

BUSINESS PROCESS OUTSOURCING IN RWANDA

Business process outsourcing (BPO) is a method of subcontracting a particular business process-related operations and responsibilities to third-party vendors (external provider), to carry out certain parts of their business operations.

In an increasingly competitive global economy, outsourcing technology development or business processing remains a powerful tool for companies looking to simplify their organizational structure, improve customer service quality, or develop products faster and more cost-effectively. Outsourcing today is no longer limited to call centers. Companies today outsource their IT, finance, and HR functions to cut costs and focus on their core business functions.

AIPI INTERVENTION IN RWANDA'S BUSINESS PROCESS OUTSOURCING

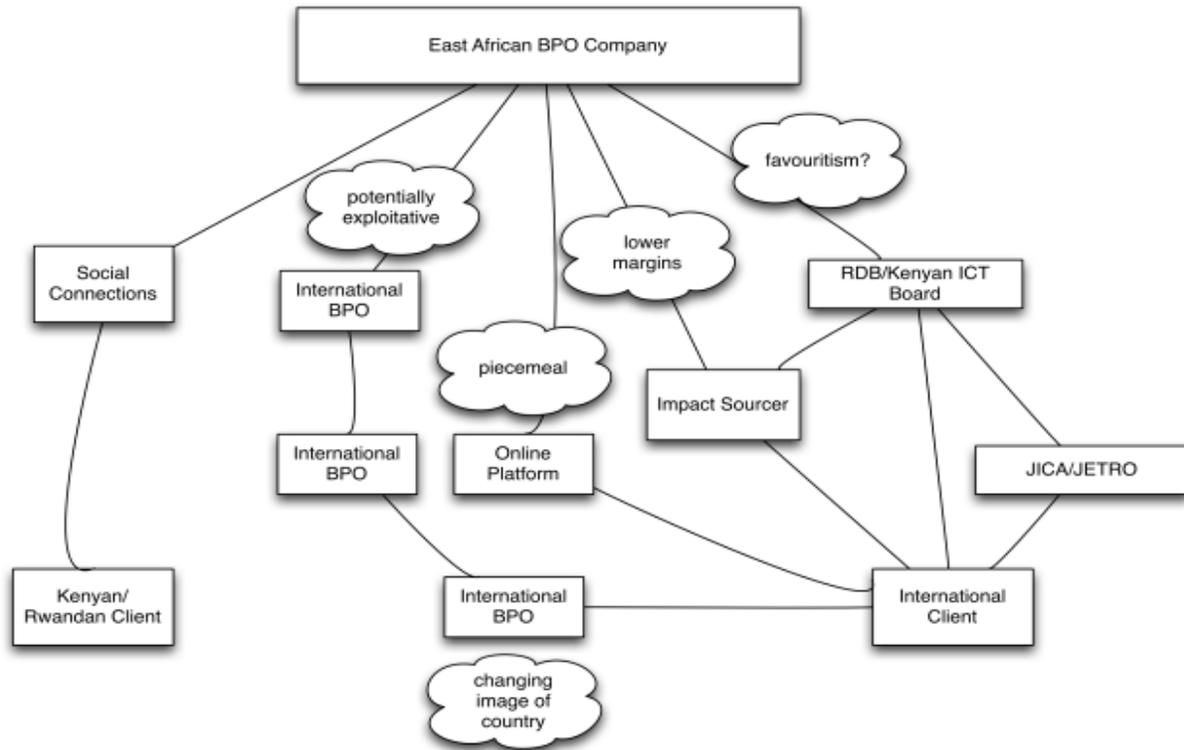
Access to International Partnerships in IT (AIPI) is a partnership project between the Bundesverband IT-Mittelstand e.V. (BITMi) and the ICT Chamber in Rwanda. Our common goal is to strengthen the Rwandan as well as the German ICT sector and to enable cooperations at eye level.

Germany is known to have a glaring shortage of skilled workers in the ICT sector and the demand for digital solutions has risen sharply since the last five years. However, IT SMEs find it difficult to meet this high demand with existing human resources. Therefore, outsourcing is being used increasingly as a solution. In Rwanda, on the other hand, the national sales market for the IT sector in Rwanda is small and there are many very qualified specialists who can compensate for this shortage. That's why we help German and Rwandan companies with matchmaking and arrange outsourcing projects by scaling up the co-sourcing opportunities.

