



**DEMAND ANALYSIS FOR THE  
TRINIDAD & TOBAGO GLOBAL  
SERVICES EXPORT HUB  
FEASIBILITY STUDY  
TT-L1038**

Final Report  
September 2013

Intelligent Business  
Advantage Ltd  
In association with GS  
consultancy

***IBA***

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## **Intelligent Business Advantage Ltd.**

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Intelligent Business Advantage Limited  
#12 San Fernando Street, San Fernando, Trinidad  
Tel: 868-657-6393  
[www.intelligent-biz.com](http://www.intelligent-biz.com)

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# **Demand Analysis for The Trinidad & Tobago Global Services Export Hub Feasibility Study TT-L1038**

## **Final Report**

### **Contents Amendment Record**

**This report has been issued and amended as follows**

<b>Issue</b>	<b>Revision</b>	<b>Description</b>	<b>Date</b>	<b>Signed</b>
<b>1</b>	<b>0</b>	<b>First Draft for Team Review</b>		
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<b>3</b>	<b>0</b>	<b>Final</b>		

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## Executive Summary

The proposed development of the Trinidad and Tobago Global Services Export Hub will lead to the development of a market for the supply of outsourced IT-enabled services (ITeS) and ensure that Trinidad and Tobago (T&T) becomes a viable and preferred destination for the estimated \$400 billion outsourced IT-enabled services (ITeS) market.

In simple terms the TT Global Services Export Hub involves the setting up of spaces “to increase export capacity; tailored private sector-driven training for students and career-changers; amenities and services to facilitate investors’ arrival; and opportunities for networking and collaboration among these groups.”

The mission of the Global Services Export Hub is to:

- To provide companies, entrepreneurs and students in the ITeS industry with support for their export capacity.
- To provide training in careers in ITeS
- To provide technological infrastructure to allow plug and play operation by new investors.
- To provide workspaces for stakeholders to enable the fostering of networking and collaboration.

## Favorable Macro Economic Factors

Trinidad and Tobago is strategically positioned **culturally**, English is the only official language and the majority of the population is well attuned to the social norms of the North American and Western European nations; **geographically**, the twin island republic is well serviced by air routes to all major target markets; and **diplomatically**, Trinidad and Tobago has favourable Trade Relationships with major target ICT Services export markets; to take advantage of the global ITeS market. The country also has high literacy rates, high rates of access to tertiary education and a relatively low cost of living. With these favourable macroeconomic factors, the major question left to be answered therefore deals with the level of demand within the local ICT sector for exporting ICT Services. This report seeks to identify the level of demand for a facility such as the Trinidad and Tobago Global Services Export Hub.

## **Introduction:**

Trinidad and Tobago presents an exceptional opportunity for the development of a sustainable ICT Services Outsourcing Sector. As presented in numerous previous studies there exists a nearly enviable number of elements that point toward the success of T&T as an ICT Outsourcing destination. These include but are not limited to : Our highly educated workforce. Favourable exchange rates with the Target destination markets for ICT Services Outsourcing. Favourable geographic and time zone location with North America and Western Europe.

Based upon the investigations and analysis conducted for this report, the development and proper execution of the Trinidad and Tobago Global Services ICT Hub can be the catalyst that unites these elements and sparks the realization of the currently existing potential for Trinidad and Tobago as an ICT Services exporting destination.

Notably the development of the Trinidad & Tobago Global Services Export Hub will address two of the primary concerns expressed by domestic ICT Service providers limiting their ability to provide services to the export market. These near ubiquitous limiting factors are: Unavailability of trained employees and Resources (including knowledge) on how to access International Services markets.

Approximately one hundred and twenty seven (127) companies were identified as having the potential for ICT Services Exporting and were targeted for this report.

# Methodology:

Data gathered for analysis in this report was collected via Interviews, Focus Group, Questionnaire and via existing information previously collected by credible state agencies; attached in the annex.

