Post-COVID-19 ICT Roadmap: ITES-BPO, ICT sector

How the Roadmap came to be

With the growing certainty that COVID-19 is here to stay, the ICT Division of the Government of Bangladesh is developing a roadmap to fight the pandemic and ensuing crisis and to find innovative ways to flourish in the 'new normal'. IT enabled Business Process Outsourcing (BPO) is one of the 18 priority sectors selected based on the impact of COVID-19 on the sector and its potential for transformation of the economy and society.

Why the BPO

The BPO industry of Bangladesh has been growing steadily in the last decade. Riding on robust IT infrastructure, skilled human resources and supportive Government policies, the income growth of the business process outsourcing (BPO) sector in Bangladesh has risen significantly. Bangladesh has made major strides in laying the groundwork for a diverse BPO market. The BPO industry within Bangladesh has been growing serving international clients and domestic clients. The industry now employs over 50,000 people, and is exporting services mostly to European and North American clients. The current global pandemic has led to shrinking IT budgets for most organizations, but it is expected that there will be a continual growth in demand for BPO services, with cost optimization being the primary driver for offshoring services. The BPO sector can help to boost the country's economy through revenue and job creation.

Impact of COVID-19 on the BPO segment of ICT industry

95% of BPO firms in Bangladesh have lost revenue due to COVID-19. The BPO firms are estimated to have suffered a loss of around 1730 crore BDT from domestic market4, which includes revenue coupled with net operating loss. It is evident that the Covid-19 Pandemic has significantly affected the BPO Industry and if such condition persists may result in massive job loss. As a promising sector for the country, the BPO Industry has grown from a few hundred employees to over 50,000 employees in less than 10 years. Given the extent of revenue and employment that this sector has created in neighboring countries, it is expected that if the current rate of growth had continued, this sector could employ the largest number of youth. In order ensure employment opportunity for the University educated youth of the country, policy interventions are required to ensure sustained growth for this sector during and post Covid-19.

Pie chart: 95% Serious Decrease, 2% Moderate Decrease, 3% No Impact
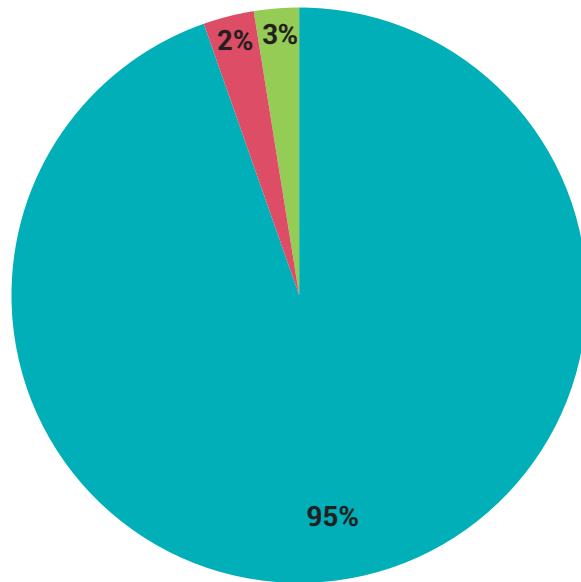
Legend: ■ Serious Decrease ■ Moderate Decrease ■ No Impact

Constraints

Absence of internationally recognized certification to measure and showcase the skill set of local workers, reaching out to foreign clients and establishing effective connection with them, poor marketing intelligence (where to go, whom to go) and business development techniques, lack of country branding as BPO destination, lack of skilled human resources and lack of appropriate financial stimulus for the BPO industry during the COVID 19, have halted any immediate pivoting that the players in the sector could have undertaken to minimize the intensity of the initial blow following the pandemic.

Action Agenda

Taking lessons from local and global best practices and to tackle: (i) the effects of the pandemic, and (ii) the existing systemic and regulatory shortcomings of the ICT sector, the ICT Ministry is proposing the following interventions in the immediate short term:

Title	Creation of a universal grading system or professional certification for the workforce	Remodelling of promotional strategies and branding for both local and global markets	Aggressive marketing for the niche experiences	Identify post COVID-19 newer demands and penetrate in new market opportunities in local market	Invest in developing the necessary skills for leveraging new opportunities.
Why (To address :)	To assess and improve the fresh entrants' necessary skills along with the development of the incumbents' current set of skills, a universal grading system or professional certification is necessary.	The BPO industry might fail to achieve the projected amount of domestic and export revenue due to the COVID-19 global pandemic. Post COVID-19 situation might be even difficult if the changes in global technological practices are not addressed and not followed by an adaptive promotional and branding strategy.	With aggressive marketing aiming at diversifying the client-basket, the attempt to extract the revenue as much as possible from the sectors where companies already have niche experience and skilled labor might be an optimized business strategy.	Digital health services, e-Commerce, digital transactions, and other services that boomed in the pandemic need a strong outsource customer service and logistic support to continue their business momentum. Thus, seemingly this is a great opening for the BPO companies to exploit those new market opportunities.	As it is assumed that the post COVID-19 era will unleash a new horizon of newer market opportunities, to maintain a smooth supply of skilled manpower, such skill development programs should be continued even at a larger scale.
What	Prepare the course curriculum, content, question bank and grading system for the professional certification course. Prepare Assessment portal.	Conduct market assessment on the difference of pattern or magnitude between pre and post COVID-19 market trend. Develop a b2b platform involving the stakeholders and act as a mediator in attracting foreign buyers.	Prepare marketing strategy for promoting BPO sector globally. Brand Bangladesh as a global BPO destination focusing on the niche area.	Conduct demand-supply analysis to find new market opportunities in the local market.	Conduct skill development programs for leveraging new opportunities.
Lead Agency	ICT Division	ICT Division	ICT Division	BACCO	ICT Division
Coordinator	Bangladesh Computer Council	Bangladesh Computer Council	Bangladesh Computer Council	ICT Division	Bangladesh Computer Council
Partners	NSDA, BACCO;	Ministry of Commerce (MoC); BACCO, EPB, BIDA	BIDA, EPB, BACCO	Bangladesh Computer Council	NSDA, BACCO,
Financing modality	ICT Division can allocate funds for assessment portal development and curriculum development. To create a Center of Excellence, long term solution needs to be developed through partnership between ICTD & private sector companies.	ICT Division can allocate funds for market assessment and portal development.	ICT Division can allocate funds.	BACCO can co-invest with the Government	ICT Division can allocate funds.

1 Bangladesh Bureau of Statistics
2 Baseline survey by iDEA Project, Startup Bangladesh
3 https://www.lightcastlebd.com/
4 Bangladesh Association of Call Center and Outsourcing