



Medellín, the ideal destination for BPO operations in Colombia

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What does Medellín and Antioquia offer for Foreign Direct Investment in the BPO sector?



In the current economic context

Companies are motivated to make investments abroad seeking, on the one hand, specialization in their functions or activities, decentralizing those that are not crucial for their business and, on the other hand, seeking to take advantage of competitive advantages that emerging markets they offer.

The majority of foreign direct investment projects - FDI - that are directed to emerging markets seek to exploit the potential of the domestic market or nearby markets and/or the search for efficiencies, that is, to take advantage of lower production costs, either due to differences in market prices as a result of factor endowments between countries or the ability to take advantage of economies of scale.

At an international level, Colombia is consolidating itself as an attractive destination for services. According to Kearney and its 2023 Global Services Location Index (GSLI), which evaluates and ranks 78 countries according to 52 metrics inherent to four (4) dimensions (financial attractiveness, capacity and availability of people, business environment and the digital resonance); placed Colombia in position 11 globally, becoming the third country in Latin America after Brazil (position 4) and Mexico (position 10).

Medellín is no stranger to this reality. Today the city is positioned in Colombia as one of the most interesting destinations for the establishment of Business Process Outsourcing – BPO operations.

Given the high availability of qualified, young and bilingual talent, relatively low operating costs and a favorable environment for the establishment, scalability of businesses and BPO operations.

In Medellín the BPO industry flourishes! In the following chapters we will address the main aspects that make Medellín and its Metropolitan Area an important player in attracting investment projects in the sector.

What is meant by the BPO sector?

Business Process Outsourcing (BPO) refers to the transfer of one or several business processes, especially those that make extensive use of information technologies, to an external provider. This provider in turn is responsible for the ownership, administration and management of specific processes, under the monitoring of precise and quantifiable metrics. The BPO is segmented into:



They refer to activities and functions that involve direct interaction with customers or end users. These services focus on customer service, sales, marketing and other activities that have a direct impact on customer perception and experience. Some examples of front office services in the BPO sector include:

01

Customer Service: Customer service and support through various channels, such as phone calls, emails, online chats and social networks. Customer service agents help resolve problems, answer questions, and provide general assistance.

06

Reservations and scheduling: management of reservations, appointments and service scheduling. This is common in industries such as hospitality, healthcare, and professional services.

02

Sales and telemarketing: direct sales, promotion of products and services, lead generation and follow-up of sales opportunities. Telemarketing teams are responsible for establishing contact with potential customers and encouraging the acquisition of products or services.

07

Collection services: Payment management, billing and collections. Collections teams are responsible for ensuring that payments are made appropriately and on time.

03

Technical support: technical assistance to resolve problems related to products or services. Technical support agents provide guidance, solutions, and troubleshooting to customers facing technical difficulties.

08

Complaints attention: handling and resolution of customer complaints and complaints in an efficient and satisfactory manner.

04

Social media management: monitoring, interacting and responding to customers through social media platforms. Social media management teams are responsible for maintaining a positive online presence and responding to customer queries and comments.

09

Surveys and Feedback: Gathering information on customer satisfaction through surveys and feedback requests to improve products and services.

05

Order processing: receiving, processing and tracking orders for products or services. This may include checking product availability, tracking orders, and resolving delivery-related issues.

Back Office Services

They refer to the internal activities and functions of a company that are essential for its operation, but are not directly related to direct interaction with customers. These services are usually more administrative in nature, data processing and support tasks. Some examples of back office services in the BPO sector include:

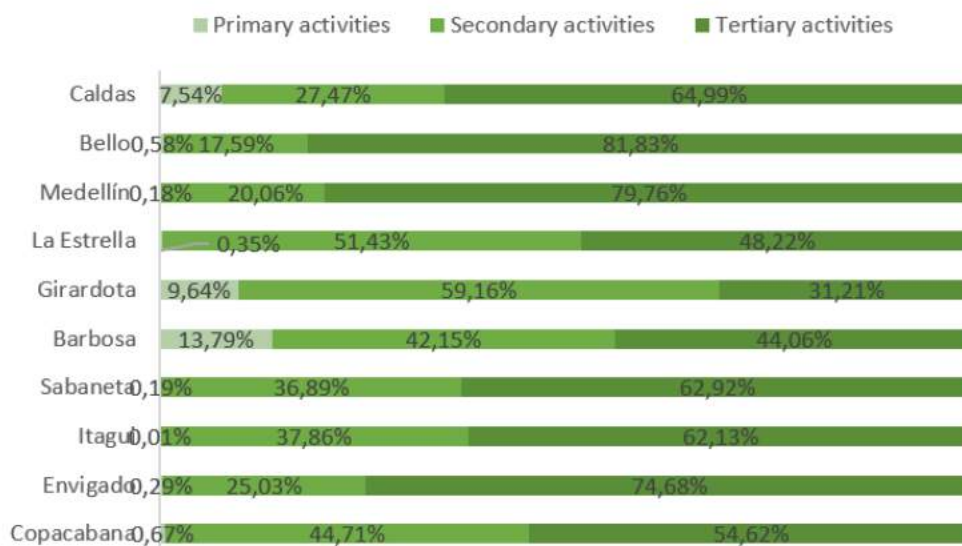
- | | |
|---|--|
| <p>01 Data processing: includes the entry, validation and updating of data in systems and databases. This can range from capturing information on forms to updating customer or employee records.</p> | <p>06 Data Analysis: Data extraction, transformation and analysis to obtain valuable information and insights for business decision making.</p> |
| <p>02 Document management: organization, digitization, archiving and recovery of important documents for the company. This may involve managing physical and digital files.</p> | <p>07 Internal process management: optimization and improvement of the company's internal processes to increase efficiency and reduce costs.</p> |
| <p>03 Accounting and finance: Activities such as accounting for accounts payable and receivable, bank reconciliation, preparing financial reports, and cost analysis.</p> | <p>08 Compliance and regulation: ensuring that the company complies with legal requirements and industry-specific regulations.</p> |
| <p>04 Transaction processing: Tasks related to the administration and processing of business transactions, such as invoicing, order management, and payment confirmation.</p> | <p>09 IT services: maintenance and support of technological infrastructure, systems administration and information security.</p> |
| <p>05 Quality control: verification and assurance of the quality of products or services through tests and evaluations.</p> | <p>10 Research and analysis: market research, competitor analysis and trend evaluation for strategic decision making.</p> |

These back office services are critical to the internal functioning of a company and, although they may not be directly in contact with customers, they play a crucial role in its success and operational efficiency.

The BPO sector in Medellín

The prosperous specialization of its economy demonstrates that Medellín and its metropolitan area have a definite vocation towards services. Reviewing the components of its Gross Domestic Product (GDP) in 2021 reveals that the Medellín Metropolitan Area's tertiary industries contribute for more than 60% of the economy's added value. In the case of Medellín specifically, tertiary activities represent roughly 80% of value added.

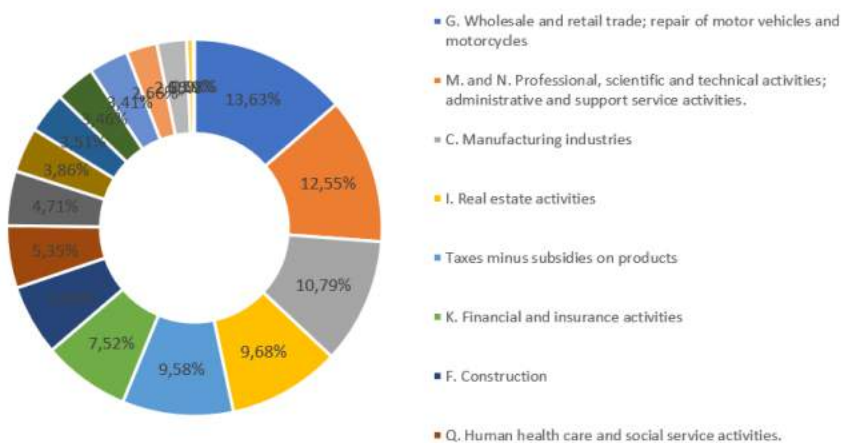
Graph 1: Value added - Participation (%) of economic activities by municipality



Source: National Administrative Department of Statistics – DANE (for its acronym in Spanish). Information up to 2021.

