

Offshoring for Long-Term Advantage

The 2007 A.T. Kearney Global Services Location Index™



Moving operations to low-cost countries offers a variety of advantages—from reduced wages for qualified workers to historically lower costs for businesses. The question is, are these advantages short-lived? Already, for some locations, the increasingly heated competition for talented and skilled workers has resulted in a rise in wages and attrition rates.

Findings in the 2007 A.T. Kearney Global Services Location Index™ reveal that the relative cost advantage of the leading offshore destinations has declined almost universally. Nearly every country in the Index, even those that fell in the rankings, improved their absolute scores, thus confirming that competition among low-cost countries is intensifying. Increasingly, simply maintaining current performance levels is no longer sufficient for countries that want to attract (and retain) the fast-growing remote services business. In addition, this year's findings suggest that while the wage advantage of offshore locations will continue for 20 or more years, this advantage will diminish as demand for skilled workers increases in offshore locations around the globe.

Now in its fourth year, the Global Services Location Index, or GSLI, analyzes and ranks the top 50 locations worldwide that provide the most common remote functions, including IT services and support, contact centers and back-office support. Each country's score is composed of a

weighted combination of relative scores on 43 measurements, which are grouped into three categories: financial attractiveness, people and skills availability, and business environment (*see Appendix: About the Study*). The two newest measures on the Index analyze the compensation costs and relative experience of business process outsourcing (BPO) analysts in offshore locations, in addition to contact center agents and IT professionals; the latter two were also included in past iterations of the Index.

Ten new countries have also been added to this year's Index, reflecting the growing number of countries competing to become viable remote services locations, and companies' interest in finding offshore locations outside the established destinations. The new countries are: Ukraine and the three Baltic states in Eastern Europe; Sri Lanka and Pakistan in South Asia; Uruguay in Latin America; and Morocco, Senegal and Mauritius, further expanding the Index's coverage of francophone locations.

Figure 1**A.T. Kearney Global Services Location Index, 2007**

Rank	Country	Financial attractiveness	People and skills availability	Business environment	Total score
1	India	3.22	2.34	1.44	7.00
2	China	2.93	2.25	1.38	6.56
3	Malaysia	2.84	1.26	2.02	6.12
4	Thailand	3.19	1.21	1.62	6.02
5	Brazil	2.64	1.78	1.47	5.89
6	Indonesia	3.29	1.47	1.06	5.82
7	Chile	2.65	1.18	1.93	5.76
8	Philippines	3.26	1.23	1.26	5.75
9	Bulgaria	3.16	1.04	1.56	5.75
10	Mexico	2.63	1.49	1.61	5.73
11	Singapore	1.65	1.51	2.53	5.68
12	Slovakia	2.79	1.04	1.79	5.62
13	Egypt	3.22	1.14	1.25	5.61
14	Jordan	3.09	0.98	1.54	5.60
15	Estonia	2.44	0.96	2.20	5.60
16	Czech Republic	2.43	1.10	2.05	5.57
17	Latvia	2.64	0.91	2.00	5.56
18	Poland	2.59	1.17	1.79	5.54
19	Vietnam	3.33	0.99	1.22	5.54
20	United Arab Emirates	2.73	0.86	1.92	5.51
21	United States (tier two)	0.48	2.74	2.29	5.51
22	Uruguay	2.95	0.98	1.54	5.47
23	Argentina	2.91	1.30	1.26	5.47
24	Hungary	2.54	0.95	1.98	5.47
25	Mauritius	2.84	1.04	1.56	5.44
26	Tunisia	3.03	0.90	1.50	5.43
27	Ghana	3.27	0.90	1.25	5.42
28	Lithuania	2.60	0.83	1.98	5.42
29	Sri Lanka	3.18	0.96	1.22	5.36
30	Pakistan	3.23	1.00	1.11	5.34
31	South Africa	2.52	1.18	1.60	5.30
32	Jamaica	2.83	0.96	1.49	5.29
33	Romania	2.88	0.87	1.53	5.28
34	Costa Rica	3.00	0.86	1.36	5.22
35	Canada	0.77	2.09	2.30	5.16
36	Morocco	2.92	0.90	1.33	5.14
37	Russia	2.61	1.38	1.16	5.14
38	Israel	1.97	1.27	1.86	5.10
39	Senegal	3.19	0.82	1.05	5.06
40	Germany (tier two)	0.46	2.19	2.40	5.05
41	Panama	2.88	0.75	1.40	5.02
42	United Kingdom (tier two)	0.50	2.16	2.35	5.01
43	Spain	1.18	1.71	2.06	4.95
44	New Zealand	1.53	1.12	2.25	4.91
45	Australia	0.89	1.69	2.31	4.89
46	Portugal	1.59	1.14	2.11	4.84
47	Ukraine	2.76	0.98	1.09	4.83
48	France (tier two)	0.45	2.07	2.27	4.79
49	Turkey	2.06	1.31	1.41	4.78
50	Ireland	0.40	1.54	2.29	4.18

Note: The weight distribution for the three categories is 40:30:30. Financial attractiveness is rated on a scale of 0 to 4, and the categories for people and skills availability, and business environment are on a scale of 0 to 3.

Source: A.T. Kearney

This paper presents an overview of the Index findings. It highlights the major strengths and weaknesses of the most interesting locations in each region, and offers recommendations for strategically choosing global locations—decisions that maximize the long-term benefits of offshoring while offsetting rising wages and other developments.

