

# SETTING UP CALL CENTERS IN PAKISTAN

*A guide for local entrepreneurs and businesspersons*



Ministry of Information Technology  
Government of Pakistan  
Islamabad

January 03, 2005

## CONTENTS

EXECUTIVE SUMMARY .....	3
1. What is Business Process Outsourcing .....	4
2. What Services can be Outsourced? .....	5
3 Business Process Outsourcing - Global Scenario .....	5
4 An Analysis of Business Process Outsourcing in Pakistan .....	7
4.1 Strengths: .....	8
4.1.1 Government Incentives–Support & Funding .....	8
4.1.2 Infrastructure .....	8
4.1.3 Human Resource .....	9
4.1.4 Cost – A Competitive Edge .....	9
4.2 Weaknesses: .....	10
Box-1: Why Outsource to Pakistan? – An Investor’s Perspective .....	11
5. Business Process Outsourcing through Call Centers .....	12
5.1 What is a Call Center? .....	12
5.2.1 Call Centers – Categorized by Type of Operation .....	12
5.2.2 Call Centers – Categorized by Size .....	13
5.2.3 Call Centers – Categorized by Type of Services .....	14
5.3 Building a Call Center in Pakistan .....	17
5.3.1 Where to Build the Call Center .....	17
5.3.2 Procedure for Registration of a Call Center .....	17
5.3.3 Connectivity for Call Center .....	17
5.4 Tariffs .....	18
6 Economics of a Call Center Business in Pakistan .....	18

## LIST OF ANNEXURE:

Annex-A: International and Domestic Call Centers in Pakistan .....	22
Annex-B: Software Technology Parks (STPs) .....	26
Annexure-C: Application / Registration Forms .....	27
Annexure-C (a): Application / Registration Forms .....	27
Annexure-C (b): Call Center Registration Form .....	36
Annex-D: PSEB Tariff for IP Connectivity (Bandwidth) .....	38
Annex-E: PTCL Tariffs & Incentives for International & Domestic Call Centers .....	39
Annex-F: Economics of a Call Center Business in Pakistan .....	44

## EXECUTIVE SUMMARY

All over the globe, Information Technology (IT) is stretching its abilities and efficiencies in influencing organizations to relook their business processes for increasing productivity and reducing overall costs. This upswing in IT trends has given rise to the process of outsourcing non-core business practices to the Business Service Providers (BSPs). The prospective outsourcing clients around the globe, particularly the U.S, are becoming increasingly choosy and major BPO (business process outsourcing) service providers such as India, Ireland and the Philippines are getting major share of revenue by providing the required services. According to recent research findings, the global ITES/IT Services market has grown from US\$ 1,184 billion in 2002 to US\$ 1,322 billion in 2003 and is expected to achieve a turnover of around US\$ 2,497 by 2008-09 and US\$3,3991 billion by 2012.

Business Process Outsourcing (BPO) includes but not limited to accounting, order processing, insurance claim processing, procurement, different administrative and logistic functions and outsourcing through call centers.

Pakistan is at the threshold of one of the greatest opportunities in the global BPO market. We have acquired virtually all of the pre-requisites for success ranging from low cost to government incentives and funding. The government is using all its resources to create the infrastructure required to jumpstart growth in the business process outsourcing sector so the Business Service Providers could concentrate on marketing their services abroad and get due share in the international BPO market. In Pakistan BPO industry, although the growth in the fields of medical transcription, legal transcription, data capture and forms processing has not been substantial but in the last few years, there has been a major boom in outsourcing voice-based call center work. The report also focuses on call center industry with some description of BPO concept.

The objective is to create awareness among the existing/potential investors and the capital venture companies to explore the IT sector for their business growth. It will specifically benefit the local business entities that are willing to expand their business by making investment in some profitable venture such as call center.

The document contains description on what a call center is, its key categories, procedure for building a call center in Pakistan and the economics of building a call center in Pakistan. To provide the reader with an overview of the overall BPO industry, the concept of Business Process Outsourcing is defined in the start followed by the description of services that can be outsourced, BPO - global scenario and an analysis of strengths and weaknesses of BPO industry in Pakistan. Annexure are also attached with the main document which contains supporting information such as description of international and domestic call centers in Pakistan, application forms for call center registration with PSEB, detailed tariffs for obtaining IP connectivity from PTCL and PSEB and a detailed business model for establishing an ASP based call center in Pakistan. The model clearly exhibits call center business as a viable proposition in terms of its feasibility.

## 1. What is Business Process Outsourcing

Globalization has not only broken the traditional business boundaries across countries but also opened vast markets for companies. Enterprises are now looking to focus on a core set of competencies that have the greatest positive impact on their business models and are seeking new ways to streamline processes, realize further cost reductions and decrease time to market. One of the main outcomes of these trends has been the rise of business process outsourcing among leading companies to achieve significant growth and bottom line benefits.

Business Process Outsourcing (BPO) is the delegation of one or more business processes to an external entity that in turn owns, administers and manages the outsourced process based on defined and measurable performance criteria. Such back end functions may include anything that can be moved over the bandwidth and include services such as customer support through call centers, accounting, order processing, insurance claim processing, procurement or other logistic functions.

On the other hand, offshore IT outsourcing is the relocation of activities, tasks and processes to entities in countries with lower overall operational cost in order to reduce the total cost of developing and maintaining IT software, systems and infrastructure.

One of the leading firms conducting research in the field of IT, Forrester Research, has referred to global outsourcing as the “trend of the decade” while Gartner Group refers to it as a “mega-trend”.

Outsourcing has demonstrable, quantifiable benefits. It gives companies access to state-of-the-art technology without the overheads

and risks associated with developing in-house solutions. “Companies can save as much as 41% in hidden costs by outsourcing” - U.S. Chamber of Commerce.

According to Michael Dennis (Vice President, Services, Avaya Group) “Outsourcing allows us to put company energy into activities which generate higher value for our customers.”

BPO is gaining ground because of the following main factors:

- Factor Cost Advantage
- Superior Competency
- Utilization Improvement
- Economy of Scale
- Business Risk Mitigation

Availability of highly qualified skill pool and faster adoption of well-defined business processes leads to higher productivity gains without compromising on quality. Customers across verticals like Insurance, Banking, Pharmaceuticals, Telecom, Automotive and Airlines seem to be the early adopters of Business Process Outsourcing. Insurance and banking industries are major beneficiaries of the outsourcing trend as they can achieve significant savings by virtue of the large proportion of processes that can be outsourced. These include claims processing, loans processing and client servicing through call centers.

Improvements in cost, quality and productivity have encouraged customers to rapidly scale up their offshore operations. It is no longer seen as a one-time cost reduction or process improvement but customers are demanding year-on-year improvements in process metrics.

## 2. What Services can be Outsourced?

There are a number of services/operations which can be outsourced. Services which are commonly outsourced include:

- Website Design & Development
- Marketing Outsourcing
- Graphic Design, Presentations & Multimedia Outsourcing
- Programming, Software & Database Outsourcing
- Game Design & Development Outsourcing
- ERP & CRM Implementation Outsourcing
- Networking, Hardware & Telephony Outsourcing
- Writing, Editing & Translation Outsourcing
- Business Consulting Outsourcing
- Management Outsourcing
- Finance & Accounting Outsourcing
- Sales & Marketing Outsourcing
- Admin Support (Legal, Medical, & Accounting) Outsourcing
- Advertising & Broadcasting Outsourcing
- Illustration & Art Outsourcing
- Photography & Videography Outsourcing
- Fashion & Interior Design Outsourcing
- Legal Outsourcing

## 3 Business Process Outsourcing - Global Scenario

Information Communication Technologies (ICT's) are now considered as the center of economic and social transformation across the globe. This upswing in IT trends has given rise to the outsourcing of non-core business practices to the Business Service Providers (BSPs).

Business intelligence analysts the world over have declared the IT-enabled Services BPO (ITES-BPO) market to be one of the fastest growing segments within the IT industry. The ITES-BPO industry, which notched up revenues of around US\$ 773 billion in 2002, is expected to step up turnover to over USD 1 trillion by 2006, recording a CAGR of 8.6% during the 2002-06 period. Worldwide ITES-BPO spending by region during 2002-2006 is given below: -

### World ITES-BPO Spending by Region 2002-2006

Region	2002	2006
Americas	484,732	647,427
EMEA <sup>1</sup>	171,303	237,390
Asia/Pacific	117,622	194,228
Worldwide	773,657	1,079,054

(Figures in \$ million)

Source: NASSCOM

During 2002, around 55% of the fortune 1000 companies were seen to be offshoring one or more business processes in order to reduce cost and remain globally competitive. A well known market research firm - Forrester Research, predicts that by 2015, a total of 3.3 million U.S jobs and \$136 billion in wages will transfer offshore to countries such as India, Russia, China and Philippines.

The North America market is expected to remain the largest outsourcer of business processes, accounting for nearly 60% of the offshore outsourcing spend by 2006. The other major region that is expected to catalyze the global ITES-BPO segment is Western Europe, which will account for around 22% of the overall market by 2006<sup>2</sup>. According to NASSCOM, the Asia Pacific ITES-BPO industry is expected to emerge as a segment with the highest growth over

<sup>1</sup> EMEA: Europe, Middle East and Africa

<sup>2</sup> Source: NASSCOM

the period 2002-2006, accounting for 18% of the market by 2006.

The key verticals which will boost the market are the financial services, utilities and telecommunications segments. HR, finance and accounting will, meanwhile, be the key service lines.

According to A. T. Kearney's<sup>3</sup> 2004 Offshore Location Attractiveness Index, issued in the first quarter of 2004, India is the star performer in the 2004. It captured the top spot by a comfortable margin, due to its strong mix of low costs and significant depth in human resources. In FY 2003-04, the ITES-BPO segment clocked revenues of US\$ 3.6 billion recording a growth of 46% as compared to 59% in FY 2002-03, while the ITES/IT services sector is expected to generate revenues of US\$ 62 billion by 2008-09 and US\$ 148 billion by 2012, at a CAGR<sup>4</sup> of 35% over the 2003-12 period<sup>5</sup>.

China's vast labour pool and low costs secured it second place in the index, although it lags behind India in terms of experience and other key factors such as IT and management education, language skills, concerns about intellectual property and overall country risk.