## **Focus Group**

An initial focus group consisting of domestic ICT service providers, ICT professionals and students were consulted. From these a number of qualitative responses were obtained.

## **Interviews**

Interviews were conducted both in person and by phone with owners/managers of ICT Services firms in Trinidad and Tobago and with key professionals from Government agencies that impact the provision of ICT Services.

## **Questionnaire**

Questionnaire was developed further to responses from the focus group to solicit quantitative responses from domestic ICT Service providers.

Respondents to the questionnaire were selected based upon their active participation in the domestic ICT sector. Within the Trinidad and Tobago context this was translated into companies that had either listed within the Trinidad and Tobago Yellow Pages (the only published business Yellow Pages listing) or by membership in a local trade body such as a Chamber of Commerce.

## **1. Demand for training services**

Trinidad and Tobago boasts a high literacy rate, universal secondary education and additionally via the GATE programme qualifying citizens have access to subsidized or free tertiary education<sup>1</sup>.

In spite of this however one of the primary factors identified by employers as limiting their capacity to provide ICT Services, including ICT Export Services, is the lack of readily available, employees trained (and certified) in skills relevant to Global ICT Services Outsourcing demand.

In the survey conducted 92% of respondents indicated that some form of skills specific training (in excess of two weeks) needed to be done before employees were able to perform tasks necessary for their job. It is essential to note that all firms that indicated their interest in exporting ICT services, regardless of if they were currently exporting or not, indicated that they would be desirous of having various aspects of export readiness training for their management staff.

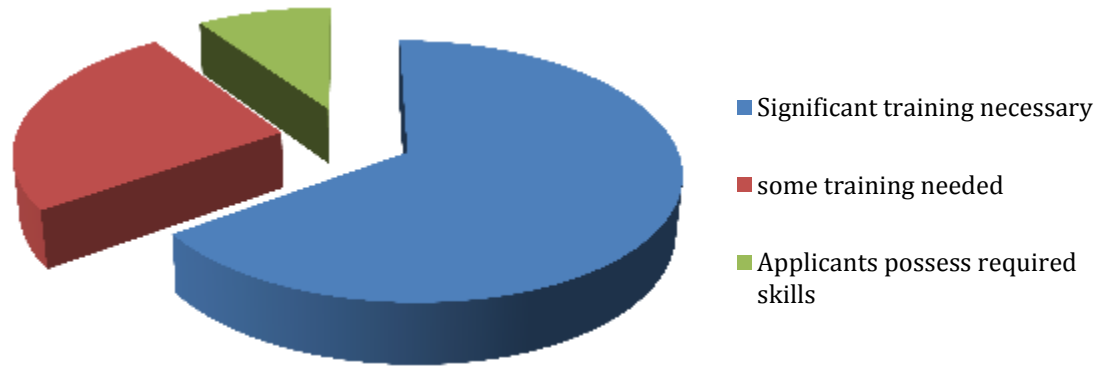
Additionally as it relates to technical skills training of those employers surveyed only 21% indicated that technical training possessed by job candidates, even after tertiary training, was very satisfactory.

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<sup>1</sup> Information on GATE programme available via Ministry of Tertiary Education <http://test.gov.tt/Programmes/GATE/Overview.aspx> and Ministry of Education <http://www.moe.gov.tt/gate.html>