Summary of the Findings

Findings in this year's GSLI suggest the wage-cost advantage of offshore locations will last for at least another 20 years. Although wages for services such as IT, business processes and contact centers have started to rise in offshore locations, these countries will continue to provide competitive costs under the most aggressive projections of real wage inflation in emerging markets.

The labor-cost changes are due to downward pressure on wages in certain sectors in developed countries—a situation reinforced by the U.S. dollar's depreciation against many currencies. At the same time, key emerging markets in Southeast Asia, Latin America and Eastern Europe are becoming more attractive in terms of talent, industry experience, quality certifications and regulatory environment.

What is most striking about this year's findings is how the relative cost advantage of the leading offshore destinations declined almost universally, while scores for people skills and business environment rose significantly. These findings send a message to policy-makers in both developed and developing countries: The key to maintaining and enhancing long-term competitiveness lies in skills development, infrastructure

investment and the regulatory environment—not in attempts to control wages. Indeed, failure to improve the skills of the work force and the business environment will likely translate to a loss of competitiveness in the fast-moving remote services business.

India and China continue to lead the Index by a wide margin (*see figure 1*). Their declines

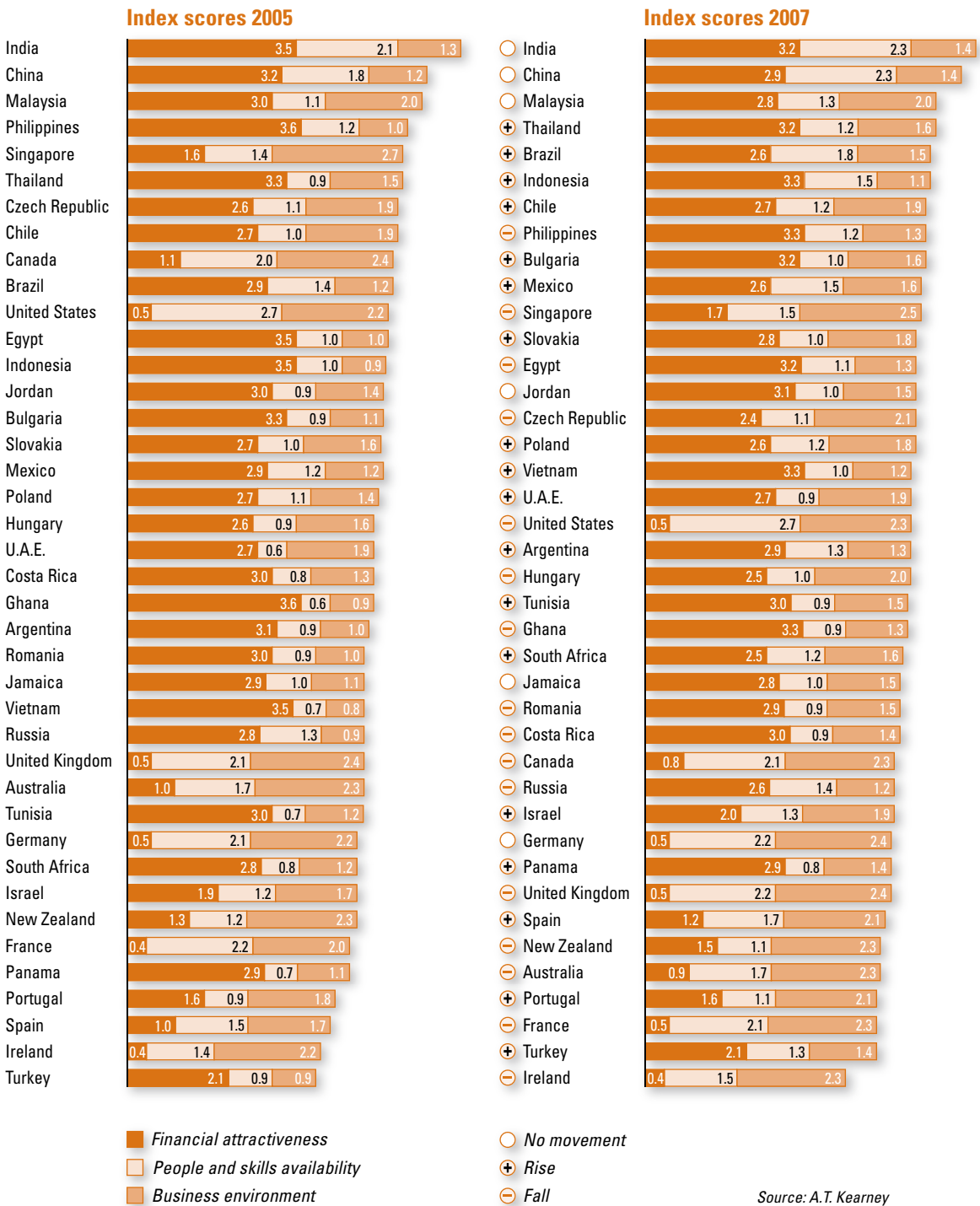
Companies succeed in their offshore strategies by **thinking holistically, and focusing on a global delivery model** rather than offshoring per se.

in cost advantage are offset by improved, more available talent and enhanced business environments. Southeast Asian countries reinforce their positions as the primary alternates to India and China, with all six major ASEAN markets (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam) now ranking among the top 20 locations. Latin America performs well in this year's Index, with all five major contenders (Argentina, Brazil, Chile, Mexico and Uruguay) rising in the rankings. This likely reflects new policies to promote service exports in many of these countries.

