



# Destination Fiji

## Developing an outsourcing services brand

The Fijian outsourcing services industry was a slow-progress economic segment for nearly a decade. Despite several winning factors—including a well-educated labour pool, good internet connectivity, appropriate infrastructure, a convenient time zone, and geographical proximity to nearshore clients such as Australia and New Zealand—operators struggled to capitalise on the industry's potential to be a growth engine. Most businesses catered to small client bases, with limited investment in marketing and little technical expertise in attracting bigger clients. At the national level, despite generating significant employment, the industry struggled to be recognised for its potential. Outsourcing services were grouped with the information, communications and technology (ICT) sector, and international branding of Fiji as an outsourcing services destination was virtually non-existent.

### Constraints

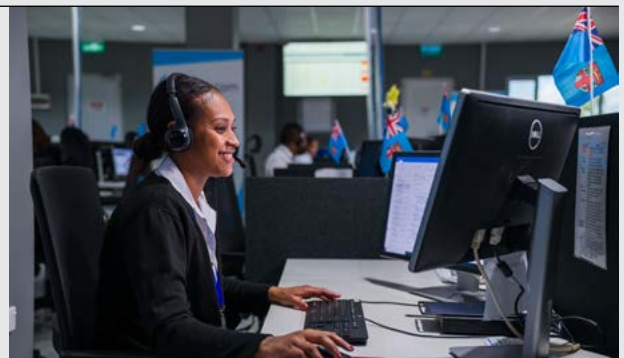
The outsourcing services industry faced several growth constraints. First, many outsourcing operators worked in isolation and did not engage sufficiently with each other or with the government. Client leads were generated through word-of-mouth recommendations via Australia-based partners. The businesses were also not investing in sophisticated marketing tools or means of understanding client needs. While some lead generation happened, the businesses lacked the capacity to convert these leads into new clients. This lack of conversion was compounded by little to no awareness of Fiji as an outsourcing destination among potential clients.

Second, the overall industry was fragmented. Despite the Business Process Outsourcing Council's (now Outsource Fiji) formation as a representative industry body in 2017, the seven founding members found industry coordination and government advocacy challenging.

Third, labour availability was a challenge; businesses were unable to secure work-ready staff when demand arose, inhibiting them from bidding for new clients or projects. Additionally, the businesses were reluctant to invest in recruiting and training new employees because they were unsure about winning new contracts. This vicious cycle prevented both investment and growth.

### The change

With MDF support, the industry has changed, creating high-value, knowledge-intensive jobs that are particularly valuable for women. These are jobs that are paving the way for the more sustainable and diversified Fijian economy of the future.



# Adopt/Adapt

Seven founding members established the Business Process Outsourcing Council of Fiji in 2017 to strengthen industry coordination and advocacy. Recognising that outsourcing services could support urban employment, MDF signed a partnership with the council in 2019. MDF provided crucial support through capacity building and facilitating government advocacy, enabling the council to register as the tenth industry council under the Fiji Commerce & Employers Federation in 2020.

MDF's support included engaging a dedicated secretariat and an Executive Director to lead coordinated marketing of Fiji as an outsourcing destination, advocacy initiatives and industry collaboration. To support these efforts, in 2021,

MDF supported the council to improve its international positioning and brand value through website and content development, online marketing, and participation in key international outsourcing events in Lisbon and Melbourne.

At the enterprise level, MDF supported several companies to develop an understanding of targeted marketing, supporting them to recruit brand or business development managers. MDF also worked with the industry to improve branding and websites and link with a leading matchmaking service provider in Australia, Matchboard. With MDF support, Matchboard was also engaged to support council promotional efforts such as online marketing and a series of webinars targeting new clients.

# Expand

Signs of industry expansion were quick to follow. The webinars on Fiji's offer for nearshore clients were a success, attracting over 100 attendees across six webinars. The council continued to engage Matchboard in 2022, investing in and hosting six more webinars targeting the Australian market. These webinars converted 24 additional leads in 2022, generating over AUD3.7 million in revenue for Fijian companies. Seeing the business benefits of a matchmaking service, several outsourcing companies engaged Matchboard and a consultant to support promotion and lead conversion. The initial support provided by MDF led to the industry adapting and expanding.

