analysis, DCI™ classifies a location into four categories - Emerging, Challenger, Innovator and Leader, and provides a blueprint to help close the digital competitiveness gaps. The figure below highlights the Digital Competitiveness Index™ 2020.



Avasant has leveraged the DCI assessment framework for the assessment of the Jamaican global services ecosystem and develop related recommendations.

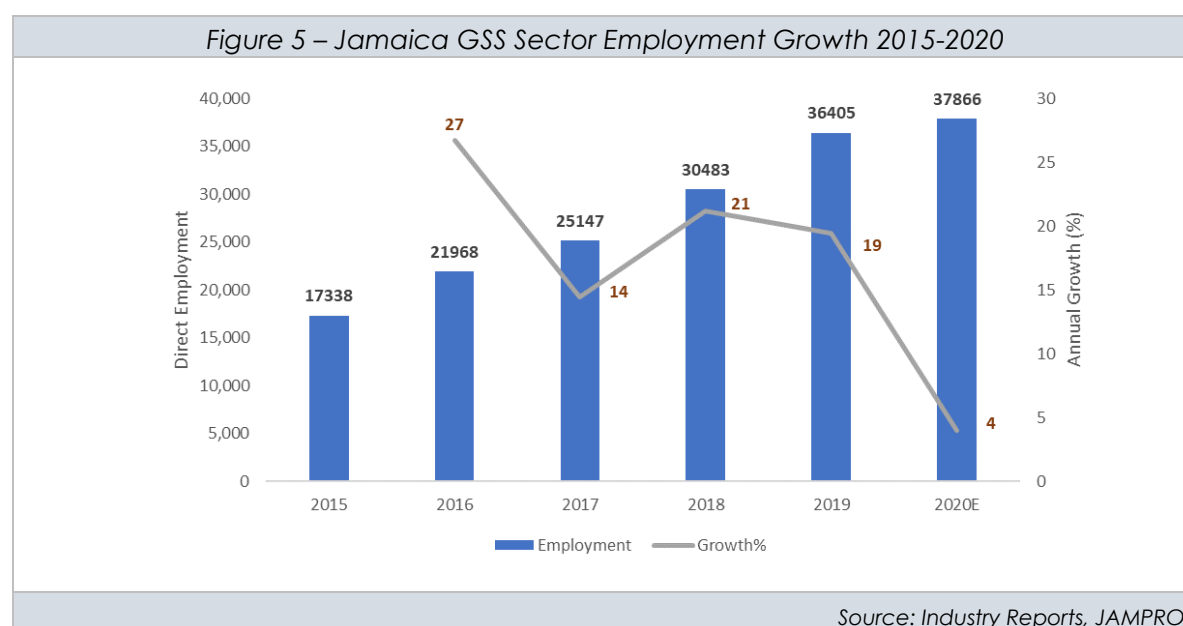
Jamaica Global Services Sector – Current State Assessment

Industry Overview

The Jamaican Global Services Sector (GSS) has grown significantly from its nascent start in the late 1990s in the data entry segment to become one of the leading employment generating sectors in the country. Along with employment, the sector also has made significant economic contribution to the domestic economy through infrastructure development and business linkages with local MSMEs.

During its initial development phase, Jamaica emerged as an ideal location for large contact centre companies looking for an English-speaking delivery location offering scalability and low costs. Since then, Jamaica has established itself as a preeminent nearshore location offering a wide range of services and is now home to some of the most prominent global BPO services companies.

Currently, the Jamaican global services sector consists of over 75 domestic and international firms with over 37,000 direct employees at the end of March 2020. Over the past five years, the sector has grown at a CAGR of 17 percent from its base of 30 companies and 17,000 direct employees in 2015. Notably, the industry peaked at just over 43,000 jobs in December 2019 just before the onset of the global COVID-19 pandemic.



While the Jamaica GSS sector is dominated by large multinational service providers accounting for over 75 percent of both employment as well as revenue generation, the domestic service provider segment is emerging as a key contributor to the segment.

Figure 6 – Jamaica GSS Sector Overview



- **No of Companies** – 75+
- **Direct Employees** – 37,000+
- **Indirect Employment** – 88,000
- **GDP Contribution** – US\$600 mn+
- **Key Locations** – Montego Bay, Mandeville, Portmore and Kingston
- **Key Services** – Customer Services, Back Office Support, IT/Development Support

March 2020

Source: Industry Reports, JAMPRO, Avasant Analysis

Jamaica Global Services Market SWOT Analysis

In order to develop a holistic roadmap for the Jamaican global services sector it is imperative to identify key strengths and improvement areas keeping in mind the global industry trends and domestic sector specific goals (number of new jobs to be created, increase in export revenue percentage etc.). The following is a high-level SWOT analysis of the Jamaican global services industry based on: i) the DCI assessment, ii) feedback from key industry stakeholder, iii) domestic and multinational service providers, and iv) interviews with service providers looking at nearshore expansion opportunities.

STRENGTHS	OPPORTUNITIES
<p>Global Services Sector/Digital Ecosystem</p> <ul style="list-style-type: none"> Proactive government support to ensure continued Global Services Sector (GSS) growth (albeit currently focused on lower value services) Regional leader and one of the top CC/BPO hubs in the world with over 30K seats. Mature location CC/BPP offering easier scalability and faster operational set-up Low-cost operations owing to lower human resource costs Presence of global BPO firms with significant local operations Large pool of scalable talent with govt. aided skill specific training Strong digital adoption mandate by govt. in turn creating opportunities for domestic and international service providers (e.g., MyHR+) Multiple initiatives to provide financial support SME/MSMEs (DBJ, Exim Bank, JSE) at a multi-sector level <p>Supporting Infrastructure</p> <ul style="list-style-type: none"> Efficient and cost effective, multi node international air connectivity ensuring easy access. Good road connectivity between key domestic hubs ensuring support to a multi-location operation Sufficient stock of private and govt. real estate options in the form of standalone and multi-tenant tech parks to support long term growth <p>Enabling Business Environment</p> <p>Significant improvement in Ease of Doing Business over the past five years</p> <p>Macro-Economic</p> <ul style="list-style-type: none"> Significant business, legislative reforms to improve domestic economy Strong brand as a leading tourism destination that can be leveraged for GSS sector Well defined national development plan under 'Vision 2030' 	<p>Global Services Sector/Digital Ecosystem</p> <ul style="list-style-type: none"> Opportunity to leverage the BPO/CC strength to develop wider higher value/digital services capabilities in-line with industry growth trend Continue strong growth CC/BPO segment as post pandemic outsourcing/offshoring initiatives increases. Higher technology adoption in this segment can provide new opportunities (new service lines) and enable Jamaica to better compete with scale focused nearshore/offshore locations Leverage higher tertiary enrollment in business/education to provide knowledge services e.g., KPO, Legal and Financial Services Leverage govt. digitalization program experience and institutions (eGov Jamaica) to become a regional hub/leader govt. digital solution Opportunity to become a tourism vertical specialist destination by leveraging tourism and global services experience (as post pandemic tourism sector increasingly adopts technology driven solutions esp. in the Caribbean)
WEAKNESS	THREAT
<p>Global Services Sector/Digital Ecosystem</p>	<ul style="list-style-type: none"> Located within the hurricane belt that may cause service disruption. Higher outlay for BC/DR plans for service providers

- Lack of an overarching industry body covering all segment of the global services sector (BPO/IT/Digital) to further the sector development agenda
- Low levels of streamlining of incentives under various programs (SEZ Act)
- Limited understanding on the benefits of digital adoption/digital transformation within the private sector (larger enterprises) in turn limiting domestic opportunities that can attract investment/promote domestic market growth
- Lack of Work from Home/Remote Working regulations to support remote delivery (to ensure employee wellbeing, privacy, and to address data integrity concerns)
- Low maturity, delivery capacity for higher value services e.g., knowledge-based services, digital solutions
- The existing CC/BPO segment is witnessing double digit annual growth resulting in high levels of attrition and wage escalation
- Lack of centralized talent/skill development, industry awareness program/portal
- Limited domestic understanding/branding of the GSS sector and related opportunities esp. around higher value services
- Limited focus on outward global services/digital services export promotion supporting domestic SMEs (as current policies focus on attracting inward investments)

Supporting Infrastructure

- Energy costs (electricity) is one of the highest in the region increasing overhead cost
- Telecom costs are also significantly higher than other nearshore/competing locations
- Low levels of fixed broadband penetration to support WFH delivery model (due to high costs and limited rollout)

Human Resource Capital

- Limited scalability of human resource with tertiary/professional education to support higher value services
- Limited availability of short-term industry/sector specific training/professional skills program to bridge 'skill gap', increase talent pool
- Limited flexibility in hiring long term trained technical/managerial international resources outside of the CARICOM.
- Lack of regulation to support plans to attract international talent to supplement and develop local digital services segment (in post COVID-19 recovery)
- Lack of robust online/self-paced training platforms/programs (HEART-NSTA)

Macro-Economic

- Post COVID recovery plans may impact planned macro-economic development program having an indirect impact on the sector (or prioritization of sector specific initiatives)

- Limited domestic telecom competitiveness and current state of the regional telecom sector (financial state of some of the regional telecom service providers)

Jamaica GSS Sector Parameters, 'To Be' Recommendations, Niche Area Identification

Objectives and Outcomes

In order to develop a holistic and well aligned Jamaica GSS Sector Strategy 2021-2025, the main objective and expected outcome of the proposed sector strategy has to be clearly outlined i.e., outlining the overarching goals to be achieved through the implementation of the proposed strategy and related action plan. The Jamaica GSS sector roadmap, at a high level, attempts to meet the following national social and economic objectives:

1. Repositioning of Jamaica as a higher value destination while building on its existing strength as a credible nearshore customer service destination
2. Continued employment generation across the outsourcing value chain
3. Drive both foreign and domestic investments growth into the sector
4. Improve sector revenue generation capacity in order to support government revenue streams
5. Improve domestic service provider participation in the sector
6. Encourage domestic entrepreneurship esp. within digital services space
7. Support overall economic diversification

While supporting the attainment above objectives, the roadmap should also take into consideration, a number of key factors effecting the overall sector growth. This includes:

1. Overall impact of new delivery models, technologies, and competing locations on Jamaica's value proposition
2. Current strengths and impediments (once addressed) having the most impact in supporting the attainment of overall sector growth objectives i.e., distance to frontier
3. Revenue and employment growth targets
4. Identifying niche growth segments offering most potential revenue and employment growth, as well as the long-term objective of the transitioning into higher value services

Future Growth Target

Employment Growth

Over the past five years, the Jamaica GSS Sector has been averaging a 20 percent annual employment growth which is among the highest in the world. The high growth rate also augurs well for the overall economy due to its multiplier effect on other associated sectors and service segments. However, the CC/BPO segment, which forms the mainstay of the current Jamaican GSS sector with over 80 percent of the existing service offerings, has been the most impacted by the emergence of digital technologies especially AI and RPA. Globally, the CC/BPO segment has seen a marked decline as a key employment source as adoption of digital technologies esp. in

delivering lower value services has significantly reduced the need for human resources. On the other end, the higher value services segment is witnessing a much higher demand for skilled resources as the same set of digital technologies is aiding the expansion of the global services offerings by bringing more services under the global ambit of global services delivery.

The CC/BPO segment will continue to play a critical role in the growth of the Jamaica's GSS sector as it will continue to form the industry baseline in terms of both employment and revenue. The segment growth will continue to be driven by larger multinational service providers as they adopt global practices and technologies to deliver digital centric customer services and back office solutions by focusing on training and skill development of existing and future human resources. This observation is attested by the GSS Survey with over 80 percent of the global services providers indicating to increasing the current employment base by 10-15 percent over the next year¹¹ . Some of the other trends impacting the employment growth in the sector includes:

- Potential new investments by larger multinational service providers and related employment growth
- Organic growth of existing services providers
- Re-hiring of retrenched/furloughed resources as part of post COVID recovery
- Expected growth in hiring to service higher value services
- Implementation of various recommendations supporting industry growth (as indicated in the following section)

Revenue Growth

According to various industry estimates, the Jamaican GSS sector revenue was approx. US\$ 700 million for 2019 up from US\$ 400 million in 2016 at a CAGR 18.75 percent¹². The revenue growth like employment is among the highest for the sector globally and indicates to the strong CC/BPO segment in the country.

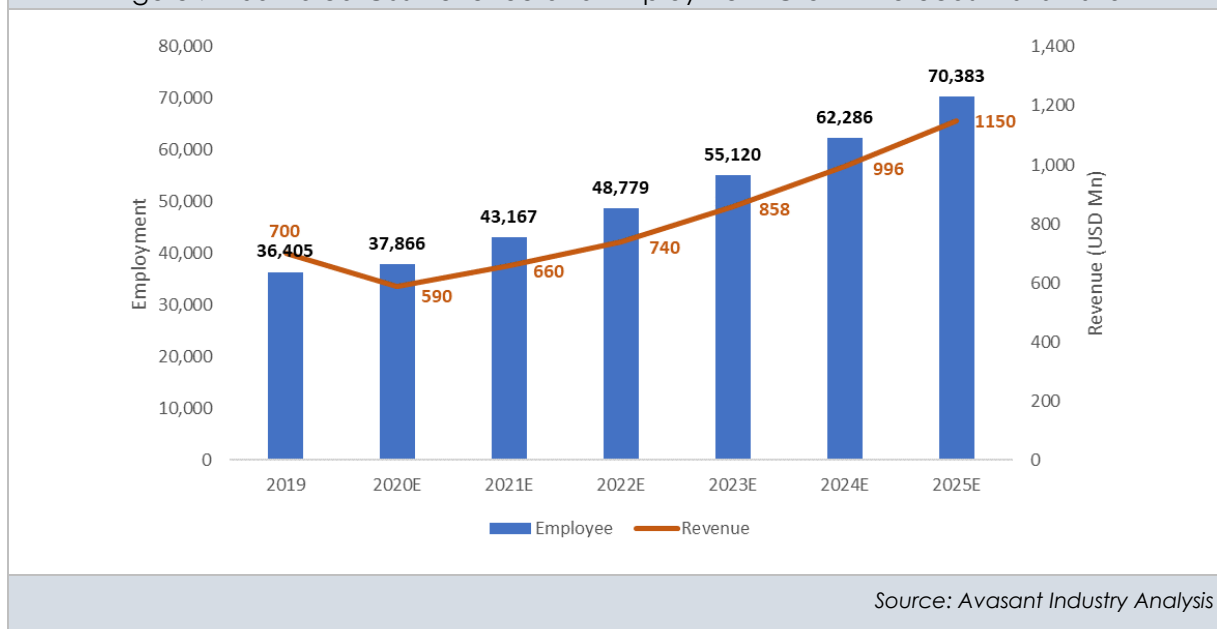
As Jamaica pushes towards attracting and delivering higher value services and change its service segment contribution from 80:20 to 60:40 (low value: higher value services), the sector is expected to register a much higher revenue growth starting in the next 2-3 years (once the related ecosystem has been developed).

However, the ongoing global pandemic did have a significant short-term impact on the local service delivery with almost 8,000 employees being furloughed or terminated. While the drop was significant, the industry is expected to witness a sharp rebound in the post COVID recovery phase. In revenue terms, there will be short term decrease in revenue generation although not as sharp as employment due to the increased reliance on outsourcing services by end clients during the pandemic. The following figure indicates to the forecasted revenue and employment growth between 2020-2025.

¹¹ Source: GSS Industry Survey 2020

¹² Source: JAMPRO 2016 and Global Services Association of Jamaica (GSAJ) 2019

Figure 7 – Jamaica GSS Revenue and Employment Growth Forecast 2020-2025



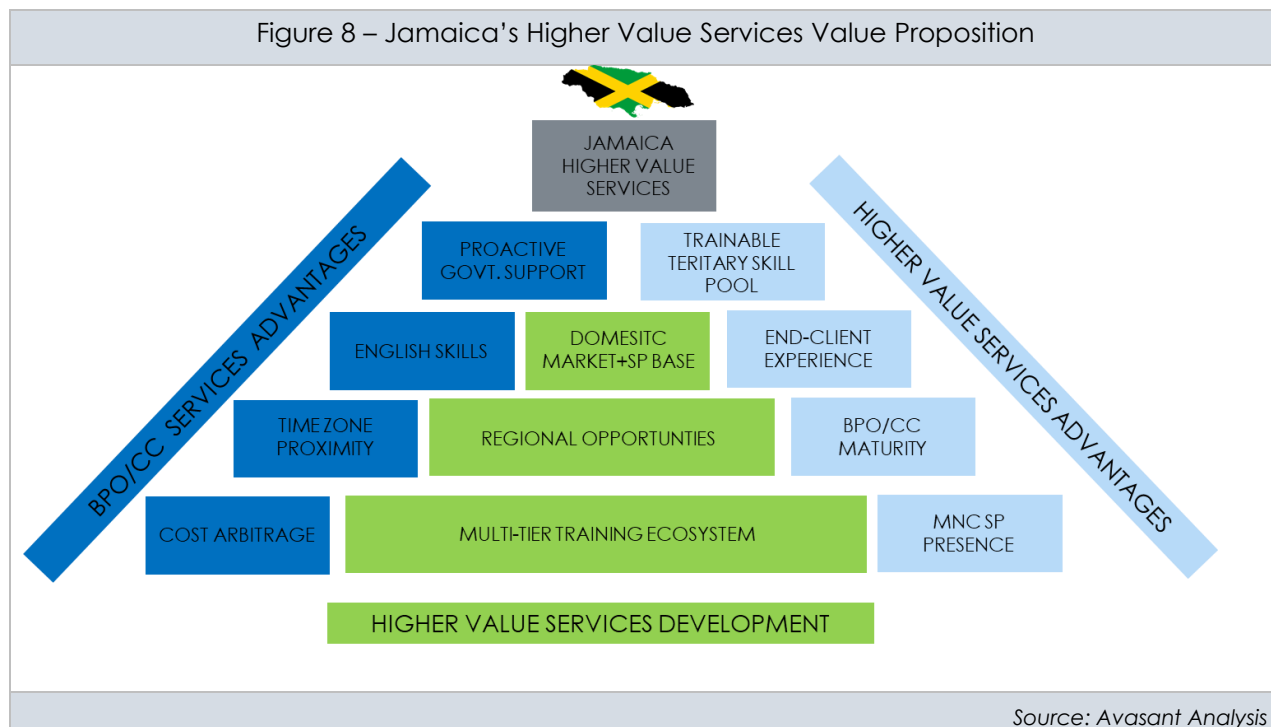
For 2021-2025, sector employment growth is expected at an average of 13 percent and revenue growth at 16 percent post 2020 COVID stabilization i.e., Employment – from around 46,750 in 2021 to approximately 76,200 in 2025 and revenue from US\$ 690 Mn to US\$1.250 Bn. The higher revenue growth is based on the expected contribution of higher value services into the sector revenues in the next 2-3 years.