The importance of services for Medellín is undeniable. According to the GDP classification by branches of activities, "M" and "N" activities stand out, corresponding to professional, scientific, technical, administrative and support services activities. These activities are the ones with the greatest similarity for the industry and in the case of Medellín they represented 12.5% of the city's GDP in 2021pr.

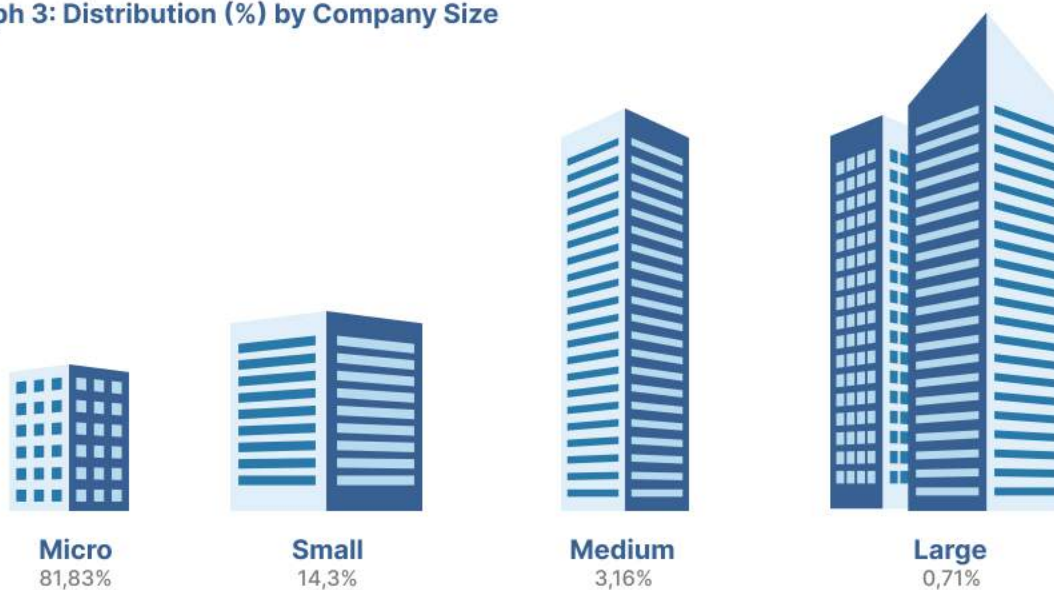
Chart 2: % composition of GDP by branches of activity - Current prices



Source: Administrative Department of Planning of Medellín, 2021. pr: preliminary figure. Base 2015

In terms of business composition, the sector in Antioquia is made up of 9,746 companies, of which 96.1% are micro and SMBs.

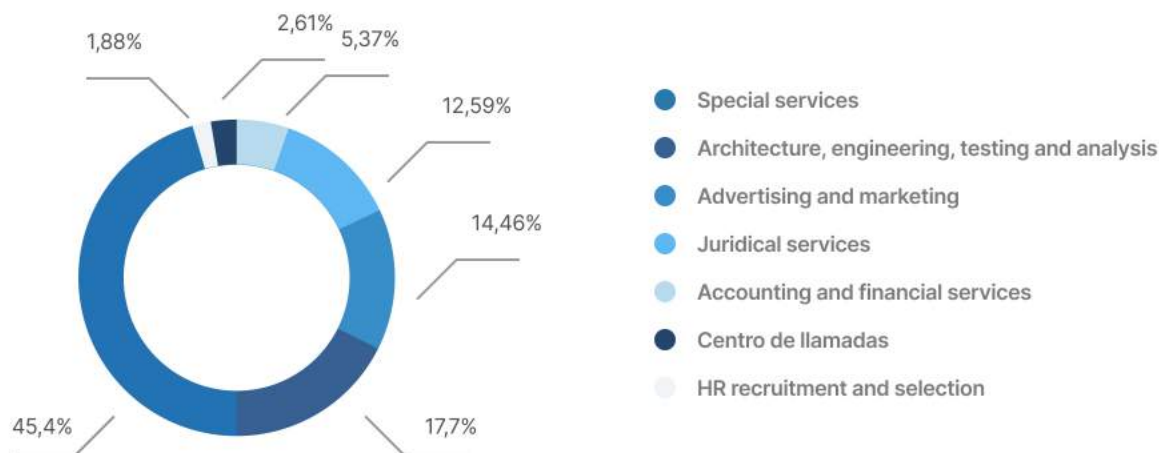
Graph 3: Distribution (%) by Company Size



In terms of business composition, the sector in Antioquia is made up of 9,746 companies, of which 96.1% are micro and SMBs.

The economic activities with the highest number of companies include: business services with 45% of the companies, followed by architectural, engineering, testing and technical analysis services, with 17%; advertising and marketing with 14%, and, to a lesser extent, legal, accounting and financial services, call center and recruitment and personnel selection services with the remaining 22% of the total universe of companies.

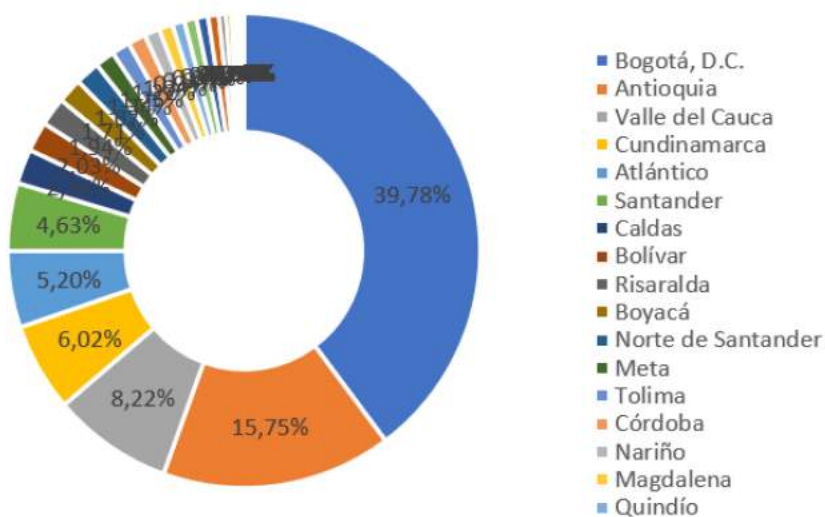
Graph 4: Distribution (%) by Major Sub-Activities



Fuente: Cámara de Comercio de Medellín para Antioquia y Cámara de Comercio Aburrá Sur. Información con corte a 2022.

In terms of employment generation, according to Colombia Productiva statistics, which itself is based on the DANE's Gran Encuesta Integrada de Hogares (Major Integrated Household Survey), it is estimated that there are 782 thousand jobs related to the sector in Colombia in 2022. With 123 thousand employees, or 15.75 percent of all employment countrywide, Antioquia emerges as second in Colombia's BPO business (behind Bogotá).

Graph 5: Number of Jobs by Department (Region), 2022



Source: National Administrative Department of Statistics (DANE). Major Integrated Household Survey. Information up to 2022.

On the other hand, with 180 thousand jobs nationwide, including 34 thousand in Antioquia, the call center industry is the economic sector that creates the greatest employment.

Graph 6: No. of BPO jobs Colombia, 2022.



Source: National Administrative Department of Statistics. Large Integrated Household Survey. Information cut to 2022.