Malaysia and the Czech Republic, third and fourth in the index, had almost identical scores. Fifth place in the index went to Singapore. Although not typically considered a low-cost location, Singapore remains a favored destination for regional service functions due to its excellent education and language skills, superior infrastructure and pro-business tax and regulatory environment.

The ranks of other countries are clearly shown in the figure below:

---

<sup>3</sup> A. T. Kearney is a well recognized U.S-based consultancy firm

<sup>4</sup> CAGR: Compound Annual Growth Rate

<sup>5</sup> Source: NASSCOM



Source: A.T. Kearney

Note: the numbers mentioned in the above chart are index numbers. The weight distribution for three categories is 40:30:30, meaning that the financial structure is rated on a scale of 1 to 4 and business environment and people skills and ability are on a scale of 1 to 3.

#### 4 An Analysis of Business Process Outsourcing in Pakistan

In Pakistan, BPO sector is not mature yet and there is a wide potential for growth in this field. Although we have not been successful in the fields of medical transcription, legal transcription, data capture and forms processing but in the last few years, there has been a major boom in outsourcing voice-based call center work in Pakistan. These include both domestic and international call centers. So far there are approximately 80 international call centers and more than 30

domestic call centers employing more than 2300 agents. Majority of these call centers have operations in major cities such as Karachi, Lahore and Islamabad. Please see annex-A for the list of these call centers along with the detail on the number of seats and contact information.

The government is using all its resources to create the infrastructure required to jumpstart growth in the business process outsourcing sector so the Business Service Providers could concentrate on marketing their services abroad, focus on other sub

sectors/areas of the industry and get due share in the international BPO market.

Key strengths and weaknesses of BPO sector in Pakistan include following:

#### **4.1 Strengths:**

##### **4.1.1 Government Incentives–Support & Funding**

The establishment of a reliable IT infrastructure and provisioning of an incentive package are instrumental in the development of local IT industry. The Government of Pakistan has provided several incentives to investors. Because of these incentives an increasing number of foreign IT companies have chosen Pakistan for their outsourcing operations.

Some of the areas where Government is providing facilitation to the private sector companies are:

- Information Technology Parks with low rents, fiber optic connectivity, libraries and conference rooms.
- Provision of funds for software companies to get ISO-9000 and CMM level certifications.
- Foreign investors allowed 100% ownership of equity in "Software Houses/Software Companies"
- Tax exemptions for IT companies till 2016
- 100% repatriation of profits allowed to IT companies
- Nominal custom duties on import of IT related equipment
- 7 years tax holiday for Venture Capital funds
- The rate of depreciation on computer equipment is 30%
- The State Bank of Pakistan (SBP) has allowed opening of Internet Merchant Accounts by banks.

- Instant, reliable and high speed connectivity available
- Over 85% of telecom infrastructure on fiber optic cables
- Internet access in over 1862 cities/towns
- Pakistan is the first country in this region to establish DWDM telecom infrastructure.
- Several cellular companies using digital transmission (GSM and TDMA)
- Cost of 2 Mbps connection lowered to \$5400/month
- Redundant backup connectivity available through PTCL for call centers.

As a result of these incentives, IT exports have increased by 27% during October 2004, as compared to the same period last year. The IT export figure for October 2004 is US \$ 3.032 Million against US \$ 2.391 Million during October 2003 representing an increase of 26.8 %. This represents a wide scope of growth for Pakistani IT industry in the global IT sector.

##### **4.1.2 Infrastructure**

Pakistan offers state of the art technology and infrastructure for establishing world-class call centers. Our telecom infrastructure is 100% digital and provides a robust backbone for providing mission critical services such as call centers. Fiber optic infrastructure, initially laid in the early 1990s, now accounts for well over 85% of the backbone that supports international and national exchange of data. Currently more than 40 cities of Pakistan operate through fiber optic exchanges. Telephone density is on the increase and LL (local loop) sector is now open to private investors. The ISP (Integrated Service Provider) sector has breathed a sigh of relief because of the

opening up of broadband licenses. In metropolitan areas of Pakistan, broadband charges are competitive; costing as little as US\$ 25 per month. A dedicated E1 circuit is actually the cheapest in the Asia Pacific region. Currently one E1 of 2Mbps clear pipe bandwidth is available for US\$ 6600 per month.

All major software technology parks currently have a capacity of over 600Mbps of internet bandwidth. The bandwidth prices have come down drastically over last three years for call centers. Satellite bandwidth is available for free as a backup to the fiber optic. Rooftop VSAT connections are now allowed to be full duplex. Obtaining licensing for operating an international call center is free with the only requirement being a solid business plan and international client references. Many different modes of connectivity are available readily such as DXX (Digital Cross Connect), ISDN (Integrated Services Digital Network), Fiber Optic, DSL, ADSL, and rooftop VSAT.

In case of establishing a call center in Pakistan, companies are more concerned with two issues related to infrastructure. These include:

- Office Space
- IP Connectivity

Currently, some of the call center operators are facing problems related to the shortage of appropriate office space for setting up new operations. To tackle this problem, government is developing new purpose-built Technology Parks. A new submarine optical fiber cable SEA-ME-WE-IV is going to be operational soon which will further resolve downtime issue.

### **4.1.3 Human Resource**

Human resource is the key strength in BPO business and quality of human resource is the most important factor that contributes to this strength.

In the call center business, a customer does not care what a call center is, nor is the customer concerned with where a call center is located. What truly matters is how well the call center representative treats the customer. That is why customer service representatives are considered to be the back bone the central source of both revenue and success.

A large number of Pakistanis comprehend and speak English as their second or third language. The official language of communication in Pakistan is English. English is also taught as a compulsory course from primary school and continues through till university level. Now even rural areas have English medium schools. English language skills in Pakistan are a “must” to the extent that it has become mandatory to have good communication / writing skills for landing any job. The quality of agents has increased as a result of in-house training conducted by multinational firms. Even the Ministry of IT is eager to provide funds for the necessary training required to enhance human skills in BPO industry.

PSEB is striving to improve the quality of manpower available in the country and has already launched projects to improve the quality of IT-enabled services companies.

### **4.1.4 Cost – A Competitive Edge**

The cost of setting up an IT related operation in Pakistan is one of the lowest in the region.

Cost of employing skilled workers is ten times lower than employing the same in US. Average cost of employing an IT professional in Pakistan is USD 6000 per annum while that of employing a clerical staff is under USD 2000 per annum<sup>6</sup>.

The following table indicates the average wage for agents, supervisors and call center managers in Pakistan.<sup>7</sup>

<b>Position</b>	<b>Annual Salary (PKR)</b>	<b>Annual Salary (USD)</b>
Agent	144,000	\$2,504
Supervisor	264,000	\$4,591
Call Center Manager	360,000	\$6,260

The following table provides comparative regional figures for agent salaries.

<b>Country</b>	<b>Agent Salary Per Annum US\$</b>
Hong Kong	\$16,438
China	\$2,804
India	\$1,989
Pakistan	\$2,504

#### 4.2 Weaknesses:

Political instability and poor market perception are major hindrances for growth of BPO industry in Pakistan.

Over the past few years though, Pakistan has become politically much more stable than the past decades. Pakistan also enjoys an improved degree of law and order, and violent crime rates are significantly lower than in India or Mexico. The incidents of violent crimes per 1,000 in Pakistan<sup>8</sup> and

<sup>6</sup> Source: PASHA

<sup>7</sup> Source: "Why Pakistan, a white paper prepared by Voxel Communication (Pvt.) Ltd. The figures are updated for Pakistan (based on market trend).

<sup>8</sup> Sources: Seventh United Nations Survey of Crime Trends and Operations of Criminal Justice

some other countries are as follows:

Pakistan:	14
India:	38
Mexico	49
U.S.	13.8

To summarize, Pakistan is at the threshold of one of the greatest opportunities in the global BPO market. We have acquired virtually all of the pre-requisites for success ranging from low cost to government incentives and funding. We even have some competitive advantages over India such as low operating cost and low wages (as indicated above). Since the industry is still in an incipient stage in Pakistan, there are many high level employees available for work, in contrast to the situation in India where the best workers are fought over and can switch from one supplier to another very fast. The major drawback is client's concerns with Pakistan's repute at international level.

At one time countries like Japan and India had poor images as places to invest. Advertising and public relations did not turn these situations around alone. The government took many steps to improve their economies, to develop their infrastructure and to create very tangible business climate that were pro-business. These countries also instituted attractive incentives for investors. As a result, it played a major role in changing perception of investors as well.

India has become very successful in BPO when the big groups started building IT facilities instead of coal mine shafts. The Ambanis, Tata's and Birla's did it for Indian BPO market.

System, covering 1998-2000 for Country Data and 2000 Interpol International Crime Statistics

Same is true for Pakistan. The shift from traditional businesses towards a knowledge based economy will only

happen when established businesspersons and industrialists start entering the ITeS business segment.

### **Box-1: Why Outsource to Pakistan? – An Investor’s Perspective**

IT professionals trained in a variety of disciplines from abroad and locally are applying their innovative ideas to maximize the benefit obtained from the information revolution. More and more international companies are seeking solutions from Pakistani professionals to remain competitive in the global economy.

A well developed infrastructure, availability of skilled labor, software technology parks with nominal cost, and significant government incentives provide a conducive environment for the development of the IT industry.

Pakistan offers an unlimited supply of low-cost labour and state of the art technology and infrastructure for establishing world-class call centers. Companies in Pakistan are developing hardware and software and lower cost than our competitors. Our trained professional call center operators are techno-literate individuals and undergo special language training courses to ensure that callers are unable to detect that they are talking to someone in another part of the world. We now have many companies providing transcription services to clients locally as well as globally. Specialized training programs in this sector have provided the industry with a large pool of data entry officers providing low cost, quality services.

The most important reason why Pakistan is a potential market for outsourcing is the simplest one. It costs less, far less, to do business here, than anywhere else. To summarize, the main motivation factors include:

1. Government Support
2. Availability of Better Infrastructure & HR
3. Low Operating Cost

## 5. Business Process Outsourcing through Call Centers

### 5.1 What is a Call Center?

A Call Center is a sophisticated voice operations center that provides a full range of high-volume, inbound or outbound call-handling services, including customer support, operator services, directory assistance, multilingual customer support, credit services, card services, inbound and outbound telemarketing, interactive voice response and web-based services<sup>9</sup>.