On other fronts, newer contenders in Central and Eastern Europe are outshining more established locations, as Bulgaria, Slovakia and the

Figure 2

Comparing the 40 countries included in both the 2005 and 2007 Index



Source: A.T. Kearney

Baltic states move ahead while the Czech Republic, Hungary and Poland either slip or remain unchanged in the rankings. The Middle East and Africa continue to rise, with Egypt, Jordan, the United Arab Emirates (UAE), Tunisia, Ghana, South Africa, Israel and Turkey all maintaining or improving their positions. And while most “on-shore” or “near-shore” locations in developed countries improved their absolute scores, almost all fell in the rankings, as emerging markets improved their scores (in people skills and business environment) at a faster rate (see figure 2).

A more detailed look at the GSLI’s major findings follows.

Asia: Still on Top

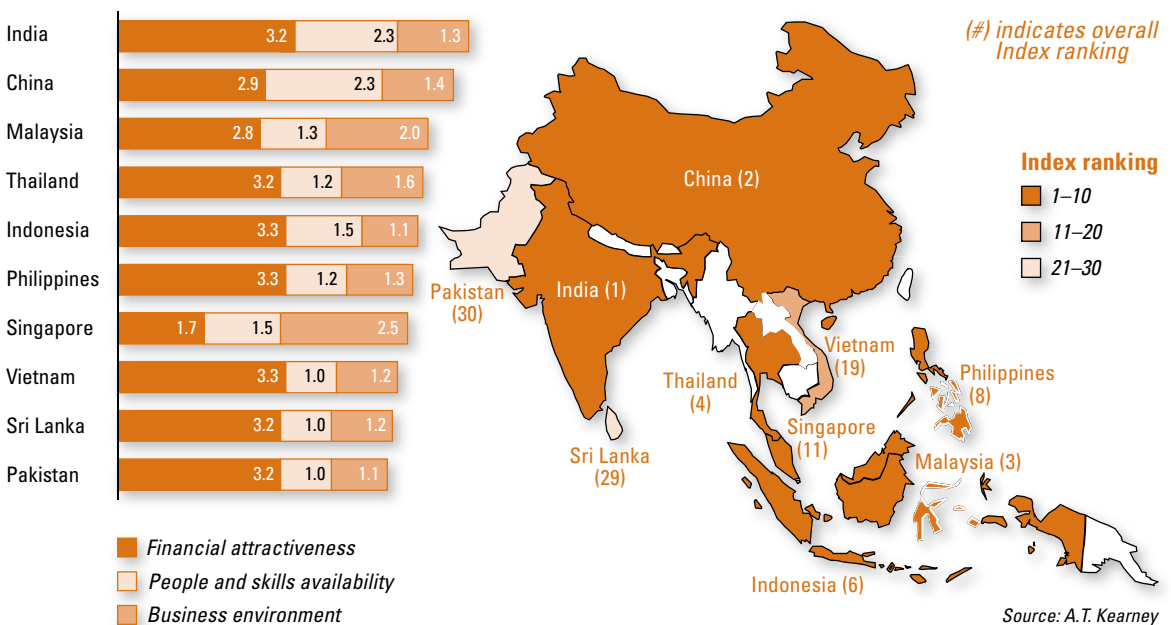
India and China continue to dominate the Index (see figure 3). India maintains its wide, albeit

slightly shrinking, lead over China, confirming what industry surveys and visiting executives repeatedly find—for all the concern about overheating, wage inflation and service levels, India still offers an unbeatable mix of low costs, deep technical and language skills, mature vendors and supportive government policies. In both India and China, double-digit growth rates have fueled wage inflation, with average compensation costs for sample functions rising by around 30 percent in China and 20 percent in India. But these cost escalations have been matched by corresponding increases in skill supply and quality indicators.

India maintains a strong lead in terms of language skills and vendor maturity. This spring, Citigroup Inc. announced it would move as many as 8,000 positions to India, particularly in equity research, investment banking and back-office

Figure 3

India and China dominate the region, but other countries are reinforcing their positions



transaction-related activities. This is in addition to its 12,000 employees in the BPO division there. In-country shifts of resources away from expensive and overburdened tier-one cities to tier-two and tier-three cities, with their higher quality of life and lower costs, can also be credited in part for the country's continued competitiveness.

China has been catching up to India in several areas. The country has increased university enrollment by more than 25 percent, and almost doubled the number of firms with Capability

This spring, Citigroup Inc. announced it would **move as many as 8,000 positions to India**, particularly in equity research, investment banking and back-office activities.

Maturity Model Integration (CMMI) and International Organization for Standardization (ISO) quality certifications. Chinese companies have committed to higher standards by earning these certifications, thus achieving a higher level of performance and competitiveness. Indeed, earlier this year, divisions of Neusoft Group Ltd., which offers IT outsourcing and BPO services, became ISO 27001 certified, which makes Neusoft the first of its kind to obtain such certification for both software outsourcing and BPO operations in China.