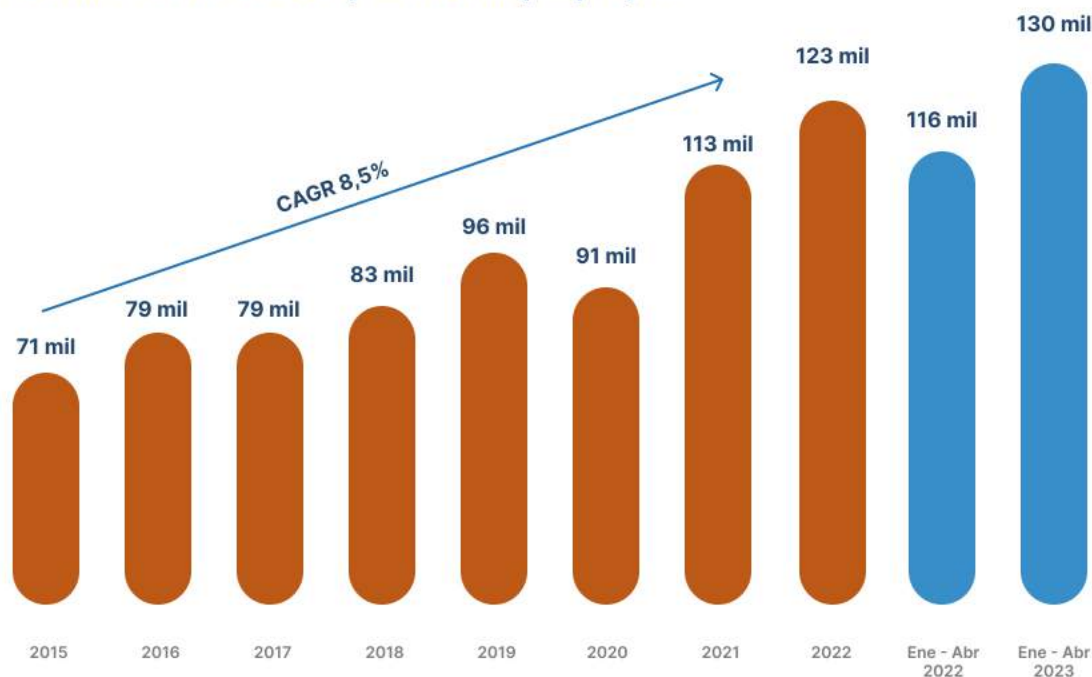
Chart 7: Distribution (%) of No. of BPO jobs Antioquia, 2022.



Source: National Administrative Department of Statistics. Large Integrated Household Survey. Information cut to 2022.

There has been a considerable increase in the number of BPO-related jobs in Antioquia. The Compound Annual Growth Rate (CAGR) from 2015 to 2022 was 8.5%. One hundred thirty thousand jobs were estimated to have been created in Antioquia from January to April 2023, an increase of 11.9% over the same period in 2022. This demonstrates that the region has the necessary infrastructure for the creation and expansion of BPO operations.

Graph 8: Number of BPO sector jobs in Antioquia per year



Source: National Administrative Department of Statistics. Large Integrated Household Survey. Information cut to April 2023.

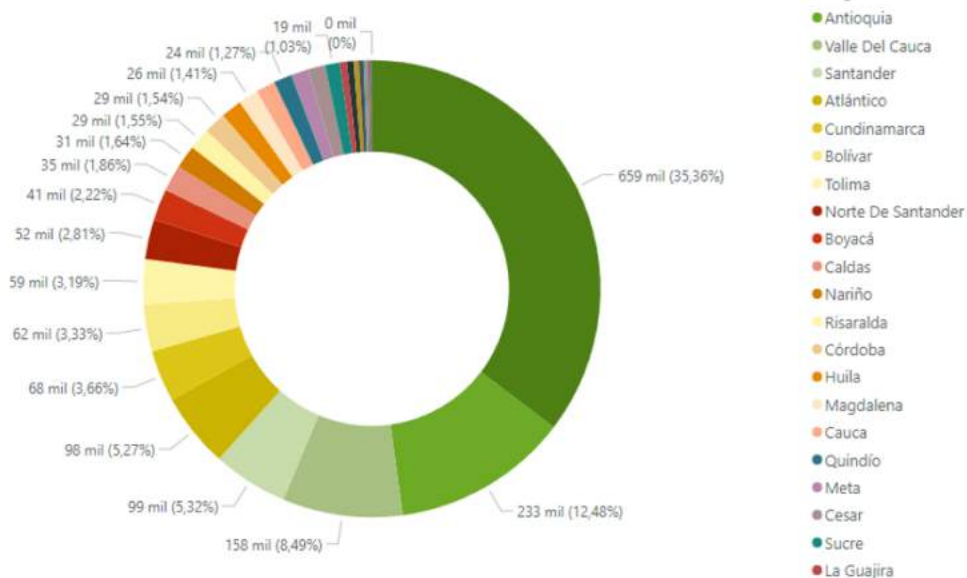
Human Talent: simple access and quick operation growth

The BPO industry cannot be conceived without access to a territory's human talent. Considering this, industry-specific knowledge and abilities as well as bilingualism, as a differentiator, become relevant. According to data from the Colombian Ministry of National Education, the following figures represent the number of individuals graduating from and enrolling in undergraduate programs (professional technical, technological, and university training). Includes the outcomes of the English exam administered by the ICFES (Colombian Institute for the Evaluation of Education). Students enrolled in undergraduate BPO-related academic programs who were in their last semester took this test.

Graduates

With 233-thousand-degree program graduates in Antioquia from 2001 to 2021, the region is officially ranked as Colombia's second-largest talent pool. This accounts for 12.48% of the national total and is only topped by Bogotá, which, according to the statistics provided, accounts for 35% of the nation's total graduates.

Graph 9: Distribution (%) of Number of Graduates by Department (Region) 2001 – 2021



Source: Ministry of National Education of Colombia. Information up to 2021.

In the case of Antioquia specifically, out of the 233 thousand graduates, 54.5% have university degrees, 43.7% have technological education, and 1.7% have professional technical education. More than 11,000 people graduate from undergraduate programs annually, representing a Compound Annual Growth Rate (CAGR) of 8.9% across the years of study.

Graph 10: Distribution (%) of Number of Undergraduate Graduates in Antioquia by Level of Education (2001 -2021)



Source: Ministry of National Education of Colombia. Information up to 2021.

Graph 11: Number of Undergraduate Graduates Antioquia per Year (2001 - 2021)



Source: Ministry of National Education of Colombia. Information up to 2021.

Regarding the areas of knowledge of the graduates, the academic programs were classified according to the International Standard Classification of Education (ISCED). The fields of knowledge with the greatest number of graduates in Antioquia during the studied years were management and administration, accounting and taxes, law, marketing and advertising, financial management, banking administration, and economics.

Graph 12: Number of Undergraduate Graduates Antioquia by ISCED (2001 - 2021)

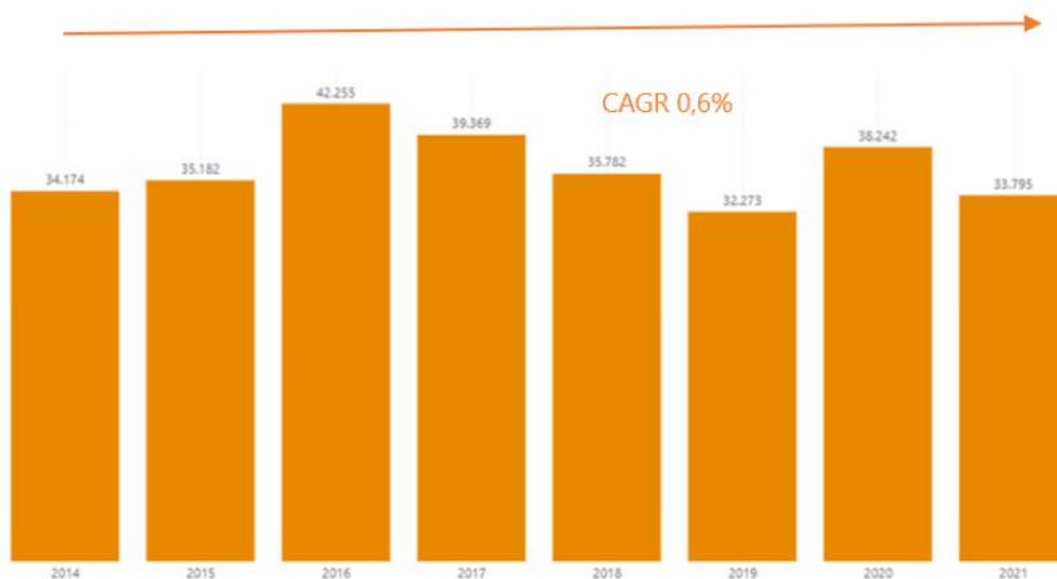


Source: Ministry of National Education of Colombia. Information up to 2021.