A call center can be used for telemarketing, sales, customer support, or other business related activity. The call center may contain a few or hundreds of agents who handle calls to relay business information.

Call center consists of a complex of telecommunication infrastructures, computer supports and human resources organized to manage effectively and efficiently the incoming and outgoing telephone calls of a given organization. The activity of a call center is performed chiefly by skilled operators who, using telephone and computer, interact with the exterior making or receiving calls to manage various services.

In Pakistan, the access to call centers is normally through 0800 Free Phone numbers, hotels, reservations, medical prescription entries,

insurance claims, data entries etc. The customer calls are routed to a call center where trained agents respond to the inquiries of the customers.

### 5.2 Call Centers – Categories

There are many possible categories by which the market could be segmented. We can differentiate call center operation by to its type of operation i.e., local or international; by its size or by its type of service. Given below is the description of these types with reference to their operation in Pakistan.

#### 5.2.1 Call Centers – Categorized by Type of Operation

- International Call Centers

International call centers work with a network of offshore operations in different countries. These call centers specialize in excellent multilingual on-the-phone translation skills. Round the clock working hours offer the customers the advantage of 7x24x365.

The international call centers are generally industry unique. They provide comprehensive customer contact solutions to meet clients' specific needs. Offering customized solutions to resolve special problems, the international call centers are securely supported by state-of-the-art technologies. The short and long-term projects are managed by highly qualified and experienced business development professionals.

---

<sup>9</sup> Source:

[www.firstdata.com/abt\\_gloss\\_C.jsp](http://www.firstdata.com/abt_gloss_C.jsp);

[www.cashflowspecialistsinc.com/glossary/](http://www.cashflowspecialistsinc.com/glossary/)

- Domestic Call Centers

The domestic or traditional call center involves an outsourcer who has call center locations around native country for redundancy.

For cost effectiveness, the call center professionals usually take calls for two or three clients whose data is ported to the desktop via a secure connection from the client's database into the outsourcer's server.

Clients are sometimes given the option of co-locating some in-house customer service agents at the call center to work in conjunction with outsourcers' agents. The advantages of domestic call centers include relative physical proximity between outsourcer and client, the ability to co-locate and on-site troubleshooting. The domestic call centers on the other hand, involve higher cost and usually a non-dedicated staff. These call centers specialize in providing both inbound and outbound services.

PTCL is responsible for providing connectivity for establishment of call centers in Pakistan in the form of bandwidth and one-way PRI depending upon type of call center. Establishing an International Call Center is easy and hassle-free. Access to such a set up is facilitated by 0800 Toll-Free Service, wherein overseas customers' calls are routed to Pakistan or overseas destinations through VoIP technology where trained agents are ready to respond to the queries of the customers. The establishment of Domestic Call Centers is even more convenient. Access to such a set up is facilitated by 0800 Toll-Free Service, wherein

customers' calls are routed to a call center where trained agents respond to the inquiries of the customers. Both the services, however, involves certain human resource requisites like communication skills and customer handling to be arranged by the subscribers.

It is worthwhile to note that in Pakistan, integrated call centers (domestic + international using common ACD, PABX etc) are not allowed at present. For co-located domestic and international call centers, separate ACD and PABX must be used and the domestic & international call center may not be combined. Bandwidth for call centers is provided by PTCL and IP bandwidth from DSL operators for VoIP based call centers is not permitted<sup>10</sup>. The detail on the policies related to establishing a call center in Pakistan has been mentioned in Section-6.3. Please see annex-A for the list of international and domestic call centers currently operating in Pakistan. The list has been sorted in order of the number of seats in each call center.

### **5.2.2 Call Centers – Categorized by Size**

Regarding size, there are 3 basic groups. The first involves businesses that employ 5 to 100 staff. Generally this group has increased pressures on reducing costs in order to stay competitive with larger companies and are continually looking for opportunities to cut operational costs.

---

<sup>10</sup> The information has been gathered from ptcl website [www.ptcl.com.pk](http://www.ptcl.com.pk).

The second group involves companies that employ 100 or more individuals. This group includes Fortune 500 companies and government. Many of these companies currently operate inhouse call centers, which may be located in offshore facilities in India, Ireland and Phillipines.

The third market segment represents the currently operating outsourcing call centers with limited capacity, but with a higher demand, creating the need to further outsource projects to other call centers. This is a lucrative market as it requires minimal marketing and can yield faster return on investment.

### **5.2.3 Call Centers – Catregorized by Type of Services**

Another important way to segment call center market is by types of services:

- **Inbound Call Centers**

An inbound center is one that handles calls coming in from outside, most often through toll free numbers. These calls are primarily service and support calls, and inbound sales. Inbound call centers represent a large percentage of the inhouse call centers. Due to the long term nature of inbound services organizations are more inclined to establish inhouse call centers to provide inbound services. This segment yields long term benefits resulting in more stable revenue generation.

Many outsourcing call centers have also ventured into this segment since this is a cost effective method to provide customers with multiple

touch point support for small and medium size businesses. Since there are few regulations for inbound services it is also easier to train agents and provide a faster turn around.

In general, the services of Inbound Call Center comprise of:

- Order Processing
- Catalog Orders
- Consumer Response
- Customer Service
- Dealer Locators
- Toll Free Response
- Help Desk
- Direct Mail Response
- Direct TV Response
- Print Media Response
- Website Response
- Seminar Registration
- Answering Service
- Inquiry Handling
- Email Management
- Product Technical Information
- Interactive Voice Response
- Sales Lead Qualification
- Technical Support
- Trade Show Registration

- **Outbound Call Centers**

Outbound market mainly consists of telemarketing programs. Although large companies provide these services inhouse, outsourcers have a large share of the market in this service area. Outbound campaigns typically are for a shorter duration and widely available, the competition in this sector is relatively higher compared to inbound services. Many outsourcing call centers specialize in providing outbound telemarketing programs. This market segment is highly

lucrative where the revenues are generated as a percentage of sales made for the client, but at the same time based on the expertise of the call center the revenues generated through this sector can fluctuate over time.

The integrated call management systems in the outbound call center facilities use, systematic calls to consumers and transfer successful connections to a designated marketing representative (MR) who is dedicated and has been trained for the specific client application. As a call is presented to the MR, the consumer's name, address, and other available information are simultaneously presented on the MR's workstation along with a client's customized script.

The services of Outbound Call Centers include:

- Market Intelligence
- Database Selling
- Direct Mail Follow-up
- Lead Generation \ Qualification \ Management
- Seminar Population
- Product Promotion
- Debt Collection
- Information and Literature Fulfillment
- Appointment Scheduling
- Decision Maker Contacts
- Up Sell/Cross Sell Campaigns
- Surveys
- Customer Satisfaction

***Other Types of Call Centers include:***

- Web Enabled Call Center

A web enabled call center improves the e-commerce initiatives by offering high quality customer service. Various features offered by Web enabled call center are:

- Web Pop that automatically provides CSRs with a pop-up screen of client's website, intranet or web script.
- Web Callback that helps the visitors of the client's website request a callback from the CSRs by simply clicking and entering their name, telephone information and time for call.
- Web Chat that assists visitors engaged in a live, two-way text chat directly from client's site to a trained agent. They can obtain answers to questions or resolve customer service issues without having to disconnect from the Internet or use a phone.
- Web Push allows CSRs to assist client's website visitor to find out information through guided "browsing."
- Email Management - This manages high-volume email inquiries directed to client's mailbox or produced via a Website. The incoming messages are tracked and provided an appropriate auto reply

message to the customers letting them know that their email has been received.

- CRM Call Center

In a CRM call center, customers communicate in multiple ways that include phone, e-mail, Web chat, personal sales representative, Voice over Internet Protocol (VoIP) and a host of others.

The CRM software integrates all the forms of customer contact into a central history database where they can be retrieved or viewed together. Using CRM software, a customer issue can be tracked from the original point of contact through to resolution.

CRM call centers help companies realign their entire organization around customers. And thus, is a strategic business initiative. Sales, Marketing and Service as well as other groups are connected and coordinated through the CRM applications. Before a call is made to the customer, all recent activity for that customer should be reviewed to be informed of recent events. Then a sales strategy needs to be planned based upon observed opportunities. The use of CRM software in the call center allows the assignment of a value to each customer if the culture supports that philosophy. With that feature, one can choose how to interact with that customer.

- Telemarketing Call Center

Telemarketing call centers specialize in developing and implementing professional inbound/outbound

telemarketing, appointment setting, telesales and market research programs.

Telemarketing refers to the business or practice of marketing goods or services by telephone. It is the act of selling, promoting or soliciting a product over the telephone. Reliable telemarketing is an essential part of the organization's working to enhance sales and increase profits. Combining the best of personnel, processes and progressive technologies, the telemarketing call centers serve as highly reliable specialist resource for organizations seeking outstanding performance and results.

- Phone Call Center

The phone call centers offer flexible call routing, superior IVR capacity and predictive dialing systems.

Utilizing advanced telephony and Internet technology, the Customer Service Representatives (CSRs) in the phone call centers provide accurate and timely information for the most complex inbound or outbound programs. The phone call centers offer personalized call management by a team of professional operators who know about the client and his business.

The phone call centers provide 24/7 answering and business services that help keep the customers satisfied. This is essential as the call centers could be losing customers because of not answering the phone when they called and also as they expect answers to questions immediately. The customers expect the call centers to work around their busy schedules.

The call centers are equipped with top-of-the-line communications technology.

### **5.3 Building a Call Center in Pakistan**

#### **5.3.1 Where to Build the Call Center**

The Software Technology Parks (STPs)<sup>11</sup> have been conceived as a one-stop shop for all software houses which seek working conditions conducive to creativity, inexhaustible bandwidth and power supply, minimum regulatory overheads, maximum flexibility in the choice and use of space and minimal costs.

As far as license from PTCL (for VoIP) is concerned, PTCL has allowed the use of VoIP for call centers anywhere in Pakistan.

