

The Philippines:

A Top Outsourcing Destination

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What is Outsourcing?

Outsourcing is a strategic business practice that involves contracting an external partner to shoulder specific tasks, services, or functions normally done in-house. These tasks are handled remotely by a dedicated team, which is managed and overseen by an outsourcing partner. Many businesses today outsource to other countries or labor markets with the goal of reducing costs, improving efficiency, and allowing focus on value-add business functions.

A business can outsource many different non-core functions such as customer service, data entry, IT services, accounting, logistics, and medical billing – just to name a few.

The Global Significance of Outsourcing

Outsourcing is used by companies all over the world to enhance their capabilities at a fraction of the cost. With it, smaller businesses can expand the scope of their services by employing scalable teams to support their core operations. Large companies also make use of outsourcing to reduce costs while generating high productivity and efficiency. At a glance, here is what makes outsourcing globally so beneficial for businesses of all sizes:



◆ Control Costs and Achieve Savings:

Outsourcing allows companies to reduce operational costs, especially for non-core functions such as customer service, data entry, and other back-office tasks. By leveraging lower labor costs in other regions, businesses can allocate resources to other areas while maintaining profitability.

◆ Access to Global Talent:

Outsourcing provides businesses access to experts in specialized fields from around the world, leading to improved focus on the quality of their services and products.

◆ Operational Flexibility and Efficiency:

Companies stand to gain operational flexibility when outsourcing non-core or routine tasks, allowing their internal teams to focus on their core competencies. This, in turn, increases operational efficiency, scalability, and allows them to quickly adapt to market shifts.

Outsourcing can also benefit the countries where talent is being outsourced:

◆ Economic Growth and Globalization:

Outsourcing contributes to mutual growth between the economy of the client's country and the country where jobs are outsourced. This creates jobs and fosters skills development. Countries where outsourcing has become popular have transformed themselves into outsourcing hubs thanks to the economic influx created by foreign companies seeking cost-effective services.



Outsourcing allows companies to reduce operational costs, especially for non-core functions such as customer service, data entry, and other back-office tasks.



Outsourcing Hotspots Around the World

No matter where you choose to source from, outsourcing is always a game-changing strategy that will boost and develop your business's potential. It's helpful to note that some countries in the world are considered as outsourcing hotspots, or places where the outsourcing industry is highly developed – attracting businesses from all around the globe. These countries are often sought-after for their attractive economic advantages, such as offering a high concentration of skilled workforces, lower salary costs, and business-friendly environments.

Top countries to outsource from:



India



Philippines



Vietnam



Malaysia



Singapore



Brazil

Among Asian countries, the Philippines comes up as an impressive example of an outsourcing hotspot!

What you need to know about outsourcing to the Philippines

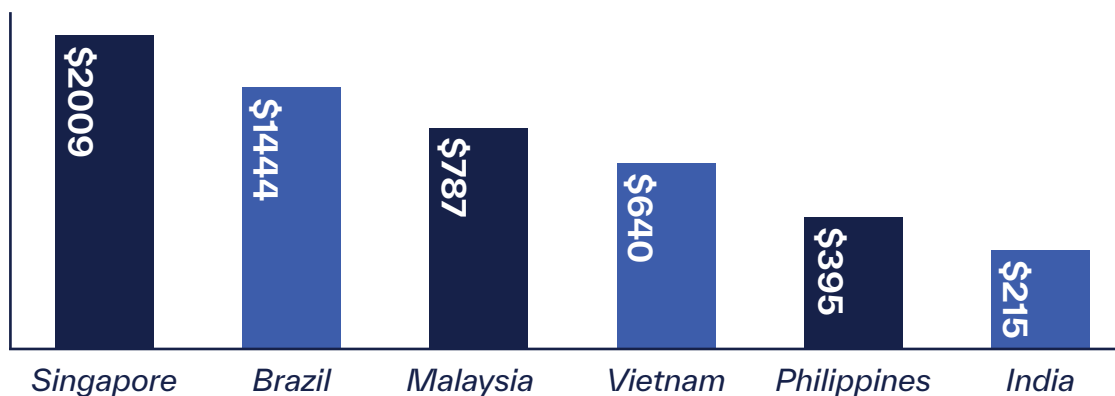
The Philippines is known for its highly developed business process outsourcing (BPO) industry, particularly due to the large, English-speaking workforce within it, as well as its people's natural affinity with Western culture and competitive pricing. An outsourcing hotspot like this is a great choice for businesses seeking to improve their overall efficiency without the hassles of hiring in-house.



What makes the Philippines such an attractive place to outsource?