First year enrolled

For BPO organizations' capacity to scale and for setting growth objectives, it is important reviewing both the talent now on the market and the talent that will graduate in the future. According to data that is currently accessible (for the years 2014 to 2021), 291,000 students were enrolled in undergraduate academic programs in Antioquia that were associated to the BPO business. This statistic corresponds to 13.3% of Colombia's overall enrolment. More than 36,000 students enroll in undergraduate programs annually on average in Antioquia, with a Compound Annual Growth Rate (CAGR) of 0.6% throughout the studied years.

Graph 13: Number of Enrolled Students in the First Year of Undergraduate Programs in Antioquia per Year (2014 - 2021)



Source: Ministry of National Education of Colombia. Information up to 2021.

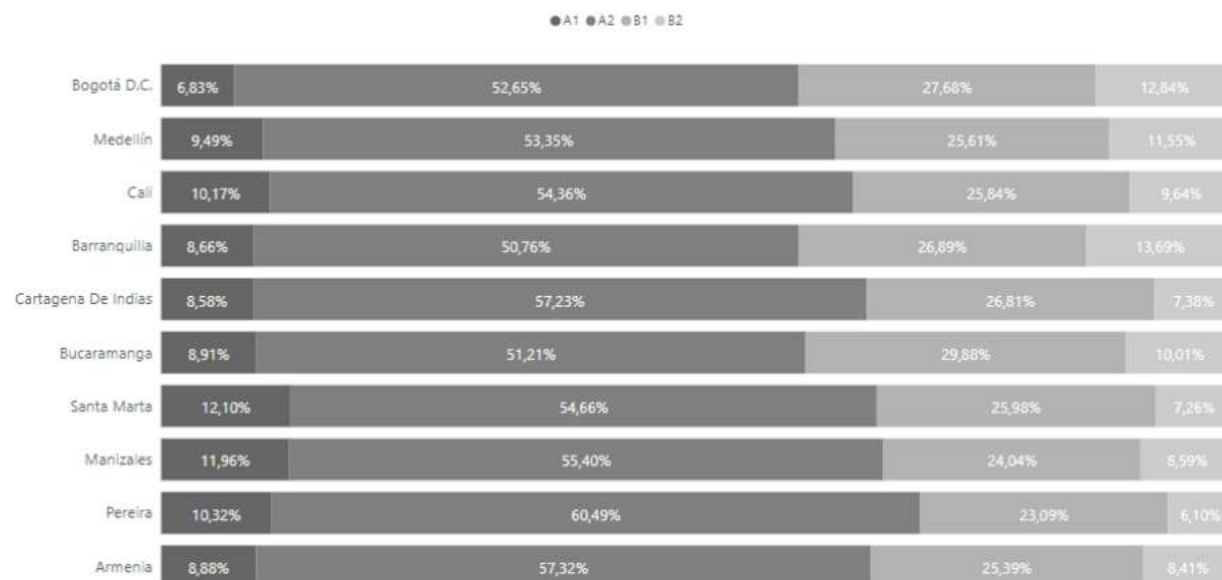
Bilingualism

No official data exist in Colombia that would allow us to calculate the precise percentage of bilingual people. Other informational sources, however, provide insight on the usage of a second language.

The results of the English exam provided by the Colombian Institute for the Evaluation of Education – ICFES (for its acronym in Spanish), in its yearly evaluation of students in their final semester of undergraduate academic programs, are one of the most important sources of information.

The level of English (classified according to the Common European Framework of Reference for Languages - CEFR) in academic programs related to the BPO industry in the country is evidently similar when comparing the English test results among the major Colombian cities. As a result, it becomes increasingly important for foreign investors to pick the cities and/or areas with the highest enrollment rates or highest graduation rates from academic programs relevant to the industry.

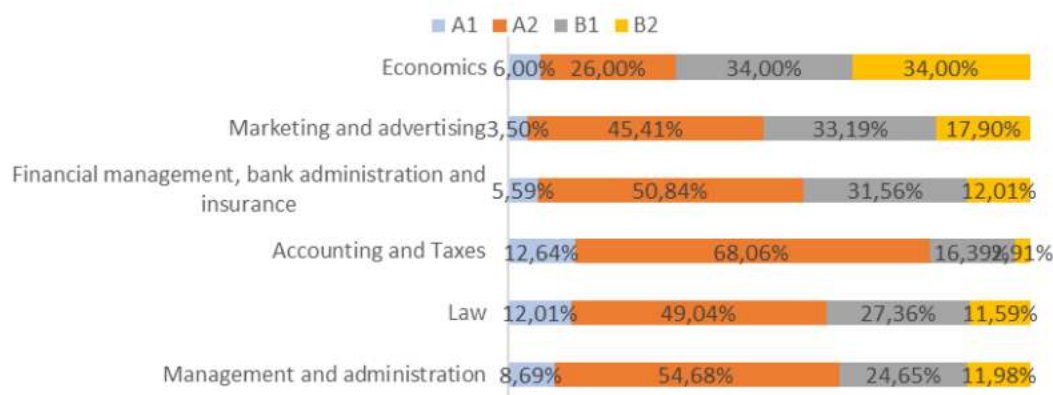
Graph 14: Distribution (%) of English Level in Academic Programs Related to the BPO Industry - Main Colombian Cities, 2022



Source: Colombian Institute for the Evaluation of Education - ICFES. Information as of December 2022.

According to the results of the ICFES 2022 tests, in the particular case of Medellín, the academic programs related to economics, marketing and advertising, financial management, and administration are configured as the areas of knowledge with the highest percentage of students at B1 and B2 levels.

Graph 15: Distribution (%) of English Proficiency Level in Medellín by Areas Of Knowledge Related to the BPO Industry, 2022



Source: Colombian Institute for the Evaluation of Education - ICFES. Information as of December 2022.

Market mapping, salary range and talent demand of the surveyed companies

This report shares the findings of a thorough research carried out by ManpowerGroup's Talent Solutions (RPO) division in the city of Medellín, with a particular emphasis on the Business Process Outsourcing (BPO) sector. The study concentrated on personnel responsibilities for sales, customer service, and technical support.

Due to its trained workforce and affordable costs, Medellín, a city that is undergoing continual change, has become a crucial BPO hub. The research concentrated on comprehending the factors and salary determinants that affect job seeking in these roles.

Factors such as work experience, technical skills and education were explored in relation to salary offers. Prior work experience and specialized abilities, such language fluency or IT knowledge, have been shown to affect salary offers. Although formal education has an impact, practical skills were also found to play a crucial role.

The analysis showed how the Medellín labor market might adjust to the shifting demands of the BPO sector, which had an impact on demand and salaries. It aims to give applicants and employers a thorough grasp of how the aforementioned factors interact when establishing salaries, assisting them in making wise choices.