## Adequacy of Training possessed by potential job candidates for ICT Export Service jobs



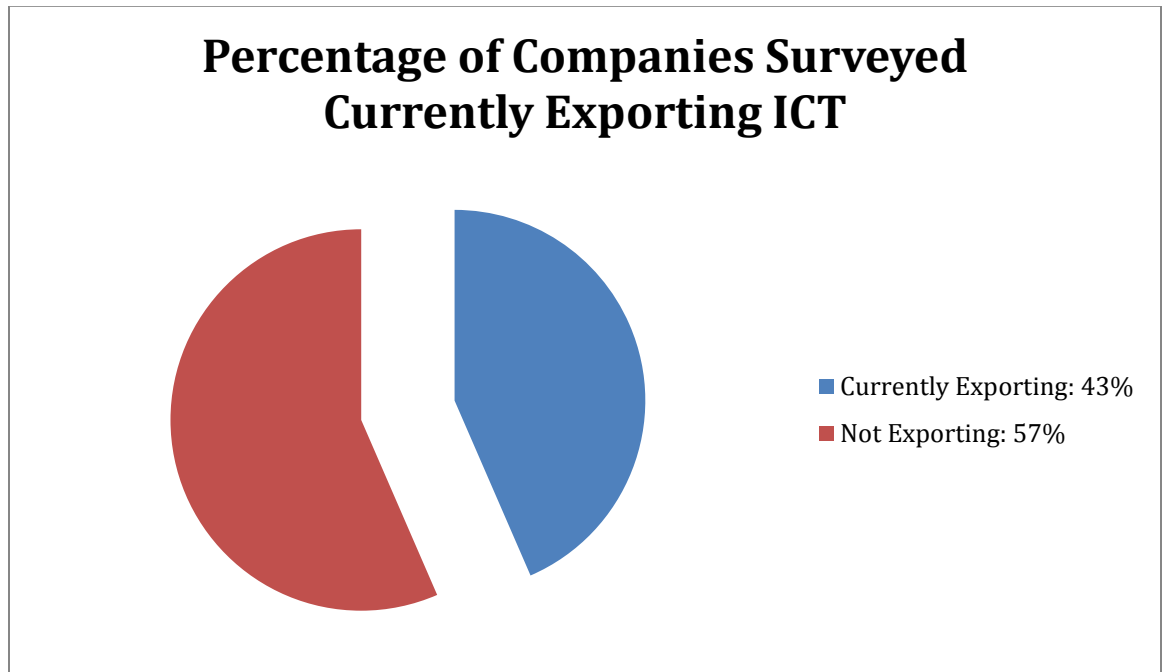
Further to this 87% of employers identified indicated that they were likely or definitely likely to have the need to hire one(1) or more employees within the next year.

Based upon this data we project an identifiable, near immediate need by employers for between 120-300 employees per year. This figure is expected to increase, potentially significantly, as local based ICT companies begin to export ICT Services. Further this does not include demand created by the creation of new local ICT Services firms or new foreign investment expected to result from the programme.

It is important to note that in the Trinidad and Tobago context the demand for training services will be significantly affected by factors such as:

- Awareness among potential training candidates of the features and job relevance of the training programmes
- Level of employer buy-in and acceptance of the training as relevant
- Private sector designed curriculum and agreements in place for training content, duration and standards.

## **2. Types of training services requested:**



While the twin island Republic enjoys one of the highest literacy rates in the region and while the region has the technical infrastructure for online activities like e-commerce and the related T1 network high speed infrastructure to serve business interests, to a large extent the developmental potential has been limited by traditional training activities.

This flies in the face of the fact that in the convenience sample commissioned for this report more than 75% of the respondents intended to hire at least three new persons in their IT, sales and marketing Departments. To this end they felt that T&T has been left behind in the global services and marketing aspects. So while the products (most of which match the highest ISO standards ) and the other offerings like ecotourism etc. are there, very little is done to promote them beyond disconnected and often out of date websites. Use of the telephone rather than an internet centre has been the traditional way of doing business by most of the companies interviewed. They all expressed interest in the “Hub” solution that would free up their human capital as well as production floor space and ensure also that no calls go “unanswered”.

### **a) For Current and potential employees:**

Required. Almost all employers acknowledge there are some aspects of training particularly those that refer to specific products/technologies that

companies may be using that will require them to train employees. A number of these technologies or software are also common to or are in use by a number of ICT Service Providers. It is these job specific and commercial relevant training provided by the that will be most relevant for both employers and potential employees.