Companies have the choice to build call centers either in the STPs or in any other location. While the advantages to open a call center in one of the STPs include the following:

- Within STP there are no license requirements.
- STP is a ONE STOP SHOP for the company.
- Connectivity available as soon as the company moves into the STP.
- Power back-up available.
- Air-conditioned work place.
- Network backup in process.
- Assistance in any problem that arises.

---

<sup>11</sup> Please see annex-B on the information about these STPs.

#### **5.3.2 Procedure for Registration of a Call Center**

PSEB is the registration office for all categories of call centers. The procedure for registration is very simple and time saving that includes two steps:

- Registration of the company with PSEB as a member company
- Registration of a company as a call center.

Both the registration / application forms are available at PSEB website <http://www.pseb.org.pk/Members/registration.cfm> As a reference, these forms are also attached as annex-C.

#### **5.3.3 Connectivity for Call Center**

In Pakistan, the incumbent operator i.e., PTCL or any Licensed LL/LDI operator is responsible for providing connectivity for call centers in the form of bandwidth and one-way PRI depending upon type of call center. PSEB has also established state of the art Data Network with Optical fiber backbone as primary and international VSAT as backup at Software Technology Parks to provide reliable and readily available IP connectivity. Round the clock technical support is also being provided to the call centers located in the STPs including:

- STP Awami Markaz, Islamabad
- STP Evacuee Trust Complex, Islamabad
- STP Aiwan-e-Iqbal Complex Lahore
- IT Village, NetSol Building, Lahore
- STP, National IT Park, Ceaser's Tower Karachi

PSEB also facilitates the companies willing to shift the PRE/E1s on optical fiber from the copper. Following are the major advantages of this facility:

- Improvement in the quality of services
- Noise Free
- Improvement of the signal strength
- Money Saving (No need of using a pair of HDSL modems)
- Marketing edge of optical fiber

For tariffs and other details, please see annex-D.

#### **5.4 Tariffs**

Tariffs vary depending on the location of the call center and type of the operation i.e., whether a call center is operating locally or internationally. The detail on the incentives offered to domestic and international call centers along with the tariffs announced by PTCL is attached as annex-E.

The cost of setting up a call center in a software technology park and in any other commercial area also varies. On the average, the rental cost of commercial real estate in the technology-enabled IT Parks is less than USD 1 per square foot<sup>12</sup> per month ranging from Rs.35 per square foot per month in STP-I and STP-II in Islamabad and Rs.20 per square foot per month in Karachi. Internet bandwidth charges have been reduced to USD 3500 per month for a bandwidth of 2Mbps effective from 14<sup>th</sup> August, 2004. Section 5.1

provides the detail on the incentives being offered to companies operating in STPs.

#### **6 Economics of a Call Center Business in Pakistan**

It is pertinent to note that the cost of running a call center in Pakistan is among the lowest in the region. Detailed strengths and weaknesses of setting up and running an IT based business in Pakistan can be referred to in Section-4.

Establishing a call center in Pakistan is a feasible proposition after taking into account the relevant parameters such as global competition and skill availability in the local market. As a reference, following is a feasibility report of setting up and running a typical ASP (Application Service Provider) based call center in Pakistan that shows a net profit only after two years of operation.

---

<sup>12</sup> Source:  
<http://www.pseb.org.pk/Members/Benefits.cfm>

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Revenue</b>	<b>66,861,556</b>	<b>257,191,181</b>	<b>569,482,672</b>	<b>941,692,414</b>	<b>1,228,580,103</b>
<b>Cost of sales</b>					
Agent Salary	28,800,000	66,816,000	128,563,200	213,995,520	328,458,240
Management Salary	17,895,351	35,184,721	62,935,306	100,757,443	151,392,853
TIs and LD	23,001,686	23,552,306	41,483,295	58,692,171	76,572,810
Bandwith	2,743,632	21,084,624	32,259,475	59,088,061	60,269,823
Depreciation	5,139,986	9,844,900	16,260,436	17,348,274	18,905,596
Rent	2,392,320	4,784,640	10,526,208	21,052,416	44,210,074
Utilities	2,024,657	3,964,646	7,386,382	12,608,425	21,202,792
<b>Total</b>	<b>81,997,633</b>	<b>165,231,838</b>	<b>299,414,301</b>	<b>483,542,310</b>	<b>701,012,187</b>
<b>Operating profit</b>	<b>(15,136,077)</b>	<b>91,959,343</b>	<b>270,068,371</b>	<b>458,150,104</b>	<b>527,567,916</b>
%	(22.6)	35.8	47.4	48.7	42.9
Marketing	2,000,000	15,431,471	39,863,787	56,501,545	61,429,005
Others	500,000	2,571,912	5,694,827	9,416,924	12,285,801
<b>Total of Other Charges</b>	<b>2,500,000</b>	<b>18,003,383</b>	<b>45,558,614</b>	<b>65,918,469</b>	<b>73,714,806</b>
<b>Gross Profit</b>	<b>(17,636,077)</b>	<b>73,955,960</b>	<b>224,509,757</b>	<b>392,231,635</b>	<b>453,853,110</b>
Gross Profit margins %	(26.4)	28.8	39.4	41.7	36.9

Cost and Revenue figures are approximate and calculated after taking into account relevant parameters and are explained in Annex-F.

The above mentioned economic model is designed for a call center with an average of 67 seats in the first year (40 seats in the 2<sup>nd</sup> month of operation increased to 100 at the end of the year thereby averaging 67). The agents work in two shifts therefore the number of agents are twice the number of seats.

Monthly revenue is calculated as under:

**Revenue per month (USD)** = Number of seats per month \* hours per day \* days per month \* base rate in USD \* probability of success

Whereas,

Hours per day = 14 (As the agents work in 2 shifts, working hours per day per agent = 7)

Days per month = 22

In order to make this model more representative of local market conditions, we assumed an average probability of 36.4% success in the first year of operation. The success rate is, however, assumed to increase with the passage of time and reached 85.0% in year-5 in case of the above mentioned feasibility report. It is pertinent to note that a call center can charge higher rates progressively with the passage of time.

On the cost side, total monthly cost includes salary expenses, rental cost, bandwidth cost, T1 & Long Distance charges, utilities and depreciation charges.

On the basis of these assumptions, with an initial investment of Rs. 84.497 million for the 1<sup>st</sup> year, an ASP based call center can

earn a net profit of Rs. 56.319 million at the end of 2<sup>nd</sup> year of operation(though there is an initial loss of Rs. 17.636 million at the end of first year).

# ANNEXURE

**Annex-A: International and Domestic Call Centers in Pakistan****International Call Centers:**

Sr.#	Name of Companies	City	Operational Since	Regd. with PTCL	No. of Agents	Contact #
1	M/S Ovex Technologies	Islamabad & Lahore	3-Apr-04	Yes	200	2870775/2871171
2	Touchstone	Islamabad	1-May-03	Yes	200	111-111-044
3	TRG (Pvt) Ltd	Lahore	1-Feb-03	Yes	150	7123928
4	Alt source	Karachi	1-Feb-04	Yes	125	4311706-9
5	DPS	Islamabad	3-Jul-04	Yes	90	2826630
6	GONETBPO (formerly AMZ Technologies)	Karachi	3-Jun-03	Yes	70	4391340-5, 2219761-3
7	Voxel Technology	Islamabad	1-Sep-03	Yes	70	2822938/2822143
8	Call Central	Islamabad	1-Jul-03	Yes	60	2823250
9	Verticity (Pvt) Ltd	Karachi	1-Dec-03	Yes	50	4381297-8
10	Irnina technologies	Lahore	3-Sep-04	Yes	45	111000911
11	Americom Technologies	Karachi	April-02	Yes	50	111373737
12	Kontakt Remote Services (Pvt) Ltd	Karachi	1-Jul-03	Yes	40	5802581-3, 0333-2150501
13	Hello Technologies	Islamabad	3-Oct-03	Yes	35	2270626/2275833
14	Uffaq Technologies (pvt) Ltd	Karachi	1-Dec-03	Yes	30	5899677
15	Sequal Systems INC	Lahore	July-04	Yes	30	6309572-3
16	Rapid Response	Islamabad	3-Jun-04	Yes	25	2824220
17	KFC	Karachi	1-Feb-04	-	25	111 97 97 97
18	LYNX	Karachi	1-Apr-01	-	20	-
19	Nova Leather (Pvt) Ltd	Karachi	1-Sep-03	Yes	20	5061706-11
20	FORETEL Corporation	Lahore	8-Nov-03	Yes	20	5763320
21	Vision Technologies	Lahore	1-Jul-03	Yes	20	6316005-8
22	Sameer Enterprise	Lahore	1-Jul-03	Yes	15	03008483609
23	Innovative (pvt) Ltd	Lahore	1-Aug-03	Yes	12	6662653
24	ITS Homes	Lahore	2-Aug-04	No	12	6307725-9
25	Virgin Resorts Pakistan	Muridkey	May-03	Yes	12	5840641
26	Hillal Corporation (Pvt) Ltd	Karachi	1-Oct-03	Yes	10	506 11 25-6
27	InfiniLogic (Pvt) Ltd	Karachi	16-Oct-04	Yes	10	5801993
28	APEX Communication	Lahore	May-04	Yes	10	5892972
29	MPS Call Center	Lahore	May-04	Yes	10	6300241