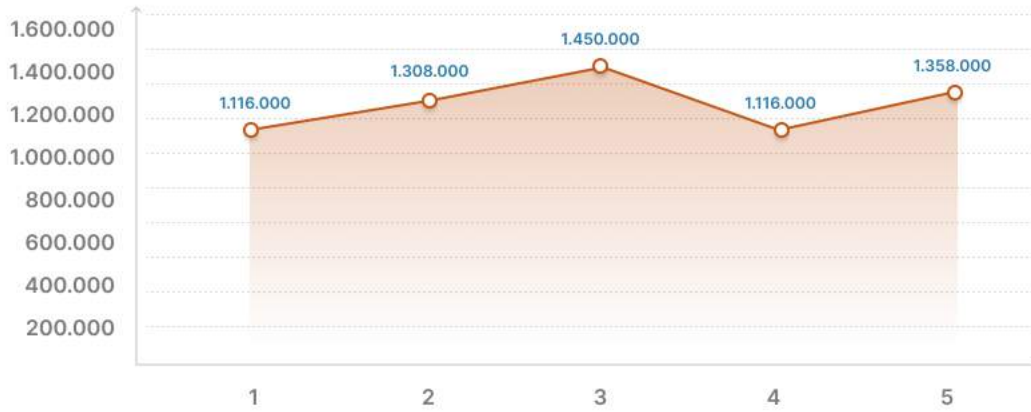
"Colombia, and in particular Medellín, has become a leading location for call centers and BPO services. This development has been fueled by the Near and Off Shoring phenomenon, which have drawn significant businesses from several countries, including Spain and the United States. With a highly trained workforce, affordable pricing, and advantageous position in the same time zone, Medellín has emerged as a major hub for Business Process Outsourcing. The BPO industry is continuing to develop and innovate, providing effective, worldwide solutions to suit the demands of businesses all over the world."

Javier Echeverry, Country Director Colombia - ManpowerGroup

BPO Companies - Comparative Spanish vs. Bilingual Campaigns

BPO Companies	BPO Spanish salaries	BPO Bilingual Salaries
1	1.160.000	2.050.000
2	1.308.000	2.700.000
3	1.450.000	2.300.000
4	1.160.000	2.600.000
5	1.358.000	2.322.000

Call Spanish Salaries



Bilingual Call Salaries



Customer Service Campaigns - Bilingual and Spanish BPO

Salary in bilingual BPO customer service

BPO Company	BPO Salaries
1	2.500.000
2	2.000.000
3	3.000.000

Bilingual customer service salary



Salary in Spanish BPO customer service

BPO Company	BPO Salaries
1	1.300.000
2	1.308.000
3	1.160.000

Spanish customer service salary



Sales campaigns - bilingual and Spanish BPO

Salary in bilingual BPO sales service

Empresa BPO	BPO Salaries
1	2.500.000
2	2.000.000
3	3.000.000

Bilingual Sales Salary



Salary in Spanish BPO sales service

BPO Company	BPO salaries
1	1.334.919
2	1.214.221
3	1.434.863

Sales salary Spanish



Technical support campaigns - bilingual and Spanish BPO

Salary in bilingual BPO technical support

BPO Company	BPO Salaries
1	2.600.000
2	2.700.000
3	2.800.000

Bilingual technical support salary



Spanish BPO technical support salary

BPO Company	BPO Salaries
1	1.585.000
2	1.160.000
3	1.000.000

Spanish technical support salary



Collection campaigns - bilingual and Spanish BPO

Salary in Spanish BPO collections

BPO Company

BPO Salaries

1

1.300.000

2

1.600.000

3

1.200.816

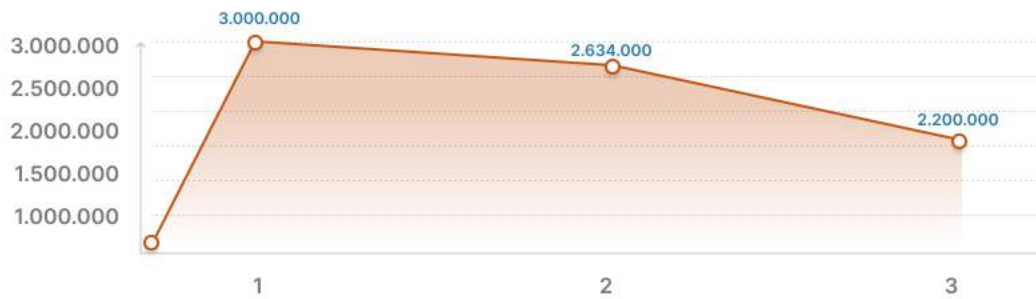
Spanish Collections



Salary in bilingual BPO collections

BPO Company	BPO Salaries
1	3.000.000
2	2.634.000
3	2.200.000

Bilingual Collections

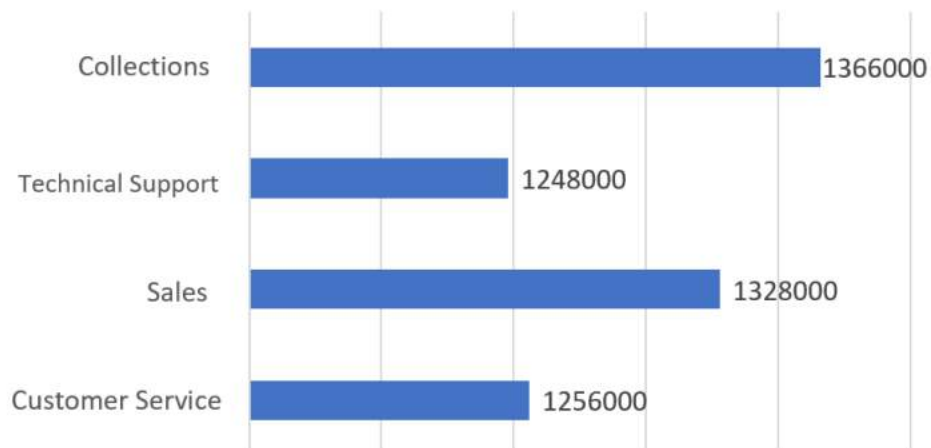


The following is a thorough review of the average salary for bilingual and Spanish-language service campaigns within Medellín-based BPO companies. We highlight typical salary ranges for positions requiring both great English and good Spanish language abilities. Our purpose is to give clarity for job seekers and companies looking to retain an attractive salary package. Understanding these salary ranges for bilingual and Spanish-language campaigns can help decision-makers make more educated choices and promote equity in the job market.

Average salary for bilingual services



Average salary for Spanish services



What employees want from leaders

In order to make work a good experience for their people, leaders must provide their employees more: flexibility, autonomy, support for physical and mental health, trust, training, and development

WORKERS WANT:

79% to work with people they get along with and trust

75% to feel motivated by the work they do

74% a supportive manager

71% a leader they can trust

70% to find meaning in their daily work

67% to know the beneficial impact their work has on society

Additional benefits offered in the Spanish BPOs:

- Open-ended employment contract, directly with the company
- Educational alliances - commercial portfolios
- Financial agreements
- Employee fund
- Performance bonuses
- Fully paid training
- Job and professional growth opportunity
- Discounts in gyms, optometry, restaurants, language school, etc.

Additional benefits offered in English BPOs:

- Open-ended employment contract, directly with the company
- Food voucher
- Transportation route
- Training opportunities
- Discounts in gyms, optometry, restaurants, language school
- Job and professional growth opportunity
- Hiring bonuses
- Prepaid health insurance
- Performance bonuses

Conclusions

01

It should be noted that for bilingual agents, average salaries for the various types of service do not differ noticeably. When considering positions in sales, support, collection, and customer service, the entire average pay is COP2,577,800.

03

There is a noticeable disparity in salary when it comes to the language of customer service. The average for Spanish-speaking agents is COP1,287,200, whereas the average for bilingual agents is COP2,394,000.

02

There is a noticeable consistency in the various jobs, regardless of the pay disparities amongst Spanish-language service agents. The range of salaries is COP1,000,000 to COP1,500,000, with no appreciable variations.

04

In terms of the benefits associated with the vacancies, it is evident that the differences between the Spanish and English roles are minimal. Both have contract types, benefits, and development opportunities. The sole difference between bilingual positions and Spanish BPO jobs is the health perks that bilinguals enjoy, such as prepaid medical care and hiring incentives.