In general training offered by tertiary institutions such as SBCS, SAMS, COSTATT, UTT, UWI are appropriate as a foundation. Therefore the training need that the Centre may be best positioned to facilitate are short courses (1 week - 6 weeks) on specific technologies (e.g. iOS 6, Android, Web-Facebook integration) that enable students to immediately use these skills on commercial projects.

These courses may be delivered via different modes via the Export Hub. The modes of training include on-campus training at the Export Hub and online training.

Based on the current environment it is important the training courses offered by the TT Global Services Export Hub are accredited. The buy-in of potential employers, in particular the tenants and prospective tenants of the TT Global Services Export Hub on the relevance of the training programmes to their employees will increase the demand for such training.

**b) For Firm Leadership on Export Development:**

Required. Trinidad does not have a culture or established industry in export of services. Both owners and managers expressed tremendous interest in learning how to successfully transform their companies into export ready ICT Service providers and how to go about acquiring Export Opportunities. Of those surveyed 100% indicated that they would be very willing to export ICT Services if adequate training and support were provided. These respondents were further asked to indicate if they would be willing to participate in training Export Development training and what type of training would be most relevant to them. All of these respondents expressed interest in participating in one(1) or more trainings.

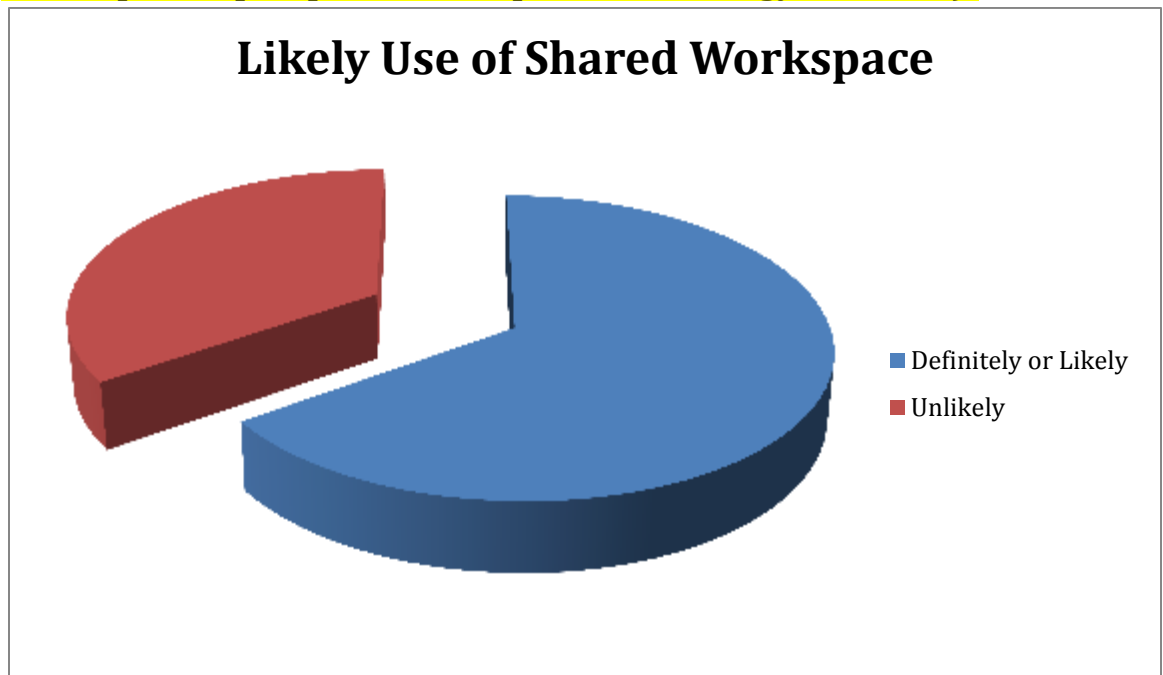
The most commonly requested training topics and courses are listed below:

- Environmental factors (eg. doing business in the UK) regulations, etc
- Cultural factors, marketing and promotion in foreign markets
- Modes and methods of delivery
- Receiving payment and banking in foreign markets. Financing and exchange costs

Courses:

- IT Project Management
- Quality Control and Testing
- Managing Diverse Teams
- Contracts, Negotiation and Pricing
- Customer Service
- Spanish
- Marketing and Branding

### **3. Demand for use of flexible work space (e.g. collaborative work space, open plan office space, technology labs, etc.):**



Of companies surveyed over 65% indicated that they would be Likely or Definitely-likely to use flexible workspace if it was readily available. The demand for flexible workspace comes out of the availability of a number of desirable features all in one location and instantly available.

Companies who were more familiar with the concept and who were already engaged in some form of services export were the most enthusiastic about the availability of this type of space. Largely for the obvious reason that it will reduce their Capital Expenditure (CapEx), especially as it relates to one-off or extraordinary projects and joint ventures. The availability and use of flexible

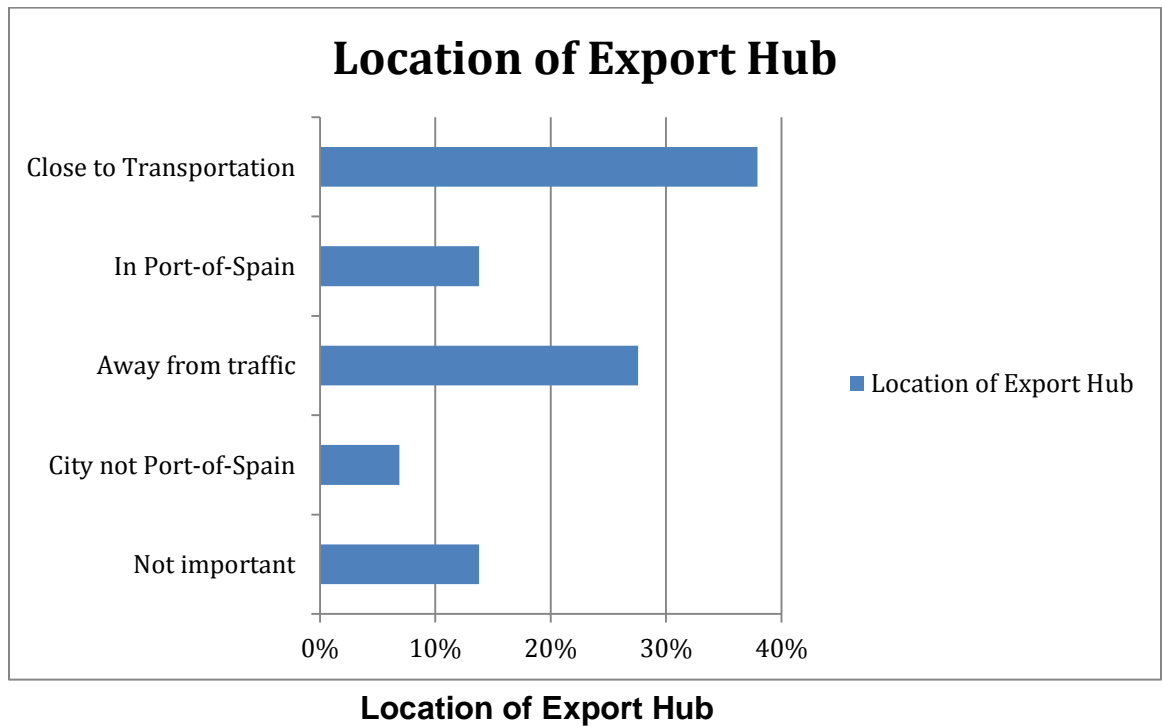
workspace translates into quick ramp-up and no ongoing expense for their short-term, project-based needs.

Information gathered via survey, focus group and interviews indicate that within the first 24 months of operation there is the potential for approximately 14-18 regular clients/tenants. Qualitative and Quantitative information gathered by government agencies such as InvesTT for similar projects may be relevant and one such survey is annexed.