Southeast Asian nations continue to do well in the Index, with Malaysia, Thailand, the Philippines, Indonesia and Singapore occupying five of the top 12 spots and Vietnam entering the top 20. Somewhat surprisingly, both Singapore and the Philippines dropped several places in this year's rankings. Singapore maintains its score from last year, but has been overtaken by larger, lower-cost countries, namely Thailand and Indonesia, now competing to become established as service centers in the same way that Singapore did 20 years ago. In the Philippines, growth in the sector and currency appreciation have driven up wages in U.S. dollar terms by as much as 30 percent, reducing relative cost advantage. Nevertheless, the Philippines remains one of the lowest wage locations in the Index and now offers the lowest telecom costs of any country in the Index.

Back-office outsourcing has become a strongpoint for the Philippines, where contact centers have been its traditional competitive advantage. Back-office companies there provide services including finance and accounting, human resource management, payroll, logistics and publishing. With more than 60 providers employing approximately 25,000 people, these companies are able to attract global outsourcing leaders such as Convergys Corporation, which plans to open a new contact center in Cebu City in the near future.

Malaysia, Thailand, Indonesia and Vietnam have also seen significant declines in telecom costs, while slower growth rates have moderated wage inflation. At the same time, all six ASEAN countries have significantly improved quality indicators, increasing the number of CMMI certified firms in the region from 100 in 2005 to more

than 150 in 2006 and the number of ISO 27001 certified firms from zero in 2005 to 45 in 2006. Despite rising in this year's Index, Thailand and Indonesia will likely remain challenged by lesser English language capabilities and concerns over their economic and political stability.

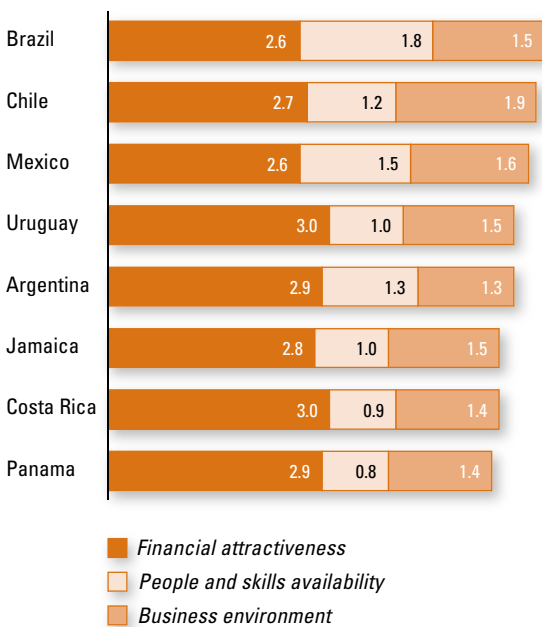
Sri Lanka and Pakistan enter the Index for the first time at 29 and 30, respectively. Both countries offer many of the advantages of India, with similar labor costs, widespread use of English, strong education systems and increasingly open and well-regulated business environments. However, both countries have only recently entered the offshore services sector and lack India's breadth and depth of experience. Both countries are also disadvantaged by their relatively smaller population base and obvious concerns over internal security.

Pakistan is trying to enter the offshoring marketplace largely through contact centers and back-office services. Companies have set up approximately 100 contact centers in the country in the past three years. In addition to telemarketing, Pakistani workers provide payroll, accounting and human resources work.

Latin America and the Caribbean: Bearing Fruit

Latin American countries are collectively the biggest gainers in this year's Index, with Brazil, Chile and Mexico rising to numbers five, seven and 10, respectively (see figure 4). Spurred on by India's success, governments in the region have begun to recognize the potential of the export services sector, particularly in the context of providing near-shore support to North America and Iberia.

Figure 4
Latin American nations are the biggest gainers in this year's Index



Despite currency appreciation, strong sector growth and corresponding wage inflation (aggravated by high non-wage labor costs imposed by the government), Brazil has begun to leverage the strengths of its rapidly expanding university enrollment, quality certifications and indigenous IT sector. Offshoring sources continue to grow their businesses with major multinational corporations by offering BPO, SAP and other data services. Mexican IT company Softtek expects to support U.S. firms' SAP deployments through companies that it is acquiring in the Brazilian cities of Rio de Janeiro, São Paulo and Porto Alegre.

While less spectacular than Brazil's own trajectory, Chile, Mexico and Argentina have seen significant sector growth (and corresponding wage inflation) and some increases in graduation rates and company certifications. Chile continues to offer the best business environment and tax structure in the region, while Mexico leverages its proximity to the United States and Argentina offers relatively lower costs.

Uruguay makes a strong first appearance in the Index at 22, benefiting from relatively competitive labor costs and a positive business environment, albeit disadvantaged by its small population. Uruguay enjoys a strong financial services sector, including a rich talent pool due to the country's banking industry. Costa Rica is the traditional leader in the Central American region and maintains its absolute score, but falls in the rankings as larger regional players enter the competition. Weaker infrastructure and a decline in the perceived quality of the business environment remain problematic. On the other hand, plentiful IT professionals, favorable government policies for investment and relative economic, social and political stability help make Costa Rica an IT investment hot spot in the region. RPOworldwide, a provider of offshore recruiting process outsourcing services

for the IT, engineering, finance and accounting sectors, announced in March that it had opened a global recruiting center in Costa Rica. This subsidiary of iGATE Corporation, a global IT and BPO provider, said that it would have a staff of more than 100 within the next two years.

Jamaica holds more or less steady as the leading contender in the English-speaking Caribbean, while Panama is beginning to catch up with neighboring Costa Rica. Similar to Uruguay, Panama enjoys a strong financial services sector and has actively promoted its location as a banking center in Central America and the Caribbean.