The workplace landscape has fundamentally transformed, and pandemic-related changes have accelerated long-term trends. Given the tremendous scarcity of talent nowadays, there is intense competition.

And we don't expect this to change soon. The issue is getting exacerbated due to demographic shifts, which guarantees that workers in demand will continue to have an advantage for the foreseeable future. Fair salaries and stability will always be important, but they are increasingly minor factors. Employees have higher expectations for both their work environment and their employers. When it comes to the priorities of employees, wellness—both physical and emotional—is now firmly in the spotlight.

People don't just want to survive, they want to succeed, and they're prepared to vote with their feet to make that happen, as seen by the recent wave of high-profile resignations, reorganizations, and prioritizations. To recruit and keep talent in the most competitive labor market in recent memory, employers must listen, reconsider, and take action. Hybrid and remote work paved the way for many workers to enjoy more flexibility.

Flexibility, not just flexible work, will be a lasting legacy of the pandemic

Even though we don't yet know exactly how it will look, we have already participated in the largest-ever pilot of new work models, the effects of which will have a long-term influence on how, where, when, and why we work.

93% of all people now consider flexibility to be important in their working life

64% want to move to a four-day workweek (compressed hours, full effort, full pay)

45% want to choose start and end times

35% want to choose where to work (in the workplace or at home), depending on their daily needs

18% to attain a better work-life balance, nearly one-fifth of employees would put in a four-day workweek for a lower salary

At a time when 75% of employers report difficulties in hiring - a maximum of 16 years - listening, adapting and responding to workers' needs beyond salary will become a differentiator in recruiting and keeping human talent.

"Today, with a 77% global talent shortage and a 26% hiring expectation for the Andean region, the challenge for companies to attract the best talent and the need to be ready with flexible hiring plans, betting on potential, and closing the gap between the required profile and what the labor market offers today through development plans that would promote a more agile coverage and harvesting, in turn, a greater loyalty of employees to the organizations is reaffirmed." Lina María Correa G – Director of Talent Solutions RPO

Trust is important for a successful workforce. Organizations may better serve the requirements of their people and their business by providing leaders with the skills they need to assist their team members.

Net Employment Expectation Colombia Q4, 2023

Employers anticipate an improving hiring climate for the fourth quarter of 2023, with a 32% Net Employment Outlook (NEO). According to projections made by Colombian employers, NEO will strengthen by 6 percentage points over the prior quarter. However, a drop of 11 points from the Q4 2022 is anticipated.

+32%

Net
Employment
Outlook



Of employers anticipate
an increase in hiring



Anticipate a
decrease



Do not anticipate
changes



Unsure

Net Employment Outlook Colombia



Calculated by subtracting planned reductions by employers versus those who intend to hire.

Increased +6 percentage points when compared to Q3 2023 (26%)

Worldwide talent shortage



Employers who claim to have trouble finding individuals with the necessary abilities.

Increased to 77%, reaching a 17-year high

The highest hiring demand



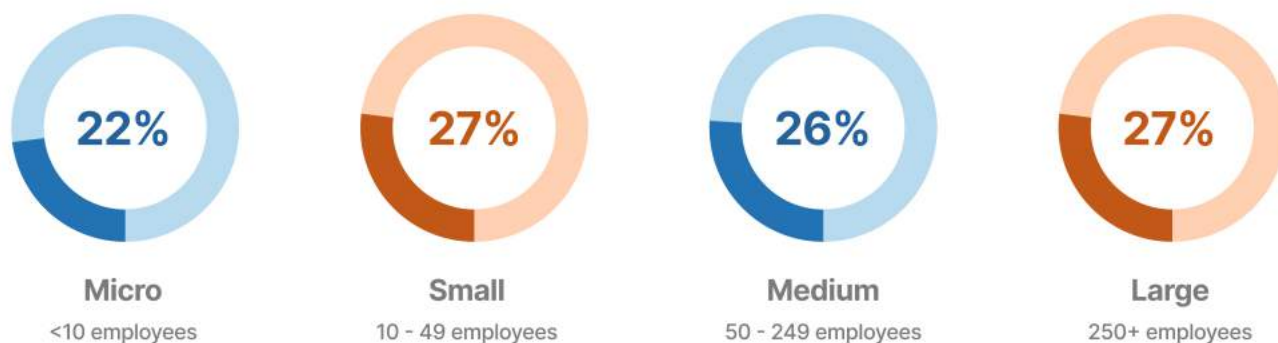
Energy and
utilities



Health care and
life sciences

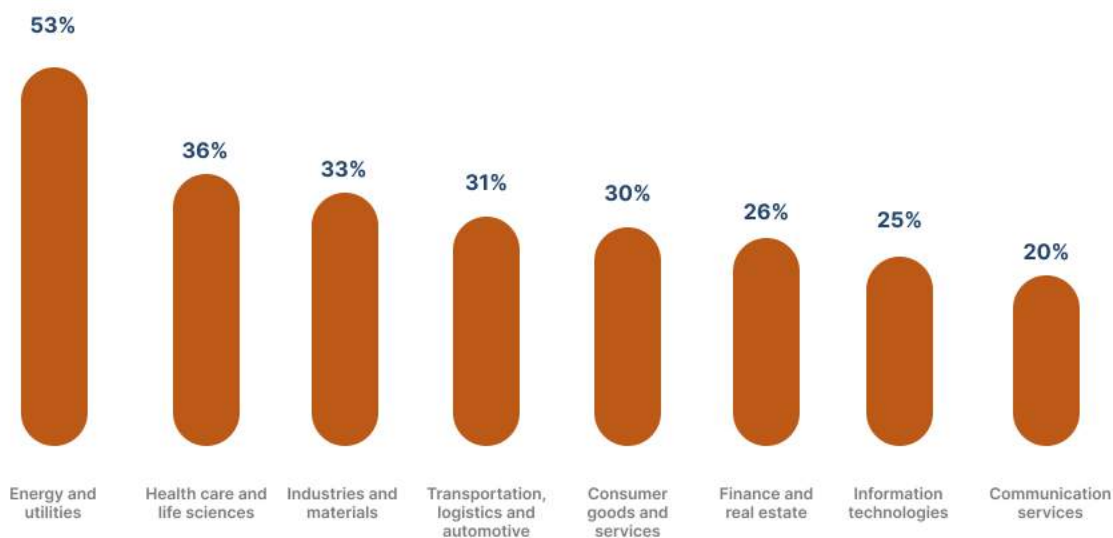
Micro-Enterprises are the Most Cautious to Hire During the Q4

Colombian employers working in medium-sized companies with 50 to 249 people are the most optimistic, with a Net Employment Outlook (NEO) of 39%, up 13 percentage points from Q3 2023 and steady from this same quarter last year. These companies claim the most growth from the previous quarter and are the only ones reporting there hasn't been a fall since Q4 2022. In fact, Colombia outperformed the average quarterly growth of 41 other nations by 11 points, placing fifth overall in the quarterly increase of such organizations.



Employment Forecast by Sector

Compared to Q3 2023, six of the sectors have strengthened their labor markets, while three sectors have weakened them. Energy & Utilities is Colombia's most competitive sector, with a Net Employment Outlook (NEO) of +53%, up 36 percentage points since Q3 2023. Colombia outperforms the average results of the other 41 countries by 22 points, placing second overall in NEO for this sector. Colombia also tops the list for the Energy & Utilities sector's quarterly growth, surpassing the quarterly average by 39 points.



* Government or Public Services: Non-profit/NGO/Religious Charities; Other Industry: Other sub-industry of Transportation, Logistics and Automobiles, Educational Institutions, Agriculture and Fishing

Medellín is efficient: an appealing place to work and live



Competitive human talent

The people of Medellín and Antioquia are recognized in Colombia for their entrepreneurial spirit, passion for their work and their ability to solve problems. The "paisas" idiosyncrasy makes them friendly individuals with a passion for service and results-oriented; characteristics that are particularly useful for the establishment of BPO operations in the region as they are essential for company success.