COVID Impact

The global pandemic, like most other sectors, has also tapered the growth of the Jamaicans GSS sector as indicated by the lower-than-expected growth for 2020. According to GSAJ, the domestic industry registered over US\$42.5 million in revenue loss for the lockdown period (April 22 to May 6 – 15 Days). For 2020, Avasant analysis expects the annual revenue loss to be approx. US\$ 110 million. In terms of employment, the sector is expected to see a moderate growth of 2 percent as it has to first accommodate for earlier job losses (approx. 8,000). The sector is expected to get back to a predicable growth track starting 2021 with the Work from Home (WFH) model stabilizing and contributing to the employee growth.

Jamaican Higher Value Service Value Proposition

A strong BPO/CC sector experience combined with a host of intrinsic advantages as a nearshore outsourcing destination (geographical proximity, cost arbitrage, time zone, language skills) can be combined to favorably affect Jamaica's value proposition as a higher value services destination.



Focus Niche Segments

One of the key objectives of the GSS Strategy is to identify niche subsegments within the global services industry that would enable the Jamaican GSS sector to transition to higher value services. The need to move to higher value services stems for a range of reasons including the global industry shift, desire to generate higher revenue per seat/employee, increase revenue generation for government, providing skill-education balanced employment opportunity etc. In order to identify the niche sectors, a range of factors need to be considered including:

Internal/Domestic Factors

- Ability to leverage existing subsegment strengths
- Existing trainable talent pool (short term)
- Domestic capacity to scale the resources for providing the services (long term)
- Training and capacity development requirements
- Contribution towards domestic revenue/employment targets
- Ability to provide increasingly complex services within the subsegment (long term)
- Capacity to be offered as a standalone service
- Relevance to existing Global service providers (to be offered from Jamaica)

External Factors

- Global demand for the services
- Ability to compete cost effectively at a global level
- Competition within the subsegment i.e., competing locations
- Service relevance i.e., relevance of the service over the long term to be developed as a niche segment

The Jamaican global services sector currently offers a range of services of varying complexity and scalability. Identifying a niche subsegment would require assessing these services subsegments to evaluate the future growth prospects. The following table assesses some of the main services subsegments to identify the ones most relevant to the GSS sector.

Table 2 – Jamaica GSS Sector Niche Services Assessment – BPO/KPO

Assessment Factors										
	BPO					KPO				
	Omni Channel UX	Social Media Support	Market Research	Business Research	Content Management	R&D Services	Legal	Investment Research	Data Analytics	Vertical Specific Solutions
Current Maturity	Medium	Medium	Medium	Low	Medium	Low	Low	Low	Low	Low
Domestic Factors										
Ability to leverage existing subsegment strengths	High	High	High	Medium	Medium	Low	Low	Low	Low	Medium
Existing trainable talent pool (short term)	High	High	High	High	High	Low	Medium	Low	Medium	Medium
Domestic capacity to scale the resources for providing the services (long term)	High	High	High	High	High	Low	Medium	Low	Low	Medium
Potential to leverage existing capacity development programs	High	High	High	High	High	Low	Low	Medium	Medium	Medium
Contribution towards domestic revenue /employment targets	High	High	High	High	High	Low	Low	Low	Low	Medium
Ability to provide increasingly complex services within the subsegment (long term)	High	High	High	High	High	Low	Medium	Medium	Medium	Medium
Capacity to be offered as a standalone service	Low	Low	High	High	High	Low	High	High	High	High

Assessment Factors										
	BPO					KPO				
	Omni Channel UX	Social Media Support	Market Research	Business Research	Content Management	R&D Services	Legal	Investment Research	Data Analytics	Vertical Specific Solutions
Relevance to existing global service providers (to be offered from Jamaica)	High	High	High	High	High	Low	Medium	Medium	Medium	Medium
External Factors										
Global demand for the services	High	High	High	High	High	High	High	High	High	High
Ability to compete cost effectively at a global level	High	High	Medium	Medium	High	Low	Low	Low	Low	Medium
Competition within the subsegment i.e., competing locations	High	High	High	Medium	Medium	Low	Medium	High	Medium	Low
Service relevance i.e., relevance of the service over the long term to be developed as a niche segment	Medium	Medium	High	High	High	High	High	High	High	High
Future Growth Potential	High	Medium	High	High	High	Low	Medium	Medium	Medium	Medium

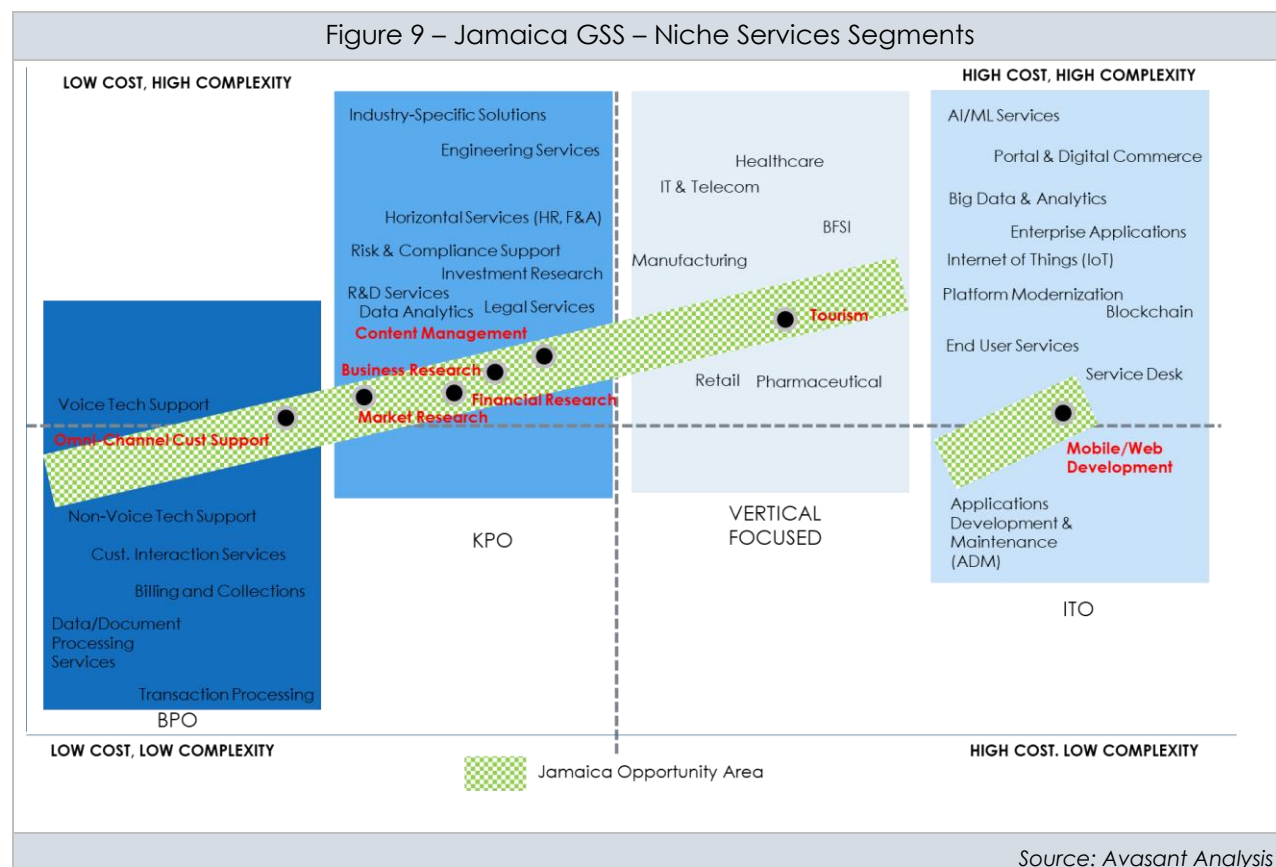
Table 3 – Jamaica GSS Sector Niche Services Assessment – ITO/Digital

Assessment Factors										
	ITO/Digital									
	App Dev't & Maint. (ADM)	Core Infra Services	End User Services	AaaS a Service	Mobile /Web Developm ent	Cyber-Security	Cloud Driven Services	Portal & Digital Commerce	RPA	Vertical Specific Solutions
Current Maturity	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	Low
Domestic Factors										
Ability to leverage existing subsegment strengths	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Existing trainable talent pool (short term)	Medium	Low	Low	Low	Medium	Low	Low	Low	Medium	Low
Domestic capacity to scale the resources for providing the services (long term)	Medium	Low	Low	Low	Medium	Low	Low	Medium	Medium	Low
Potential to leverage existing capacity development programs	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Contribution towards domestic revenue /employment targets	Medium	Low	Low	Low	Medium	Low	Low	Medium	Low	Low
Ability to provide increasingly complex services within the subsegment (long term)	Low	Low	Low	Low	High	Low	Medium	High	Low	Medium
Capacity to be offered as a standalone service	High	High	High	High	High	High	High	High	High	High

Assessment Factors										
	ITO/Digital									
	App Dev't & Maint. (ADM)	Core Infra Services	End User Services	AaaS a Service	Mobile /Web Development	Cyber-Security	Cloud Driven Services	Portal & Digital Commerce	RPA	Vertical Specific Solutions
Relevance to existing global service providers (to be offered from Jamaica)	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
External Factors										
Global demand for the services	High	High	High	High	High	High	High	High	High	High
Ability to compete cost effectively at a global level	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Competition within the subsegment i.e., competing locations	High	High	High	High	High	High	High	High	High	High
Service relevance i.e., relevance of the service over the long term to be developed as a niche segment	Medium	Low	Low	Low	High	Low	Low	High	Low	Low
Future Growth Potential	Medium	Low	Low	Low	High	Low	Medium	High	Medium	Medium

- Current Maturity - Indicates to the current maturity of segment in a global context
- Overall Service Segment are based on GSS Survey i.e., most common service line as a service offering

Based on the assessment of both domestic and external factors, the key niche subsegments offering the most potential for Jamaican GSS sector include:



Knowledge Process Services (KPO)

- **Market Research Services** – Market research services focuses on collecting, analyzing, and presenting end user feedback and data. One of the key segments i.e., primary research which includes conducting first-hand interviews with industry experts, customers and competitors can be a natural extension to the current voice-based capabilities in Jamaica.
- **Business Research/Financial Research Services** – Focuses on providing background research to support business decision making process. The segment includes a range of services like strategy development support, customer and market intelligence, competitive intelligence, market intelligence and forecasting etc. It also includes Financial Services e.g., risk and compliance, financial data analysis, price, and risk analysis etc.
- **Content Management** – Provides support in management of large quantity of content across digital and print mediums and includes services like publishing services, content generation, moderation, editorial services, document design, reporting, proofreading, DTP, e-learning/ instructional content etc. This would include end to end services i.e.

- **Content Strategy:** Creating strategies enabling successful content delivery programs, leveraging processes, tools, and operating models to deliver content at scale
- **Content Creation:** Production of digital, video/print content, leveraging the strong cultural affinity to the United States, and ability to deliver native content in multiple languages.
- **Content Management:** Leveraging tools and services to organize, store and optimize content for delivery including content management, analytics/ quality assurance etc.
- **Content Distribution:** Building and maintaining content distribution platforms and services that align with end client business and technology strategies

The global pandemic has opened up significant opportunities for online content development and management across all categories i.e., education, business, professional training etc. Considering the significant demand for online education and training content and related business support, it can emerge as one of the most promising niche subsegments for Jamaica.

Business Process Services (BPO)

- **Omni Channel Customer Services** – Provides seamless customer service across multiple channels by efficiently manage communication across multiple channels, in a centralized online environment. The growth of this segment will be driven directly by existing service providers as end client are increasingly moving towards an omni-channel solution (The context of omni channel customer services has been covered in earlier sections).

IT Services (ITO)

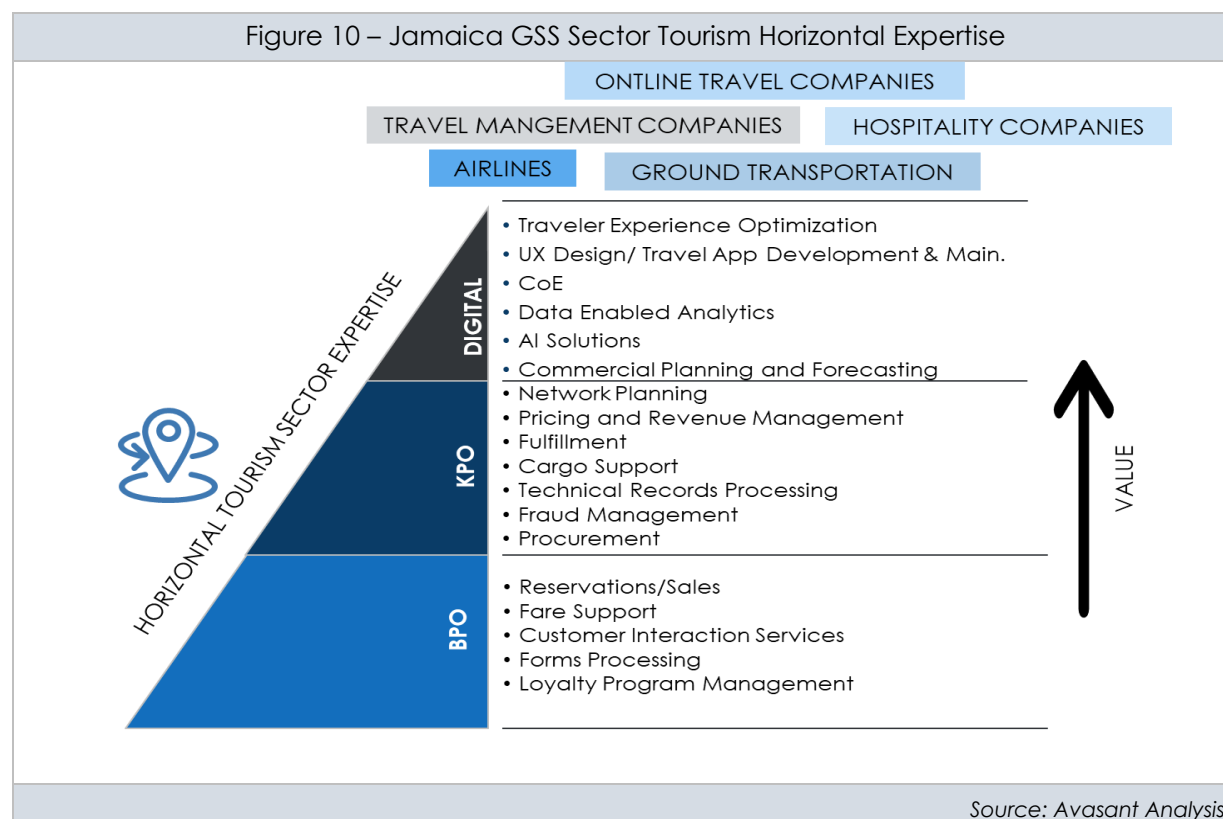
- **Mobile and Web Development Services** – Basic to complex mobile and web development services as well as post development maintenance and management. As the Jamaica's global services sector gets increasingly complex it will be important to develop the IT segment in parallel to support some of the higher value services as well as a standalone service line.
- **Digital Commerce** – Providing electronic financial services to support digital and e-commerce platforms and solutions, especially in the Caribbean. This includes digital payment solutions, intra-Caribbean transaction solutions etc. Digital Commerce and portal solutions will also be natural extension to the Mobile and Web development solutions suite.