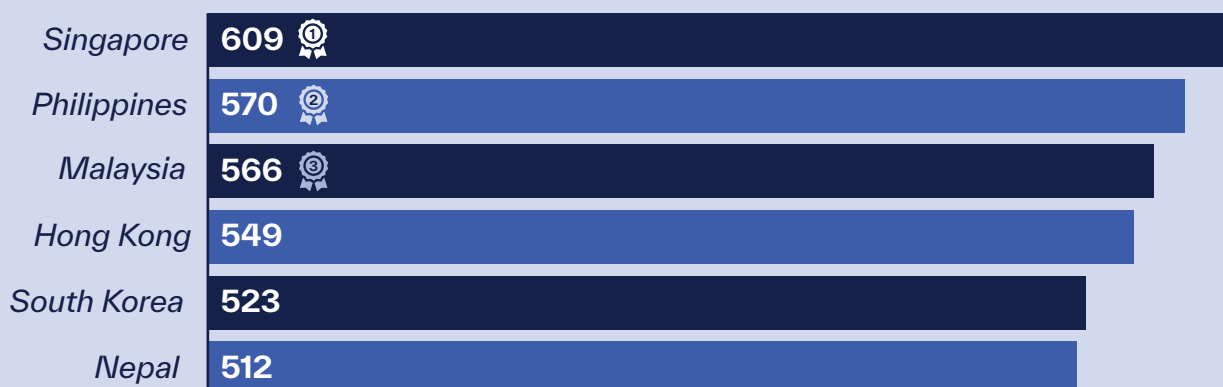
- ◆ The Philippines holds 10-15% of the global outsourcing market. Also, over 1.3 million Filipinos are employed in over 1000 Business Process Outsourcing (BPO) companies. This makes the Philippines the 2nd leading outsourcing destination globally.
- ◆ **Cost of Labor:** The main reason why companies want to outsource is the low cost of labor. Outsourcing to the Philippines can save you up to 70% on your labor costs compared to hiring in-house staff. Take for example, the average monthly salary for a Call Center Agent: the Philippines costs are significantly lower compared to other outsourcing hotspots like Singapore and Brazil. (Glassdoor)

Average Monthly Call Center Salary (in USD)



- ◆ **English Proficiency:** English is one of the two official languages in the Philippines. From their primary to tertiary education, Filipinos' educational instruction is mostly delivered in English. The Philippines is ranked #22 globally in the English Proficiency Index in 2024. Among Asian countries, the Philippines is #2 overall. (EF English Proficiency Index)

English Proficiency Scores in Asia in 2024, by country or territory



History of Outsourcing in the Philippines

1955

The Philippine government set up the Special Economic Zone Act (SEZ). This act served to welcome international businesses to set up operations in the country. Originally aimed at companies setting up physical offices and plants in the Philippines, the act now covers companies that sought to start remote operations in the country as well.

1970s

American companies started hiring Filipinos as data entry workers. Due to the lower cost of living in the Philippines, the typical Filipino household required less for it to be considered a fair wage, so it was less expensive compared to hiring onshore at the time.

early 2000s

Companies from the U.S., Europe, and Australia all began outsourcing part of their operations such as customer service, technical support, and other back-office functions to the Philippines. Several other BPO companies began operations across key cities like Manila, Cebu, Bacolod, and Davao. Major corporations like IBM, Convergys, and Teleperformance took root in the country, further driving growth.

2011

FGC+ was established. Originally providing virtual assistant services, business has since expanded to providing consultative, end-to-end outsourcing solutions for small-to-medium businesses in the U.S. Our services take a consultative approach with a business review and then include recruiting, hiring, and training of outsource staff, setting up processes, providing team support, leadership development, managing operations, and so much more.

2014

Over 75% of U.S. businesses outsourced to the Philippines, generating \$18.2 billion in revenue.

2022

The Philippines has overtaken India as a premiere source of talent for offshore teams.

Companies of all sizes that Outsource to the Philippines

It doesn't matter if you're a large corporation or a small family business. Businesses of all types, sizes, and industries are successful at outsourcing non-core functions to the Philippines.



1. Google

Google outsources a range of services, including IT support, back-office operations, and customer service functions, to the Philippines. The company benefits from the country's tech-savvy workforce and strong service-oriented culture.



2. Amazon

Amazon outsources customer service and support roles to the Philippines, leveraging the country's cost-effective labor market and strong English-speaking population to handle a significant volume of customer inquiries.