As awareness and interest grew both locally and internationally at industry and enterprise levels, the council experienced a surge in membership despite the pandemic—from seven members in 2017 to 31 in 2022. Membership also diversified from only businesses that offered 'traditional' BPO services to other key support services providers such as

telecommunications companies (Digicel, Telecom Fiji Limited and Vodafone), investment and infrastructure facilitators (Investment Fiji and Lyndhurst) and established international operators (ANZ, DHL, HLB, KPMG and Insurance Holdings Pacific). This diversification of the membership portfolio gave the council a strategic edge when promoting Fiji as an alternative premier outsourcing destination, especially as many nearshore businesses began shifting their focus from traditional Asian markets such as India and the Philippines to explore alternatives during and post-COVID-19.

Investment Fiji, a council member, started its transition to becoming an Investment Promotion Agency with a mandate to promote domestic and foreign investment and export proactively. To support its 2022 expansion, MDF supported the organisation to develop a new trade and investment strategy and an outsourcing services investment prospectus to attract foreign direct investment (FDI).



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## Respond

Reflecting the growth in the sector, several key actors responded to the innovations and early changes in the system. The council made a strategic change in early 2022, rebranding itself as 'Outsource Fiji' to better reflect its mandate to position Fiji globally.

The joint effort by the private sector, other industry players and Investment Fiji resulted in national recognition for outsourcing services and the government mandating it as a 'high-priority' sector. This upswing in recognition had several outcomes. Investment Fiji successfully lobbied the government for an increase in budget for outsourcing services, from FJD1.8 million (AUD1.2 million) in 2021 to FJD2.7 million (AUD1.8 million) in 2022. Potential foreign investors received well an investment prospectus for the sector, developed in partnership between Outsource Fiji and MDF. The council and Investment Fiji signed an MOU on collaboration and information sharing to assist new investors looking to understand more about Fiji and its service offer.

Combined, these efforts resulted in six foreign investors setting up outsourcing businesses in Fiji in 2022; these are projected to create over 1,000 new jobs, cumulatively. The success of the investment prospectus for outsourcing services led to Investment Fiji deciding to develop a similar prospectus for the tourism industry in collaboration with the World Bank.

Proactive collaboration between the Ministry of Commerce, Trade, Tourism and Transport (MCTTT), the council, and Investment Fiji continued to strengthen. Several key government officials attended industry events alongside the Australian High Commissioner, also participating in Matchboard webinars and international outsourcing events in Portugal and Australia. The government's presence at these events boosted confidence in Fiji's offer and added credibility to industry promotion efforts. The insights on the international market for outsourcing services generated from these events enabled the council to refine its promotion strategy and target new markets. The government tripled the council's budget to FJD600,000 (AUD406,500) in 2022 and announced a separate FJD1million (AUD680,000) for BPO expansion projects in recognition of the industry's potential to be a major growth driver.

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## Current status

The industry is recording rapid growth. Outsourcing companies are expanding outside of the capital, Suva, and FDI is ramping up. Government support continues to bolster this growth. In 2022, in addition to the budgetary support, the Government of Fiji announced plans to develop infrastructure that would pave the way for Fiji's second-largest island, Vanua Levu, to become a thriving outsourcing hub. The outsourcing services industry in Fiji has transformed in a relatively short time. By addressing business development needs and creating the right policies and incentives, the sector is poised for further growth, in line with the industry's vision of creating 100,000 new local jobs over the next 10 years. Fiji is increasingly attracting bigger clients that are looking to diversify their outsourcing base. The average value of contracts has increased to AUD155,000 per annum, and Fiji providers are entering long-term agreements (three years on average).

The inflow of FDI into the industry has also highlighted emerging challenges around competition for experienced staff. To attract and retain staff, the average employee salary has increased from FJD10,000 to FJD15,000 per annum (AUD6,700 to AUD10,200) over a period of just one year. In addition to increasing salaries, the industry is making a concerted effort to implement new policies such as flexible work-from-home options, company-sponsored transport, increased staff recognition and career pathways, and social events. The council has also utilised the increased funding from the government to strengthen its own staffing resources, engaging marketing professionals to support promotional activities and business development staff to pursue coordination and advocacy initiatives.

Fiji's reputation as an alternative, premier outsourcing services destination is growing, leading the way for economic diversification, greater employment and higher incomes.



Click/scan to watch Outsource Fiji Brand Launch 2022 video.



Click/scan to read Investment Fiji Prospectus.