Central and Eastern Europe: New Contenders Climb the Rankings

The trend from last year continues as the established service providers in the region—the Czech Republic, Hungary and Poland—lose ground while emerging locations move up the rankings (*see figure 5*). Bulgaria replaces the Czech Republic as the only country from the region in the top 10. Both Bulgaria and Romania see big jumps in their business environment scores as a result of reforms carried out to qualify for European Union membership, a process that was successfully concluded January 1, 2007. Despite a larger population base, Romania's relatively higher average wages put it among the middle of the pack at 33. However, Romania's Ministry of Economy and Commerce announced a strategy last autumn to help build the nation's IT sector through international promotions of the country's 3,000 IT companies and funds for further developing its IT infrastructure, among other initiatives.

Slovakia continues to do well, edging out the neighboring Czech Republic to reach 12. The Baltic states, Estonia, Latvia and Lithuania, jump into the Index with ranks of 15, 17 and 28, respectively. Albeit small in size, all three

countries combine a business environment similar to that of most developed countries with a superior cost structure. Estonia today is what Ireland used to be 10 to 15 years ago, a relatively low-cost European location with largely untapped talent and a pro-business policy environment. Their well-educated population has a strong focus on science, and wage costs here are still considerably lower than Western European levels. Skype, the peer-to-peer Internet telephony network owned by eBay, located a portion of its applications work in Estonia to take advantage of the country's strong IT skills and low labor costs.

Continued improvement in the business environment in the Czech Republic and Hungary cannot offset deterioration in cost competitive-

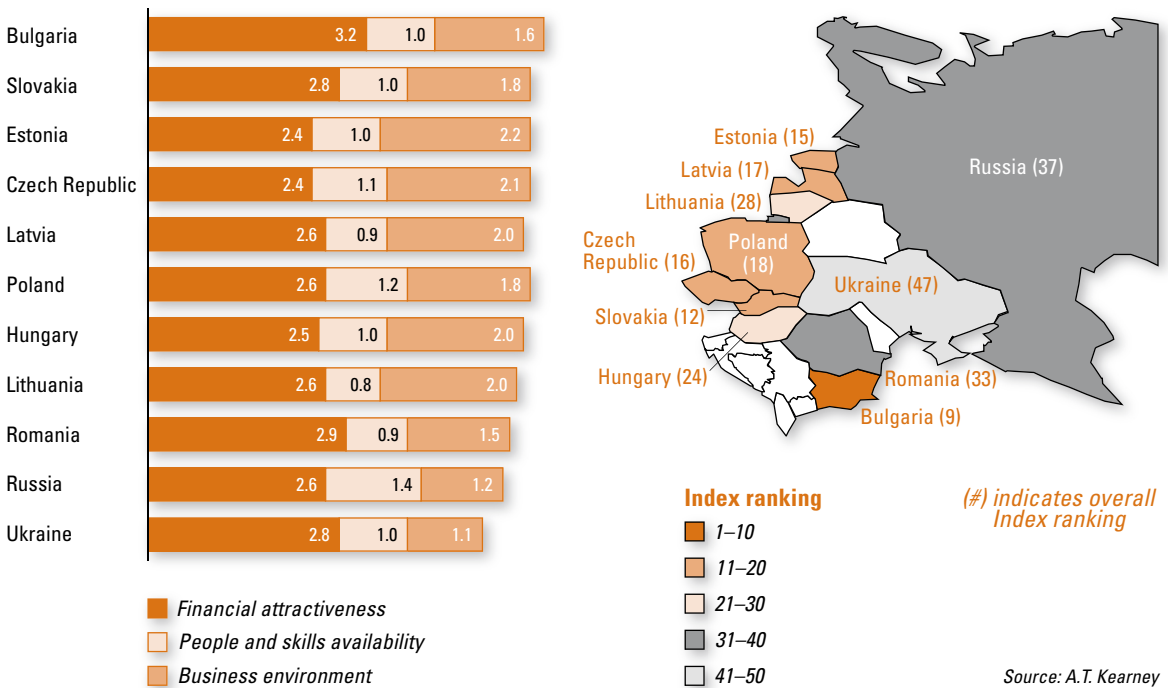
ness, so they slip in the rankings despite maintaining or improving their absolute scores. Among the big three Central European countries, only Poland manages to maintain its position, thanks to lower wage inflation and infrastructure costs. Large tier-two cities outside the main cities of Warsaw and Krakow also reinforce Poland's advantage. Despite competitive wages, large populations and strong technical skills, very weak business environment scores (only Pakistan, Senegal and Indonesia fare worse) leave Russia and newcomer Ukraine low in the rankings at 37 and 47.

