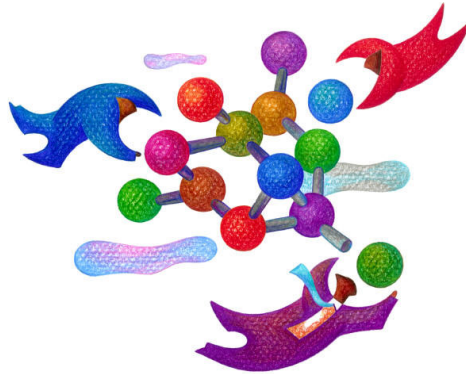


# *BPO Partner Group*



# *Integrated Services*

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## 1. A brief history of Outsourcing

Outsourcing can simply be described as ‘sourcing tasks and/or processes by one company to another (specialized) company’. Although, as from the moment people started to make and sell products and render services, there has always been the need for certain outside suppliers (a baker in the ‘old days’ didn’t grow his own corn), outsourcing as a strategic phenomena is a pretty recent one, starting around the seventies of the 20<sup>th</sup> century. In it’s short life so far outsourcing has rapidly gone through several phases.

Outsourcing business processes and activities has become common practice, in both Europe and the USA, the past 35 years. Also rapidly emerging economies like India and China are nowadays seeing the benefits of (international) outsourcing, not just in a ‘host’ situation, but also as ‘clients’ (outsourcers). A growing number of companies and non-profit organizations chooses to have professional partners carry out and manage certain necessary processes and activities, like customer contacts, ICT, Human Resources and logistics, but these are just mere examples. These professional partners are Contact Centers (support, customer contact) or other specialized operations. Main goals of every outsourcing strategy are:

- becoming more flexible and effective,
- becoming more cost-effective,
- becoming less vulnerable as an organization.

During and after the industrial revolution, most companies thought it was good practice to keep all activities and processes in-house. Managers and owners were convinced that keeping all activities and processes ‘in-house’ made their organizations stronger and independent. In an attempt to become and stay as competitive as possible, these organizations used another strategy; diversification. It is not difficult to conclude that these organizations grew out to be extremely inflexible, because of their size in assets, activities and employees, their complex managerial and communication structures and their numerous departments and layers of management. Also it turned out to be very expensive. This situation continued into the seventies of the 20<sup>th</sup> century. However, speaking with McLuhan, the world became a ‘global village’ and large organizations had to compete in a rapidly changing world. They had to adapt and adapting turned out to be very difficult or even impossible, for the type of organizations mentioned above.

The need for outsourcing certain non-core activities and processes arose. In these days the kind of activities and processes that were being outsourced had very much to do with companies’ supply-chain (like the manufacturing and assembling of parts of products and logistics). This made companies more flexible, but it also gave them a chance to cut costs, especially by using cheap labor, in developing countries. Tasks and processes were outsourced to a number of specialized partners. During the eighties and into the nineties of the 20<sup>th</sup> century, other kinds of tasks and processes were added to this form of outsourcing, not just connected to the traditional supply-chain, but part of companies’ own management, like Human Resources, financial tasks, customer service and ICT.

One could say that the first phase of outsourcing was all about non-core-*business* and the second phase focused more on the outsourcing of non-core-*competence*.

Although outsourcing non-core-business and non-core-competence tasks and processes made organizations more flexible, more cost-effective and less vulnerable, it had gradually produced another kind of problem; manageability. Large companies now had to deal with numerous partners. All these processes, executed by all these partners, had to be implemented, managed and coordinated separately, by the organization itself, since the individual partners were not able to coordinate anything else but their own processes and tasks. A lot of flexibility and cost-effectiveness gets lost because of manageability issues.

## 2. Our Vision

However, the world is changing even more rapidly in this century, as it was in the 20<sup>th</sup> century, with the necessity of companies becoming more and more 'lean and mean'. Quality, customer experience, time to market, innovation, adaptation have become main key success factors, more than ever. This can only be reached by letting companies fully focus its own single (package of) core-competence(s), outsourcing all tasks and processes that are 'in the way'. Specialized partners, who can guarantee high quality services and products, working together with an organization, on a strategic level, make sure that those organizations stay on top of what is happening in the world, complying with their customers' wishes and demands, as well as that of governments and pressure groups.