**International Call Centers:**

Sr.#	Name of Companies	City	Operational Since	Regd with PTCL	No. of Agents	Contact #
30	TransData	Lahore	18-Aug-04	Yes	10	7520160-1
31	Call Buddy Ltd.	Islamabad	3-Aug-04	Yes	9	2106115
32	5C Alliance Pakistan (Pvt) Ltd	Karachi	Dec-02	Yes	8	4527239
33	Global Network Solutions	Lahore	(29-Jan-04)	Yes	8	5840674-5
34	Metropolitan Business solutions	Lahore	9-Aug-03	Yes	6	7510011-14
35	Virtual Soft	Islamabad	3-Jun-04	Yes	5	2870138-9
36	Pisces	Karachi	-	Yes	5	5393416-4528444
37	Fiber technologies	Lahore	1-Jan-04	Yes	<5	6662653 0333-4309796
38	English Boot House	Karachi	(3-Dec-03)	Yes	<5	5678504
39	ARY Communications (Pvt) Ltd	Karachi	(25-Sep-03)	Yes	<5	5212815, 5688370
40	Comtec Solutions (Pvt) Ltd	Karachi	(25-Sep-03)	Yes	<5	5892980
41	Gerry's Information Technologies	Karachi	(12-Nov-03)	Yes	<5	111-123-321
42	International Studio and Laboratories	Karachi	(22-Oct-03)	Yes	<5	6344647
43	Phonecast (Pvt) Ltd	Karachi	(16-Oct-03)	Yes	<5	4553403
44	TCCM	Karachi	-	-	<5	-
45	Weave And Knit (Pvt) Ltd	Karachi	(2-Oct-03)	Yes	<5	5064695, 5064696
46	ZRG International Ltd.	Karachi	1-Jan-94	Yes	<5	4313221-2
47	LMK Resources	Islamabad	20-Mar-02	Yes	<5	111-101-101
48	Quick Link Telecom	Islamabad	(1-Jan-04)	Yes	<5	4448009
49	Absolute XS INC	Lahore	(6-June-04)	Yes	<5	042-5852240
50	Adamsoft	Lahore	3-Aug-04	Yes	<5	042-6317246-8
51	Customer Care	Lahore	3-Aug-04	Yes	<5	
52	Ebos (Pvt) Ltd	Lahore	July,03	Yes	<5	042-5870096 0300-8422865
53	First Marvel (Pvt) Ltd	Lahore	July,03	Yes	<5	042-5852382
54	NBA Computers	Lahore	Sep,03	Yes	<5	4384005-6
55	V-Telecom	Lahore	April-03	Yes	<5	042-5840471-73
56	E-bizsoft Pvt.Ltd	Karachi	(24-Feb-04)	Yes	<5	4386439
57	Xenon	Lahore		-	<5	7992215

**International Call Centers:**

Sr.#	Name of Companies	City	Operational Since	Regd with PTCL	No. of Agents	Contact #
58	Sapphire Textile Mills Limited	Karachi	(20-Jan-04)	Yes	New setup	111-000-100
59	Pemier Software (Pvt.) Ltd.	Karachi	(3-Nov-03)	Yes	new setup	2400280, 2436238
60	Central Trading (Pvt.) Ltd.	Karachi	(16-Jan-04)	Yes	new setup	4541960-67
61	SoftWise Technology	Karachi	(20-Jan-04)	Yes	new setup	5839992, 5835309
62	Apvision Pvt. Ltd.	Karachi	(5-March-04)	Yes	new setup	5822437
63	Outbox Solutions Corporation	Karachi	-	Yes	new setup	4521214, 03202015880
64	Computer Training & Testing Center.	Karachi	(5-April-04)	Yes	new setup	4310956-7
65	Softex System	Karachi	(20-April-04)	Yes	new setup	5687454
66	WW Resource (Pvt.) Ltd,	Karachi	(4-May-04)	Yes	new setup	-
67	Plexus Pvt. Ltd	Karachi	(7-March-04)	Yes	new setup	5660740-5
68	Hauka Pvt. Ltd	Karachi	(15-June-04)	Yes	new setup	0300-2733857
69	Softech Corporation (Pvt.) Ltd	Karachi	(16-June-04)	Yes	new setup	4559807
70	Simple eSolution (Pvt.) Ltd.	Karachi	(22-June-04)	Yes	new setup	7786931
71	NetPace System (Pvt.) Ltd.	Karachi	(2-July-04)	Yes	new setup	4313715
72	Out Source R Us(Pvt.) Ltd.	Karachi	(19-July-04)	Yes	new setup	-
73	Secure Voice Link International Pvt. Ltd.	Karachi	(7-Sep-04)	Yes	new setup	4541391
74	Dovemex Solutions Limited	Karachi	(10-Sep-04)	Yes	new setup	0300 2098867
75	Emcon Engineering	Karachi	(14-Sep-04)	Yes	new setup	5218611
76	Alvia Promotions (Pvt.) Ltd.	Karachi	(5-Oct-04)	Yes	new setup	439 2472
77	Trakker (Pvt.) Ltd.	Karachi	(8-Oct-04)	Yes	new setup	4390300
78	Barbedwire Technologies (Pvt.) Ltd.	Karachi	(25-Nov-04)	Yes	new setup	2789315-20
<b>Total Number of Agents:</b>					<b>1590*</b>	

\* Total number of agents are calculated by assuming an average of 3 agents in call centers having <5 agents and no agent in call center with new setup

**Domestic Call Centers:**

Sr.#	Name of Companies	City	Operational Since	No. of Agents	Contact #
1	NADRA	Islamabad	3-Jul-04	140	111-786-100/90391115
2	PIA	Islamabad	1-Feb-03	106	111-786-786
3	PTML	Islamabad	Feb-01	100	
4	Mobilink	Islamabad	1-Aug-03	55	03008555999
5	Shell Pakistan Limited	Karachi	1-Oct-03	50	4571924, 4577 860, 5689525
6	TCS (Pvt) Ltd	Karachi	1-Sep-03	50	111123456
7	Abn Amro Bank	Karachi	1-Jan-98	25	5687580-2
8	Citi Bank	Karachi	1-Jan-94	25	2412641, 111 333 333
9	Standard Chartered	Karachi	-	25	2425000, 111 002 002-2
10	Union Bank	Karachi	1-Sep-03	25	111 001 002, 0800-44 444
11	Aghaz Consulting	Islamabad	July-02	25	2651259
12	Regtel Enterprize	Lahore	April- 02	24	0300 9443693
13	Premier Software (Pvt) Ltd	Karachi	March-04	24	2417933/2401188
14	DHL Pakistan (Pvt) Ltd	Karachi	Oct-02	16	11-500-000
15	Saudi Pak Commercial Bank Limited	Karachi	1-Oct-04	16	111 001 987
16	UniLever	Islamabad	1-Oct-03	16	111-212-312/111-787-787
17	MCB	Karachi	Oct-02	13	2414110-9, 111 000 777 - 2
18	Bank Al-Fallah	Karachi	(28-Oct-03)	<5	111 225 111, 111 777 786
19	Mezan Bank	Karachi	(23-July-04)	<5	5610582, 5650771-3
20	Askari Commercial Bank	Islamabad	15-Dec-04	<5	9272150
21	Earth Tel Service	Islamabad	17-Jul-03	<5	0300-5119028
22	MTBC	Islamabad	-	<5	0300-8565113
23	United Bank Limited	Karachi	(October-03)	new operation	90332122, 90332996
24	MNet Services (Pvt.) Ltd.	Karachi	-	new operation	
25	Inter Link Multi Media (Pvt.) Ltd.	Karachi	(19-June-04)	new operation	2637111
26	AKD Securities (Pvt.) Ltd.	Karachi	(25-June-04)	new operation	5863453
27	PICIC	Karachi	(10-Sep-04)	new operation	241 4220
28	Intellicon Communication	Karachi	(25-Oct-04)	new operation	4390300
29	KASB Bank Ltd.	Karachi	(4-Nov-04)	new operation	2213234
<b>Total Number of Agents:</b>				<b>750*</b>	

\* Total number of agents are calculated by assuming an average of 3 agents in call centers having <5 agents and no agent in call center with new setup

**Note:**

1. The figures are updated till December 05, 2004
2. In column -4 the figures in bracket represent date of registration with PTCL since the setup is new and the exact date of operation is not known.

## **Annex-B: Software Technology Parks (STPs)**

The Software Technology Parks (STPs) for Islamabad, Karachi and Lahore have been conceived as one-stop shop for all software houses which seek creative and conducive working conditions, inexhaustible bandwidth and power supply, minimum regulatory overheads, maximum flexibility in the choice and use of space and minimal costs.

Several local and international software companies and call centers have occupied space and setup their operations in these STPs. The tenants of the STP must be registered with the Pakistan Software Export Board and should be in the business of software development / software education / exports of software or IT enabled services.

Facilities available at STPs include the following:

- Option of furnished or unfurnished space
- Fully air-conditioned
- Standby power supply
- Rent payable quarterly in advance
- Connectivity via STP's high-speed communication links.
- Availability of Fiber Optic Connectivity
- Car Park
- Security services

STPs are located at the following locations:

- STP-I Awami Markaz, Islamabad
- STP-II Evacuee Trust Complex, Islamabad
- STP Aiwan-e-Iqbal, Lahore
- STP at Netsol Building – Lahore
- National IT Park, Ceaser's Tower, Karachi

**Annexure-C: Application / Registration Forms****Annexure-C (a): Application / Registration Forms**

# PAKISTAN SOFTWARE EXPORT BOARD



## Application For Registration

Application Date: \_\_\_\_\_ Membership No.: \_\_\_\_\_

The Registration Committee  
 Pakistan Software Export Board  
 2<sup>nd</sup> Floor, Evacuee Trust Complex, F-5 Agha Khan Road, 44000 Islamabad.  
 Tel.: +92-51-111 333 666 Fax: +92-51-9204075

Dear Sirs,

We hereby apply for registration with Pakistan Software Export Board (PSEB). The information required by you is given below:

We confirm that the information provided by us in this form is true and correct and that it is open to verification by PSEB or their legally appointed representatives.

We understand that information provided in this form will be kept confidential and for internal use of Pakistan Software Export Board only and will not be shared by any party in part or whole without written permission from authorized personnel of our organization.

\_\_\_\_\_  
 Signed for and on behalf of the Company  
 Chief Executive

\_\_\_\_\_  
 Dated

Company Name:

\_\_\_\_\_  
 Subtitle (division of..subsidiary of...)

\_\_\_\_\_  
 Address:

\_\_\_\_\_  
 City: \_\_\_\_\_ Province: \_\_\_\_\_ Postcode: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Telex: \_\_\_\_\_

E-mail: \_\_\_\_\_ www: \_\_\_\_\_

No. of Employees: \_\_\_\_\_ Year Established: \_\_\_\_\_

Corporate Status:

- Public Limited Company     Private Limited Company     Registered Firm  
 Proprietorship     Branch Office of Foreign Company     Other

<p>Name of representative authorized to deal with the Pakistan Software Export Board</p> <p>Mr. / Ms. _____</p> <p>Designation _____</p> <p>Specimen Signature _____</p>
--

*Key Personnel Information*

<i>S/No</i>	<i>Name</i>	<i>Designation</i>	<i>Email</i>	<i>Mobile</i>
1				
2				
3				
4				
5				

**Branch Office(s) Information**

Branch :	_____
Address :	_____
City :	_____ Province : _____ Postcode : _____
Phone:	_____ Fax: _____ Telex: _____
E-mail:	_____
Contact Name :	_____ Position : _____

Branch :	_____
Address :	_____
City :	_____ Province : _____ Postcode : _____
Phone:	_____ Fax: _____ Telex: _____
E-mail:	_____
Contact Name :	_____ Position : _____

Attach list for additional branches.