Vertical Specific Solutions

- Vertical specialization leverages maturity of an existing sector to provide end to end services for the sector. In order to emerge as a vertical sector specialist a location (or company) should have deep industry experience that can be leveraged to provide sector specific solutions. Some of the examples of vertical specialization locations include Singapore-Logistics, Germany–Automotive, India-Pharma etc.

Tourism Specialization

As both the Tourism and CC/BPO segment are key pillars to the Jamaican economy, the synergies between two can also be leveraged to strengthen the overall services sector. As vertical specialization, Jamaica can possibly look into focusing on developing tourism/hospitality sector related horizontal services. This would include the entire range of tourism sector services ranging from basic reservation and ticketing support to traveler experience optimization etc.

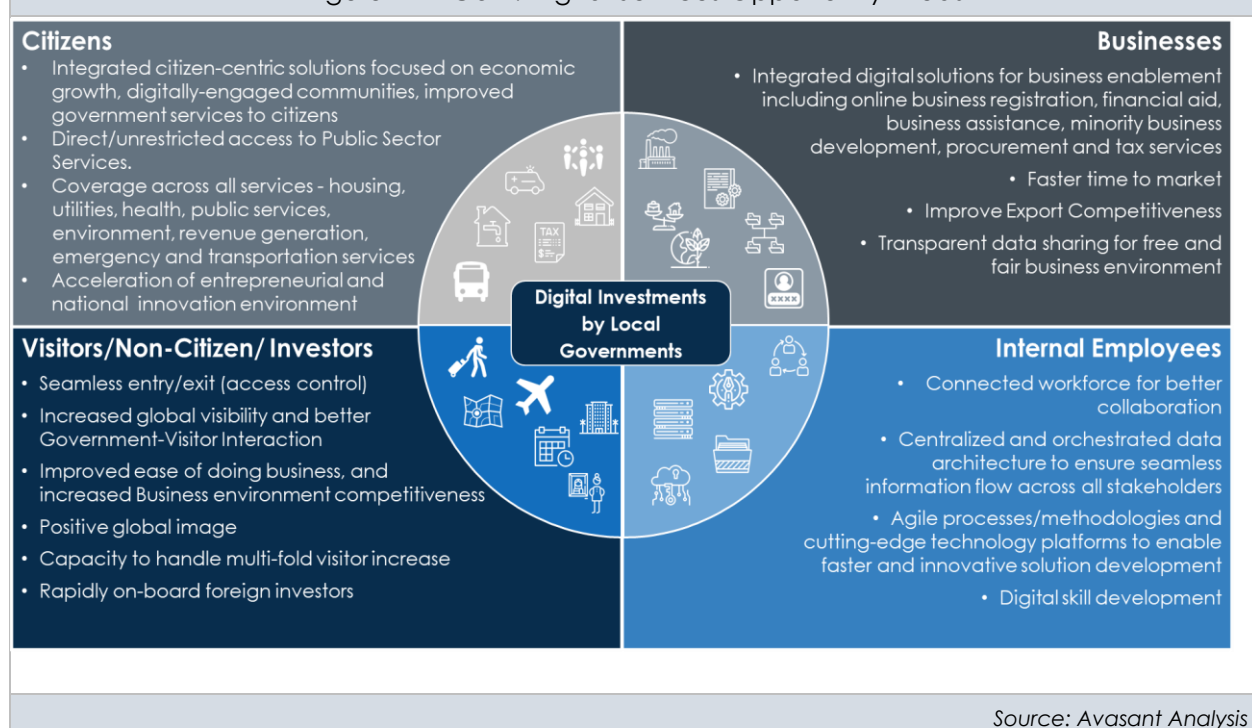


If executed successfully, Jamaica can create a global niche for itself as a tourism sector specialist and can be a market leader as very few locations specialize in provide tourism/hospitality focused cross horizontal services.

Digital Government Solutions

Jamaica can leverage its expertise in implementing government digital programs domestically to provide similar services to other regional governments and public sector agencies. As government digital transformation has become a key development priority, almost all Caribbean countries are looking at adopting digital solutions to facilitate citizen services. This can potentially turn into a significant opportunity for Jamaica as it not only has experience deploying citizen solutions, trade development tools but also has govt. sector entities like eGov Jamaica that can be positioned as an export partner.

Figure 11 – Govt. Digital Services Opportunity Areas



As the opportunities emanating out of smaller Caribbean nations tend to be smaller in nature it is not considered to be financially viable for many entities offering similar services, in turn, opening up significant opportunities in the region as well as other SIDS states. Jamaica should consider tapping into these opportunities through domestic public-private partnerships e.g., eGov Jamaica-Jamaican Private Sector SMEs as well as looking at partnering with global specialist services provider to license, deploy and maintain proprietary solutions. Some of the digital solutions witnessing high demand in the region include:

- Trade Facilitation Platform
- Single Window Public Service Solutions
- Document Security Solutions (Anti-Fraud, Anti-Counterfeiting)

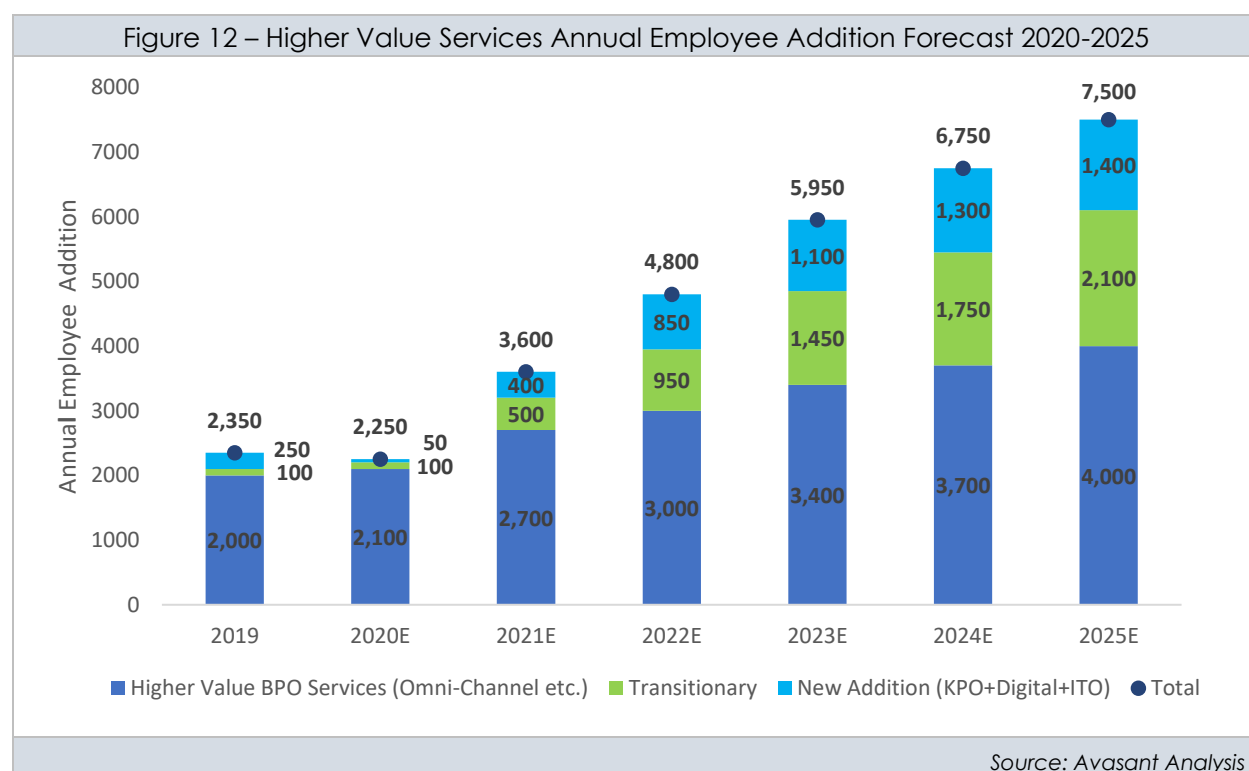
Niche Services Growth Considerations

As the niche higher value services segment (Business Research, Financial Research, Content Management) would leverage a high number of tertiary graduates (business and education degrees – the highest concentration of current degree enrollments), the proposed strategy and action plan will be highly dependent on the islands' ability to ensure adequate availability of trained resources. As indicated in the earlier segments, "In order to create a credible delivery base, the higher value services segment should be able to add between 1,000-1,500 tertiary educated resources into the sector for the next five years before it attains the critical mass for self-sustaining growth." Also, it would be important for existing services providers (along with other stakeholders) to position Jamaica as a viable delivery location for these services.

Jamaican Higher Value/Niche Service Forecasts

The existing CC/BPO sub segment will also lead the transition to higher value services. As CC/BPO segments gets more complex, new services segments like omni-channel support will aid the transition to higher value services as it would command a significantly higher hourly/ per seat rate.

The following figures outlines Jamaica's higher value, niche services growth forecasts for 2020-2025:

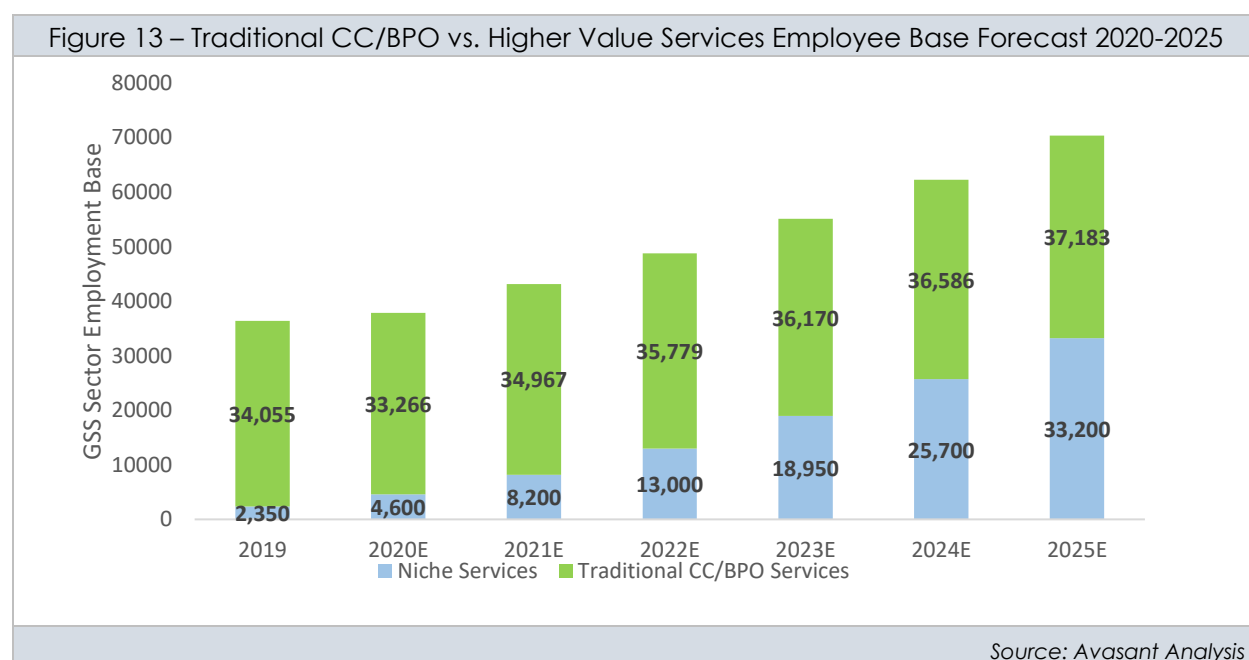


As indicated earlier, the higher value BPO services will form the mainstay of niche higher value services both in revenue and employment terms. As digital technologies become central to global CC/BPO services delivery, a considerable number of existing resources will have to be re-skilled/upskilled to support client requirements. The transitional segment refers to existing CC/BPO segment employees who can be trained to provide knowledge and technology services by leveraging their existing skillsets and sector experience. New addition refers to individuals not associated with the existing CC/BPO sector but are suited for providing higher value services owing to their educational and professional experience.

Note: The above figure refers to annual addition under the 'Higher Value' segment and includes employees already part of the existing CC/BPO segment who will have to be retrained or reskilled e.g., by 2025 it is estimated that about 4,000 CC/BPO employees will be retrained to provide higher

value CC/BPO services while a total of 3,800 persons will be trained to provide KPO/ITO/Digital Services.

The strategic focus on increasing the higher value services skill base is also expected to shift the existing sector skill pool to be evenly spread between traditional CC/BPO sector offerings and higher value services. This augurs well for Jamaica as the sector will continue to provide employment opportunities for lower skilled resources, in turn, lowering youth unemployment. The following figure forecasts the employee growth between CC/BPO segments and higher value services.



By 2025, the niche services segment is expected to form close to half of the total sector employment base. The higher value services segment is currently estimated to be about 6 percent of the total employee base but is forecasted to be close to 48 percent by 2025.¹³

Table 4 – Traditional CC/BPO vs. Higher Value Services Employee Base Forecast 2020-2025

Year	Niche Services	Traditional CC/BPO Services	Total	Niche Services (%)	Traditional CC/BPO (%)
2019	2,350	34,055	36,405	6	94
2020E	4,600	33,266	37,866	12	88
2021E	8,200	34,967	43,167	19	81
2022E	13,000	35,779	48,779	27	73
2023E	18,950	36,170	55,120	34	66

¹³ The forecasts in this segment are based on forecasted global market growth and supported by domestic sector development initiatives.

Year	Niche Services	Traditional CC/BPO Services	Total	Niche Services (%)	Traditional CC/BPO (%)
2024E	25,700	36,586	62,286	41	59
2025E	33,200	37,183	70,383	47	53

The higher value service segment will also witness a much higher revenue growth percentage and is forecasted to contribute about 40 percent of the sector revenue by 2025. It's important to note that while the overall contribution may be in line with the employee distribution the knowledge and technology services subsegment is expected to grow at a much faster rate.

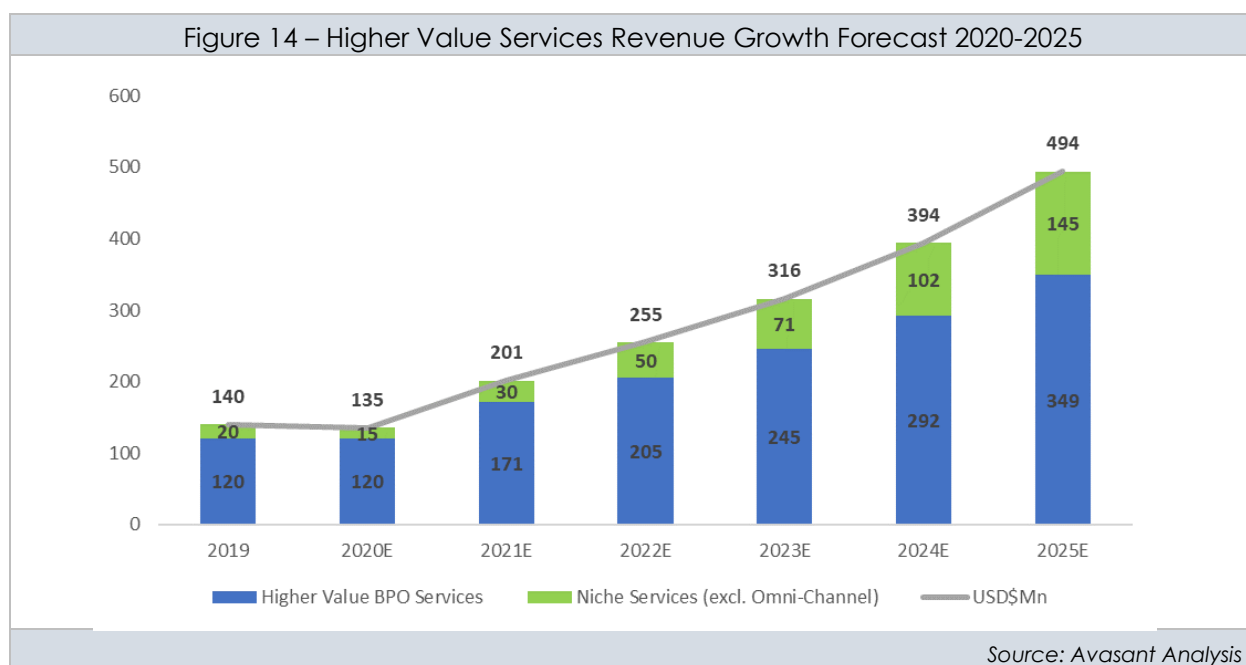
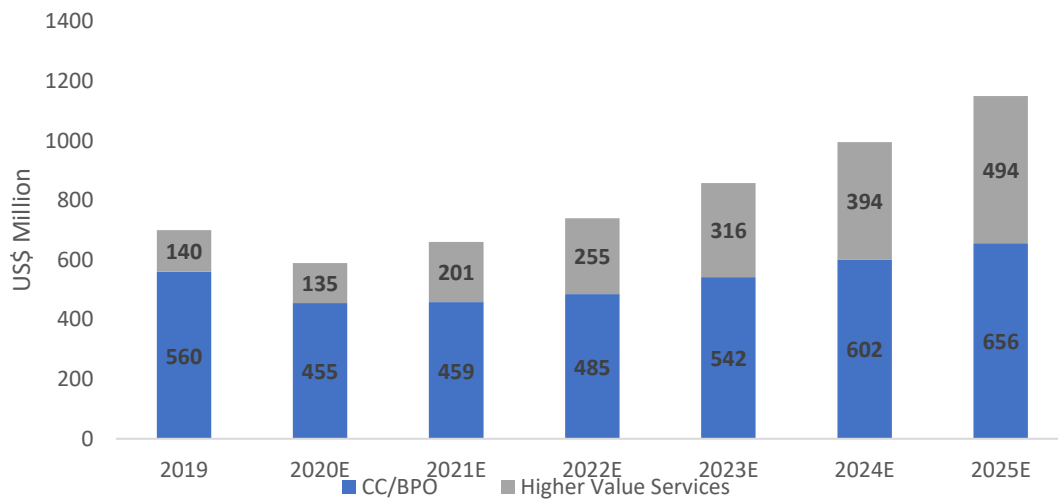