Rwanda has a good reputation on the continent where other African countries are looking into benchmarking from its success in the IT field. However, this is hindered by a limited number of senior technical personnel/ experts, hence making sense for Rwandan companies to outsource sophisticated and complex tasks to experienced German experts.

AIPI project is currently focusing on increasing deliberate connections between international companies seeking to build outsourcing opportunities with Rwandan local companies through conducting at least 2 official B2B/co-sourcing group study tours every year and other activities such as digital meetings, individual field visit, opportunity awareness, match-making supporting mechanisms and processes mentoring will be implemented in parallel.

A GOOD UNDERSTANDING OF RWANDA'S BPO SECTOR



Rwanda Government had put more efforts in growing the local Business Process Outsourcing (BPO) sector as a method of improving the industry, positioning it globally and make it a major contributor to Gross Domestic Product (GDP).

The national sales market for the IT sector in Rwanda is small. This makes it more important for IT companies to tap into the international market. Therefore, Rwanda has positioned itself as an outsourcing destination. This is supported by a young talented and bilingual workforce which may be of interest to German and other international companies who are looking to outsource some components of their services in Rwanda.

Although Rwanda BPO sector is composed of few companies, most of them are in BPO-IT sector, it has huge potential and would ease youth unemployment. There are huge opportunities to promote BPO services in Rwanda as the country continues to position itself as an investment (hub) for the services sector.

According to the Doing Business 2020 World Bank report, Rwanda is ranked as the second easiest country to do business in Africa, BPO sector entrepreneurs are encouraged to take advantage of the conducive climate to invest in the country. With a private sector-driven economy, Rwanda is ideal for newcomers seeking to establish a presence on the continent, as barriers to entry are almost non-existent. Furthermore, Rwanda's untapped potential offers a plethora of business opportunities. There are many good reasons to start or outsource a business in Rwanda, including its business-friendly environment, market accessibility, and geographic centrality.

The Government has created the Kigali Special Economic Zone (KSEZ), in order to increase private sector investments and to develop industrial/non-agricultural sectors. KSEZ is located 10 km outside of Kigali and offers direct access to the Central Transport Corridor. The KSEZ also offers industrial producers access to roads, water, electricity, fiber-optic internet, and sewage systems.

WHY OUTSOURCE IN RWANDA (attractive factors to outsource in Rwanda)

- Rwanda is well suited for bilingual outsourcing
- Presence of international universities in Rwanda (incl. CMU, AIMS, ALU1)
- Strong Entrepreneurship and Innovation programs (incl. Allan Grey Foundation, Bridge Services)
- Very competitive labor costs ~30% lower than Mauritius, ~40-50% lower than Morocco
- Well connected flights
- Ideally positioned in the "Heart of Africa" and can be a Launchpad to the entire African continent
- High Quality Infrastructure (95% 4GLTE network coverage)
- Business continuity & diversification location between SA and Morocco
- Well suited for IT outsourcing (e.g. tech support and app testing)
- Time zone flexibility
- 5th safest country in world
- Zero tolerance for corruption
- Etc...

ADVANTAGES BPO

Business Process Outsourcing enables business owners to reduce the burden of work and concentrate on other core aspects of their operation. Outsourcing to a third-party company, which is already well-established and has the relevant experience in providing services, is a much more convenient option. Outsourcing your business processes comes with a series of advantages. Some of those include:



Business process outsourcing tool should be one of the employment solution especially in Rwanda as we face the challenge of employment among the youth, it will help them also develop other skills, as well as build a network of professionals from Germany and other international companies .

Unemployment is rated at two percent in Rwanda being 3.4% in urban places while graduates from universities and other higher education institutions are the most people with no jobs being 13 percent”, said Communications and Public Relations Officer at the Ministry of Public Service and Labor. Meanwhile in 2014, a survey conducted by the Inter-University Council for East Africa (IUCEA) Rwanda came out that 52% of graduates are unemployable

This is the right time for international companies to invest/outsource in Rwanda and benefit from Rwandan young workforce, since they can give and provide jobs for families, Youth unemployment and underemployment are a growing challenge .companies also will get a profit from cutting costs in order to stay in business, Another positive effect of outsourcing is to focus on strategy/core competencies.