<b>Brief Company Profile</b>



## Range of Services that you provide

(Gross Turnover figures for the last twelve months - Both Local and Export)

		Total Turnover Rs. _____	
		Local	Foreign
		% of turnover	
1. Customized Software Development	Rs. _____	Rs. _____	
2. Exclusive Contracts for:			
a. Information System Consulting	Rs. _____	Rs. _____	
b. Project Management	Rs. _____	Rs. _____	
c. System Analysis and Design	Rs. _____	Rs. _____	
d. Change Management	Rs. _____	Rs. _____	
e. Implementation	Rs. _____	Rs. _____	
f. Maintenance	Rs. _____	Rs. _____	
g. System Integration	Rs. _____	Rs. _____	
h. Programming Services	Rs. _____	Rs. _____	
3. People / Skills Development	Rs. _____	Rs. _____	

		Total Turnover Rs. _____	
		Local	Foreign
		% of turnover	
1. Facilities Management	Rs. _____	Rs. _____	
2. External Bureau Service	Rs. _____	Rs. _____	
3. On-Line Bureau Service	Rs. _____	Rs. _____	
4. Data Entry Facility	Rs. _____	Rs. _____	

		Total Turnover Rs. _____	
		Local	Foreign
		% of turnover	
1. Own Products	Rs. _____	Rs. _____	
2. Third-Party Products	Rs. _____	Rs. _____	
3. Implementation and Management	Rs. _____	Rs. _____	
4. Maintenance	Rs. _____	Rs. _____	
5. People / Skills Development	Rs. _____	Rs. _____	

**EXPORTS**

Where Do You Export Now?		% of Turnover	
North America	_____	Middle East	_____
Europe	_____	Far East	_____
Canada	_____	Other	_____
Japan	_____		_____

**SKILLS MATRIX**  
Industry Sector Wise

Indicate By ✓

Financial & Insurance Institutions etc.		Warehousing	
Manufacturing		Construction Works	
Transportation		Government & Public Administration	
Communications		Business Services	
Pharmaceuticals		Hoteling	
Health Services		Newspapers	
Retail Trade		Commercial Printing, Publishing	
Agriculture, Forestry & Fishing		Other	

**AREAS OF EXPERTISE**

(for classification on our website)

Indicate By ✓

Client Server Applications		Data Entry Services	
Software Development/Re-engineering		Data Warehousing	
Internet Business Solutions		IT Training	
Networking Solutions		Customer Services & Support	
Call Centres			

## SKILLS MATRIX

### Development Capability Wise

Operating System	= Yes	Languages	= Yes	RDBMS & Tools	= Yes
DOS		COBOL		DBASE	
LAN		FORTRAN		FOXBASE	
OS/2		PL/1		FOXPRO	
MACINTOSH OS		ASSEMBLER		CLIPPER	
WINDOWS		BASIC		UNIFY	
UNIX (Extension)		ADA		RECITAL	
PICK		RPG		ORACLE	
IBM MVS		C		PROGRESS	
IBM VME		C++		INFORMIX	
SSP		PROLOG		FOCUS	
OS/400		LISP		INGRESS	
DEC VAX/VMS		PASCAL		AS/SET	
NCR ITX		VISUAL BASIC		SYNON	
IBM DOS VS/VSE		DEVELOPER2 000		VAX RDB	
SUNSPARC		JAVA		AS/400 NATIVE MODE	
SOLARIS		HTML		AS/400 SQL	
				ACCESS	
				APPROACH	
				SYBASE	

**Note:** Please send us this form along with Company Profile, key Personnel's Visiting Cards, NIC (Photo copy) of CEO, Products information, Core Expertise detail and Bank Draft/PO of Rs. 5000/- in favor of Pakistan Software Export Board.

- If your company is Private Limited then attach Memorandum & Article of the Association.
- If Registered Firm then attach Registrar Certificate
- If Partnership then attach Partnership Deed

## **For office use only**

- Form filled correctly
  
- Company Profile attached
  
- Updated on PSEB Website
  
- Visiting Cards of Key Personals/NIC of CEO Attached
  
- Products Info available
  
- Export Figures Received
  
- Bank Draft Received
  
- Accounts officer name \_\_\_\_\_ Date: \_\_\_\_\_
  
- Receiving No. \_\_\_\_\_ Date: \_\_\_\_\_
  
- Docs. Verified By \_\_\_\_\_ Date: : \_\_\_\_\_
  
- Certificate issued By: \_\_\_\_\_ Date: \_\_\_\_\_

*Remarks:*

---

---

**Annexure-C (b): Call Center Registration Form****For Official Use**

Application No:

\_\_\_\_\_

Received On:

\_\_\_\_\_

Received By:

\_\_\_\_\_

**PAKISTAN SOFTWARE EXPORT BOARD (PSEB)**

Government of Pakistan

Ministry of Information Technology

URL: [www.pseb.org.pk](http://www.pseb.org.pk) Email: [info@pseb.org.pk](mailto:info@pseb.org.pk) Tel: 111-333-666**Registration Form for Call Centers in Pakistan**

1. Company Name: \_\_\_\_\_
  2. Company Address: \_\_\_\_\_  
\_\_\_\_\_
  3. Owner's Name: \_\_\_\_\_
  4. Owner's NIC No : \_\_\_\_\_
  5. Contact Information: Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
\_\_\_\_\_
  - Mobile: \_\_\_\_\_ Email: \_\_\_\_\_  
\_\_\_\_\_
  - URL: \_\_\_\_\_
  6. Company NTN: \_\_\_\_\_  
(Attach Photocopy of Company NTN Certificate)
  7. Type of Call Center: Domestic International
- (In Case of international call center please provide details of foreign partners).
8. Number of Agents: \_\_\_\_\_
  9. Call Center Located At: \_\_\_\_\_

10. Declaration:

- It is certified that the above information is true to the best of my/our knowledge.
- I/We undertake that all telecom services for call center operation shall be obtained from a licensed telecom service provider and shall not be misused or used for any other purpose other than call center operation.
- The licensed telecom service provider will have the right to monitor telecom services provided to guard against misuse.
- In case of any type of misuse of telecom services provided for call center operation, call center registration shall immediately be cancelled by PSEB and the licensed telecom service provider shall be authorized to immediately terminate services and undertake legal action under the relevant laws of Pakistan.
- Authorized Government security agencies will have the right to intercept the traffic/data originated/terminated at the call centers for the purpose of analysis and scrutiny.

Name: \_\_\_\_\_ Designation: \_\_\_\_\_ Signature:  
\_\_\_\_\_

Company Seal: \_\_\_\_\_

**Annex-D: PSEB Tariff for IP Connectivity (Bandwidth)**

For companies seeking bandwidth from PSEB following tariffs are applicable:

**1. Dedicated Clear Pipe: (w.e.f. August 14, 2004)**

Bandwidth Data Rate	Installation Charges (One Time) (Non Refundable) US \$	Monthly Charges-PIE (PTCL)		Monthly Charges-FLAG For Software Exporters, Call Centers and ISP's (US \$)
		For Software Exporters / Call Centers (US \$)	For Internet Service Providers (US \$)	
64 kbps	32.00	247.00	277.00	277.00
128 kbps	63.00	468.00	526.00	526.00
256 kbps	125.00	728.00	905.00	905.00
512 kbps	250.00	1,242.00	1,548.00	1,548.00
1 Mbps	500.00	2,126.00	2,628.00	2,628.00
2 Mbps	1,000.00	3,500.00	3,950.00	3,950.00

**Note:**

Security Deposit: Equal to One-Month Connectivity Charges

**2. STP Gold (Volume Based): (w.e.f. Nov 01, 2004)**

Package	Traffic Allowed Per Month (Data Upload + Download)	Monthly Charges (Rs)				Rate Per Additional 100 MB (Rs)
		64 kbps	128kbps	256kbps	512kbps	
STP Gold 4	4 GB	4,095.00	4,095.00	4,095.00	-	120.00
STP Gold 8	8 GB	6,506.00	6,506.00	6,506.00	-	120.00
STP Gold 12	12 GB	8,916.00	8,916.00	8,916.00	-	120.00
STP Gold 16	16 GB	11,327.00	11,327.00	11,327.00	-	120.00
STP Gold 20	20 GB	-	13,738.00	13,738.00	13,738.00	120.00
STP Gold 24	24 GB	-	16,148.00	16,148.00	16,148.00	120.00
STP Gold 32	32 GB	-	20,969.00	20,969.00	20,969.00	120.00
STP Gold 40	40 GB	-	25,791.00	25,791.00	25,791.00	120.00

**Note:**

1. Security Equal to One-Month Charges
2. Installation Charges will be Rs. 10,000/- (One Time Non Refundable)

**3. Shifting PRI/E1's on Optical Fiber****Tariff:**

Installation Charges = Rs 3,000 / PRI or E1 ( Non-Refundable )  
 Monthly Rental = Rs 500 / PRI or E1

**Notes:**

1. Present infrastructure can only support a maximum of 60 PRI/E1s. This service will be available on first come first serve basis.
2. At the moment this facility is only for the IT companies located into the Software Technology Parks Lahore.

## Annex-E: PTCL Tariffs & Incentives for International & Domestic Call Centers

### International Call Centers

#### 1. Incentive Package

PTCL offers an attractive incentive package to prospective subscribers. This offer features:

- Reduced connectivity charges from US \$ 9900 to US \$6500 per Ei Full Circuit MBS on FLAG.
- Maximum reliability through free satellite backup.
- Satellite capacity reinforcement of Pakistan Internet Exchange to ensure bandwidth availability in case of SMW3 outage.
- Service Level Agreement with Internet and IT companies.
- Self-healing domestic backbone.
- Software Technology Parks connected through Optical Fiber rings.
- 20% reduction in local line charges.