Table 5 – Higher Value Services Revenue Distribution Forecast 2020-2025

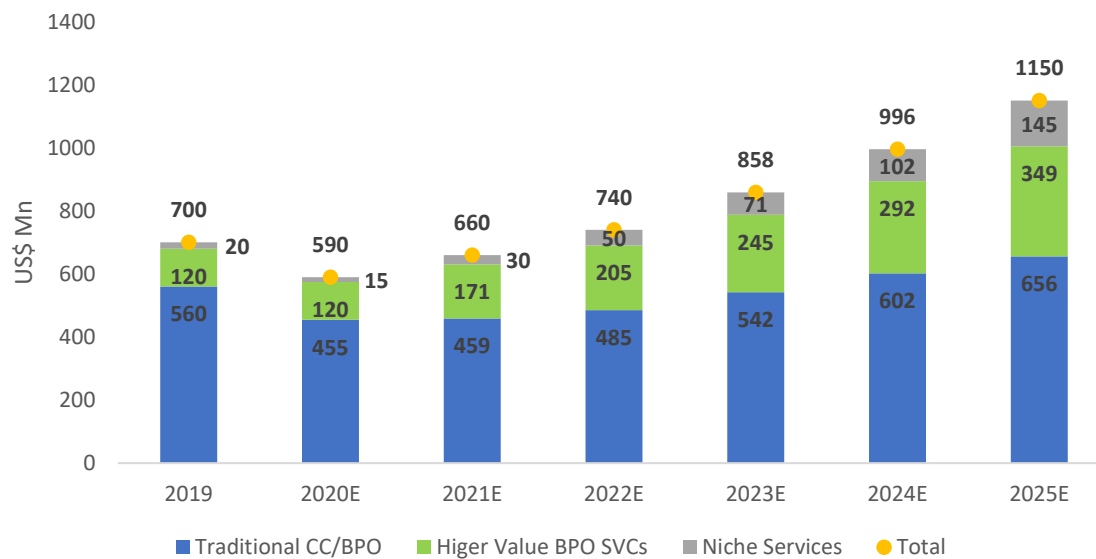
Year	Revenue from Higher Value BPO Services (US\$)	Revenue from Niche Services (US\$)	Total Higher Value Services Revenues (US\$ Mn)	Overall Higher Value Services Revenue Contribution (%)
2019	120	20	140	20
2020E	120	15	135	23
2021E	171	30	201	30
2022E	205	50	255	34
2023E	245	71	316	37
2024E	292	102	394	40
2025E	349	145	494	43

Figure 15 –Higher Value Services Revenue Growth Forecast 2020-2025



Source: Avasant Analysis

Figure 16 – Jamaica GSS Sector Revenue Growth Forecast 2020-2025



Source: Avasant Analysis

Jamaica GSS – Recommendations and Action Plan

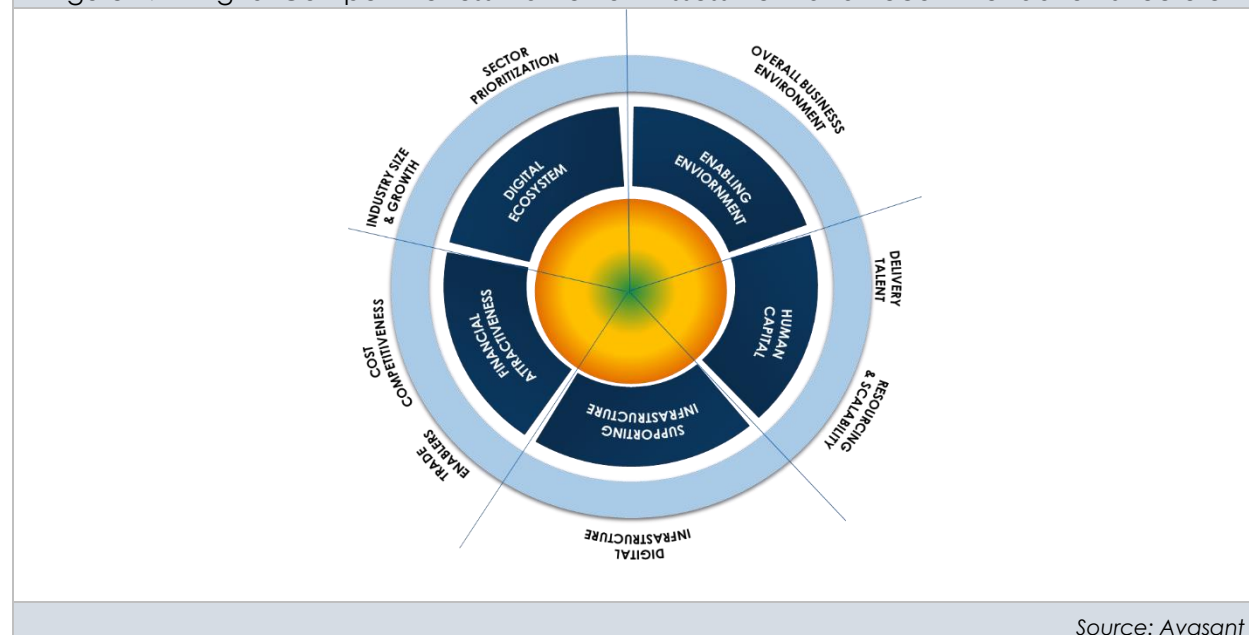
The Jamaica GSS Sector Recommendation and Action Plan provides timebound recommendation and action plan to achieve the target growth objectives while taking into consideration the various facets of the global and domestic global services sector as analyzed in the previous segments. The recommendations and action plan has been disaggregated and pursued over different timelines in order of priority for execution as shown below.

Table 6 – GSS Recommendation Implementation Timeline

Recommendation Category	Recommendation Implementation Timeframe
Short Term	0-6 Months
Medium Term	7-12 Months
Long Term	13-24 Months

The recommendations have been classified based on Digital Competitiveness Index (DCI) framework pillars used for the Current State Assessment as indicated below:

Figure 17 – Digital Competitiveness Framework Assessment and Recommendation Structure



The recommendations specifically focus on targeted initiatives under the Digital Ecosystem and Human Capital as these two pillars are expected have the maximum impact towards the attainment of the set objectives.

1. Expand/Strengthen Current Industry Association Mandate

Rationale

The emergence of digital technology driven services offerings has resulted in technology and business process services becoming largely indistinct. As digital technologies and related services become central to services delivery it is important to have an industry body with a broader purview to reflect the changing industry landscape as well as to have a well-rounded approach to the development of the overall sector. The key responsibility of the association should be to provide strategic direction to the sector while ensuring its alignment with the national and sectoral growth objectives.

While agencies and industry bodies/chapters like the Global Services Association of Jamaica (GSAJ), Jamaica Computer Society and the Jamaica Information Technology Services Alliance etc. are keen on developing the Jamaica GSS sector they have been mostly operating in silos. The lack of a cohesive vision and development objectives limits future strategy and growth initiatives.

Recommendation

As the domestic industry matures both in scale and scope (complex services) it would need a unified approach that would benefit all the subsegments that constitute the local GSS sector. This can be achieved by expanding and strengthening the ambit of current GSS sector association/s to act as an advocacy group to drive overall sector strategy and direction. This unified grouping should specifically focus on:

Primary Objectives

- Set overall growth and development objectives for the sector
- Provide inputs to Govt. on the development of the sector through ministerial/regulatory authority
- Build technology capability and ecosystem. Identify and remedy sector development obstacles (talent pool development, regulatory challenges etc.)
- Support domestic sector internationalization
- Act as the advocacy group/ lobby on behalf of the sector on boarder policy issues effecting the sector
- Develop international industry relations and foster foreign-domestic partnership
- Industry research and thought leadership
- Product and services quality improvements
- Domestic SME development

Secondary Objectives

- Support the development of various industry chapters and alliances e.g., computer societies, school/university computer associations etc.
- Advocate for domestic IT/Digital adoption
- Contribute towards telecom, SEZ and other related industry specific regulatory developments

Ensuring a strong industry advocacy body will be critical to the development of the Jamaican GSS sector in the future. While the proposed industry should be independent it should have proactive participation by the private sector and should be self-funding in the long term. It is also important to note the role of JAMPRO in the development of the GSS sector in Jamaica. Over the years, JAMPRO has played a key role in not only attracting investments into the sector but also help guide policy initiatives and direct sector growth and development. The proposed industry association should work in close coordination with JAMPRO to leverage its industry understanding and international exposure to formulate future sector roadmap.

While the modularity of the future scope and mandate of the industry association/body is being paved, JAMPRO, considering its public sector role, close association with the domestic GSS sector since its inception, capacity to initiate private-public sector collaboration and ability to voice sector development requirements directly to GoJ, can take a leading role as the industry advocate towards the development of the sector.

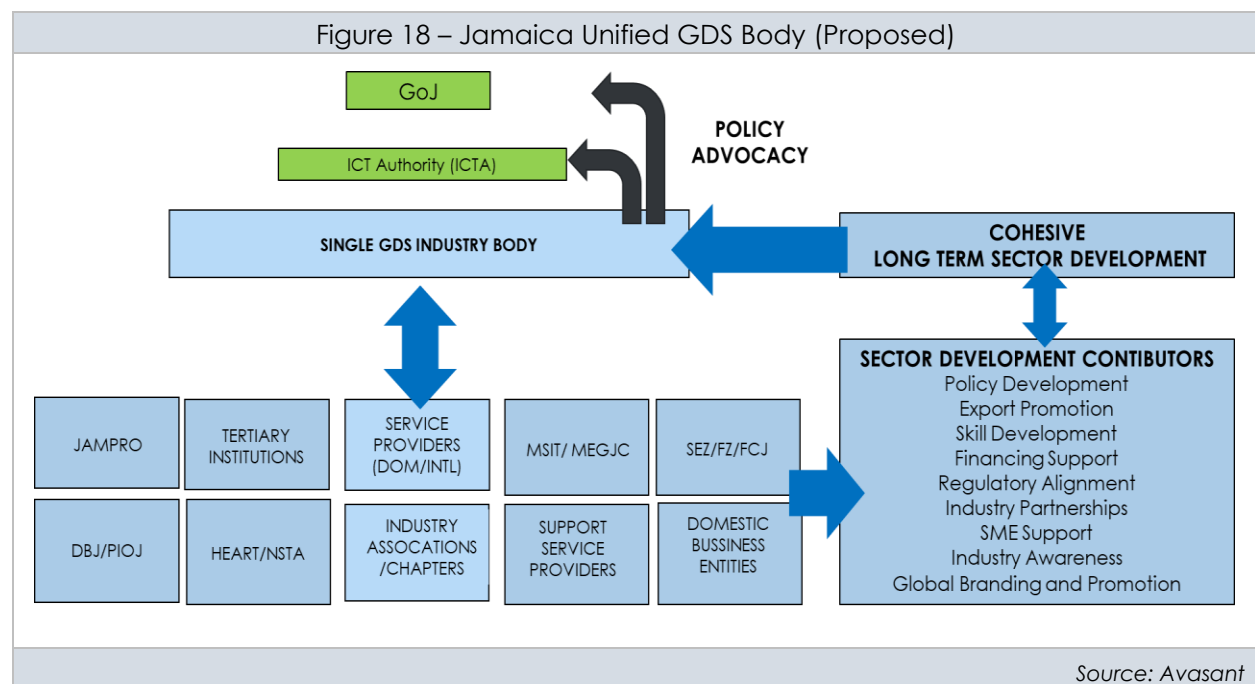


Figure 19 – Case Study-NASSCOM India

The preeminence of India as a global IT leader can be attributed to the key role played by National Association of Software and Service Companies (NASSCOM) in the development the sector.

NASSCOM was formed in 1988 as a non-profit organization to support the development of the IT sector and act as an industry advocacy group. The primary objective of NASSCOM is "to act as a catalyst for the growth of the software driven IT industry in India. Other goals include facilitation of trade and business in software and services, encouragement and advancement of research, propagation of education and employment, enabling the growth of the Indian economy through the development of the It sector and providing compelling business benefits to global economies leveraging global sourcing"

NASSCOM is a key contributor to the various IT policy development initiatives of the Government of India and its various national and state ministries. It also runs a range of programs for the development of the sector including the highly successful 10,000 Startup program that aims to support the development of 10,000 Indian startups.

For 2020, NASSCOM had over 2,800 member companies including both Indian and multinational organizations with presence in India representing over US\$ 190 Billion in annual export revenues and a workforce of 4.4 million.

2. Sector Policies and Regulations Realignment

Rationale

The changing nature of the global services sector require constant adaptation of the regulatory aspects supporting the global services sector. This has been further exacerbated by the global pandemic that has significantly impacted the traditional global services delivery model. Jamaica has to be in line with global regulations to ensure a conducive growth environment for the sector.

Recommendations

Advocate regulatory changes to support the Jamaican global services sector at regular intervals (industry advocacy group should focus on advocating regulatory changes). The policy realignment /updates should focus on assessing global and domestic regulatory and sectoral trends to provide specific inputs into developing a new regulatory policy or realigning existing programs for the benefit of the Jamaican GSS sector.

Some of the key regulatory requirements that need to be addressed include:

Short Term

- **Work from Home Regulations** – Work from Home (WFH) will become a permanent feature of the global outsourcing sector with many large global IT organizations planning to have a significant portion of their workforce work from home permanently. Jamaica will have to update its existing labour regulations to accommodate for the anticipated changes in

traditional work environment taking into account both employer (data security, productivity) and employee (downtime, leave policies) requirements.

- **SEZ Policy** – While the SEZ 2016 policy is in line with sector development objectives and global regulatory requirements, it is recommended to consider the services sector as a standalone segment and modulate the policies in accordance to services provided by GSS companies. It is also preferable to have the entire process (application, approval, submissions etc.) to be moved online to make the process transparent and less time consuming.

As part of the policy or as a separate initiative, it is also recommended to develop policies to specifically support SMEs to avail SEZ (or similar) benefits. Some of the SME focused changes that can be considered include carve out space sharing – that is, sharing space with non FZ companies. Notably, these would be policy shifts which impact administrative process rather than a change in legislation as the basic requirements would have already existed in law.