There is no way back and recent economic developments show ones again, that large organizations, which have been spending almost 80% of their time, money and other resources on everything but their single core-competence, are literally going down (large, diversified banks, the automobile industry, with their huge overhead are good and recent examples). However, this still doesn't solve the problem of managing all those strategic partners. Large companies, using numerous strategic partners spend a lot of time, money and management on coordinating outsourced tasks and processes and they are still just managing and negotiating just for their own organization. This has called for the next step in outsourcing; service centers, taking care of management and coordination of outsourced tasks and processes for a variety of clients, using trusted strategic partners, taking away the problem of manageability and coordination, from the client. We have entered the era of 'external outsourcing management'.

## 3. Our mission

We are now at the beginning of this new era, in which organizations will have to reevaluate the way they have been doing business, in which they will have to reevaluate the way they have been running things. The recent economic crises and rapidly emerging economies, like India, China and Latin America have created a momentum, where outsourcing is concerned. Seizing this opportunity to make the next step in outsourcing, together with us, on Curacao, will bring those 'early adapters' a worldwide advantage. Trust is important and trust has to be earned. Making sure that all resources are perfectly in place to make this happen, allows us to prove we are worthy of taking manageability issues out of organizations' hands, in a controlled and phased manner. Making sure organizations can spend 80% or more of their resources on their single core-competence, instead of spending it on 'facilitating' their core-competence.

## 4. Offshore outsourcing

As will be discussed below, Curacao is the perfect place to set up the kind of Outsourcing Management Service Center mentioned above. That means that, for all overseas clients, Curacao will be an offshore location. Until now, the only reasons for offshore outsourcing have been making use of lower wages and more "relaxed" governmental, social and environmental policies and attitudes. Quality and continuity have been coming in second or third place. There is no more room for this strategy! Clients, governments and pressure groups are getting more and more demanding and quality, continuity and sustainability are key success factors, more than ever. Besides that, third world economies are growing and so are costs, also in so called 'cheap-labour-countries'. China is a good example of this. The average monthly earnings of a schooled employee are, in some cases and areas, rising with more than 100% per year! So, it is no longer just a matter of finding the cheapest area for production, trading and rendering services. Quality, service, continuity and sustainability are getting more and more important.

Because of ever rising costs in Europe and the US, pushing profit-margins back to a minimum, offshoring to low-wage-countries, is still very popular. However, apart from the already mentioned manageability, there are other (long-term) concerns to consider here, like differences in culture, languages, unpredictable climates, political and economical stability, average level of education and level of infrastructure.

Until now, the industry has been divided in customer contact centres on the one hand and BPO centres (mainly ICT and physical production) on the other hand. Only in a limited number of cases these services are combined and incorporated. This has to do also with the fact, that customer contact centres still mostly reside in Europe and the US and BPO centres mostly offshore. For combining and managing all outsourced tasks and processes in one large offshore Service Center, a number of conditions must be met; state-of-the-art infrastructure, well-trained staff, a conservative and controlled salary-curve, a very strategic location, facilities endorsed by the government, political and economical stability and of course a (local) management that has the required knowledge, experience and network.

### ➤ *Why Curacao?*

Curacao has always been and is now more than ever, a center of international trade, between the continents of the US/Canada, Europe, Africa and Latin America. It has a vast and high-quality infrastructure, both physical and for communication purposes, a good average level of education, a very stable and reliable political and judicial system, to European model, a preferred position as a trade-partner in the region and with Europe and the US, a structural policy of economic stimulation, intensive trade contacts with surrounding continents and a conservative and controlled salary-curve. Moreover, Curacao has a very diverse, but stable and tranquil society, a stable climate, outside the hurricane- and rainforest-area and an important part of the working population speaks Dutch, as well as both world-languages Spanish and English. There is no region in the world where all of those critical elements are available! Please be referred to the “Curacao Connection” section, for more details.