Middle East and Africa: A Growing Cadre

Contrary to the perceived challenges in both regions, Middle Eastern and African countries

Figure 5

New contenders in Central and Eastern Europe outshine more established locations

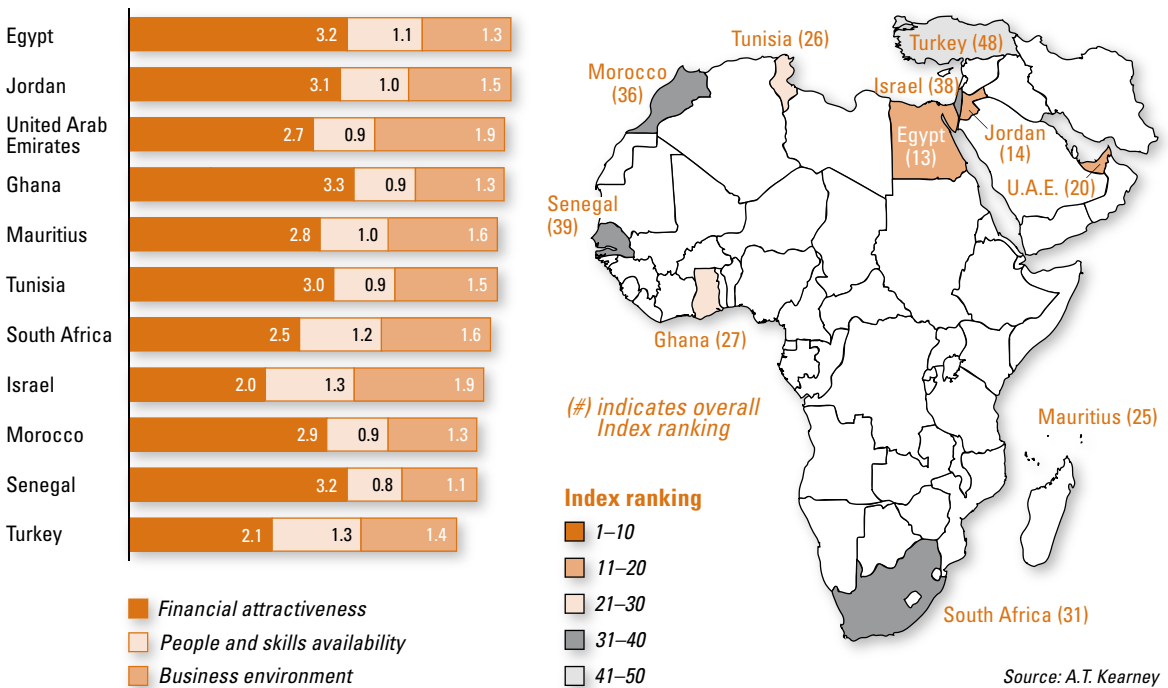


are increasing their visibility as remote services locations. Egypt, Jordan and the UAE maintain roughly the same positions in the top 20, reflecting the increasing number of U.S., European and Asian companies choosing these locations as centers for regional or global support activities (see figure 6). Dubai is particularly active as an offshore hub, given its liberal tax, investment and residency laws. In fact, oil services giant Halliburton will relocate its corporate headquarters from Houston, Texas to Dubai in the first move of its kind by an American company. Egypt has the largest talent base of any country in the Middle East, and is home to an increasing number of outsourcing centers operated by multinationals. French automotive components

manufacturer Valeo, for example, recently opened an application development center in Cairo. Indian outsourcing vendors Satyam and Wipro are continuing their worldwide expansion by setting up centers in Egypt.

The rise of Mauritius, Tunisia, Morocco and Senegal reflects growing interest in locations with the ability to serve francophone markets. Stronger business environments in Mauritius and Tunisia contend with lower costs and larger populations in Morocco and Senegal. Ghana maintains its position as a low-cost English language location in Africa, while South Africa, Israel and Turkey all see their rankings improve, largely as a result of enhancements in policy environment and infrastructure quality. Major U.K. telecommunications

Figure 6
More companies are choosing to offshore in the Middle East and Africa



firm TalkTalk plans to set up two contact centers in South Africa, the biggest foreign investment the country has yet seen for this industry. South Africa is expected to have 940 contact centers by 2008, nearly double the 490 such facilities it had in 2003.

Developed Economies: Slipping in the Rankings

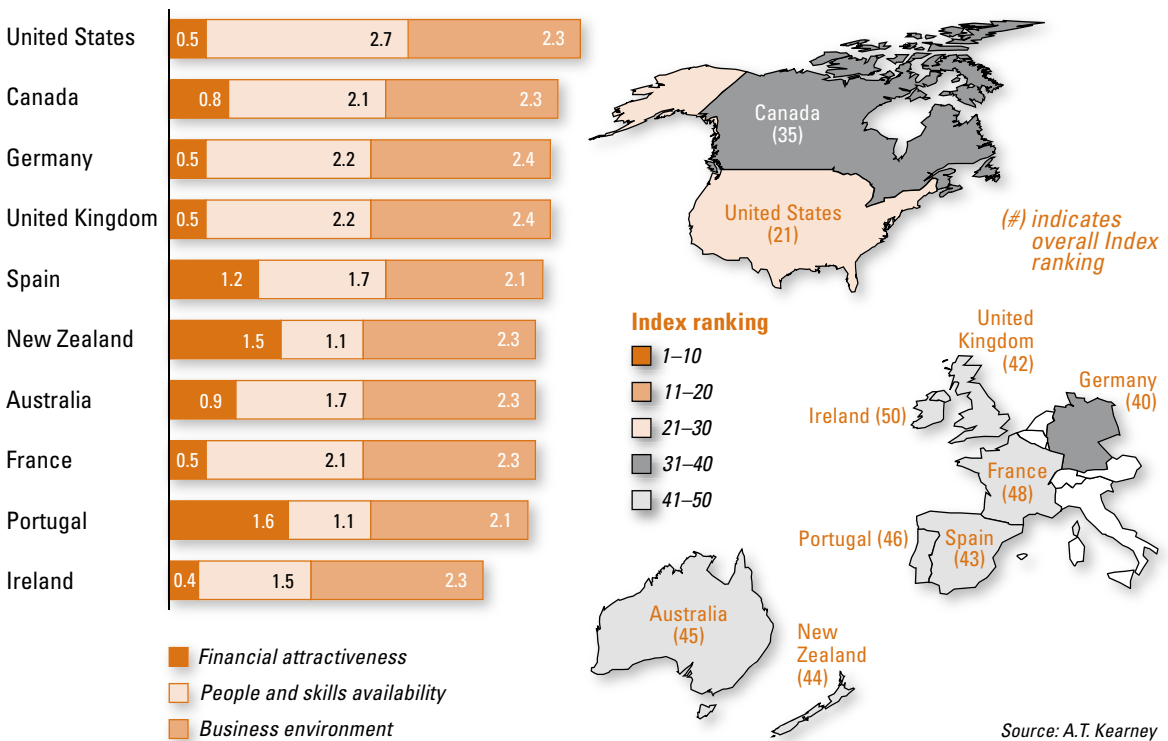
On-shore and near-shore locations in developed countries all slipped in this year's rankings. The United States, the United Kingdom, Germany, France, Spain, Portugal, New Zealand and Ireland all maintained or improved their scores, but have been overtaken by less-developed countries and