3. Medex Supply

Medex Supply is a homegrown Medical and Healthcare Supply Retailer company based in New Jersey, who outsources their financial operations (particularly accounting functions) to the Philippines. By outsourcing, they ensure transparent financial accuracy while achieving quantifiable cost savings.

Working with Filipinos

The rising globalization of today's workplaces has allowed Filipinos to become a bigger part of the workforce.



Quick facts about hiring from the Philippines

- ✦ The Philippines boasts a workforce of 44 million individuals (about twice the population of New York).
- ✦ Among Southeast Asian countries, the Philippines stands out with a literacy rate of 99.27% as of 2021.
- ✦ Filipinos 25 years old and older have much higher education rates compared to both the native and overall foreign-born populations.
- ✦ 66% of Filipino employees choose to work close to home – this influences their decision to work at BPO companies within their area.

What makes hiring Filipinos so advantageous?

Filipinos possess many soft skills that makes them successful in any field they are in. Here are just a few of their values that make them valuable additions to any team, outsourced or not.



Resourcefulness and initiative

Filipino professionals possess a natural ability to think on their feet. This allows them to bring a new perspective when solving challenges for the team. They are naturally adaptable to complex situations and can proactively seek creative solutions – adding tremendous value to any project.



Potential for leadership

Filipinos exhibit exceptional leadership potential. They can inspire and guide their peers in a way that contributes to the overall success of any team or organization. Many outsourcing companies tap into this leadership potential by assigning management roles to agents who excel. They, in turn, ensure consistent oversight so that outsourced teams can consistently hit their targets.



Expert communicators

English is one of the two official languages in the Philippines. From their primary to tertiary education, all educational instruction is mostly delivered in English. Moreover, clear and effective communication is a hallmark of Filipino professionals. This facilitates smooth and efficient collaboration within the most diverse of teams.



Care and hospitality

Filipino culture values care and hospitality for all people, which fosters a warm and welcoming work environment. This culture of consideration and support can translate into a harmonious and productive atmosphere for your team.



Family-oriented culture

One of the distinct features of working with Filipino staff is their deeply ingrained family-oriented culture. The concept of "family" extends beyond just the immediate household. Even co-workers can become a part of this tight-knit support system. This family-centric perspective influences the way Filipino professionals approach their work and interactions with colleagues.

Is Outsourcing Right For Your Business?



Deciding whether outsourcing is right for your business depends on several factors, including your own company's needs, goals, and resources. Though outsourcing can be highly beneficial, evaluating the pros and cons can help determine if it aligns with your objectives.

There are many channels that allow you to outsource and hire talent. Among these options, the most popular ones are outsourcing through a freelancer and partnering with a Business Process Outsourcing (BPO) Company.

✦ The Rise of the Gig Economy

The rise of digital work platforms connecting talent with businesses seeking specific services like graphic design, copywriting, data entry, and customer services gave rise to the gig economy. It's one form of outsourcing but instead of long-term employment, the **gig economy** is made up of contractors and freelancers seeking quick, short-term jobs. Right now, there are approximately 1.57 billion self-employed freelancers around the globe, which is 46.6% of the global workforce.

✦ Freelancer vs. BPO?

Understanding the gig economy is essential for businesses looking to navigate the differences between hiring freelancers and outsourcing through a BPO.

Freelancers

- **Cost-Efficient:** Since freelancers are independent contractors, hiring them is less expensive and won't incur long-term commitments (especially when hiring only one person).
- **Specialized Expertise:** When you hire a freelancer, you can focus on hiring individuals that precisely cover the exact skillset of your project or task.
- **Inflexible:** Since freelancers tend to be specialized in a single area, it makes it challenging for them to cover additional work beyond their scope of profession. Sudden workload spikes can also be hard for them to accommodate on top of their regular tasks and other client obligations.

Business Process Outsourcing (BPO)

- **Flexibility and Expertise:** BPOs can pool together a shortlist of qualified applicants, allowing you to select from a broader range of skillsets and varying levels of expertise to match your needs. Their support and management levels also bring years of experience, enabling them to effectively train and oversee outsourced teams.
- **Quality Control:** BPOs typically have standard quality control and KPI measures in place to ensure the work they deliver meets your expectations.
- **Network and Power Infrastructure:** When working with a BPO, their facility usually has redundancies in place to guarantee 100% uptime of your processes. Backup devices and connections are also available for power interruptions, network outages, and other such emergencies to ensure business continuity.
- **Security:** BPOs follow strict structured protocol and have layers of protective measures in place (such as Cybersecurity, HIPAA, NDAs, and contracts) to safeguard your business data and protect your best interests.
- **Cost:** Although engaging with a BPO or agency can cost more than hiring individual freelancers, you can rest assured that everything from equipment and data security, to training and onboarding costs, to compensation and benefits are all covered by contract fees.