In recent years, Medellín has grown to be one of the most alluring cities in Latin America to visit thanks to its urban amenities, areas for recreation and amusement, temperature, food, and lively nightlife. The city has a unique energy that makes it stand out from other Colombian cities. It is like the charm and dynamism of cities like Barcelona, Rio de Janeiro, or Tel Aviv, which, despite not being national capitals, draw a lot of residents, tourists, foreigners, and, more recently, digital nomads. As a result, many individuals have chosen to live in Medellín, which has influenced the local culture and increased access to talent, knowledge, and skills.



Efficient mobility

Medellín and its Metropolitan Area is recognized for having an integrated public transportation system that is fast, comfortable, clean, and safe. The combination of several means of transportation, including the Metro (31.3 km), BRT Buses - Metroplus (27 km), Metrocable (12.6 km), Tramway (4.3 km), feeder bus lines, and communal transportation throughout the 10 municipalities of the metropolitan area, makes it unique in Colombia and Latin America. Finally, the area features a network of bike lanes covering 96.2 kilometers. The system reaches 7.4 million daily trips. It also offers fare integration, enabling users to pay a single fare to utilize all forms of transportation.

In accordance with the most recent origin-destination mobility study carried out in 2022, the region has an average trip time of 44 minutes thanks to its mass transport system.

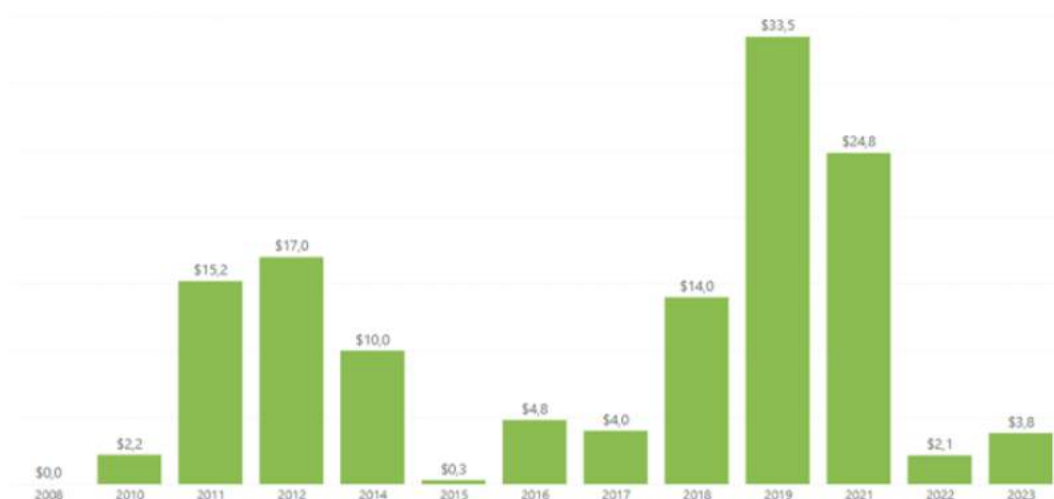
According to ACI Medellín's experience, it is advised that future investments in the BPO industry set up operations close to a metro station as this promotes employee mobility and punctuality in their

Investment in the BPO sector and future prospects

Medellín has gained a reputation in recent years as a BPO investment hotspot. The sector saw unprecedented growth and investment numbers in the city before the COVID-19 pandemic. However, the low expectations for global economic development resulted in signs of a slowdown in the economy that influenced regional dynamics.

This situation is not new to Medellín, as evidenced by the number of investments. The city received USD131.8 million from 2008 to June 2023. Despite a significant drop in investment in 2022, the statistics for June 2023 indicate a comeback in the dynamics of investment in the industry.

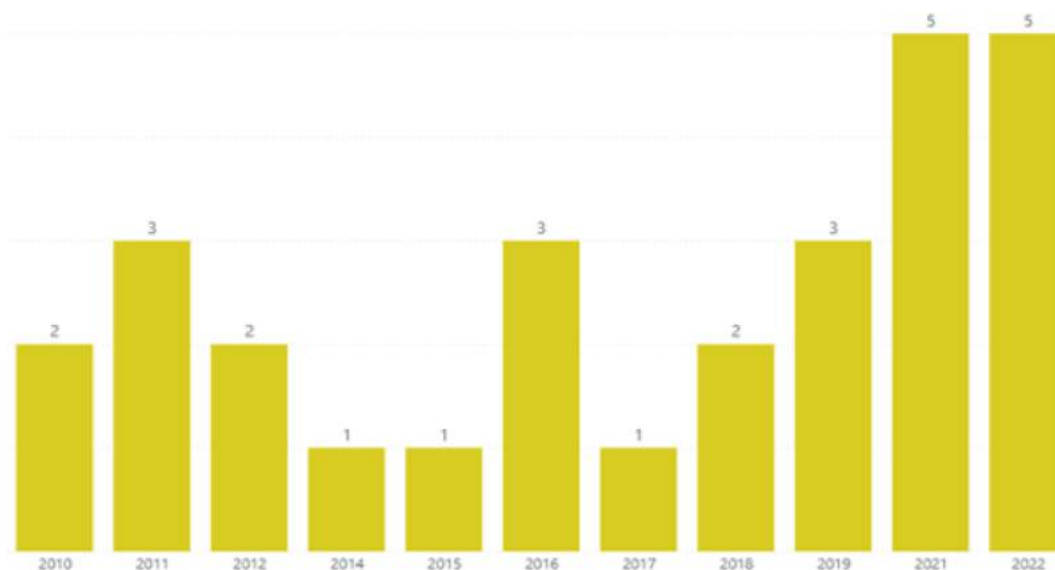
Graph 16: Evolution of the Amount of BPO Sector Investment Per Year (USD millions)



Source: ACI Medellín - Historical investment amount, June 2023.

Despite the low amounts recorded in recent years, an analysis of the number of investment projects shows completely different dynamics. Indeed, the city has seen a surge in the number of investment projects. The quantity of these initiatives, nevertheless, has decreased from prior years. A total of 32 investment projects from 27 companies have entered the region, with an estimated 10,000 job creation.

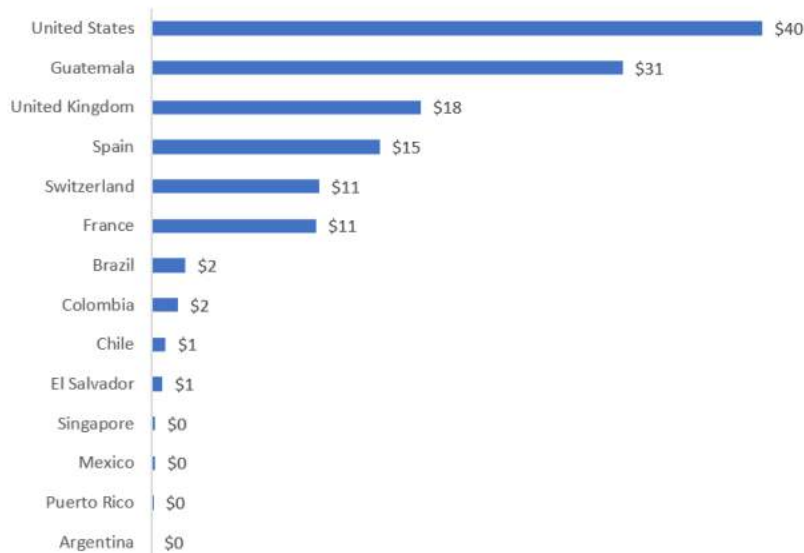
Graph 17: Evolution of the Number of Investment Projects in the BPO Sector Per Year



Source: ACI Medellín - Historical investment amount, June 2023.