new entrants (see figure 7). Once again, the United States scored significantly better than any of the European on-shore options, thanks mainly to its larger population size and industry depth. For Canada and Australia, currency appreciation and the subsequent wage inflation in U.S. dollar terms eroded their cost advantages and hurt their rankings. The essential wisdom: Developed countries, just as emerging markets, must continue to move up the value chain to remain competitive.

Focus on Performance Not Savings

A recent A.T. Kearney study finds that while offshoring is often viewed as a way to reduce costs, the most successful companies focus less on saving

Figure 7
Developed nations should focus on moving up the value chain



money and more on improving operational performance.¹ The study, which follows the progress of 42 leading blue-chip companies in various stages of offshoring, found that companies that improved on three or more operational performance measures saved 44 percent on average, while companies that improved on two or fewer measures saved only 30 percent on average.

Estonia today is similar to Ireland 10 to 15 years ago, a relatively low-cost **European location with largely untapped talent** and a pro-business environment.

The link between operational performance and savings becomes evident when comparing answers from the best and poorest performers. For example, when asked what they consider the most important factors in offshoring success, executives at the poorest-performing companies said savings (at an average 50 percent). Only 34 percent of executives at the best-performing companies gave the same answer. What's more, the poorest performers focused primarily on building capacity and flexibility, while the best performers primarily focused on improving their organizational capabilities, service levels, capacity and flexibility.

What do these findings mean for companies' offshore location decisions? Companies that

succeed in their longer-term offshore strategies do two things that others don't: They think holistically, and they base their strategies on building a global delivery model rather than offshoring per se. In other words, when planning for the future, top companies make decisions based on their entire enterprise rather than simply choosing the next offshore destination. They determine

which activities could be relocated during the next decade, and design a footprint today that takes into account the needs of tomorrow. The decision is often a balancing act. For example, establishing a single mega center is not advisable since the risks—business disruption or a shortage of skilled workers—are often too great. A plethora of centers is also not the answer, as management costs and coordination

challenges soon become too large and offset any advantages. Also, incrementally adding centers as the number of offshore functions grows is not advisable. Such a strategy risks creating a string of locations that were the right choice at a certain point in time but, when taken together, are not necessarily the optimal mix of locations for the future.

What do offshore leaders do differently? The leaders design a global footprint with a number of centers around the world. For larger companies, we recommend a "cluster" footprint with operations located in different regions (see figure 8). The aim is to have a major function in one primary location supported by one

¹ For the complete study findings, see *Execution Is Everything: The Keys to Offshore Success* at www.atkearney.com.

or more secondary locations. The global footprint model requires choosing locations based on their ability to handle multiple tasks well and with enough flexibility to ensure business continuity and to address changing needs. By staggering functions in multiple locations, companies can make cost and benefit trade-offs and adjust the functional mix over time as costs and availability of people vary.

When designing the global footprint, functional needs are assessed according to sensitivity to business continuity and skills. For instance, centers for low-end business transactions may be pure cost plays, while those for higher-end activities will depend on the quality and availability of the work force. Similarly, certain functions will be sensitive to service disruptions so should not be placed in high risk areas. Language needs, time zones, cultures and regional coverage should also be factors in the decision. While one country might be the ideal location for a particular func-

