

A Case-Study on Altia Smart City: San Pedro Sula & Tegucigalpa, Honduras

Loren Moss, Global Executive Insight Analyst

https://lorenmoss.com/

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In this vew, against the backdrop of San Pedro Sula, the Altia Smart City complex can be seen on the left. In the foreground is the Altara lifestyle shopping mall, and then on the right is the San Pedro Sula campus of Unitec: "The Global University of Honduras." Both Altia Smart Cities are located adjacent to Unitec campuses, providing a constant supply of energetic, talented and qualified employees.

Introduction

The Coronavirus COVID-19 Pandemic has disrupted BPO and customer contact operations globally. As of this writing, mid-June 2020, operations still have not returned to normal for many operators and jurisdiction, and viral contagions continue to rage, with infection rates still breaking records in many US states, Brazil, and other countries across the world.

Many jurisdictions and operators have gone to a Work-From-Home modality. Colombia's president Ivan Duque ordered all private and government employees to work from home by law, with exceptions only granted in certain cases. The problem remains, many sensitive roles and operations cannot be done in a telework environment. Many outsourcers and shared services operators conduct sensitive operations with customer financial data or patient health information and due to contractual obligations or government regulations, they must operate and perform these functions from within the confines of a secure, controlled environment.

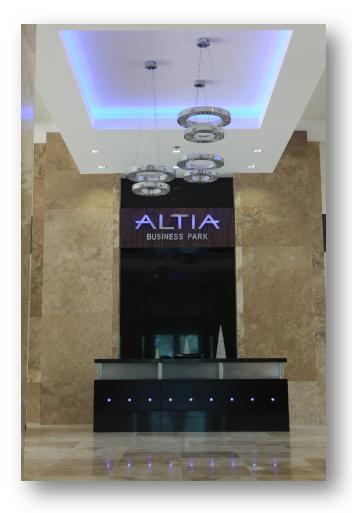
This leads to the question: In times like these, how can operators continue to function and carry out their business mission while taking into full account costs, operational resilience, security, the health and safety of employees, collaborators and other stakeholders, and government mandates?



Key in the operational strategy of any resilient business is smart site selection. This includes more than country or city selection, but what type of facilities: Part of a business park or isolated building? In a Free Zone, or under the normal tax regime? Urban, suburban or exurban?

What are security considerations? Amenities for employees? Accessibility for outside and foreign visitors, including foreign visitors from your own enterprise? Are hotels nearby?

Added to all this, now public health mandates and safety precautions are added to the decision process further complicating both site selection and ongoing operations...or maybe not.



In this white paper, we examine the case

of Altia Smart Cities; two modern business parks in Tegucigalpa and San Pedro Sula, Honduras, and the measures they have taken to successfully remain open for their BPO, IT outsourcing, shared services and contact center tenants, while complying with government mandates, protecting the health and wellness of tenant employees during the pandemic, and providing significant added value above and beyond the traditional lessor-tenant relationship.

Background

Altia Smart Cities are two modern business parks with class-A office facilities, both qualified as international free trade zones in each of the two principal cities of the Central American country of Honduras: San Pedro Sula and the capital of Tegucigalpa. Honduras is politically stable, business friendly ally of the United States accessible by multiple daily direct flights into both principal cities. Aside from being a very attractive services destination due to its low cost and bilingual workforce with strong English, Honduras is an attractive tourist destination with Caribbean paradises such as Roatán, popular with divers and expatriates, and the Gulf of Fonseca on the Pacific.

The first Smart City opened in 2010 in San Pedro Sula, then ground was broken 4 years later on the Tegucigalpa facility. Private developments with strong government support, they are part of the multinational Grupo Karims enterprise, with interests in textiles and real estate across Central America, the Caribbean, the Middle East and South Asia.

Altia Smart Cities provides both ready to occupy spaces and build-to-suit options for outsourcing and shared services/global delivery tenants; with streamlined and

accompanied processes for completing the necessary processes to do business in Honduras. Each Smart City provides amenities such as secure employee parking, full climate control, electrical redundancy, indoor & outdoor employee recreation areas and activities, and shopping-center style food courts with multiple restaurant choices.

Each smart city also provides on-site medical care, and assists tenants with employee recruitment, selection and screening.

Once the global Coronavirus COVID-19 Pandemic arrived in Honduras on about March 10, 2020 the national government took decisive steps to contain contagion. The country has demonstrated relative success, as there are, as of this publication, under 9,000 confirmed cases with 967 recovered patient cases and 312 fatalities.

As the national government of Honduras issued sweeping public health orders and mobility restrictions, special dispensation was given to Altia Smart Cities due to the contingency plans they were able to activate to maintain operations in a safe manner. These plans set in action covered health and biosafety, operational, and regulatory / governmental contingencies.



Altia has shown the highest commitment and partnership to its client in a way that I have not seen before, I am pleased to work with this level of professionalism and passion for what they do. During this time, you have been acting as a strategic advisor between the government, local authorities, and our industry, always providing real time assistance in different aspects of our operations. I would really like to continue growing and working with you in the near future.