Medium Term

- **Telecommunication Act** – the 2000 Telecommunications Act will require updating to support the growth of the Global Services Industry.
- **Policy Updates**

It is recommended that both the National ICT Policy as well as the National ST&I Policy be updated (as indicated in the current state assessment) in line with revision of the Vision-2030 program. While the National ST&I Policy is recent it may have to still be readjusted based on the impact of COVID-19 and the increasing role of ICT in post COVID recovery. Also, it is preferable to have technology related policies be updated every five years to reflect the rapidly changing technology landscape (as against a standard 10-year timeline)

- **Digital SME Development**

It is also recommended to develop a dedicated policy program to support the development of domestic niche services global digital SMEs covering:

- Indirect concessions and waivers - Customs duty exemptions, GST/VAT waivers/refunds etc.
- R&D Support - Strategic R&D grants and patent, product development incentives, tax break on R&D expenses

3. Develop a 'Single Window' Digital Sector Industry Platform

Rationale

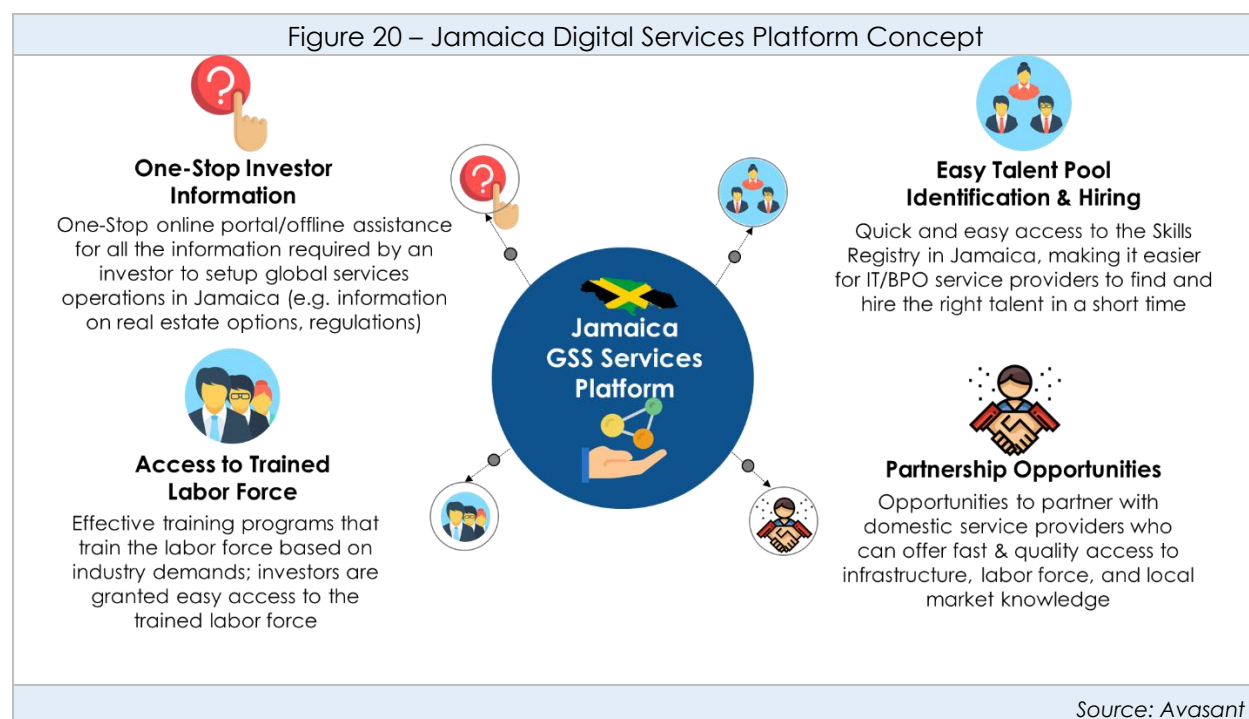
As most business and government process become digitalized and streamlining of investment process has become a priority it is important to provide a 'one stop shop' experience for prospective investors. A robust online platform not only improves efficiency and transparency but

also creates a positive investment experience and improves the image of the country. This is especially important as travel restrictions are expected to limit global travel for the next 1-2 years.

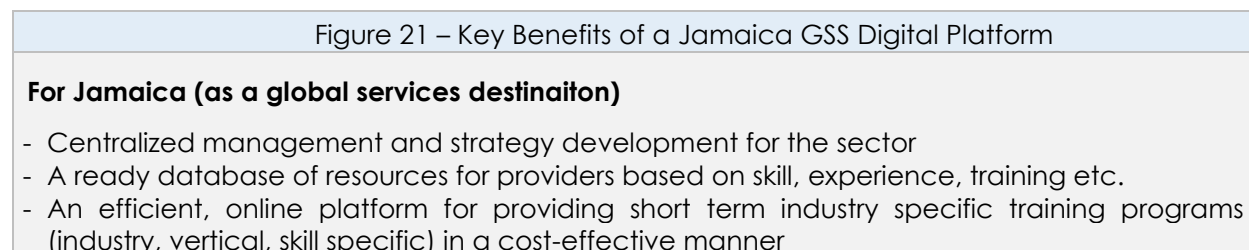
Recommendations

Develop a digital one stop shop global services platform covering all elements related to the global services sector – infrastructure, human resource, legal and regulatory under a single window (platform). The Digital Services Platform should be designed as a one-stop-shop solution for stakeholders to gain access to industry data (related to human resources, physical infrastructure, sector incentives, industry updates, etc.) in a single online location, and in real-time.

Furthermore, the platform would ensure easy access to industry-ready talent via a skills registry which can be accessed by employers and potential investors. The following figure represents a high-level conceptualization of the proposed solution. The proposed Talent Platform under the GSS program can feed into the one stop platform for human resource related segments.



Some of the key benefits of a platform-based approach include:



- A positive, forward looking image for Jamaica as an investment destination (affecting other sectors as well)
- Trickle-down effect on downstream segments and industries
- Pro-active skill development programs based on industry demand
- Assist in targeted sales pursuits based on information gathered through the platform
- Self-sufficient platform (in the medium term) as it is based on a subscription model
- Assist Govt. of Jamaica to push development agenda based on socio-economic priority
- Improve public-private sector collaboration

For Service Providers, Investors

- Provide an easy, online access to all sector related information at a single location making it transparent and efficient
- Ease in investments as most of the relevant information is available at a single location ensuring ease in decision making
- Develop global partnerships and value chains

For Individuals

- Opportunity to upskill based on industry requirements in turn increasing employability
- Access and apply for various employment and training opportunities
- Removing geographic limitations (as trainings can be accessed online)
- Improve industry awareness

Source: Project Assessment

4. Develop Domestic Knowledge, Technology Services Ecosystem and Delivery Capacity

Rationale

The current domestic global services sector is highly skewed towards customer services and back-office support services and related ecosystem. As the distinction between technology and business process services dilutes, it is critical to develop the technology services subsegment in order to transition to more complex and broader level of services. Locations with the ability to provide IT/technology services have a distinct advantage (Hungary, Poland, Lithuania etc.) over pure back-office services locations (Jamaica, DR, Belize, Philippines). Similarly, the knowledge services segment should be also developed with targeted interventions.

Recommendation

Develop the technology and knowledge services delivery ecosystem to improve higher value services delivery capacity. In the early stage, the program should specifically focus on supporting domestic technology and knowledge's services firms including:

- Improving segment understanding/opportunity among stakeholders and the broader sector participants

- Improving awareness about various sub-segments with high growth potential i.e., those identified as high value niche services
- Identify domestic services providers with growth potential
- Provide technical and financial support to high potential companies along with strategic interventions to support accelerated growth
- Support services internationalization/ access to new markets
- Roll out intellectual property regulations, quality standards
- Continuous sector focused skill development and training program

Figure 22 – Higher Value Service Segment Development Approach

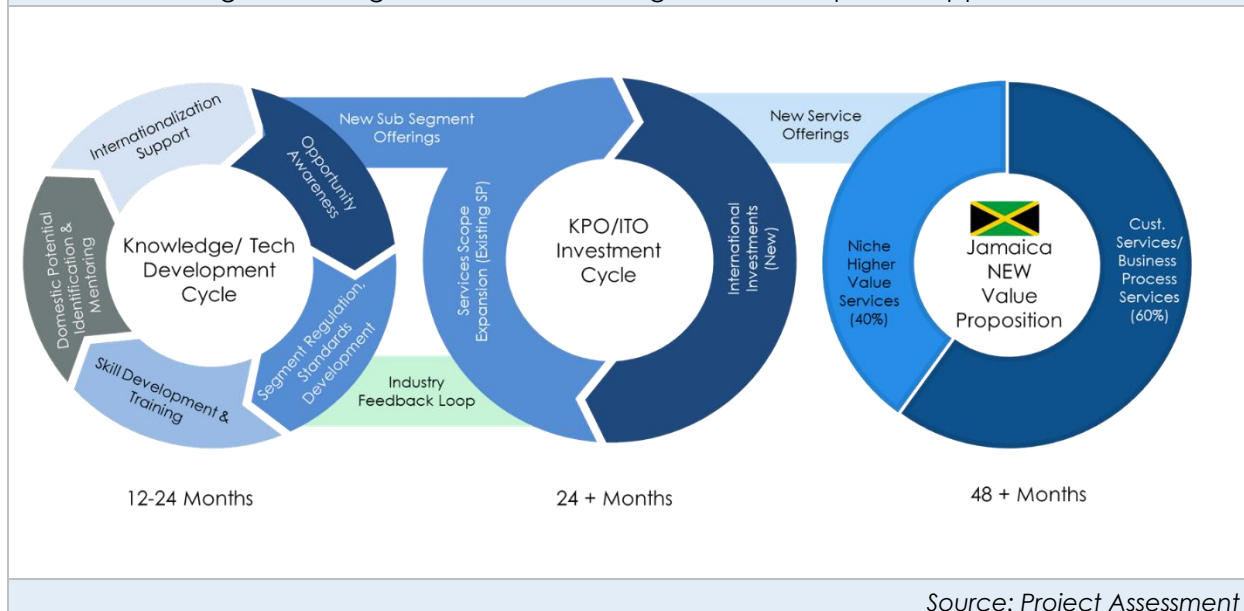


Figure 23 – Case Study-Colombia Knowledge Services Expansion Program

The Colombian Ministry of Trade, Industry and Tourism (MinCIT) understanding the need to have targeted effort to develop the knowledge services pace has embarked on a US\$ 10.5 million program to develop domestic knowledge services segment focusing on:

1. Business strengthening programs (domestic provider development including mentoring and coaching)
2. Trade promotion (specifically focused on knowledge services)
3. Institutional strengthening (autonomous programs to develop associated ecosystem)
4. Commercial promotion activities
5. Information platforms for exporting knowledge services etc.

The program is part of a multistage project to support the diversification and internationalization of the Colombian economy executed at a cost of US\$ 24 million over a five-year period and is managed by the MinCIT through FIDUCOLDEX (a fiduciary body with ProColombia focused on business internationalization)

5. Realign and Define New Value Proposition Messaging

Rationale

Need to create market awareness of Jamaica's 'new' value proposition as higher value, cross horizontal services destination.

Recommendation

Roll out a medium-term targeted marketing campaign to share Jamaica's value proposition and efforts to develop higher value services in turn highlighting its distinction against other competing locations. This would require developing a high level 'destination messaging' followed by revision of existing marketing program, collaterals, and initiatives to reflect the new messaging and value proposition.

Table 7 – Jamaica New Value Proposition Messaging

Category	Current Messaging	Future Messaging
Target Audience	North America, UK	India, North America, UK, Latin America
Services Offering	CC/BPO	CC/BPO, KPO, ITO, Vertical Specialization
Value Proposition	Cost Arbitrage	Value Destination
Key Messaging	<ul style="list-style-type: none">• Low Cost• Nearshore• Scalable• Govt. Support• Industry Maturity• Ease of Business• Incentives	Current Messaging + <ul style="list-style-type: none">• Cross Horizontal Services• Talent Management and Training• Sector Development Initiatives• Digital Regulations
Target Segment	<ul style="list-style-type: none">• CC/BPO	<ul style="list-style-type: none">- CC/BPO- IT+BPO Service Providers- Knowledge Service Providers
Market Campaign Mode	<ul style="list-style-type: none">• Industry Events• Website• Promotional Events• Public Relations	Current + <ul style="list-style-type: none">• Research Content• Online Content/ Presence (Webinar)• Independent Investment Promotion/ Sector Platforms

6. Domestic Service Provider Market Expansion¹⁴

Rationale

Support the growth of domestic service providers to drive overall industry direction and encourage domestic entrepreneurship and participation in the sector as the current Jamaican global services

¹⁴ Also, refer to Recommendation 12

sector growth is highly dependent on foreign service provider expansion plans and business direction.

Recommendation

Support the growth of existing domestic service providers across all services segments (CC/BPO, IOT, KPO, Vertical Services). Some of the other short-term steps for better marketing and branding can include:

- Proactively positioning local service providers for partnership opportunities as part of branding and promotion initiatives
- Support local providers to establish business linkages by leveraging Govt./ JAMPRO channels.
- Leverage Govt. channels in key markets esp. neighboring delivery locations to position Jamaica (and its service providers) as partners
- Create and execute targeted marketing campaigns (esp. joint public and private sector) for top target markets i.e., Dominican Republic, Mexico etc.
- Leverage Jamaica's tourism sector image to position the country as a "Services Destination"

7. Research and Target Market Expansion

Rationale

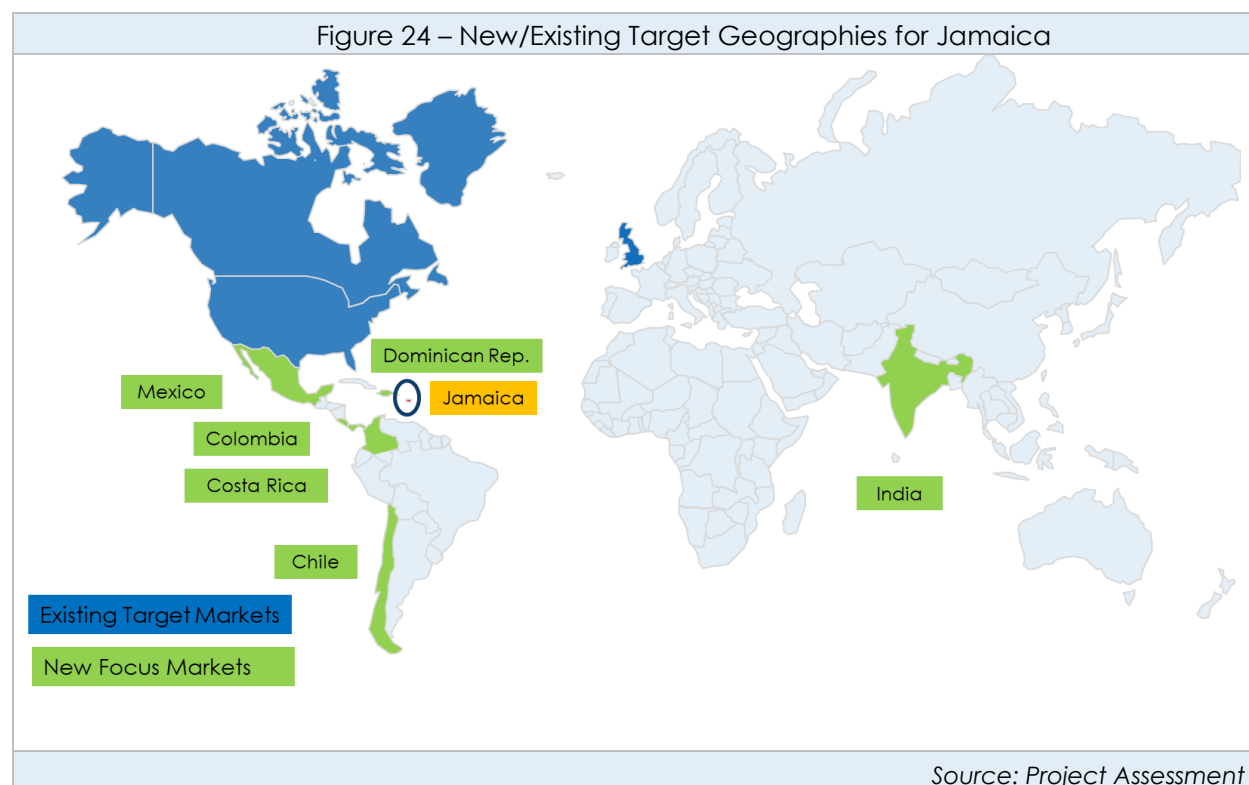
Limited target market focus to support expansion of the current service line. The current focus markets of North America and UK are mostly end-client regions while a significant services provider (target audience) base is located in other geographies. In order to ascertain the strategies to enter new markets research will be needed to ensure that impact is maximized and that the audience meets the criteria for targeted potential investors and outsourcers.

Recommendation

Expand the current target market focus to include key outsourcing services delivery and service provider home-base locations. This would entail a focused marketing and promotion campaign in some of the key locations esp. India (home to over 50 percent of global SSO and headquarters of half of the largest global IT/BPO companies) to educate service providers about Jamaica's nearshore value proposition, which would in turn position Jamaica to attract higher value service providers and shared service centers.

In parallel, a second level of market expansion campaign focusing on Spanish delivery locations looking at expanding under a 'hub-spoke model' should also be initiated to supplement the growth of the current CC/BPO subsegment as well improve the service delivery offerings. This segment should be targeted for opportunities for domestic SMEs to augment Spanish-speaking capabilities of partners in the target market with Jamaica's English-speaking capabilities.

Target markets most suitable for attracting investments that align with Jamaica's value proposition have to be identified and prioritized based on empirical and hard in-market data. The following figure highlights the new and existing target markets for Jamaica.



Some of the market development measures include:

- Electronic campaign targeting senior executives in global ICT companies (video presentations, virtual meetings etc.)
- In person interaction with regional leadership of global ICT companies in key end client and nearshore markets (North America, Europe)
- Industry association partnerships across key markets (NASSCOM, Fedsoft-Colombia, Chamber of Information and Communication Technologies (CAMTIC) – Costa Rica).
- Host regional/global ICT events to showcase local landscape (inward)
- Targeted event participation focused on end client/service provider participation (outward)

Human Capital

As Jamaica looks to broaden its scope as a globally competitive Global Services destination, the challenges associated with talent availability, scalability and skill level becomes a key concern. Lack of a long-term market specific skill development program will significantly affect Jamaica's ability to attract international investors and the attempts to attract higher value services. To this end, short-term strategies are recommended, while it is acknowledged that there will be a need

for ongoing assessment of human capital market and implementation of skills upgrade strategies to ensure ongoing long-term learning.

8. Improve Domestic GSS Image

Rationale

The global services sector is not considered as a long-term employment or career option and is widely perceived as a low value 'stop gap' arrangement for secondary level graduates. This image is largely due to a significant portion of the sector workforce being associated with customer service operations. This challenge is not uncommon as most of the outsourcing locations faced the same challenge while transitioning to higher value services esp. in locations with significant alternative career/employment opportunities.