#### 2. Tariff Package:

PTCL Management has recently announced following bandwidth tariffs for International Call Centers of Premium Internet Protocol Backbone Connectivity using SMW-3 with effect from August 14, 2004. The rates will be as under:

<b>Bandwidth</b>	<b>Monthly Tariff on All Pakistan Basis - US \$</b>
256 Kbps	728
512 Kbps	1,242
1024 Kbps	2,126
2 Mbps	3,500
8 Mbps	11,700
34 Mbps	43,200
45 Mbps	57,150

#### Other applicable charges

DXX charges	NIL
Local Connectivity	Waived off for Lahore, Karachi and Rawalpindi / Islamabad. For other cities customer to arrange local connectivity at his own cost from PTCL point of presence.
Installation Charges (One time)	Upto 1024 Kbps = US\$ 500 > 1024 Kbps = US\$ 1,000
Security	One month rental (15 days billing cycle and 7 days payment time)
Registration Charges (For 2/8/34 Mbps Customers)	Rs. 30,000 (Adjustable in monthly bills)

### 3. Terms and Conditions by Ministry of IT & T

1. All International Call Centers will be provided with fully redundant international connectivity through sub-marine cable supplemented by satellite to ensure reliable and resilient international connectivity.
2. There will be no additional charges except mentioned above.
3. The arrangement will be on year-to-year basis to be continued until the alternate fiber optic cable comes into operation.

### 4. Terms and Conditions

1. GST @ 15% shall be payable on charges as per CBR letter No. 1 (17) STR/2000 dated 30th November, 2001.
2. Demand Note payment time 15 days. Non-payment to result in cancellation of registration.
3. Bills will be payable within 07 days from date of issue. In case of default 5% surcharge will be levied.
4. Non-payment beyond 03 weeks shall warrant disconnection of the service.
5. Non-payment beyond 30 days shall warrant disconnection of all services provided by PTCL to the defaulters.
6. The Bulk Customer shall ensure PTCL exclusivity and interest. In case of any breach PTCL shall disconnect the service immediately.
7. If part of this Internet Bandwidth is used for illegal activity the customer will be additionally liable for legal action. Parties indulging in unfair practices, violation of leased circuit agreement or found involved in any illegal activity would be liable to legal action as well as immediate termination of services.
8. The customer of bulk bandwidth shall arrange Optical fiber connectivity on his own cost from nearest PTCL Exchange to his premises along with terminal equipment.

## **Domestic Call Centers**

### 1. Incentive Offer

The Call Center service features tailor-made attractions like:

- 25% discount on nationwide call for customers with low-traffic volume plus an extra 5-10% discount based on usage.
- Fixed minimum rate of Rs. 4/- per minute for users of 10,000 or more NWD minutes a month.

Value-added combination of UAN and Leased Lines (DXX) for in-house Call Centres. Diversion of UAN and Leased Line calls to Call Center.

### 2. Connectivity Options:

Two connectivity options are available depending upon the nature and type of a Call Center.

Type of Call Center Connectivity.

<b>International</b>	<b>IP / IPLC (half-circuit)</b>
<b>Domestic</b>	<b>One-Way PRI</b>

3. Tariff Package:3.1 Option 1a. **Installation Charges (One time)**

Rs 3,000 (Excluding General Sales Tax)

b. **Security deposit (Refundable)**

1 to 5 lines Rs. 5,000 per line

6 to above Rs. 4,000 per line

Or Bank guarantee of Rs. 100,000

c. **Features (Free of Charge)**

- Day time dependent routing
- Call distribution
- Origin dependent routing

d. **Call Charges (Excluding General Sales Tax):**

<b>Distance Slab</b>	<b>Normal PTCL tariff Rs. per minute</b>	<b>Discount Toll Free Calls</b>
0-25 Km	2.01 for five minutes	15%
More than 25 Km upto 80 Km	3.48	25%
More than 80 Km upto 160 Km	4.25	25%
More than 160 Km	5.25	25%

**Note:** Off Peak-I and Off Peak-II tariffs for NWD calls will also be applicable as per circular for NWD calls.

e. **Discount Package:**

<b>Monthly Bill (Excluding Sales Tax)</b>	<b>Discount</b>
Above Rs. 50,000 upto Rs. 100,000	5.00 %
Above Rs. 100,000 upto Rs. 150,000	7.50 %
Above Rs. 150,000	10.00 %

3.2 Option 2**Installation Charges (One time)**

Rs 3,000 (Excluding General Sales Tax)

**2. Security deposit (Refundable)**

1 to 5 lines Rs. 5,000 per line

6 to above Rs. 4,000 per line

Or Bank guarantee of Rs. 100,000

**3. Features (Free of Charge)**

- Day time dependent routing
- Call distribution
- Origin dependent routing

**4. Call Charges (Excluding General Sales Tax):**

<b>Call Type</b>	<b>Charges (Excluding. GST)</b>	<b>Remarks</b>
Local Calls	Rs. 2.01 per call	An additional discount of 15% shall be allowed on billing of local call charges.
NWD Calls (Flat Rate)	Rs. 3.00 per minutes	Minimum NWD traffic commitment of 10,000 minutes has been waived off.

### **Option 3-UAN+IP (Traffic Aggregation using Packet Based Protocol)**

This option consists of a combination of UAN service leased line & DXX. Incoming voice traffic from various cities will be collected via local calls using UAN service and converted to packet based IP traffic for transport to central call center using leased lines. The call center operator will install IP gateways that will be housed at PTCL co-location centers and one-way PRI will be used for interfacing with PSTN.

#### **1. Installation Charges (One time)**

Installation charges will consist of sum of individual installation charges as applicable for PRI and UAN services.

#### **2. Security deposit (Refundable)**

One month rental of PRI and UAN plus advance rent for one month.

#### **3. Monthly recurring charges**

Monthly recurring charges will consist of the following:

<b>Description of Service</b>	<b>Charges</b>
PRI rental	As per applicable tariff for PRI
Line rent	As per applicable tariff for Line rent
Coo-location charges	As per applicable tariff for Co-location
UAN charges	As per applicable tariff for UAN service
Leased line	As per applicable tariff for leased lines + 100 % premium
DXX charges	NIL

#### **Terms and conditions:**

- i. No connectivity is allowed to/from any type of International Network.
- ii. Combined call centers (local + International) are not allowed.
- iii. The interconnection of corporate customer's systems (including call centers) with PSTN will be one way; from PSTN to the corporate customers systems.
- iv. For leased line Plus UAN (Option 3) only large corporate customers will be considered for incoming (one way) call center voice traffic only.
- v. Only Pakistan registered companies shall be allowed on non-exclusive basis.
- vi. Interconnectivity of domestic call centers shall not be allowed.
- vii. Monthly bill should be cleared within 7 days from date of issue. Non payment beyond 30 days will lead to disconnection without any notice.

## Annex-F: Economics of a Call Center Business in Pakistan

ASP based call center		Amount in Pak Rupees				
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
<b>Revenue</b>	<b>66,861,556</b>	<b>257,191,181</b>	<b>569,482,672</b>	<b>941,692,414</b>	<b>1,228,580,103</b>	
<b>Cost of sales</b>						
Agent Salary	28,800,000	66,816,000	128,563,200	213,995,520	328,458,240	
Management Salary	17,895,351	35,184,721	62,935,306	100,757,443	151,392,853	
TIs and LD	23,001,686	23,552,306	41,483,295	58,692,171	76,572,810	
Bandwith	2,743,632	21,084,624	32,259,475	59,088,061	60,269,823	
Depreciation	5,139,986	9,844,900	16,260,436	17,348,274	18,905,596	
Rent	2,392,320	4,784,640	10,526,208	21,052,416	44,210,074	
Utilities	2,024,657	3,964,646	7,386,382	12,608,425	21,202,792	
<b>Total</b>	<b>81,997,633</b>	<b>165,231,838</b>	<b>299,414,301</b>	<b>483,542,310</b>	<b>701,012,187</b>	
<b>Operating profit</b>	<b>(15,136,077)</b>	<b>91,959,343</b>	<b>270,068,371</b>	<b>458,150,104</b>	<b>527,567,916</b>	
%	(22.6)	35.8	47.4	48.7	42.9	
Marketing	2,000,000	15,431,471	39,863,787	56,501,545	61,429,005	
Others	500,000	2,571,912	5,694,827	9,416,924	12,285,801	
<b>Total of Other Charges</b>	<b>2,500,000</b>	<b>18,003,383</b>	<b>45,558,614</b>	<b>65,918,469</b>	<b>73,714,806</b>	
<b>Gross Profit</b>	<b>(17,636,077)</b>	<b>73,955,960</b>	<b>224,509,757</b>	<b>392,231,635</b>	<b>453,853,110</b>	
Gross Profit margins %	(26.4)	28.8	39.4	41.7	36.9	

## Assumptions & Calculations

Revenue per month														
Year 1	July	August	September	October	November	December	January	February	March	April	May	June	Total	Average
Seats		40	40	40	40	60	60	60	100	100	100	100	740	67.27
Agents		40	80	80	80	120	120	120	200	200	200	200	1,440	130.91
Hours/day		14	14	14	14	14	14	14	14	14	14	14	154	14.00
Days/month		22	22	22	22	22	22	22	22	22	22	22	242	22.00
Base rate \$		15.0	15.0	15.0	15.0	15.0	13.0	13.0	13.0	13.0	13.0	13.0	153	13.91
Base rate PKR		870	870	870	870	870	754	754	754	754	754	754	8,874	807
Effective rate \$		-	-	-	7.5	7.5	6.5	6.5	6.5	6.5	6.5	6.5	54	4.91
Sale per hour		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	11	1.00
\$/PKR rate		58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0	638	58.00
Probability		0.0%	0.0%	0.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	4.0	36.4%
Revenue per month (US\$)		0	0	0	92,400	138,600	120,120	120,120	200,200	200,200	200,200	200,200	1,272,040	115,640
Year 2	1	2	3	4	5	6	7	8	9	10	11	12	Total	Average
Seats	100	100	100	100	100	100	120	120	132	132	144	144	1,392	116
Agents	200	200	200	200	200	200	240	240	264	264	288	288	2,784	232
Hours/day	13	13	13	13	13	13	13	13	13	13	13	13	156	13
Days/month	22	22	22	22	22	22	22	22	22	22	22	22	264	22
Base rate \$	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	187	15.6
Base rate PKR	923	923	923	923	923	923	923	923	923	923	923	923	11,075	923
Effective rate \$	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	131	10.92
Sale per hour	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12	1
\$/PKR rate	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	710	59.16
Probability	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	8.4	70.00%
Revenue per month US \$	312,312	312,312	312,312	312,312	312,312	312,312	374,774	374,774	412,252	412,252	449,729	449,729	\$4,347,383	362,282
Year 3	1	2	3	4	5	6	7	8	9	10	11	12	Total	Average
Seats	156	156	168	168	180	180	192	192	204	204	216	216	2,232	186
Agents	312	312	336	336	360	360	384	384	408	408	432	432	4,464	372
Hours/day	14	14	14	14	14	14	14	14	14	14	14	14	168	14
Days/month	22	22	22	22	22	22	22	22	22	22	22	22	264	22
Base rate \$	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	206	17.16