Choosing The Right Outsourcing Partner

What should you consider when looking for an outsourcing partner?

Consider these parameters when partnering with an outsourcing partner in the Philippines or even outsourcing in general to make the most out of your contract.



Expertise and experience:

Does your outsourcing partner understand your business's position in the industry? Furthermore, do they have a solid history of success or any similar projects you can check out? Look for case studies and reviews from similar clients to identify how well they've done and how they can help you.



Client and employee attrition rates:

Knowing your outsourcing partner's client attrition rate would show that they have a good relationship with and support for their clients. Meanwhile, the employee attrition rate would be an indicator of the type of culture they cultivate, as well as how they care for things like employee development and engagement.



Hiring and onboarding processes:

Outsourcing partners can handle candidate hiring, training, onboarding, oversight and management of your outsourcing team. Ask questions regarding their candidate screening and how they do background checks, as well as their approach on how to integrate newly hired outsourced team members into your company smoothly.



Quality assurance and compliance:

Make sure that your outsourcing partner adheres strictly to labor laws and meets all industry standards and doesn't violate any of their country's legal standards. As for Quality Assurance, asking about what quality control measures they have in place early on is important to laying down the standard of work you desire.



Communication and company culture-fit:

Cultural alignment is an important part of the candidate selection process, and this applies as well to outsourced hires. Assess how well this partner's culture matches your company's, as it's a clear indicator of the type of hires they provide. Effective communication can make or break your relationship with your outsourced team, so be sure as well that they have clear and consistent communication channels in place between all parties.



Contract terms and costs:


Have a clear conversation about pricing. Does their contract fee cover all the necessary equipment costs and the salaries for your outsourced team? Are there any hidden fees? How often do you have to pay? Ensure that you get the best value for your investment compared to hiring in-house. Most of the time, BPOs have contract fees that cover everything from hiring to onboarding, some even extend their services and have their contract fees cover equipment, facilities, salaries and benefits, and management.

Choosing The Right Outsourcing Partner


FGC+ is an outsourcing provider headquartered in New York with multiple service locations in the Philippines. For 13 years, our business process outsourcing (BPO) solutions have helped clients achieve impactful results. As we hire, develop, and manage people who are dedicated and laser-focused to your brand, they're trained with experienced leaders who are dedicated to deliver operational excellence and a seamless customer experience.

FGC+ helps businesses overcome the hurdles of sustainable business growth. With a consultative approach, expert skilled teams, efficient operations, and a client-focused experience, we propel your business to new heights. We cater to extensive support roles, regardless of industry, to provide specific staffing needs with a team that quickly becomes part of your business.


Quick view of FGC+ services




E-Commerce/
Retail/CPG




Telecommunications




Technology




Healthcare




Travel/Hospitality




Customer Support




Technical Support



Data Management



Professional Services



Medical Support

The FGC+ Way

At FGC+, the “+” in our name is more than just a symbol – it’s our commitment. We don’t just meet expectations; we surpass them. Our all-inclusive outsourcing solutions bring you top-tier talent, streamlined operations, and flawless customer experiences. Let’s build a true partnership to ignite new possibilities, spark innovation, and drive sustainable growth for your business.

Supportive End-to-End People Management

With our full-service outsourcing solutions, we completely support you through the process of staffing and training, to team management, to ongoing operations review to ensure a positive experience that covers all your needs.



What Makes FGC+ Different



Our Investment in People

To ensure you benefit from a highly capable, and passionate staff, we invest heavily in the training, professional development, and personal growth of our people. Through development programs, access to executive mentorship, and a nurturing workplace, we are dedicated to providing opportunities and an environment in which employees can achieve their greatest potential.



Our Consultative Approach

We believe in building strong, collaborative relationships with our clients. Our team of experts works closely with you to gain a deep understanding of your business operations, pain points, and objectives. This partnership enables us to offer strategic advice and implement full-service solutions that align with your long-term vision.



End-to-End Outsourcing

From sourcing and hiring to training and ongoing management, we handle every aspect of your staffing needs. What sets us apart is our unique 'Account Management+' approach, seamlessly integrating Client Services and Operations. This synergistic combination not only ensures efficient execution but also brings strategic insights and innovation to your business.



An Extension of Your Brand

At the heart of how we work is understanding and empathy. When you partner with us, FGC+ becomes a part of your team. We go to great lengths to understand your company from the inside out, enabling our people to represent your company, values, and brand seamlessly.