Recommendation

A short to medium term educational/awareness campaign across multiple communication mediums sharing information on the larger global outsourcing industry, career paths, type, and scope of services and importantly Jamaica's efforts towards transition to a higher value services destination. The program should specifically target future employee base within the tertiary level education system. The information campaign should ideally be a joint effort by the govt. stakeholders (JAMPRO, HEART-NSTA), industry bodies (GSAJ, JCS) and local service providers.

9. Sector Focused Multi Level Skill Development Initiatives

Rationale

Lack of a large and scalable talent pool to support the delivery of higher value services across niche services segments as well as ensuring availability of trained resources to supplement the existing CC/BPO segment.

Recommendation

Institute large scale multi-stage skill development program targeting specific skill requirements.

The recommended skill development structure considers basic training which can be offered at local training facilities, to advanced, university degree program/courses at tertiary level institutions which align to the specialized needs of the sector.

- 9.1 - Level 1 – CC/BPO Skill Development Track

The existing CC/BPO skill development program should be further strengthened by providing continuous training to meet industry requirements including training programs to support career progression within the subsegment. The HEARTNSTA Trust, as the national skill development agency, with its experience in delivering sector specific training programs can continue to deliver

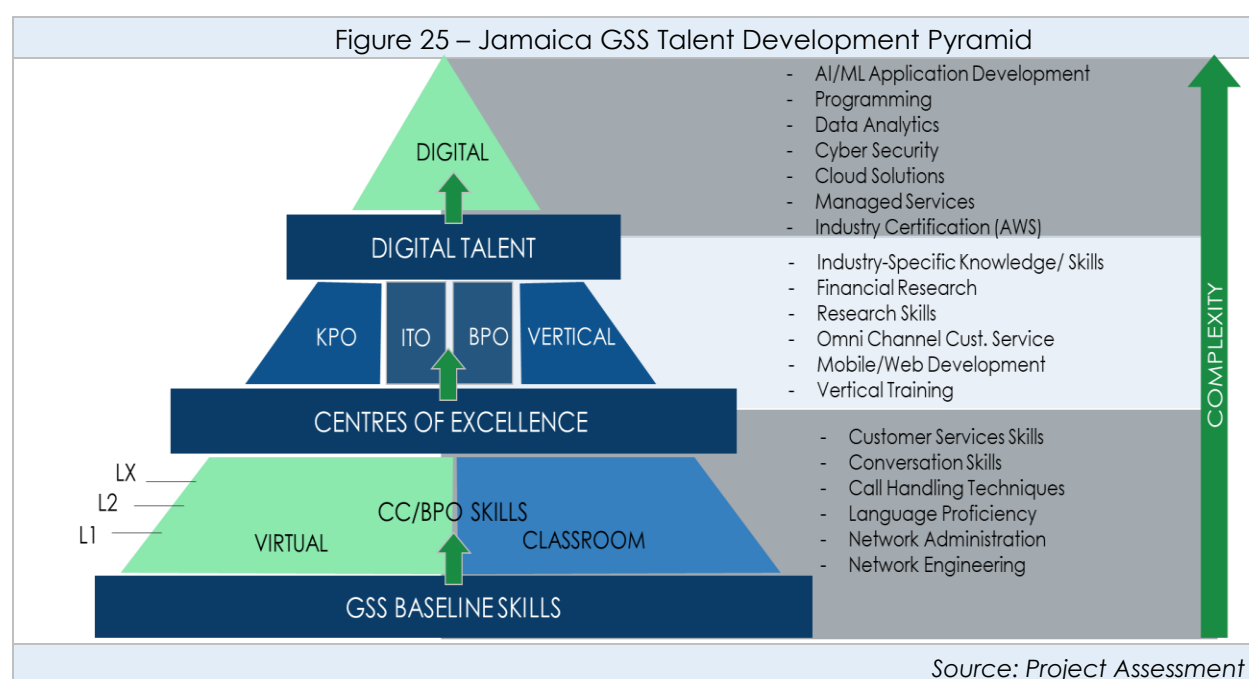
the training program with support from the private sector. The main objective of this track is to ensure continual availability of trained resources to support the growth of traditional CC/BPO segments.

- 9.2 - Level 2 - Higher Value Services Training Track

The second level of training programs should focus on developing niche higher value skills for the niche sub-segments. The target audience of this program would be tertiary level graduates, experienced personnel and current CC/BPO segment employees with significant experience. The program should be of short 2-4-month duration and should be offered by tertiary educational institutions (both public and private) as a supplement to formal educational streams for graduates and to other qualified participant segments. The program should ideally be developed jointly by the industry and educational institutions with the industry responsible for contributing to content development, quality monitoring, continual updates, hands on training while educational institutions, leveraging its training ecosystem and infrastructure, focuses on training delivery.

- 9.3 - Level 3 – Digital Talent Development

The third level of training program should focus on developing digital skills by offering intensive technical skills training to a relatively smaller audience with prior experience in IT and digital services. This training program should focus on advanced digital skills like AI/ML, Cloud, Cyber Security, Programming - Full-Stack, Front-End, Software Development, Python, Java, R, SQL etc. The objective of this program would be to create enough critical mass to provide technical support across the broader GSS sector as well as supporting growth of ITO subsegment. As these training programs are for technical resources and are subject to fast changes it should be delivered by specialized multinational training institutions via online mediums at set time intervals along with hands on technical training.



The structure for skill development can also be used to classify and link various online and classroom training programs under the GSS Talent Development initiative.

Another important step for skill base development is to increase the base of globally valid technical skill certifications e.g., AWS, Cisco, ISACA, MTA, Oracle, ITIL, PMP etc. As these trainings are not broad based and will be applicable to only a limited target audience it may not be feasible to develop the related training and testing ecosystem. Instead, a certification cost reimbursement program would be better suited.

10. Develop Online Training Delivery Capacity

Rationale

Lack of a flexible, easily accessible self-paced online training program to provide boarder access to training and skill development programs.

Recommendation

Develop a robust online skill development program across key industry segments and skill requirements. Developing the capacity to deliver training programs remotely through online/virtual medium will help both improve access to training facilities/programs as well as help faster updating of programs based on industry requirements. Considering the current global situation, provision of virtual or virtual plus classroom training has become critical. Providing online training programs are also not only more cost effective but also offers much more flexibility to scale. Once established, the training programs across various levels can be delivered though the online platform or a combination of online and classroom training programs.

Jamaica currently lacks any significant online skill development capacity. While HEART has been attempting to provide online training programs it has limited technical capacity to expand it over multiple locations and programs.

Over the years, JAMPRO has played a key role in not only attracting investments into the sector but also helping to guide policy initiatives and directing sector growth and development. Its industry understanding and international exposure can be valuable in identifying key capacity development areas as well understanding emerging skill requirements based on its interaction with the global service providers. As such, JAMPRO can not only play a key role in identifying key program modules based on industry needs but can also assist in onboarding relevant local and international skill development partners.

Figure 26 – Case Study Costa Rica PINN Program/ India Future Skills Program

Costa Rica under its The Ministry of Science, Technology and Telecommunications of Costa Rica (MICITT) has instituted a program under its, “Innovation and Human Capital Program for Competitiveness - Advanced Human Capital Professional Qualification Program” to provide large scale online training program to develop the digital skill base in the country. Taking advantage of the downtime caused by COVID-19, the PINN program rolled out a fully online training program to provide training to over 50,000 people on various digital skill.

While the PINN training was focused on individuals and to develop a large talent base, the ministry is also conducting a separate program in conjunction with the local outsourcing industry to provide specialized intensive training programs for employees with 2-3 IT experience. The demand driven training program is partly funded by the government with the employer covering half the cost. The outsourcing companies used the downtime caused by the global pandemic and the timely government support to upskill its workforce based on industry demand and end client requirements. The fully virtual training program aims to train about 5,000 resources across various digital technologies.

The Costa Rican approach is an appropriate training and skill development model to be adopted for Jamaica. Similarly, The NASSCOM Future Skills program in India is a good example of industry driven digital skills development initiative that can replicated to deliver Level 2 and Level 3 skill development programs (in Jamaica's context the niche and digital services segment training).

11. Easing Travel/Stay Requirements, Hiring of International Resources

Rationale

At a global level, the Jamaican GSS sector is relatively less mature in terms of service and operation complexity and it would take a significantly long time towards developing the sector using a linear growth pattern (training, curriculum updating, new course programs etc.)

Recommendation

Easing the process of hiring foreign resources especially from mature delivery locations. This can include issuing medium term visas to individuals with technical/digital skills keen on collaborating with local SMEs as part of knowledge transfer, technical capacity development initiatives.

- Large MNC Service Providers – Easing of visa programs for companies looking at transferring resources for short term project requirements esp. in high value services and training of local resources.
- Domestic/ SME – Easing of visas to support technical collaboration and knowledge transfer.

These sector specific initiatives can be part of the boarder program currently being instituted by Jamaica to encourage mobile workforce to consider Jamaica as a short term stay destination. Georgia and Estonia have been highly successful in using targeted visa programs to develop a strong technical skill pool.¹⁵

12. Strengthen Services Export Promotion/Outward Industry Promotion

Rationale

One of the main deficiencies of the current Jamaican global services segment is the under-representation of domestic service providers. Development of the domestic service providers especially in providing higher value services has been highlighted as one of the key requirements for the holistic development of the sector. While a range of steps have been identified to improve supply side deficiencies it is equally important to focus on ensuring demand side compatibility i.e., generating demand for domestic SME services.

Recommendation

Greater focus is required on supporting the GSS as an export industry by facilitating promotional efforts on export-focused contracts for local-based companies. Since the inception of the global services sector, JAMPRO has played the key role in the overall development of the sector and has also been highly successful in attracting significant inward foreign investments into the sector. A similar approach to support export facilitation can have a multiplier effect on improving sector revenue generation.

JAMPRO can leverage its position as an investment promotion agency to facilitate services export i.e., providing support and facilitating direct export of global services by domestic service providers. This would entail positioning both Jamaica and domestic-based service providers as credible nearshore partners. The main objective of the export facilitation program will be to provide global marketing and promotion opportunity to smaller domestic services providers and enabling them to connect to global value chains.

Some of the key facets of an export facilitation program (in conjunction with the Recommendation 3-Single Window Industry Platform and Recommendation 6-Domestic Service Provider Market Expansion) include:

- Acting as an avenue for global branding and promotion for domestic SMEs
- Support B2B global partnership opportunities by leveraging the investment promotion channels
- Promote domestic service providers to international audience as delivery/ value chain partners

¹⁵ Ref: Ease of Hiring Foreign Labour Segment under Current State Assessment

- Support easing services export by providing assistance in streamlining export procedures and documentary requirements
- Develop services export toolkit covering key export requirements e.g., international financial transactions, key market information, documentary/ regulatory requirements etc.
- Support SMEs in outward and inward partnership initiatives (events and forums)
- Peer to peer networking opportunities
- Training and guidance on engaging with international clients
- Providing periodic market insights and development updates

Supporting Infrastructure

13. Develop Global Services Incubation Facilities

Rationale

While Jamaica has prioritized the global services as one of the core pillars for driving socioeconomic growth, many domestic service providers are challenged by the high cost of business particularly accentuated by the high cost of real estate¹⁶. Further, the smaller businesses have limited access to global technology and partner networks to constantly improve service offerings and validate products and solutions.

Recommendation

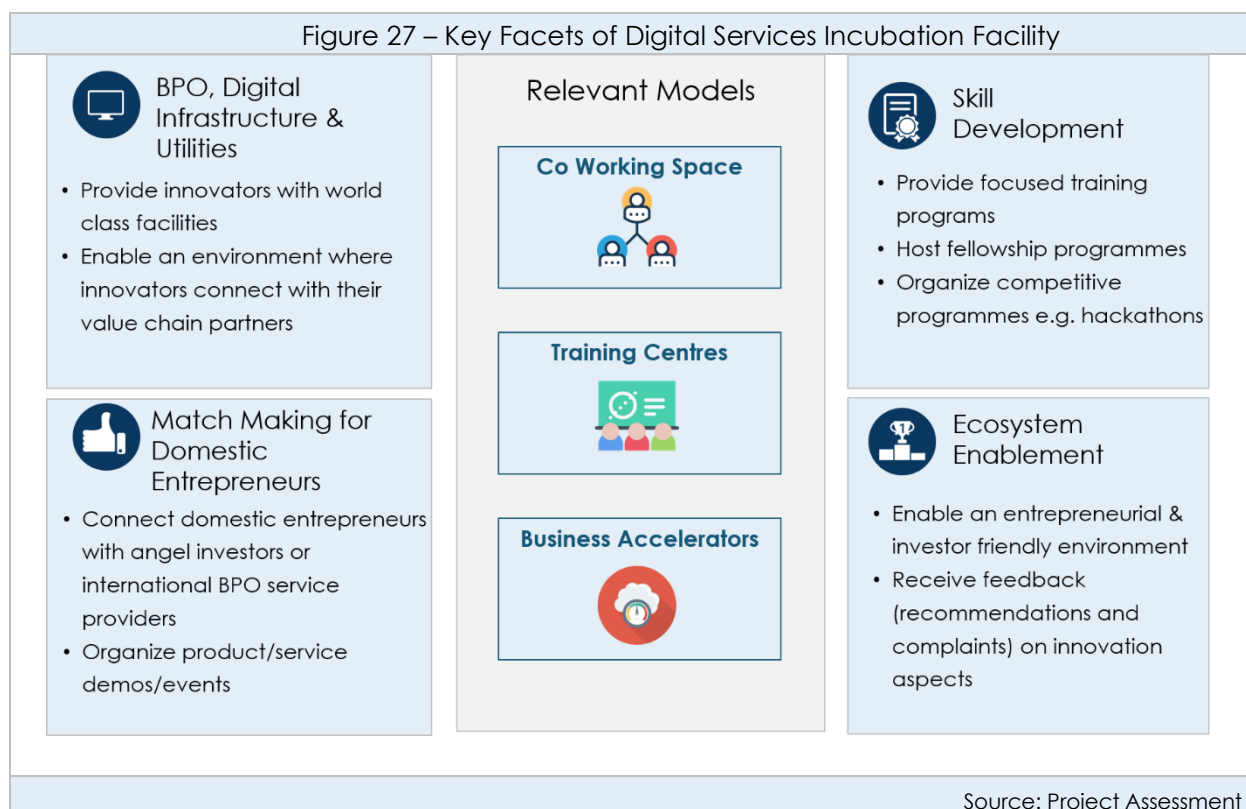
Develop at least two 50-100 seat incubation center that provide all the facilities required to deliver outsourcing services (across the various services segments). This facility can be offered for free or at minimal rental to prospective international investors and domestic SMEs for a predefined time period.

These facilities can enable international service providers and domestic entrepreneurs to quickly enter the market, deliver services on a pilot basis, and assess the local business environment against their business objectives before deciding on expanding their operations in the country. The availability of an incubation space can become an added incentive for prospective investors looking to gain easy access to quality infrastructure and other business support services.

For domestic service providers, incubators can assist in operationalizing at a small scale without having to commit to upfront capital investments. It can play a key role in assist in transitioning to larger sustainable operations by providing the required launchpad, administrative and legislative support, and other related business assistance services to help firms establish their business operations.

The following figure provides a high-level overview of the proposed incubation facility.

¹⁶ Source: GSS Strategy Survey – Indicated by 25 percent of the respondents as the key growth impediment only next to insufficient government support



At its core, the incubator will provide plug-and-play facilities, along with other ancillary services that would help a service provider to manage and run their operations smoothly. Over the long term, the incubation centers can also evolve into a Center of Excellence (CoE) to support innovation, provide technology access for product and solution development etc.

Incubation centers have been highly successful in several developing economies with limited infrastructure capacity. Countries such as India, China and Philippines have had immense success in growing their global services sector through incubation centers by attracting global clients and supporting local enterprises in turn creating several thousand jobs.

The incubator program can be public-private initiative with govt. agencies providing real estate and regulatory support while the private sector can be responsible for the management and operations of the space.

14. Support the Expansion of the National Broadband Infrastructure

Rationale

The current state of the telecom sector in Jamaica is a cause for serious concern specifically for the global services sector. Cost effective and reliable telecom is the backbone of the global services sector and any disruption or significant alteration of the cost structure will significantly

affect the sector and also have a negative impact on its branding and positioning¹⁷. While larger providers may be able to enter into bigger contracts and gain scale-based discounts, smaller enterprise and SMEs largely depend on regular commercial tariff structures.

Recommendation

While the telecoms sector and related policies may not be under the direct remit of the global services sector (or related body) any telecom policy direction should be taken with strong consideration of its impact on the sector. Improving both the cost competitiveness and quality of service will require long term strategic intervention at a broader national level. As network development and improvement is also very capital intensive it may not be a high priority for telecoms companies esp. considering the limited market competition.

In the short term, **the government should develop infrastructure to support the expansion of the broadband network in a bid to lower the cost and improve quality of the broadband network.** A central pillar of this is the development and roll-out of the National Broadband Initiative, which is already in its initial stages and which will help to lower the costs of providing telecoms services which should improve both the cost and quality of telecom services.