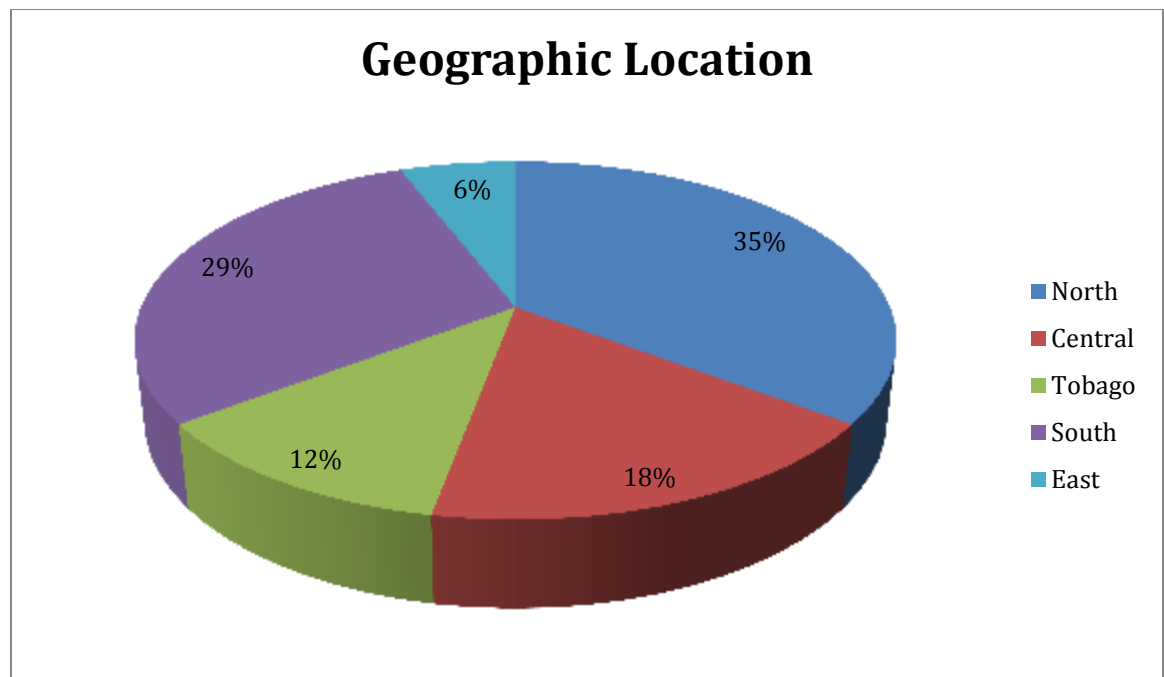
The demand for the use of shared workspace is anticipated to come from two main sources, namely: regular clients who from time-to-time may require additional space for projects; startups and students working on new projects, As such it is anticipated that within the same time period there may be on average between five (5) - twelve (12) concurrent users of shared workspace.

**4. Location requirements among interested participants (distance and access to various modes of transportation, etc.)**