## 5. What we have to offer and how we operate. . .

- Our Service Centers take care of the coordination of all possible tasks and business processes, as well as rendering outsource services itself, like customer service and CRM and CEM (Customer Experience Management), especially because of the advantages of the world languages, being spoken.
- Our Service Centers are operational 24/7/365, making good use of the different time-zones. Yet another advantage of operating from Curacao! Please be referred to the time-zone appendix.
- Our Service Centers comply to all relevant laws, regulations, agreements, codes of conduct and common good conduct and behavior, socially and environmentally.
- Our Service Centers operate ‘multi-channel’.
- Our Service Centers operate on the highest available virtual level. All communications are operated through high speed, broadband IP networks, both for voice as data. Applications, used for communication purposes are mainly virtual, where quality of service permits (like the use of softphones and virtual pbx’s). Our ICT policy is to create and/or assemble a modularly integrated system of applications, retrieving data from centralized data-warehouses and decentralized ‘local’ and specialized databases. All connections are highly protected and redundant. Hardware is high-end, but without any overkill! From Curacao, we are directly connected to the Arcos and Americas II fiber rings, with theoretically unlimited burstable bandwidth and the Curacao based Caribbean internet exchange (CAR-IX).

- Our Service Centers are organized as an ‘open island’ structure, where workspaces are not isolated in cubicles or rows, but where team-members and task-forces can interact optimally and ‘islands’ can be set up and changed, as needed.
- Services, projects and channels are blended, where possible, but there is also room for dedicated and specialized teams and task-forces. Specializations can be related to certain projects, products, lines of business and/or skills. The ICT environment accommodates this. Using this as flexible as possible, enhances the motivation of team-members and their career opportunities.
- On Curacao, our offshore corporate structure is that of an Economic Zone LLC (“NV”). This means, that Service Centers for offshore purposes, both operationally and as a legal entity, operate from a so called Economic Zone. Economic Zones are appointed by the Curacao government, to stimulate the set up of companies, selling products outside of Curacao, rendering services to companies outside of Curacao and for companies rendering e-commerce services. Companies operating within an ‘E-zone’ are exempt from paying VAT (Sales Tax) and Import Tax (if applicable) and there is only a 2% Revenue Tax. Several buildings/areas on Curacao are appointed as E-zones.

## 6. Examples of how we can help you. . .

*BPO Partner Group* offers an almost endless range of services, so the following is no more than a set of examples! Services are always tailor-made and are aimed at letting your company focus on its core-competence. Our services can roughly be divided in the categories mentioned below.

### *Relation Management*

- Inbound and outbound telephony.
- Electronic services (e-mail, on-line service-requests, chat, blogging).
- IVR services.
- Service-number response (information, complaints, helpdesk).
- Telephone and electronic media-response.
- Telemarketing / Telesales (telephone and electronic).
- Telephone and electronic Customer Care / Customer Loyalty.
- Office support.

### *BPO*

We take over (parts of) your company processes, so your company is able to fully focus on its core-competence. To be able to render these services optimally, where necessary, we make use of a global network of highly experienced and trusted strategic business partners. Examples are:

- ICT.
- HRM.
- Logistics.
- Finance.
- Engineering.
- Facility Management.

### *Commercial services*

- Marketing/Sales and international trading services.
- Development and maintenance of interactive Internet-sites (your ‘web-presence’).
- E-commerce (if required full-service).
- E-marketing.
- Tailor-made commercial (Internet) applications.

## ***Consultancy***

In case you run your own Contact or Service Center or telephone service we can consult you on your workflow, workforce (training, recruitment, Quality Assurance), infrastructure, tools/techniques and all other required disciplines. Our consultants are also able to optimize your other company processes.

# *BPO Partner Group*



## *Curaçao Connection*





## *Sun-suffused center of international trade and services*

Who thinks of 'offshoring', thinks of 'cost reduction'. Until now, this usually meant moving activities to cheap-labour-countries. Unfortunately, in this scenario, quality, stability and continuity are not the primary considerations. In our vision, however quality, stability and continuity always are the main concern. This doesn't mean that, for us, cost reduction is not an important criterion. The difference is, that we don't translate this into 'getting an almost free ride' concept. Our strength lies in gaining a substantial cost reduction (up to 30%), where, at the same time, quality, stability and continuity are guaranteed. Why Curaçao eminently is the best location to achieve this, we gladly explain below!

