



Options for Setting up a
CALL CENTER
in the
PHILIPPINES

Options for Setting up a Call Center in the Philippines

- The businesses are competitive in free markets and this is exactly the fact that delivers value to the customers.
- The main customer of the [Philippines outsourcing industry](#) are the companies from the countries such as North America, Europe and Australia.
- All these economies are well governed markets with good degree of open market characteristics.
- The exact level of market freedom in each country may vary, however at a high level these are largely free market economies.
- The spirit of competitive between the enterprises has been reason why the customers gets the value and this leads to innovation and development of efficiencies.
- The development of outsourcing market is also one of such phenomenon where the businesses are trying to offer the same services at a lower price points.
- So it is by now an accepted fact, that there is a good cost arbitrage that can be picked up by a business by outsourcing to Philippines or India or by nearshoring to Caribbean countries or Mexico.

So as a business what options do you have and what factors could determine your choice?

Option 1 – Set up your own call center in Philippines

- A foreign company / foreign investor can set up a company with 100% foreign equity in the Philippines. The registration typically starts with Securities and Exchange Commission (SEC).
- Depending upon location and / or other criteria, the company will have to file its application with one of the Government agencies such Bureau of Investments (BOI), Philippines Economic Zone Authority (PEZA), Clark Development Corporation, Subic Bay Metropolitan Authority to name a few. The detailed process about this step can be seen by visiting BOI website at www.boi.gov.ph
- This option is good for companies that are mid-sized or large companies with stable business and matured process.
- The companies which now want to do a large scale outsourcing with an objective to reduce costs and improve efficiencies.
- As this step requires set up cost and set up process in terms of licenses, this option is meant for someone who is in for a long haul.

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- A lot of customers do a pilot of outsourcing with professional BPO firms or do some sort of partial outsourcing prior to making a big commitment of this nature
- There are several perks and incentives doled out by Government for attractive foreign investments.



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Option 2 – Outsource to a Professional BPO firm

- This would perhaps be the options exercised by the majority of customers.
- This involves sub-contracting your work to a professional BPO firm in the Philippines. The advantage here is getting access to a full scale BPO set up with experience and expertise.
- Further there is no regulatory filing or set up process under this option. Likewise, there is no set up cost and capex involved in this option upfront on the customer.
- This option is ideally suited for customers who are matured in operations and even for the ones who experimenting by outsourcing few seats to test the model. As this option does not involve set up time and cost



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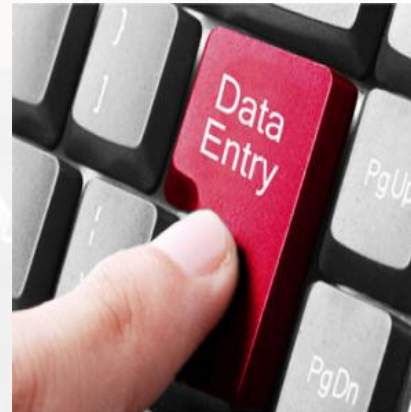
Option 3- Seat Lease and / or managed operations

- Some of the customers have access to local entrepreneurs in the Philippines through previous work interactions. These entrepreneurs have the know-how, however they may not have the financial strength to set up their own call center
- In Philippines, such customers can opt for seat leasing options where the seats can be leased by existing centers to such campaigns to utilize the spare capacity.
- However, it is advisable that the local entrepreneur does full compliance to local laws in capacity of registered company in Philippines.
- The seat lease typically comes with work stations, computer hard ware and Internet. There is a value added option called the managed operations where other than the seat, the BPO offering seat lease can also provide recruitment, pay rolls and full IT support for the team including dialers, VOIP, call center platform.
- Both the options are possible and this works well for small companies which want a direct control over the manpower / deliverables

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Option 4- Home Based

- Perhaps the least recommended and for price sensitive customer, the entrepreneurs can even hire agents on a part time basis from job sites like Upwork etc to work on their campaign.
- As home based center may suggest, these are fragmented operations and can only suit a certain type of needs.



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