



## Speaking at the Milken Institute Global Conference in late April, iQor president...

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Speaking at the Milken Institute Global Conference in late April, iQor president & CEO Vikas Kapoor told delegates, the Philippines is “the premier country in the world in the fast-growing BPO sector.” Kapoor was participating in an expert panel on “The Forecast for Emerging Markets.” The conference was attended by around 3,000 executives and leaders from 60 countries, including “hundreds of CEOs from the world’s top-tier companies, senior elected and appointed foreign and US government officials,” and other global experts in a broad range of industries. “In the call center business, if I compare performance – whether it’s cost, quality, people, retention, etc. – the Philippines is far ahead of everyone else,” said Kapoor.

In a statement issued late last month Kapoor “went on to credit the Philippines’ large population of highly skilled workers, service ethic and strong government support for its superior performance and dramatic growth.” Kapoor’s comments are noteworthy for several reasons. Among them is the visibility of his personal brand. A former McKinsey & Co. consultant, Kapoor was president & CEO of Walker Digital, an incubator of Internet businesses that “served as the launch pad for priceline.com,” according to the iQor website. iQor has enjoyed double-digit revenue and profit growth every year for five years under Kapoor’s stewardship, and has become one of the business process outsourcing (BPO) industry’s fastest-growing companies. The firm provides a range of value-added BPO services from 21 facilities on four continents.

In the Philippines, iQor has three facilities, two in Clark and one in Manila and a total of 2,700 employees. Kapoor expects iQor to continue to grow in part because the company will “take advantage of the competitive attributes of doing business in the Philippines.” Kapoor is also frequently quoted or featured in tier-one US and international publications, including BusinessWeek and The New York Times. Aside from his business accomplishments, Kapoor is visible in charitable and social networks, sitting on prestigious boards such as The Metropolitan Opera and the Rubin Museum of Art. The auspicious venue is another reason Kapoor’s remarks are useful and important for the Philippines. Founded by former junk bond king Michael Milken, The Milken Institute in recent years has emerged as an influential think tank on a variety of issues.

The Global Conference’s capacity for attracting influential speakers and delegates makes it an important venue for disseminating perspective and discussing emerging social and economic policy thinking and trends. Kapoor provided the Philippines a potent dose of upbeat visibility in his remarks before executives and investors with a stated interest in emerging markets.

Kapoor’s remarks were not the only positive international visibility the Philippine BPO industry received last week and early this week. Last Saturday, the online edition of The Wall Street Journal carried an article entitled, “Philippine Call Centers Ring Up Business” in which **James Hookway** and Josephine Cuneta reported that the Philippines’ share of the BPO industry “has risen from virtually zero a decade ago to 15%, according to the Dallas-based Everest Research Institute.”

The same story was published Monday in The Wall Street Journal Asia. It noted that Convergys recently opened three new facilities in the Philippines, bringing the total number of Convergys centers here to 12, “four more than it runs in India. Convergys says 20% of its 74,000-strong global work force is now in the Philippines, its second-biggest concentration of foreign workers after Canada.” **Hookway** and Cuneta wrote

that much of the Philippines' attractiveness to BPO investors has to do with its large and relatively young workforce.

"Denver-based StarTek is one of the newer arrivals in the Philippines, bypassing India. It says it was drawn by the Philippines' strong American English skills, and its office in Manila's financial district resembles a health spa rather than a corporate office – an effect conceived to create positive word-of-mouth buzz among the most-qualified potential hires." While the BPO industry is likely to grow somewhat slower this year – around 20% – than in recent years and faces other potential hurdles, **Hookway** and Cuneta conclude that "the Philippines' rising profile is perhaps underscored by the arrival of several heavy-weight India outsourcers," such as Aegis BPO Services and Wipro.

"This is one location that we definitely want to expand in," Wipro BPO president T.K. Kurien said. "Whether the Philippines successfully leverages this visibility and the growth of the BPO industry is unclear, however, particularly in a coming national election year in which social and economic priorities are likely to be badly trampled in the rush to gain electoral and other political advantage. That would be shame, because BPO demonstrates what the Philippines is capable of, and its unique competitive advantages. Hopefully, those advantages won't be neglected.