### ***1. A Piece of Holland, in the tropics***

Curaçao is an autonomous part of The Netherlands, in the South Caribbean. The political, economical and judicial systems are created after Dutch model and still operate as such. Curaçao is the leading island within the Netherlands Antilles and part of the Kingdom of The Netherlands. This insures political stability, a fully open economy and a reliable jurisdiction. As part of the Kingdom, Curaçao maintains close ties to The Netherlands and the European Union, of which it is an Associated Member.

### ***2. Center of international trade and business services***

Because of her geographical position, Curaçao is a center of international trade and business services, between the Caribbean, Europe, the USA, Latin America, Africa and even the Middle East. International trade and services are very much nourished and stimulated, by the Curaçao government. This results in tax-facilities, specific economical programs and strong economic cooperation with Europe, the USA, Latin America and the Caribbean area. Situated outside the hurricane-zone, living and doing business on Curaçao is safe and sound. Another important advantage is the difference in time-zones. On Curaçao, it is about 6 hours earlier, as in Europe, but it lies in virtually the same time-zones as the USA and Latin America. An ideal position for doing business between the different continents.

### ***3. State-of-the-art infrastructure and economic encouragement policy***

Curaçao leaves no means unused, to further build its position. This proposition is proven by the implementation of so called *Economic Zones*, where exporting companies can operate against favorable conditions. Furthermore, international trade, e-commerce and other offshore services are part of Curaçao's *economic encouragement policy*. Doing business on Curaçao, you can rely on state-of-the-art infrastructural facilities, both for physical services (air- and sea-port facilities) and for e-commerce and other offshore services (among which are an extensive optical fiber telecommunications network and a complete range of ICT facilities). Moreover, Curacao's electronic infrastructure is part of the international 'Americas II' and 'ARCOS' optical fiber network, providing Curaçao with a direct (internet) connection to the rest of the world, with an immense bandwidth. Recently Curacao opened its own Caribbean Internet Exchange (CAR-IX)!

### ***4. Loyal Service Center professionals***

Although economically, Curaçao can not be compared to Western Europe or North America, its economy is definitely stabile. The need for economic growth and employment motivates the government and the population to fully commit themselves. Remuneration-curves show no sudden peaks caused by economic fluctuation. Much emphasis is put on education. The educational system and levels are linked to the Dutch system and levels and you will find a great number of 'high-schools', schools for all kinds of professional training and universities. Most educated Curaçao-ans are fluent in Dutch, English, Spanish and, of course, the local language Papiamentu. There is no dependence whatsoever on 'side-liners' or students, like in Europe, the USA and countries like Surinam.

**Below, you will find a short overview of Curaçaos geography, history, culture, education and politics.**

### **1. Curaçao - geographically**

Curaçao is a tropical island, situated in the southern part of the Caribbean Sea, being the ‘linking pin’ between the mainland of the USA, Latin America, Europe and Africa. With its 470 km<sup>2</sup>, Curaçao is the largest island of the Netherlands Antilles, an autonomous part of the Kingdom of The Netherlands, consisting of three windward islands, in the north and two leeward islands, in the south. The leeward island of Aruba has been granted a ‘status aparte’, therefore no longer being part of the Netherlands Antilles, but is still part of the Dutch Kingdom. Because of its leeward geographical position, Curaçao falls *outside the hurricane-zone*.

The island was formed by coral-stone and volcanic rock and hardly has any natural sweet water, causing agricultural activities to be very tiresome. Therefore, most foods are being imported. Besides an international airport, Curaçao has no less than six natural seaports. On the south-west-side of the island lies the largest of them all, the *Schottegat*, the harbor of the Netherlands Antilles’ capital *Willemstad* and the largest natural seaport in the world! Around the Schottegat the dry-dock and Curaçaos oil refinery lie (both of them the largest in the whole region!), as well as a container terminal, several wharfs and landing stages for the worlds largest cruise ships.



Curaçaos climate is ‘semi-arid’. The average annual rain fall amounts to 550 mm. Temperatures fluctuate between 25° Celsius (77° Fahrenheit) and 30° Celsius (86° Fahrenheit). Vegetation consists of several kinds of cactuses, bushes and small trees, but also aloe, sisal plants, herbs and orchids. With most tourists Curaçao is known for its watersports and underwater paradise, being enjoyed by sailors, snorklers and sport divers. The waters surrounding the island have temperatures between 25° Celsius (77° Fahrenheit) and 28° Celsius (82° Fahrenheit). All this and the very relaxed ambiance, have made tourism Curacaos most important economic pillar.