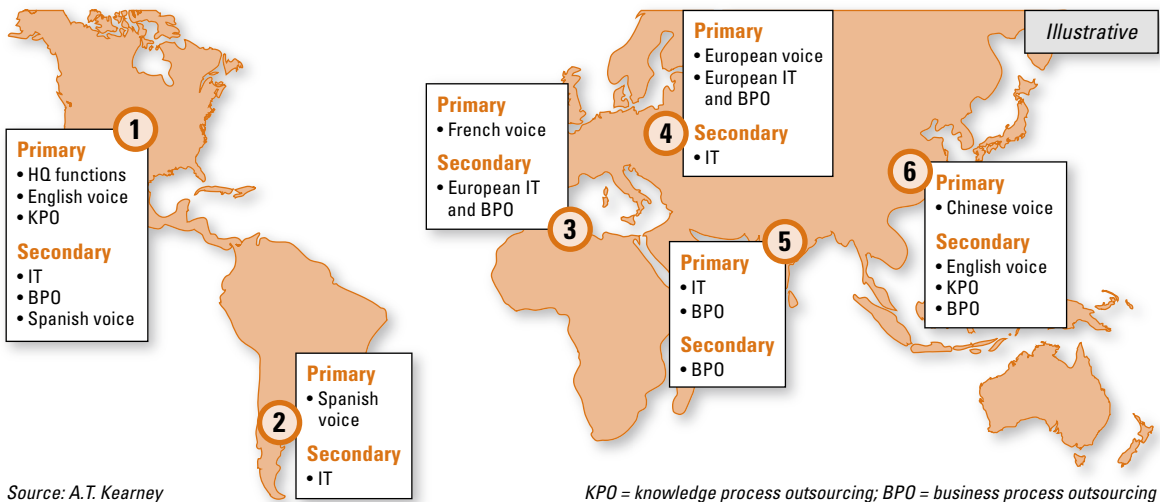
tion, the second- or third-best location could still work if it can support a wider range of functions or allow for regional coverage.

Designing a global footprint begins with a universe of locations. The number of candidate locations is then narrowed down by filtering for risk tolerance, scale requirements, availability of key skills and cost profile, among other considerations. Each function has its own requirements and by adjusting the filters depending on the skills profile and risk sensitivity, a short list of candidate countries will emerge. By using qualitative analysis, the short list of countries is consolidated into a final list of countries capable of supporting several functions.

These locations should realize the best economies of scale and be limited to a manageable number. Because each center specializes in several functions, it limits the number of centers needed and allows one center to pick up the slack if another center goes offline. Importantly, this

Figure 8

Long term, a footprint with a manageable number of clusters is ideal



model is flexible so tasks and functions can flow between centers over time as cost and talent situations change. This way, the global delivery model insulates companies from change and delivers the right mix of costs and skills.

Patience and Thoroughness Win in the End

Sending functions or business processes to an offshore destination can be a complex, frustrating and time consuming venture. The first year promises little-to-no savings due to high transition costs, and subsequent years can be harrowing when the offshore promise, whatever it was, fails to materialize. While most com-

panies go into offshore locales for the cost savings, there are longer-term implications that must factor into the decision. The best companies—those that survive and thrive in their offshore environments—create a diversified offshore strategy that is globally coherent and stress tolerant. In other words, it can withstand a decade or more of cost and wage increases and other changes. Top companies ponder their offshore strategies, making decisions from the uppermost levels of the company. In the end, their reward is an optimal global footprint—one that helps the company achieve and sustain its long-term success.

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Appendix: About the Study

The 50 countries included in this year’s Global Services Location Index were selected on the basis of corporate input, current remote services activity and government initiatives to promote the sector. As internationally consistent and verifiable data on these locations becomes available, we hope to continue expanding the Index coverage in future years.

The 50 finalists were then evaluated against 43 measurements across three major categories: financial attractiveness, people and skills availability, and business environment (*see figure*). The metrics used to evaluate location attractiveness were determined from responses to A.T. Kearney and other industry surveys, and knowledge obtained in client engagements during the past five years. In response to client questions, we added the availability and relevant experience of BPO analysts to this year’s Index to complement metrics covering IT outsourcing and contact center operations.

The relative weightings of each metric are based on their importance to the location decision, again derived from client experience and industry surveys. Because cost advantage is typically the primary driver behind location decisions, financial factors constitute 40 percent of the total weight in the published Index. The two remaining categories—people and skills availability, and business environment—each constitute 30 percent of the total weight.

Index metrics

Category	Sub-categories	Metrics
Financial attractiveness (40%)	Compensation costs	<ul style="list-style-type: none"> Average wages Median compensation costs for relevant positions (call-center representatives, BPO analysts, IT programmers and local operations managers)
	Infrastructure costs	<ul style="list-style-type: none"> Rental costs Commercial electricity rates International telecom costs Travel to major customer destinations
	Tax and regulatory costs	<ul style="list-style-type: none"> Relative tax burden Corruption perception Currency appreciation or depreciation
People and skills availability (30%)	Remote services sector experience and quality ratings	<ul style="list-style-type: none"> Size of existing IT and BPO sectors Contact center and IT center quality certifications Quality ratings of management schools and IT training
	Labor force availability	<ul style="list-style-type: none"> Total work force University-educated work force Work force flexibility
	Education and language	<ul style="list-style-type: none"> Scores on standardized education and language tests
	Attrition risk	<ul style="list-style-type: none"> Relative IT and BPO sector growth and unemployment rates
Business environment (30%)	Country environment	<ul style="list-style-type: none"> Investor and analyst ratings of overall business and political environment A.T. Kearney Foreign Direct Investment Confidence Index™ Security risk Regulatory burden and employment rigidity Government support for the information and communications technology (ICT) sector
	Infrastructure	<ul style="list-style-type: none"> Overall infrastructure quality Quality of telecom, Internet, and electricity infrastructure
	Cultural exposure	<ul style="list-style-type: none"> Personal interaction score from A.T. Kearney Globalization Index™
	Security of intellectual property (IP)	<ul style="list-style-type: none"> Investor ratings of IP protection and ICT laws Software piracy rates Information security certifications

Source: A.T. Kearney

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