***Impact Sourcing in The Philippines***

Thousands of U.S. companies outsource all sorts of tasks to offshore companies known as BPOs, however most companies are not aware of both the positive and negative impact outsourcing can have on a developing country.

In the Philippines, BPOs are the number one employer in the country and they have one of the world’s largest sources of well-educated English-speaking young college graduates.

The positive impact outsourcing has made in the Philippines is enormous for those who have found work in the BPO industry. The employees are very thankful for the work as in many cases, it has given them an opportunity to pull their families out of poverty.

BPO companies are very happy, because they are making greater profits than ever before from the arbitrage created by low wages in the country. The BPO companies have been able to build huge operations with tens of thousands of seats in the Metro areas. In fact, 90% of the large BPO companies are in the Metro areas and there is a very high employment rate. The Philippines is one of the youngest countries by median age, so there is a tremendous continuous flow of new college graduates.

This all sounds great!

There are unfortunately some unintended consequences that come with outsourcing to the major BPO companies in the Metro areas that negatively impact the country. Most companies who outsource to a developing country would never imagine the opportunities they are creating could have a negative impact. In fact, most would be shocked to learn that, in ways, them outsourcing to the large BPO companies in the metro areas is ultimately tearing at the social welfare, the family unit and culture that has made the Philippines so great for so many years.

How is this possible?

What is often overlooked, is 70% of the talent found in the metro areas are from the provinces throughout the country also referenced as the “countryside”. In the “countryside”, unemployment exceeds 55% for college graduates. Even the brightest young Filipinos outside the metro areas are graduating to find virtually no job opportunities or options for advancement unless they leave their families and move to the metro areas. This practice is what has started the social decay of what makes the Philippines so special.

BPO companies are in the business delivering profits to the shareholders first and so they have located their companies in the most populated metro areas where they feel is the highest concentration of prospective talent. The fact is most the talent originates from the countryside.

The only reason why there is such a concentration of talent in the Metro areas, is new graduates from the countryside leave their family and homes and go to the Metro areas to find employment immediately after graduation. These young people learn early that unless they go to the metro areas to find work, they are locked into a vicious cycle of poverty and exclusion, so they are faced with the position of breaking up the family unit just to achieve gainful employment.

We have seen the social impact within the Philippines from this practice over the past several years and it continues to worsen.

The young people find themselves in big cities that they have never experienced. They are exposed to negative influences, pick up bad habits and they tend to forget from where they came and often even distance themselves from their families which continues to tear at the culture of the country.

Developing gainful employment in the countryside is the single most powerful tool for sustainable poverty elimination in the countryside and healing the social welfare of the areas missing out.

We suggest, if companies who outsource where given a choice as to how their opportunities of outsourcing could most positively impact people’s lives, they would reconsider who and where they outsource their work.

There is an economic benefit to outsourcing to the countryside as well as the operational costs are on average 25% less, so there could be a cost savings to those with outsourcing opportunities.

GIS is taking the lead on bringing awareness to companies around the world on impact sourcing and GIS over the past 4 years has been focused on setting up opportunity centers throughout the countryside of the Philippines.

GIS provides hands on training and career development to our fantastic young graduates, helping them build a foundation for their careers and continued education in the towns they originate and stay connected with their families.

Over the past 4 years GIS has demonstrated these eager individuals across the developing countryside have the skills to work and compete in the global marketplace and we are focused in expanding these opportunities to help restore the family units, create sustainable jobs and eliminate poverty in the countryside.

We have been able to demonstrate our model in one of these areas known as Cagayan De Oro city and through the efforts of the local ICT council and its members and the local government we have seen what was originally a tier 4 city achieve tier 2 status within the past 5 years and has made a serious impact in the lives of local graduates and their families. You can see their stories on our website.

**OUR RESULTS**

The social impact of our work can already be seen rippling through our community.

We are laying the foundation for professional careers and providing a path away from the cycle of informal employment. Our employees develop themselves every day and their experience with the company serves as a springboard to future growth within the company and beyond with more income opportunities.

70% found their first job at Specialized

40:60 male to female employee ratio

3 ½ average number of people supported per employee

92% feel they are better prepared for their future careers

This year we will be creating the first COMMUNITY ENGAGEMENT CENTERS based on impact sourcing in the Philippines.

**The Impact Academy**

The Impact Academy is an extended educational and training program offered to local recent secondary school graduates. The Academy focuses not only on creating the best candidates for Impact Enterprises, but also giving them the skills for success in life outside of Impact Enterprises.

Workshops cover topics such as financial literacy, nutrition, professional communication and, of course, ICT skills. This two-month curriculum gives eager young adults the opportunity to learn important life skills and space and time to practice them before joining the Impact team.

**Specialized Learning Center**

Specialized Learning Center offers multiple areas of influence, technical, administrative, customer service and sales.

SLC is an opportunity for local youth with a passion for computer science or business to come together, share skills with each other, and learn to tackle problems as a team in a professional office environment.

Utilizing our training and workshop areas, SLC leadership has created educational online courses and hardware maintenance programs to create a bootcamp that certifies individuals to be members of SLC.

Members participate in ongoing learning to continue to sharpen their critical thinking, imagination and problem-solving skills via technology, all while generating an income for themselves.

The next time you consider outsourcing work, consider how you can not only get the greatest results, but how you can most positively impact those you are providing opportunities.

We ask all companies who are already outsourcing, to reconsider their outsourcing opportunities and make the moves that would make the most positive impact for EVERYONE and for those who are looking to outsource for the first time, please consider all options.

We would like to hear from those who oversee their companies outsourcing programs and have a discussion on how we can start even with just a small pilot program to be able to prove the model and show the positive impact and results from impact sourcing.

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