## 2. Curacaos history

The first known inhabitants were Arawak Indians, who originated from Venezuela. In 1515 the Spaniards occupied the island, but they lost it again to the Dutch 'West Indies Company', in 1634. Until then, the Spaniards had not been able to find much use for the island, because of the lack of 'treasures of the soil' and the tiresome agriculture. They had used Curaçao mainly for keeping goats. The Dutch however, were far more interested in Curaçao as a trading post, because of its strategic position, between Africa, Europe and the North American colonies and they made Curaçao the center of international (slave) trade. Already then, Curaçao was turned into a so called '*free-port*' (an area with certain (tax) exemptions), much like the *Economic Zones* nowadays. After the liquidation of the West Indies Company, Curaçao falls into the hands of the English, for a few short periods, between 1791 and 1816, but eventually the island becomes a colonial part of The Netherlands.



After the abolition of slavery, in 1863, Curaçao experiences a difficult time. Due to the discovery of large oil stocks, in Venezuela, in 1914, the situation is turned around when Royal Shell opens a large refinery, in the harbor of Willemstad. Nowadays, this refinery is managed by the Venezuelan oil company PDVSA. In 1954 the Netherlands Antilles become autonomous. However, the islands stay part of the Dutch Kingdom and they maintain their strong ties with Holland. Recent political and social developments indicate that an initial thirst for total independence is now making place for a growing need for further integration, with The Netherlands and the European Union. Where the special character of the island and its extraordinary international (business) position can be guaranteed and developed. This trend is also reflected by a population increase, from around 130,000 in the year 2000, to around 150,000 now. This increase is mainly caused by a decreased emigration and an increased remigration of Curaçao-ans and immigration from South

America, the USA and The Netherlands.

### 3. Curaçao - Culture, Education and Politics

Of the original Arawak Indians all that remained are a number of petroglyphs and artifacts. After the arrival of the Spaniards and the Dutch West Indies Company, in the 17th century, a society arose, that was dominated by Europeans and African slaves. The offspring of these (ex)slaves now form the largest part of the population. As a common language 'Papiamentu' was developed; a mixture of mainly African, Dutch and Southern European idiom. Nowadays, Papiamentu is the common local language, besides Dutch as the official language.

During the same century also a thriving Jewish community arose, mainly existing of Sephardic Jews, who had fled from the Spanish Inquisition, particularly from the former Dutch enclaves in Brazil. In 1732 the community founded the, now oldest, still existing, synagogue in the western hemisphere. The Jewish community has had a strong influence on the development of trade and (financial) services.

In later centuries also members of other ethnic backgrounds came to Curaçao; from the Middle East, North and South America and the Caribbean. As a result, Curaçao presently forms a particularly colorful and differentiated society, with more than 40 different ethnic backgrounds.



Education on Curaçao complies with all European and American standards. Higher secondary education connects to academic education in The Netherlands and the USA. Curaçao has public and private schools, where lessons are given in Papiamentu and Dutch. You will also find private schools, where lessons are given in English and Spanish. There is a public university and several private universities and Business Schools, using English, Dutch and Spanish as instruction languages. As a result of compulsory education, most Curaçao-ans finish at least secondary school and an important number of Curaçao-ans follow an academic or professional training.

Politically, economically and socially The Netherlands Antilles, with Curaçao as the leading island, were formed after Dutch model and they still function as such, still being part of the Kingdom of the Netherlands. The country has an extremely stabile parliamentary democracy and a fully open economy. A 'Governor', who is appointed by the Dutch Crown, represents the Dutch government locally and The Netherlands Antilles, on their turn, are represented in The Netherlands, by a 'Plenipotentiary Minister'. The Netherlands Antilles are autonomous, with regard to internal matters, as well as Aruba. The judicial system is based on and coupled to the Dutch judicial system, with some English Common Law influences. The highest court is the Dutch Supreme Court. Local civil and criminal matters are brought before the local Court of Justice. Appeals serve for the local Court of Appeal, having permanent Dutch representation.

Curaçao is an Associated Member of the European Union. It has the status of Preferred Trade Partner of the USA and it is a member of the South American Trading Association.

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