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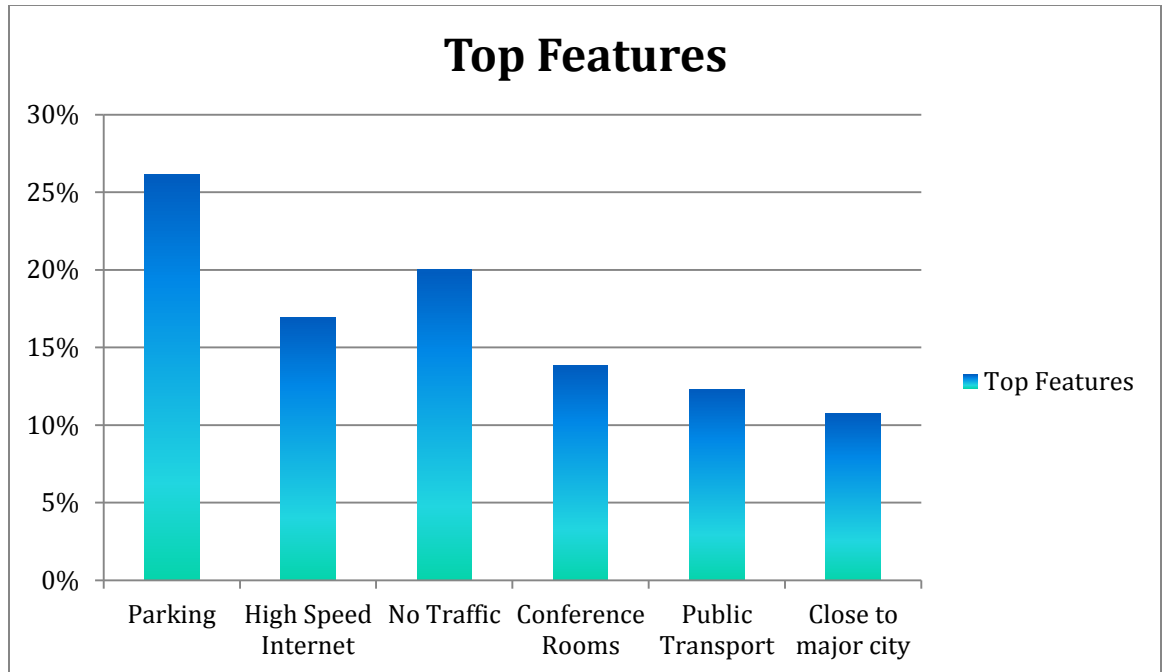
40% of managers surveyed said that location was a central determinant in the setting up of their businesses. An additional 25% stated that location did not matter as they provided “hidden” services that required no established store front in a well-travelled area. In general however location requirements were a subset of costs to the business and the prevailing attitude was to keep such costs low.



Some managers initially failed to realize that service provision entities based on a collaborative rather than competitive basis would reduce both their production costs (hardware, software, personnel) as well as their accommodation costs. Additionally it is a well-established fact that there are unquantifiable synergies that emerge from the establishment of industrial/technological parks or “silicon valley” type production mode.

#### **5. Technological specifications to accommodate training and flexible work space requested:**

In addition to providing physical facilities the most relevant feature of the TT Global Services ICT Hub will be to provide job relevant technical skills that will be used virtually immediately by ICT Exporting firms to provide their Outsourcing Services.



#### Top Features Desired in TT Global Services Export Hub

Based upon anticipated demand, in the first instance the ICT Export Hub should have at a minimum two (2) with the potential to expand up to four(4) training rooms; at least one of which has the capacity to facilitate up to twenty-five (25) students. Each training room designated for use with technical training should be equipped with relevant hardware including: PCs, MACs, Servers, Training aids. Technical training labs should each be capable of facilitating on average 12 – 15 students.

#### Opportunities that the center should provide:

- Shared Advertising / Branding
- International Promotion
- Improved company visibility and revenue opportunities
- Affordable Amenities and shared workspaces:
  - High Speed Internet
  - Recreational/Dining Spaces
  - Modern Video Conferencing Facilities
  - Shared Administrative facilities and staffing
  - Language translation
  - Shared workspace

#### Facilities;

Centre should be developed in a campus type fashion following model of **Liverpool Innovation Park** and **WeWork** in respect of shared workspace/virtual offices. Demand for space is almost certain to grow as concept proven.