Financial Attractiveness

15. Incentivize Domestic GSS SMEs/ Streamline Incentive Process

Rationale

Domestic SMEs have limited financial capacity to support business growth¹⁸. While numerous fiscal and non-fiscal support initiatives are available, availing these benefits can be cumbersome. While many organizations benefit from support from DBJ, JBDC as well as support under the SEZ Act the process can be further streamlined to improve equitable access. According to the GSS-STATIN Survey, over 85 percent of the SMEs in the sector depend on self-financing to support the business initiative.

Recommendation

Streamline the various SME support programs including improving awareness of the various SME packages available through various entities. Restructure existing incentives programs to specifically support non-operational expenses and innovation. These can include (assuming not currently under SEZ remit):

- Reimbursable training and certification grants
- GCT deferral options

¹⁷ Source: Over 50 percent of the GSS Roadmap Survey respondents have indicated to be "not satisfied at all" with the current telecom landscape – costs and quality

¹⁸ Source: GSS Roadmap Survey – Limited access to financing has been indicated as the third biggest challenge for GSS sector SMEs

- Subsidized or tiered access to training programs
- Productive Input Relief (PIR) on imported items
- Higher depreciation rate for IT equipment and software
- Innovation Support:
 - Access to incubation programs, or
 - Tax deduction on R&D
- Simplified return filing provisions
- Export promotion and branding support

16. Conditional Government Contracts to Domestic GSS Enterprises/Domestic Partnership for Local Project Delivery

Rationale

Lack of business opportunities for domestic business SMEs to support long term business growth and gain service delivery experience. The GSS Survey 2020 conducted by the Statistical Institute of Jamaica has identified over 85 percent sector base to be that of small and micro enterprises with less than 20 employees. The small operational base and high levels of competition for services export opportunities limits the ability of smaller enterprise to grow in both scale and service delivery complexity.

Recommendation

Provision to source all (for small projects), or a portion of government or public sector requirements of global services from the domestic market. The services can range from basic to specialized services e.g., emergency helpline services, data transcription to development and support of e-government services. The projects can be conditional, and time bound based on service provider/s achieving certain growth targets.

In parallel, **the government can also consider the requirement of having 'local offset' and knowledge transfer clause especially for IT and digital services projects executed by international services providers** i.e., a portion of the project has to be executed locally involving local resources with clear indication of knowledge transfer.

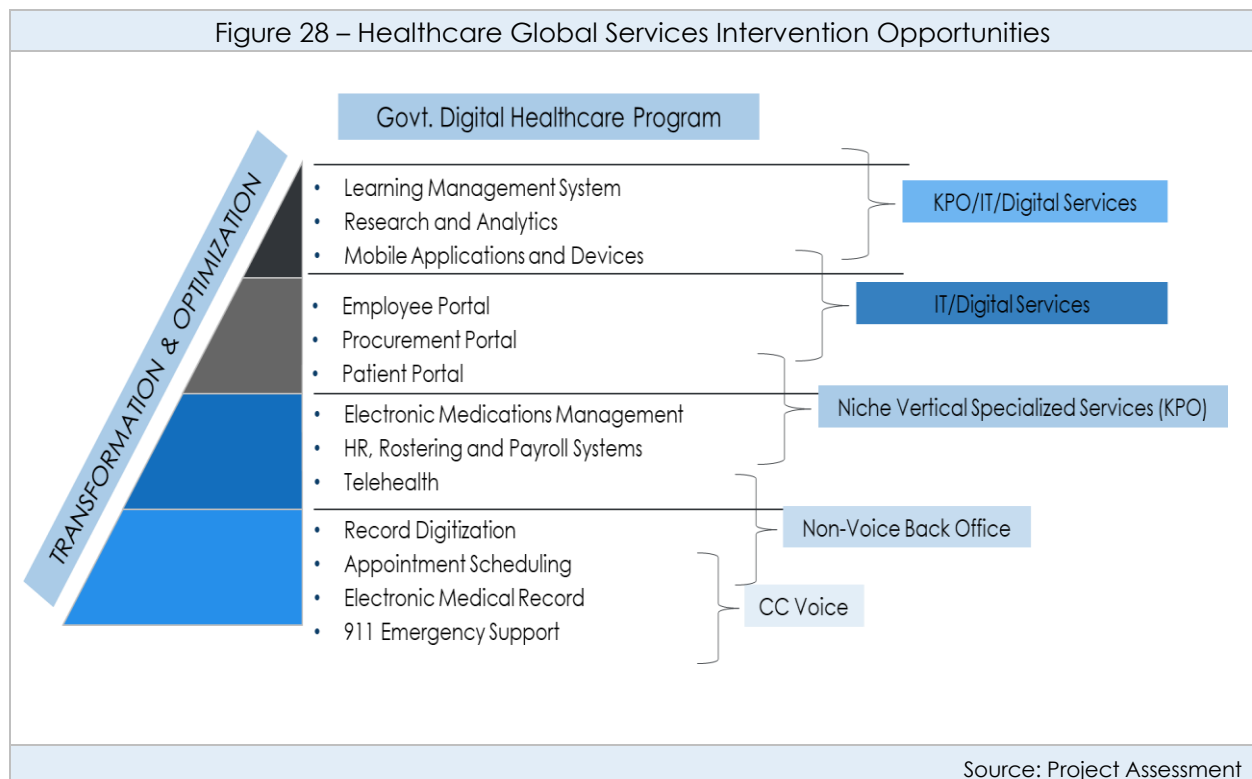
17. Increase Government Digital Initiatives / Digital Adoption

Rationale

While Jamaica has embarked on a range of e-government initiatives and public sector digital adoption is positive it still is significantly behind many developing nations. Progressive digital adoption can provide significant opportunities for local entrepreneurs to develop and deploy domestically developed solutions and platforms.

Recommendation

Encourage public sector to adopt digital practices and solutions (as well as outsourcing of services at large) in turn providing more opportunities and increasing competition. Identify digital/automation/process modernization opportunities of varying scales and complexity across various public entities that can be supported by local global services sector. The opportunities can then be developed into conditional contracts that can then be executed by specialized firms based of delivery requirements. The following figure indicates to the various opportunities withing the public healthcare system that can be sourced from the domestic market.



Recommendation Roll-Out Timeline¹⁹

Table 8 – Jamaica GSS Sector Development Recommendation Rollout Timeline

No.	Recommendation/Action Plan	Timeline ²⁰	Impact ²¹	Implementation Start Timespan (Months) ²²			
				Short 1-6	Medium 6-12	Medium Long 13-18	Long 18-24
1	Expand/Strengthen Current Industry Association Mandate	Short	High				
2	Sector Policies and Regulations Realignment	Medium	High				
3	Develop a 'Single Window' Digital Sector Industry Platform	Medium	High				
4	Develop Domestic Knowledge, Technology Services Ecosystem and Delivery Capacity	Medium-Long	High				
5	Realign and Define New Value Proposition Messaging	Medium	Medium				
6	Domestic Service Provider Market Expansion	Medium-Long	Medium				
7	Research and Target Markets Expansion	Long	Medium				
8	Improve Domestic GSS Image	Short-Medium	High				
9	Sector Focused Multi Level Skill Development Initiatives		High				
9.1	- Level 1 – CC/BPO Skill Development Track	Ongoing	Medium				
9.2	- Level 2 - Higher Value Services Training Track	Short-Medium	High				
9.3	- Level 3 – Digital Talent Development	Medium	High				
10	Develop Online Training Delivery Capacity	Medium-Long	High				
11	Easing Travel/Stay Requirements, Hiring of International Resources	Short	Low				
12	Strengthen Services Export Promotion/Outward Industry Promotion	Short	High				
13	Develop Global Services Incubation Facilities	Medium	High				

¹⁹ A detailed recommendation and action plan is provided as a separate document

²⁰ Refers to Implementation and follow-on initiatives

²¹ Impact of the recommendation in supporting the attainment of the key GSSS sector objective i.e., revenue/employment generation and transitioning to higher value services delivery

²² Timeline for the start of initiatives. All initiatives and follow-on activities are expected to start over the next 24 months. Dark blue cells refer to start of roll-out while green cells are for the follow-on initiatives.

No.	Recommendation/Action Plan	Timeline ²⁰	Impact ²¹	Implementation Start Timespan (Months) ²²			
				Short 1-6	Medium 6-12	Medium Long 13-18	Long 18-24
14	Support the Expansion of the National Broadband Infrastructure	Ongoing	High				
15	Incentivize Domestic GSS SMEs/ Streamline Incentive Process	Medium	Medium				
16	Conditional Government Contracts to Domestic GSS Enterprises	Medium	Medium				
17	Increase Government Digital Initiatives / Digital Adoption	Medium	High				

Action Plan – Stakeholders, Outcomes, Timelines and Indicative Costs

Table 9 – Jamaica GSS Sector Development Action Plan

No.	Recommendation/Action Plan	Key Stakeholders	Implementation Owner	Expected Outcome	Estimated Execution Cost
1	Expand/Strengthen Current Industry Association Mandate	GSAJ/JTDA/United Industry Body, Ministry of Economic Growth and Job Creation (MEGJC), Ministry of Science, Energy and Technology (MSET), Ministry of Industry, Investment and Commerce (MIIC), ICT Authority, JAMPRO, GSS Body	JAMPRO	Focused nationally relevant ICT and global services policy development	US\$5,000/1 Year
2	Sector Polices and Regulations Realignment	MEGJC, Min of Labour, MSET, GSAJ/JTDA/United Industry Body, JAMPRO, GSS Body	JAMPRO	Policies aligned to fast changing industry requirements, work from home polices, data protection regulations etc.	US\$100,000/ 1 Year
3	Develop a 'Single Window' Digital Sector Industry Platform	GSAJ/JTDA/United Industry Body, JAMPRO, GSS Body, E-Gov Jamaica	JAMPRO	One stop shop solution for industry requirements across key industry pillars	US\$300,000/2 Years

No.	Recommendation/Action Plan	Key Stakeholders	Implementation Owner	Expected Outcome	Estimated Execution Cost
4	Develop Domestic Knowledge, Technology Services Ecosystem and Delivery Capacity	United Industry Body, UWI, Min of Education, Industry Bodies, GSS Body, Private Sector	GSAJ/JTDA/ United Industry Body	Developed ecosystem to support the growth of the knowledge services, higher value services segment	US\$1,500,000/3 Years
5	Realign and Define New Value Proposition Messaging	JAMPRO, GSAJ/JTDA/United Industry Body	JAMPRO	Reposition Jamaica as cross horizontal service delivery location	US\$100,000/2 Years
6	Domestic Service Provider Market Expansion	JAMPRO, GSAJ/JTDA/United Industry Body	JAMPRO	Higher participation of domestic service providers in exporting global services	US\$250,000/4 Years
7	Research and Target Markets Expansion	JAMPRO, Min of Foreign Affairs, GSAJ/JTDA/United Industry Body	JAMPRO	Higher awareness of Jamaica's service delivery capabilities in target markets. Establish Jamaica as the 'go to' for nearshore service delivery.	US\$1,000,000/4 Years
8	Improve Domestic GSS Image	MSET, GSAJ/JTDA/United Industry Body, JAMPRO, Private Sector, MIIC. MEGJC	GSAJ/JTDA/ United Industry Body	Higher level of awareness about the GSS sector and its varied opportunities.	US\$200,000/4 Years
9	Sector Focused Multi-Level Skill Development Initiatives				
9.1	-Level 1 – CC/BPO Skill Development Track	MSET, Min. of Education, GSAJ/JTDA/United Industry Body, HEART-NSTA	HEART-NSTA	Availability of large pool of high-quality talent pool to support existing business segments	US\$400,000/4 Years
9.2	-Level 2 - Higher Value Services Training Track	MSET, GSAJ/JTDA/United Industry Body, UWI, Min. of Education, GSS Program	GSS Body	Availability of scalable talent pool with tertiary education/professional experience to support niche higher value services	US\$300,000/4 Years
9.3	-Level 3 – Digital Talent Development	MSET, Min. of Education, GSS Program, GSAJ/JTDA/United Industry Body	GSS Body/TBD	Availability of scalable talent pool to support development of digital services/solutions, domestic GSS IT requirements	US\$400,000/3 Years
10	Develop Online Training Delivery Capacity	HEART-NSTA, GSS Program, GSAJ/JTDA/United Industry Body	HEART-NSTA	Easily available and scalable talent training programs ensuring large pool of industry ready resources	US\$50,000/1 Year
11	Easing Travel/Stay Requirements, Hiring of International Resources	GSAJ/JTDA/United Industry Body, Ministry of National Security (MNS) and the Passport,	Min of National Security	Access to international resources to bridge short term talent shortage and support local knowledge transfer	US\$300,000/3 Years

No.	Recommendation/Action Plan	Key Stakeholders	Implementation Owner	Expected Outcome	Estimated Execution Cost
		Immigration and Citizenship Agency (PICA)			
12	Strengthen Services Export Promotion/Outward Industry Promotion	GSAJ/JTDA/United Industry Body, JAMPRO	JAMPRO	Increased opportunities for domestic SMEs to partner with foreign services providers in turn enabling them to be a part of the global value chain	US\$485,000/4 Years
13	Develop Global Services Incubation Facilities	JAMPRO, SEZ Authority, MSET	JAMPRO	Ease market entry for foreign service providers without significant upfront capital investments. Support domestic SME operationalization / business growth plans by reducing infrastructure cost burden	US\$1,200,000/4 Years
14	Support the Expansion of the National Broadband Infrastructure	MSET, ICT Authority, JAMPRO,	MSET	Improve cost competitiveness and quality of telecom service. Improve redundancy	TBC
15	Incentivize Domestic GSS SMEs/ Streamline Incentive Process	Min of Finance, Min. of Industry, Investment and Commerce, JAMPRO, Other relevant SME funding public sector bodies	Min of Finance	Streamlining the various SME support programs in turn enabling them to compete more effectively	US\$150,000/2 Years
16	Conditional Government Contracts to Domestic GSS Enterprises	Ministry of Science, Energy and Technology (MSET), ICT Authority, Min. of Finance, JAMPRO	ICT Authority	Higher participation of domestic service providers in local digital initiatives in turn improving business and services capabilities to compete globally	US\$20,000/4 Years
17	Increase Government Digital Initiatives / Digital Adoption	Ministry of Science, Energy and Technology (MSET), ICT Authority, JAMPRO, Cabinet Office, Ministry of Finance and Public Service	MSET	Higher government digital adoption in improving public services and providing opportunities for domestic SMEs	US\$ 100,000/4 Years
Total Implementation Cost²³					US\$6,760,000/4 Years

²³ The cost estimates are not spread equally and takes into account initial development effort.

Conclusion

The ongoing global pandemic has resulted in the need to reassess the current economic landscape with a focused move towards diversifying the economy. Further, the dynamic nature of the global services sector, emergence of disruptive technologies and the reliance on lower value, volume-based services has also necessitated a structural shift within the Jamaican GSS sector.

The future expansion of the sector both in scale and services scope requires a long term multi-pronged strategy that requires a purposeful departure from the existing approach towards industry growth. While the proposed strategies and recommendations are expected to create the baseline for developing new service lines and attracting more investments it also aims support existing services segment that will continue to form a significant portion of the employment and revenue. A successful implementation of the strategy will assist in repositioning Jamaica as credible nearshore 'high value' services destination capable of providing end to end services across the global services value chain. More importantly, it will also create even more employment opportunities across a border cross sector of the society, in turn, helping bridge the socio-economic divide.

Appendix: Digital Competitiveness Index Comparative Analysis

The Avasant Digital Competitiveness Index (DCI) also allows for comparative analysis of Jamaica against some of its main competing locations within the global services segment. The following figures outlines Jamaica's DCI performance against some of the other nearshore countries²⁴

- Costa Rica
- Dominican Republic
- Colombia

Digital Services Risk Profile

Avasant Risk Profile assesses the risks associated to location based on current and future anticipated risks affecting global services delivery operations. The risk profile is updated based on changes to the various risk categories and acts as a preliminary indicator to assess investment feasibility (Note: Risk Profile does not form a part of the DCI Index).