	July	August	September	October	November	December	January	February	March	April	May	June	Total	Average
Base rate PKR	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	12,426	1035
Effective rate \$	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	165	13.73
Sale per hour	1	1	1	1	1	1	1	1	1	1	1	1	12	1
\$/PKR rate	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	724	60
Probability	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	9.6	80.00%
Revenue per month US \$	824,504	824,504	887,927	887,927	951,350	951,350	1,014,774	1,014,774	1,078,197	1,078,197	1,141,620	1,141,620	\$11,796,745	983,062
<b>Year 4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>	<b>Average</b>
Seats	228	228	240	240	252	252	264	264	276	276	288	288	3,096	258
Agents	456	456	480	480	504	504	528	528	552	552	576	576	6,192	516
Hours/day	14	14	14	14	14	14	14	14	14	14	14	14	168	14
Days/month	22	22	22	22	22	22	22	22	22	22	22	22	264	22
Base rate \$	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	227	18.876
Base rate PKR	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	13,942	1162
Effective rate \$	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	193	16.04
Sale per hour	1	1	1	1	1	1	1	1	1	1	1	1	12	1
\$/PKR rate	61.6	61.6	61.6	61.6	61.6	61.6	61.6	61.6	61.6	61.6	61.6	61.6	739	62
Probability	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	10.2	85.00%
Revenue per month US \$	1,126,716	1,126,716	1,186,017	1,186,017	1,245,318	1,245,318	1,304,619	1,304,619	1,363,919	1,363,919	1,423,220	1,423,220	15,299,617	1,274,968
<b>Year 5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>	<b>Average</b>
Seats	300	300	312	312	324	324	336	336	348	348	360	360	3,960	330
Agents	600	600	624	624	648	648	672	672	696	696	720	720	7,920	660
Hours/day	14	14	14	14	14	14	14	14	14	14	14	14	168	14
Days/month	22	22	22	22	22	22	22	22	22	22	22	22	264	22
Base rate \$	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	18.9	227	18.876
Base rate PKR	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	14,221	1185
Effective rate \$	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	193	16.04
Sale per hour	1	1	1	1	1	1	1	1	1	1	1	1	12	1
\$/PKR rate	62.8	62.8	62.8	62.8	62.8	62.8	62.8	62.8	62.8	62.8	62.8	62.8	753	63
Probability	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	10	85.00%
Revenue per month US \$	1,482,521	1,482,521	1,541,822	1,541,822	1,601,123	1,601,123	1,660,424	1,660,424	1,719,724	1,719,724	1,779,025	1,779,025	19,569,278	1,630,773

<b>Operational Expenses (PKR)</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
Avg. no of seats	67	116	186	258	330
Avg. no of agents	131	232	372	516	660
PKR/ \$ Parity	58	59	60	62	63
<b>Salary</b>					
Per agent	20,000	24,000	28,800	34,560	41,472
QA Managers (1: 5agents)	26	46	74	103	132
QA Salary	30,000	36,000	43,200	51,840	62,208
Relationship Manager (1:20 agents)	7	12	19	26	33
RM Salary	50,000	60,000	72,000	86,400	103,680
Shift Supervisor (1 per shift)		2	2	2	2
Salary	50,000	60,000	72,000	86,400	103,680
<b>Total Operations Staff</b>	<b>98</b>	<b>176</b>	<b>281</b>	<b>389</b>	<b>497</b>
CTO	60,000	72,000	86,400	103,680	124,416
CFO	60,000	72,000	86,400	103,680	124,416
COO	125,000	150,000	180,000	216,000	259,200
Accommodation expenses	48,552	48,552	53,407	53,407	58,748
Sales/Mktg Consultant	60,000	60,000	72,000	72,000	86,400
QA Managers	785,455	1,670,400	3,214,080	5,349,888	8,211,456
Relationship Manager	327,273	696,000	1,339,200	2,229,120	3,421,440
Shift supervisor	-	120,000	144,000	172,800	207,360
Others staff	25,000	43,108	69,122	95,878	122,635
<b>Total salaries per month (except agents)</b>	<b>1,491,279</b>	<b>2,932,060</b>	<b>5,244,609</b>	<b>8,396,454</b>	<b>12,616,071</b>
<b>Rent (incl. of electricity 9 - 5)</b>					
Area (sq ft)	7,120	14,240	28,480	56,960	113,920
Area per agent (sq. ft)		75	75	75	75
Rent / sq. ft	28.0	28.0	30.8	30.8	32.3
<b>Rent/per month (PKR)</b>	<b>199,360</b>	<b>398,720</b>	<b>877,184</b>	<b>1,754,368</b>	<b>3,684,173</b>
Bandwidth/MB (US\$)	2,628	5,400	8,100	10,000	10,000
MB requirement	1.50	5.50	5.50	8.00	8.00
Bandwidth cost (US\$)	3,942	29,700	44,550	80,000	80,000
<b>Bandwidth (PKR)</b>	<b>228,636</b>	<b>1,757,052</b>	<b>2,688,290</b>	<b>4,924,005</b>	<b>5,022,485</b>
3mb/100 seats					
<b>ASP Set-up cost- variable</b>					
Per seat cost US\$	190	180	170	170	170
Per seat cost PKR	11,020	10,649	10,258	10,464	10,673
<b>T1 and LD cost</b>					
Per Hour per agent US\$	1.74	1	1	1	1
Per Hour per agent PKR	100.9	59.2	60.3	61.6	62.8
<b>Utilities</b>					
<b>Cost per unit</b>	<b>4.00</b>	<b>4.40</b>	<b>4.84</b>	<b>5.32</b>	<b>5.86</b>
No. of units / '000 sq. ft	1,200	1,200	1,200	1,200	1,200
Covered area	7,120	14,240	28,480	56,960	113,920
No. of hours (ex- 9 - 5 PM)	8	8	16	16	16
No. of units used	8,544	17,088	34,176	68,352	136,704

<b>Operational Expenses (PKR)</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
Electricity cost per month	34,176	75,187	165,412	363,906	800,593
Other - cost per employee	2,000	2,200	2,420	2,662	2,928
total	134,545	255,200	450,120	686,796	966,306
<b>Total utilities per month</b>	<b>168,721</b>	<b>330,387</b>	<b>615,532</b>	<b>1,050,702</b>	<b>1,766,899</b>
<b>Capex</b>					
PCs and Networking	2,461,240	3,131,762	4,014,399	3,922,641	3,726,509
Office Equipment	318,000		360,000		
Furnitures & Fixtures	1,110,319	1,167,273	1,575,000	1,620,000	1,620,000
Technology hardware	418,100	1,770,000	1,440,000		
Software purchases	11,705,455	8,648,116	12,672,072	13,294,814	13,560,710
<b>Total</b>	<b>16,013,114</b>	<b>14,717,151</b>	<b>20,061,471</b>	<b>18,837,455</b>	<b>18,907,219</b>
Per employee PC/ Networking cost	36,586	40,245	38,232	36,321	34,505
Per employee furniture & fixture cost		15,000	15,000	15,000	15,000
Per seat software \$	3,000	3,000	3,000	3,000	3,000
total software PKR	11,705,455	8,648,116	12,672,072	13,294,814	13,560,710
Depreciation	5,139,986	4,704,914	6,415,535	6,005,760	6,028,782
--Computers & Equipment	4,917,922	4,471,460	6,100,535	5,681,760	5,704,782
--Furnitures & Fixtures	222,064	233,455	315,000	324,000	324,000
Prior year		5,139,986	9,844,900	11,342,513	12,876,814
Computers & Equipment		4,917,922	9,389,382	10,571,995	11,782,296
Furnitures & Fixtures		222,064	455,518	770,518	1,094,518
Total Depreciation	5,139,986	9,844,900	16,260,436	17,348,274	18,905,596
<b>Net Assets</b>	<b>10,873,128</b>	<b>20,885,364</b>	<b>34,531,299</b>	<b>52,280,916</b>	<b>69,630,813</b>
Computers & Equipment	9,984,872	20,173,610	33,726,818	51,755,435	69,429,331
Furnitures & Fixtures	888,255	711,754	804,482	525,482	201,482
Total assets	16,013,114	30,730,264	50,791,735	69,629,190	88,536,409

**Report Prepared By:**

Sabahat Majeed  
Research Officer  
PSEB Islamabad



**Pakistan Software Export Board (G) Ltd.  
Ministry of Information Technology  
Government of Pakistan**

**Head Office -Islamabad**

2nd Floor, Evacuee Trust Building, F-5 Agha Khan Road, Islamabad  
Tel.: +92-51-9204074, Fax: +92-51-9204075

**Lahore Office**

5th floor, Admin Block Awain-e-Iqbal Complex, Egerton Road, Lahore  
Tel: +92-42-6307825-6, Fax: +92-42-6307827

**Karachi Office**

Room 1201, 12th Floor, National IT Park, Ceaser's Tower, Shahrah-e-Faisal, Karachi  
Tel: +92-21-9217381, Fax: +92-21-9217382

UAN: 111-333-666

E-mail: [info@pseb.org.pk](mailto:info@pseb.org.pk)

Website: <http://www.pseb.org.pk>