- Hall: For breakfast meetings, conferences, product demos and other such events.
- Large Video Conferencing room: Conference table to accommodate a minimum of 16 persons. Space for additional 20 persons along sides of conference room. Large flat screen TV with wireless video connection to computers. Dedicated video conferencing cameras and speakers
- Small Meeting rooms/Secondary video conferencing facilities:
- Dedicated Office spaces
- Flexible Open plan shared workspace
- Training Rooms: Training Rooms include Mac lab and a PC lab and also requires video production equipment for streaming and recording of training sessions.
- Café, recreational space, flexible workspace

#### Technical Features of TT Global Services Export Hub

One of the main complaints of respondents regarding their current technologies was the unreliability of the service. It is essential that the TT Global Services Export Hub provides a robust and reliable ICT infrastructure, especially as its clients will be competing in a global market.

#### **Technical Features Hub:**

- Dedicated, Fiber-Optic based, High Speed Internet (30Mbps or greater) such as Metro Internet or fractional T3
- Wired Gigabit connections (Cat-6 rated cable and connectors) in all Administrative offices, Client offices and Training rooms
- High speed wireless internet access in public/shared spaces.
- Combination of Battery-backup and Backup generators to maintain Internet, networking equipment and an agreed ampere of essential customer equipment in the event of power failure.
- Network and routing equipment capable of segmenting, prioritizing and throttling network traffic.

#### **Technical Features of Training Labs**



- High performance, multi-core, Intel based, laptops/PCs for students (MACs for MAC/graphics lab)
- 1-Gigabit capable Network Cards (NICs) for PCs in graphics lab
- High performance, multi-core, Intel based Instructor PC/Server
- Dual monitors for Graphics lab
- Wired network connections that can be isolated to each individual lab
- Availability of digital video camera for streaming, digital video recording and editing, etc.
- Relevant Software for specific skills training
- 

## **6. Conclusions and Recommendations**

TT Global Services Export Hub has the potential to be the catalyst that sparks the development of a highly viable ICT Services Export Sector within Trinidad and Tobago.

The objectives and features of the TT Global Services Export Hub coincides with the identified needs of currently exporting companies and those with export potential to overcome current deterrents/limitations to their export potential. Primary among these identified limitations are: well trained staff, facilities with relevant features such as very high speed internet, collaboration opportunities with other ICT Service providers and the potential to access greater opportunities by being located in a designated, internationally promoted, Services Export Hub.

Based upon similar initiatives that were started in the recent past, it seems highly likely that the TT Global Services Export Hub may attract at least three(3) large clients such as a relevant government agencies and well recognized, trusted, large ICT Services Companies within the first 24 months of operation. The presence in Hub of these relevant business support and government agencies such as ExporTT, Ministry of Tertiary Education, will be highly beneficial to Hub clients. This will encourage and accelerate initial participation by other service providers and further raise the profile of the Hub.

It is important that the design of the TT Global Services Export Hub is such to encourage interaction among tenants and users of the facility. It is well known that many ICT projects require multiple ICT disciplines (graphic design, mobile programming, database, etc), a number of service providers expressed the view variously that they would be able to take advantage of larger, better margin projects if they had reliable opportunities to collaborate with other local-based service providers. There are additional benefits

therefore that will accumulate as a result of synergies that are anticipated between tenants of the Hub.

Based upon the demand expressed and the obvious benefits to be derived, the successful implementation of the TT Global ICS Services Export Hub will lead acquisition of larger international opportunities; will enhance cooperation among ICT Service providers and will accelerate the growth of the sector.

**Opportunities that the center should provide:**

- Shared Advertising / Branding
- International Promotion
- Knowledge on International markets and models
- Affordable Amenities and shared workspaces:
  - Ultra High Speed Internet
  - Recreational/Dining Spaces
  - Modern Video Conferencing Facilities
  - Shared Administrative facilities and staffing
  - Language translation
  - Shared workspace

It is recommended that Financial incentives should be offered, especially within the first year, for companies relocating to the Hub. These will assist in offsetting the tear-down and setup costs associated with relocating, as well as costs that may be associated with the early exit from existing leases.

It must also be noted that there should be a significant promotion/information budget attached to the Hub in order to inform current and potential ICT Service Exporting firms of the Export Hub's mission and viability beyond the obvious rental-space features.