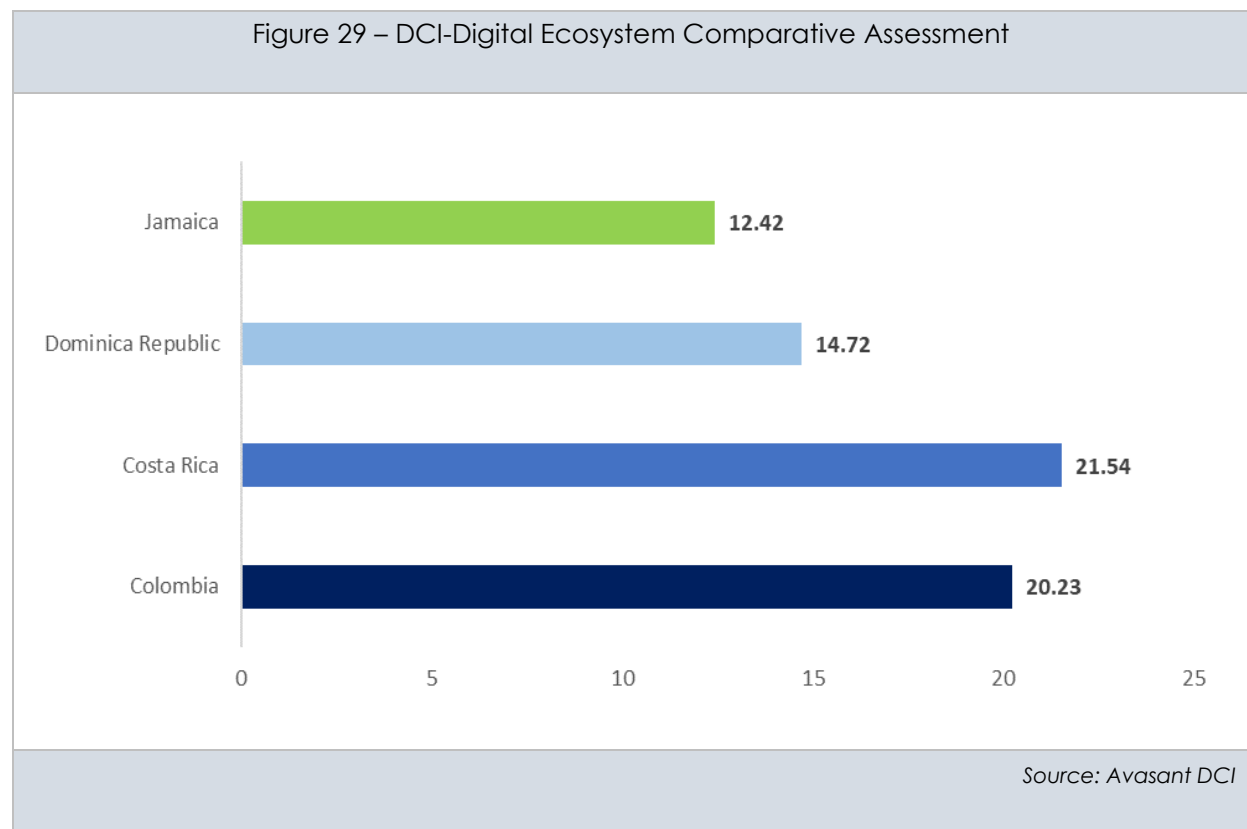
Table 10 – Avasant DCI – Comparative Risk Analysis

Risk Category	Costa Rica	Dominican Republic	Colombia	Jamaica
Overall Business Risk	Very Low	Stable	Low	Stable
Political Risk	Very Low	Stable	Stable	Low
Economic Risk	Low	High	Stable	High
Service Disruption Risk	Very Low	High	Stable	Low
Operations Scalability Risk (HR)	Very Low	Very Low	Very Low	Stable
Risk Score (5)	4.75	3.00	3.5	3.25

Risk Level ~0-1-Very High Risk, Very Low Risk ~4-5. Very High Risk>High Risk>Stable>Low>Very Low Risk

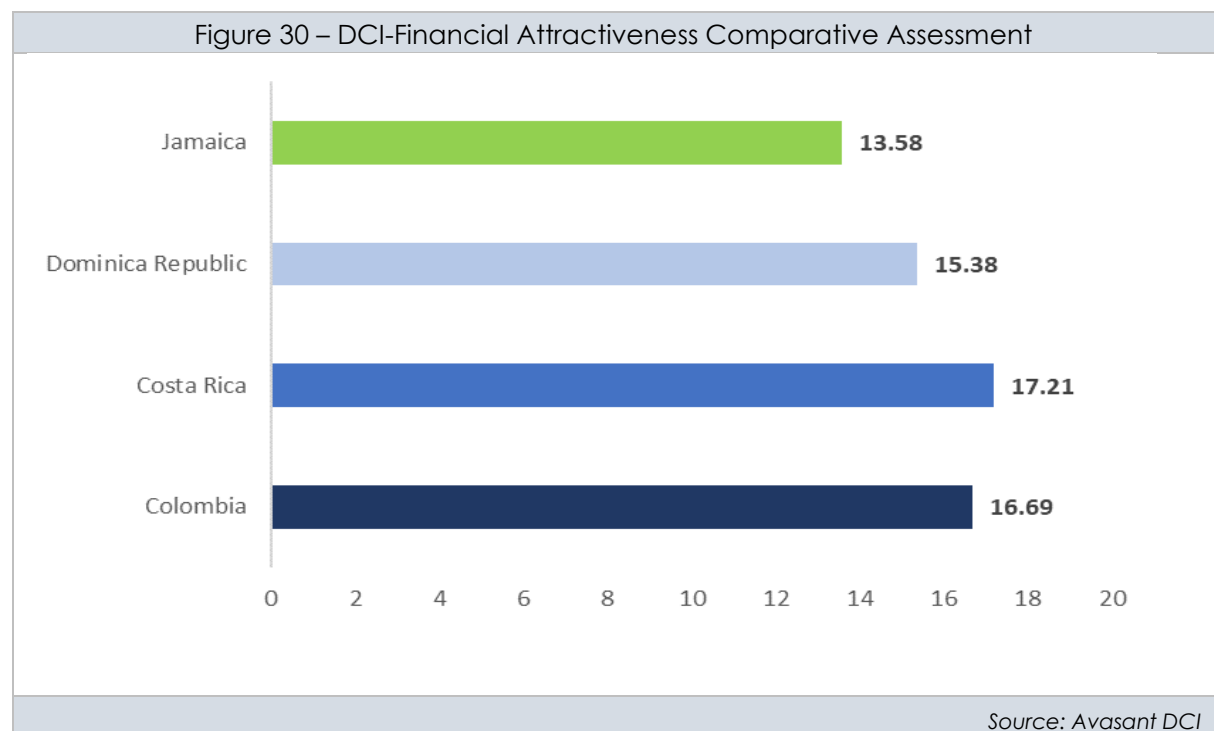
²⁴ Note: Detailed comparative analysis can be accessed through www.globalequations.com

Digital Ecosystem



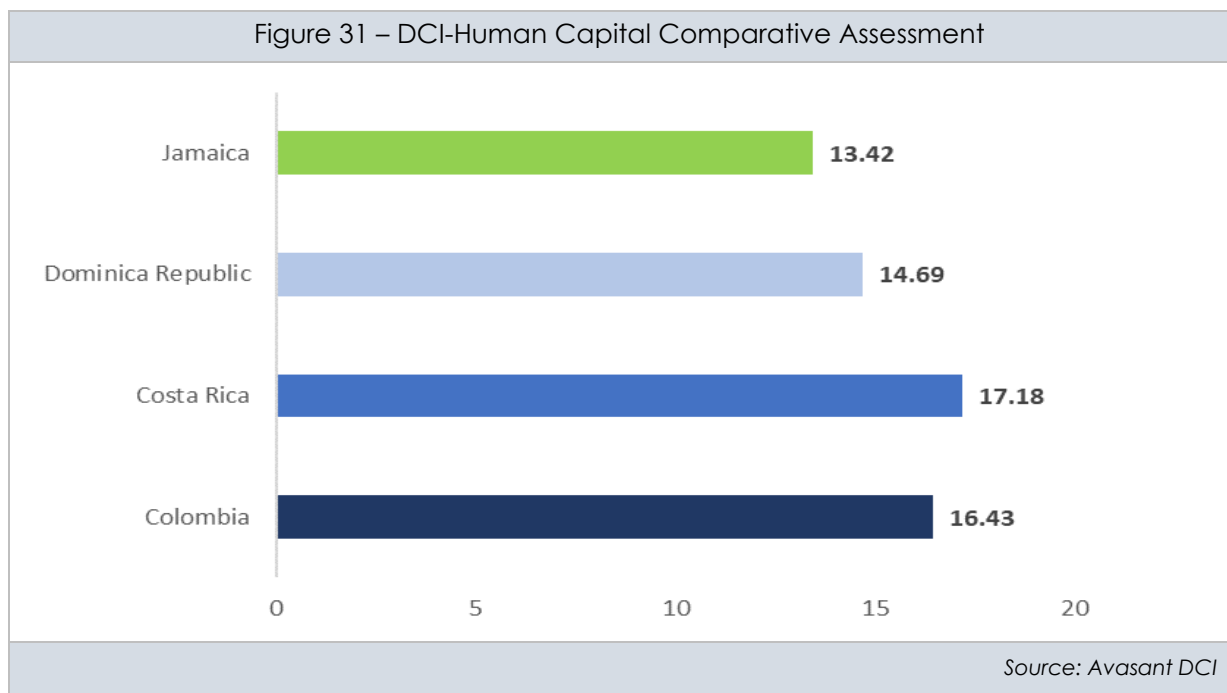
Max DCI Score - 30

Financial Attractiveness



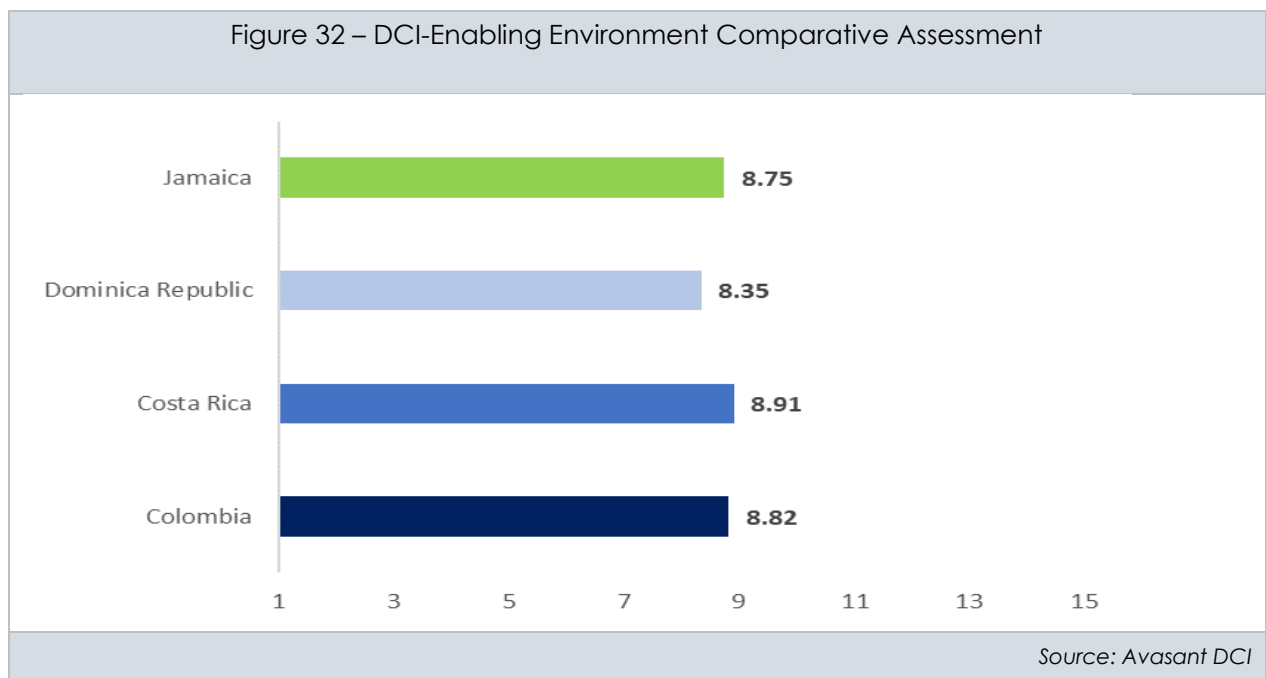
Max DCI Score - 25

Human Capital



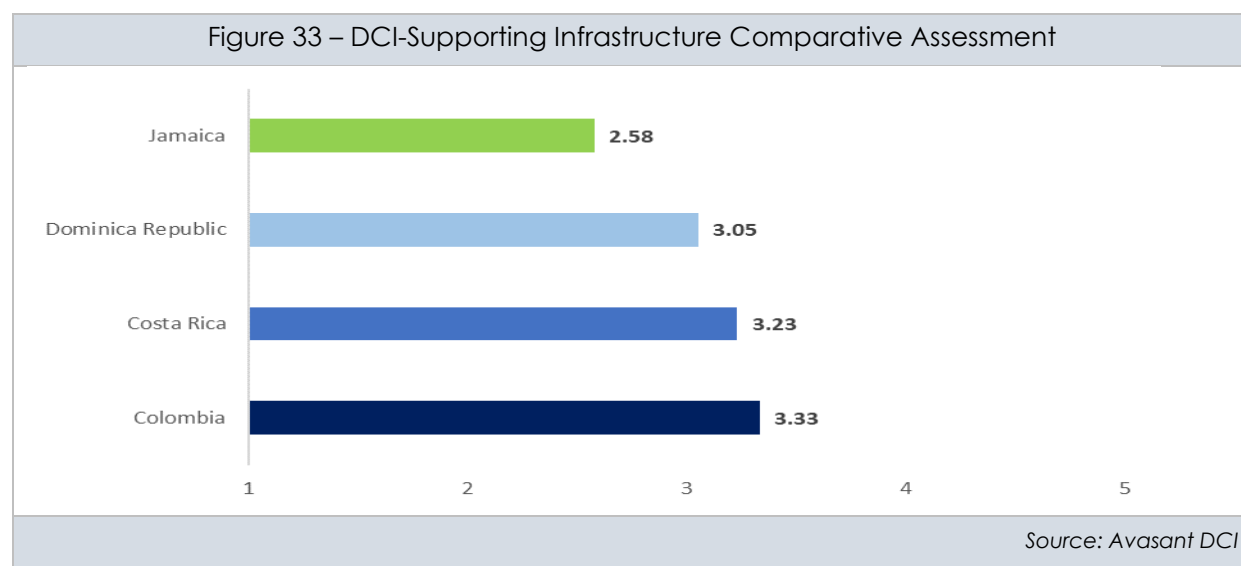
Max DCI Score - 25

Enabling Environment



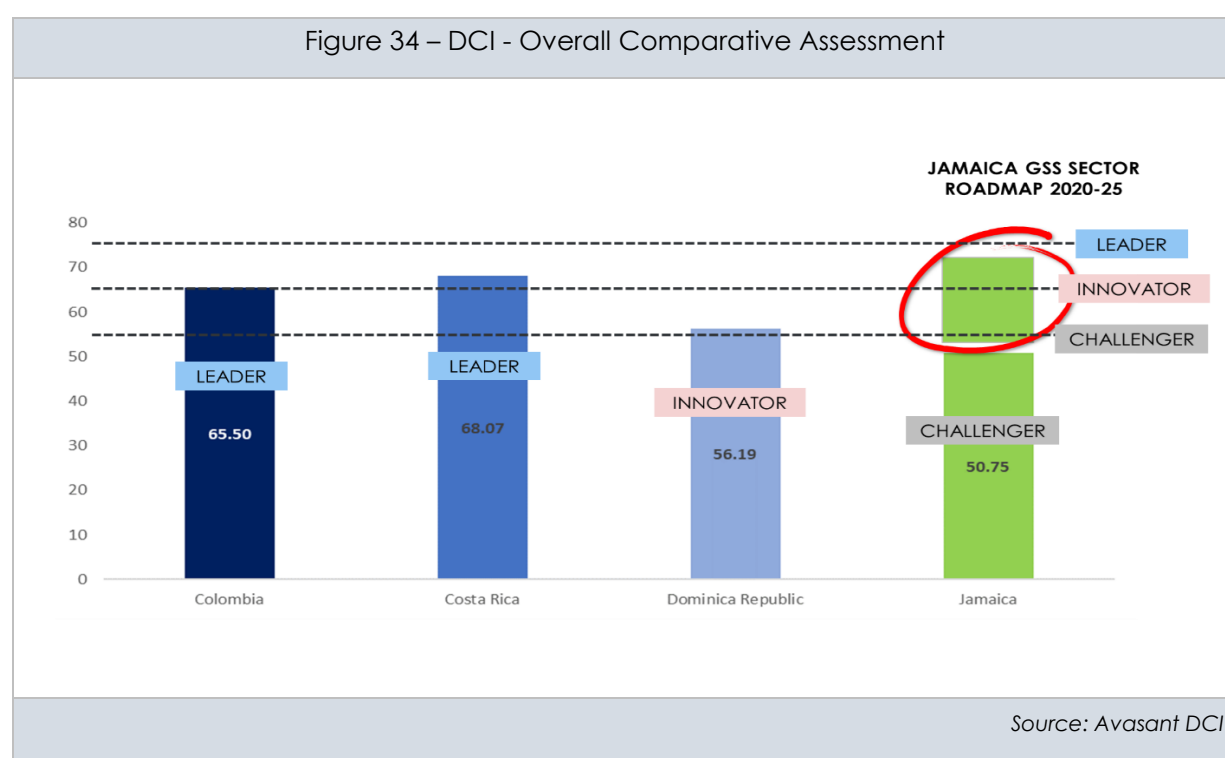
Max DCI Score - 15

Supporting Infrastructure



Max DCI Score - 5

Digital Competitiveness Index – Overall Assessment



As indicated by the comparative analysis, Jamaica trails all the comparative locations in terms of its overall digital competitiveness i.e., it may not be the foremost choice for setting up a higher value services delivery center. Any future direction of the sector should identify key improvement areas and provide remedial measures that have the most impact on the overall competitiveness score.