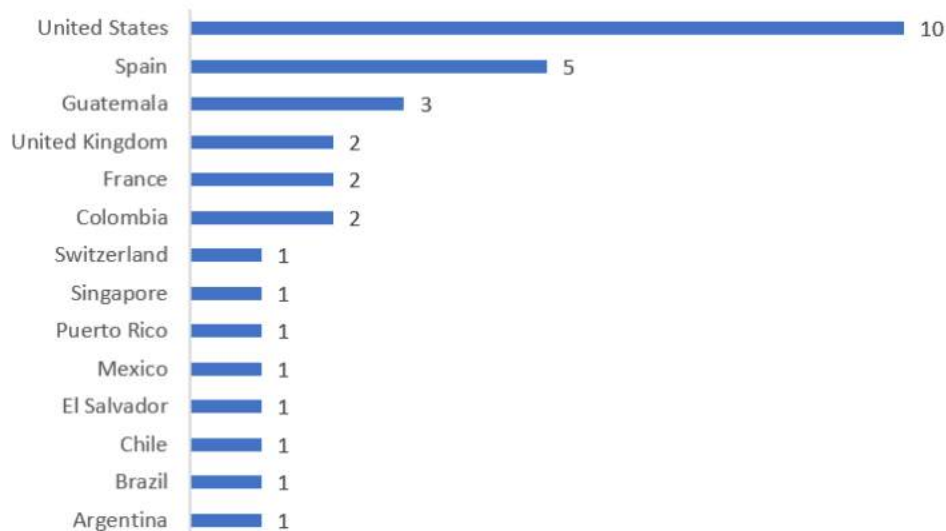
As for the countries that invest the most in Medellín in the BPO sector, the United States is without a doubt the largest investment partner for the city, ranking top in both the number of projects and the amount of investment.

Figure 18: Amount of BPO Sector Investment by Country (USD millions)



Source: ACI Medellín - Historical investment amount, June 2023.[1]

Graph 19: Number of BPO Sector Investment Projects by Country



Source: ACI Medellín - Historical investment amount, June 2023.

According to ACI Medellín's experience, it typically takes an investment project in the BPO sector eight to 24 months from the time it is conceived to the time it is installed in the city; as a result, the prospects for reporting future investments are concentrated on previously identified and managed projects. ACI Medellín has a pipeline of 21 investment projects from 18 companies as of June 2023. Since 2021, these projects have been recognized, and they are divided into four stages based on stage of progress:



Stage 1:

initial interest



Stage 2:

decision made



Stage 3:

in the process of
installation



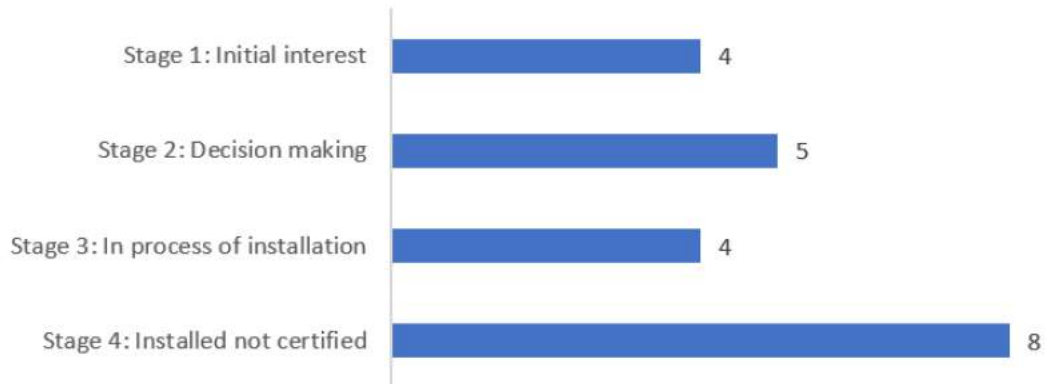
Stage 4:

installed not
certified

Among the 21 investment projects currently in the pipeline, 19% are in the initial stage, when the company expresses interest in growing and wants to study Medellín as an investment destination; 24% are in stage two, when the company determines whether Medellín is suitable for its interests and needs, aware that the city is in competition with other territories in Colombia and/or Latin America.

Nineteen per cent of the projects in the present pipeline are in stage three, where the company has already decided on Medellín as an investment destination and is starting to progress in all necessary incorporation activities. And lastly, stage four includes 38% of the projects that, even though they are currently up and running in the city and that ACI Medellín has offered services to aid their entry, has not yet been able to secure the investment report for.

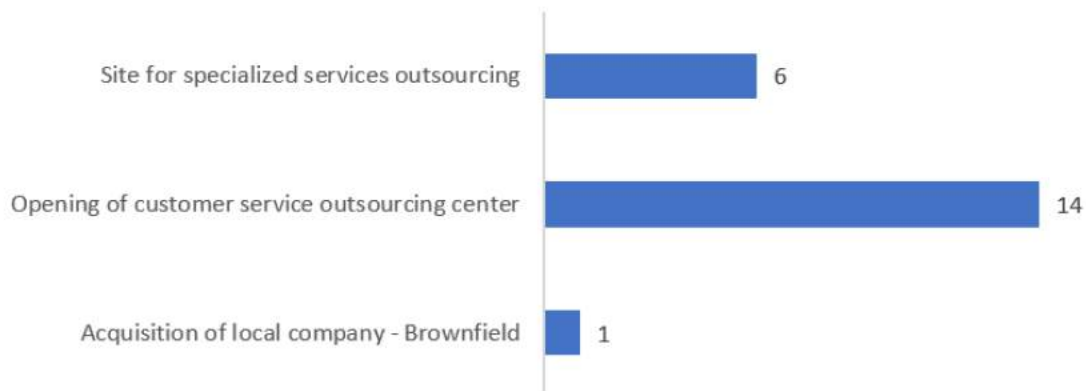
Graph 20: Number of Investment Projects by Development Stage



Source: ACI Medellín - Pipeline of investment projects, as of June 2023.

When asked about the type of operation that these companies intend to establish in the city with their investment project, 67% of them stated that their main interest is the opening of a "customer service outsourcing center," 29% of the projects seek the opening of a "Site for outsourcing of specialized services," and 5% of the projects stated that their intention is the purchase/ acquisition of a local company (Brownfield investment).

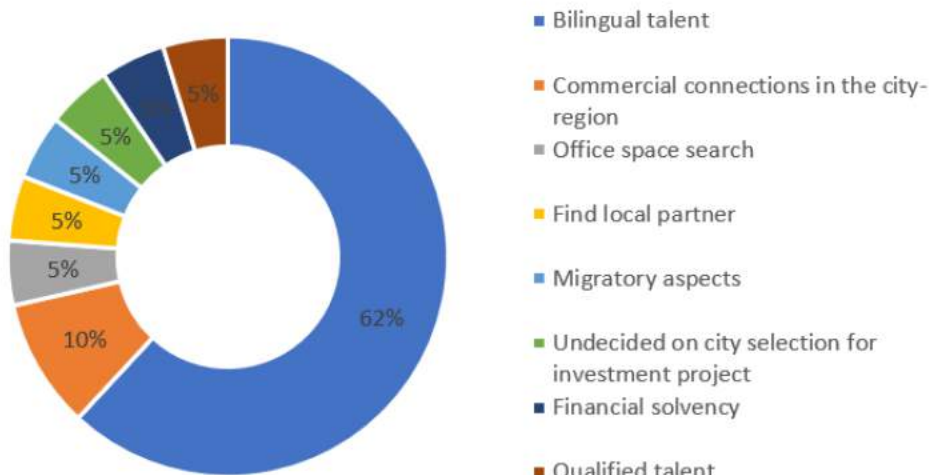
Graph 21: Number of Projects by Type of Operation to be Developed in Medellín



Source: ACI Medellín - Pipeline of investment projects, as of June 2023.

Lastly, when it comes to the demands that companies in Medellín have identified as a part of their growth project, having access to bilingual talent stands out as the top need that these companies have and want to address with the introduction of the investment project in the city

Graph 22: Main Investment Project Requirements



Source: ACI Medellín - Pipeline of investment projects, as of June 2023.



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