



## Case Study at a Glance

Leading global outsourcing and technology player seeks to broaden and diversify its workforce in South Africa by collaborating with impact sourcing and training organizations and gains a new recruiting model and a new, highly committed workforce

# Impact Sourcing: A Challenge with Big Rewards

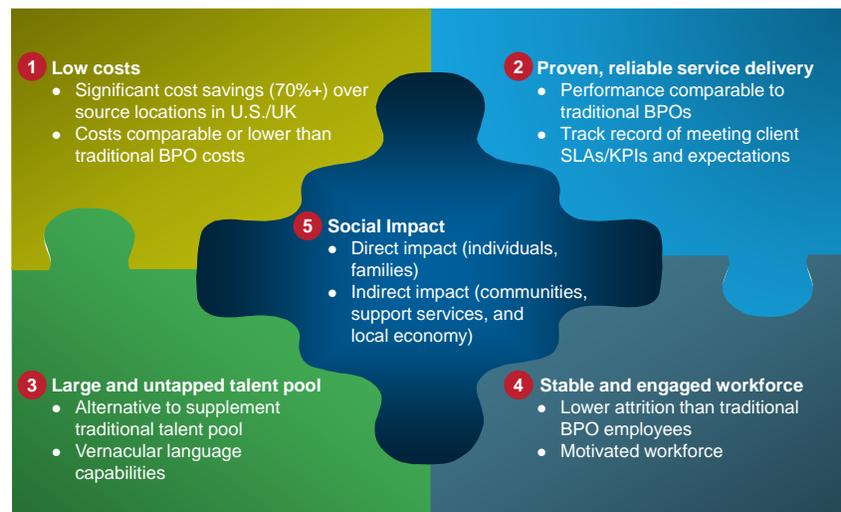
## Aegis Discovers a New Recruiting Model and Improves Its Workforce by Leveraging Impact Sourcing In South Africa

### Introduction to Impact Sourcing

Impact Sourcing (IS) is a business process service delivery model that provides quality and cost at parity with traditional BPO services, but with optimized enhancements such as:

- A qualified, trained, untapped talent pool with skillsets aligned to match client needs,
- Lower attrition rates and higher corresponding levels of employee engagement, and
- Opportunities to fulfil corporate social responsibility and diversity objectives while operating within a traditional BPO framework

### Value Proposition of Impact Sourcing



This document highlights several elements of impact sourcing value proposition, such as **low cost, reliable service delivery, access to large and untapped talent pool, stable and engaged workforce, and social impact.**

## The Backstory

As part of its impact sourcing commitment, Aegis has successfully implemented a Six Dimensional Diversity Framework covering facets of Persons with Disabilities (PwDs), Gender Inclusivity, Socially and Economically Disadvantaged people, Culturally and Linguistically Diverse people, Mature Age people, and Inclusion of Indigenous.



The company also wanted to broaden and diversify its workforce without compromising its talent skill or quality levels. Aware that South Africa's large population of disadvantaged youth could be a great source of diversified talent, Aegis sought ways to engage with this community by establishing partnerships with organizations that could help to source and train this particular population.

Three years into impact sourcing, Aegis has experienced great success with this program in the form of **lower attrition and higher motivation among impact workers, and lower Total Cost of Ownership (TCO)** over the long term versus its traditional BPO workers.

## Impact Sourcing: Dual Benefits

The Aegis team recognized that South Africa has a large population of disadvantaged youth, which, if well trained, could be transformed into high-potential, possibly cost effective workers likely to out-stay their peers from other backgrounds. **At the same time, Aegis was pleased by the prospect of generating employment for disadvantaged workers and contributing to the broader socio-economic development of the communities in which Aegis operates.**

Although Aegis was interested in pursuing impact sourcing, the team realized early on that sourcing and training were the most vital – but also the most difficult – aspects of impact sourcing, and they decided to partner with specialist agencies (such as Maharishi Institute) and leverage the Monyetla Work Readiness Programme – a South African government initiative that seeks to promote employer-led training programs to include disadvantaged individuals into entry-level labor force – to access impact workers.

## Relying on Experts to Source and Prepare Talent

Aegis collaborated with Maharishi Institute to launch the Impact Sourcing Academy (ISA) aimed at training unemployed South African youths with work-ready skills for available jobs in the outsourcing sector. ISA, established as a non-profit organization in 2012, sources and trains people from underprivileged backgrounds. The 12-16 week training program

“We are committed to the idea of impact sourcing and would like to see impact workers forming up to 50% of our total workforce, up from the current 20% or so.”

– Rajiv Ahuja, President, ASEAN, Africa & Middle East, Aegis Limited

“We believe that with a stringent training, HR and recruitment screening process in place, you can ensure high quality through impact workers. We have impact workers serving international clients with equal efficiency.”

– SM Gupta, Global Chief People Officer, Aegis Limited

“Impact workers show a higher Emotional Quotient, resulting in lower attrition and better delivery.”

– Warrick Renney, Country Head, Aegis Outsourcing, South Africa

teaches fundamental life skills, basic office competencies and behaviors to prepare trainees for the BPO industry.

ISA primarily serves as a bridge between impact workers, Aegis and other BPO companies. **Once Aegis hires an impact worker, that employee follows the same internal training process as other new hires, and is paid whilst in the programme a stipend with performance related incentive bonuses. Upon graduation they receive a remuneration aligned to that of their new hires whilst performing similar tasks.**

### Impact Worker Performance: Meeting and Exceeding Expectations

Although Aegis does not measure impact worker performance separately, these workers have **met all performance expectations** and they demonstrate **a higher commitment level** than that of traditional workers. Furthermore, Aegis has successfully leveraged these impact workers for voice-based international delivery, demonstrating the potential of this group of employees to deliver work beyond non-voice transactional processes.

### The Outcome: A Challenge Worth the Upside Potential

Aegis believes that there is potential to leverage the impact sourcing model at far greater scale but it faces challenges including a high initial cost and a supply-demand mismatch. Impact worker training and hiring involves a larger up-front investment than other workers. Moreover, the training institutes that Aegis works with typically require two to three months to train and deliver talent, which limits the application of the impact sourcing model in the highly dynamic contact center industry.

However, given the **long-term benefits related to lower attrition, higher motivation levels, and strong performance** of impact workers, Aegis is planning to create an ongoing training module to ensure a regular supply of these workers into company's staff. Aegis believes that all these factors not only justify upfront training costs but also provide a **lower Total Cost of Ownership (TCO) in the long-term.**

## About Aegis

Aegis is a global outsourcing and technology company committed to impacting clients' business outcomes by focusing on enhancing customer experience across all touch points and channels. Aegis was founded 30 years ago in the US and now has operations in 52 locations across 12 countries with more than 55,000 employees. Aegis services over 300 clients from verticals such as Banking and Financial Services, Insurance, Technology, Telecom, Healthcare, Travel & Hospitality, Consumer Goods, Retail, and Energy & Utilities. The company is wholly owned by Essar, a USD 39 billion conglomerate.

## About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to conduct an in-depth assessment of how the growth of impact sourcing can be accelerated using a fact-based business case that substantiates benefits of the IS model. This assessment includes sizing the market, profiling the landscape, detailing the business case, and creating case studies to raise awareness of IS in the enterprise buyer and BPO communities. Establishing the business case for IS will contribute to the growth of the sector, which means that more high potential but disadvantaged youth will have the opportunity for employment, improving their lives and the lives of their families and communities.

## About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses.

## About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations and private equity firms, in six continents across all industry categories. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).