Edgardo Melendez, Country Manager – Concentrix Honduras.

Health and Biosafety Measures

Immediately upon governmental alerts about the public health threat, Altia Smart Cities proactively coordinated actions between national and local governments, public health authorities. medical experts, and international tenants to understand tenant operational needs. Many operations are critical functions that must continue, while security and operational constraints precluded telework modalities.

Even before any national curfews or public quarantines were ordered, the Altia Smart Cities team reacted, developing a site biosecurity protocol with a team of doctors and nurses. Medical checks, including body temperature readings were performed on every employee upon entry to the premises.

Every vehicle that enters either site is disinfected with a chlorine solution.

Altia Smart Cities developed their own app that

tracks every employee and visitor via geolocation and medical status.

As of the date of publication, there have been zero cases of the COVID-19 infection in either of the Altia Smart Cities.

While the Honduran government has launched MAIZ and CATRACHO treatment protocols for COVID-19 patients, no employee of Altia Smart Cities or their tenants have needed to undergo the regimens.

Every vehicle that enters either site is disinfected with a chlorine solution. After parking, the individuals upon arrival go through the Altia biosecurity protocol before entering any building. These activities are backed by internal communications and engagement programs to convince employees of the importance of such



Altia Smart Cities provides all employees and visitors with face masks, hand sanitizer, gloves, and disinfecting rugs, relieving tenants of the responsibility or logistical challenge of sourcing such products locally or worse, arranging for importation.

measures, and encourage compliance. If an employee shows any symptoms of sickness, he or she is immediately sent home, but private transportation is arranged to protect both the employee and the public. In this way, a potentially sick employee is not left to navigate public transportation, putting others at risk.

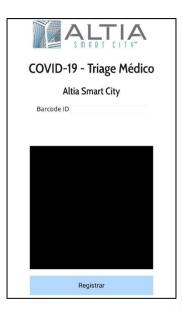
Additional Altia Smart Cities Medical Measures:

- Two doctors and one nurse are on site from 5:30am to 12pm every day, then one doctor and one nurse from 12pm to 6pm.
- Medical staff checks body temperature, blood pressure, possible symptoms, and questions each employee or visitor upon entrance, every day.
- The medical stations are repeatedly disinfected, every two hours.
- Free medical phone consultations with a doctor for any employee

Importantly, all employees of Altia Smart Cities tenants **and their families** in either city have the benefit of free psychological consultations to deal with any issues whatsoever, related to work, the pandemic, or other stressors and wellbeing factors.

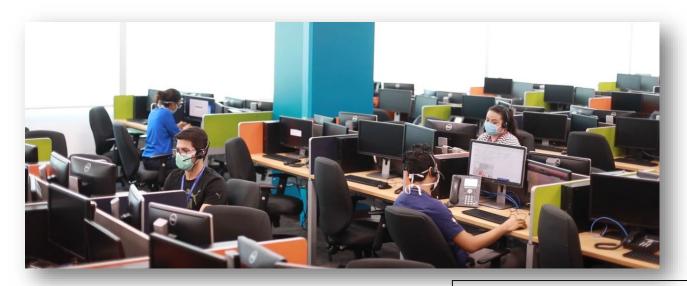
Operational Measures

When the Coronavirus COVID-19 Pandemic related curfews and travel restrictions were implemented in Honduras, Altia Smart Cities continued to operate in both major Honduran cities. The on-site employee population dropped to 20% initially, then climbing between 30-40% attendance in San Pedro Sula, and 60% in Tegucigalpa. Smart Cities executives expect attendance levels to have returned to normal by the end of June. Altia Smart Cities' BPO and shared services tenants continue to screen and hire new employees.





Altia Smart Cities developed their own app that tracks every employee and visitor via geolocation & medical status.



Many employees are able to work from home and do so when they have a suitable home environment and internet connection. However, as many Altia Smart Cities tenants are processing financial or health information, some employees must work in a PCI-DSS compliant environment and must work onsite. These tenants have a blend of remote and onsite employees. In addition to Altia Smart Cities' biosafety protocols, these tenants have

We congratulate Altia because they are implementing biosafety protocols in a good way, complying with all measures, ensuring a good working environment. I see that the park is also responding to our suggestions quickly and diligently.

Ing. Olban Cantarero, Inspector, Honduras Ministry of Labor



Each Altia Smart City has a Food Zen food court and Rec Zen employee recreation area. Only 30 people are admitted into Food Zen at any one time, and physical distancing is maintained in dining areas and food lines. Additionally, Food Zen is providing delivery to employees



implemented their own specific safety and hygiene protocols consistent with their own corporate mandates and policies.

Hand sanitizers have been placed throughout public spaces and common areas in the Smart Cities, and all touchable surfaces are routinely cleaned and disinfected. Common areas are thoroughly washed twice a day. Personal distance of 1.5-2 meters is maintained between all individuals on-site, including common areas such as cafeterias and elevators. Spacing guidelines are marked out clearly on floors and walls, as appropriate.

"I am impressed with the application used in Altia's triage, as nowhere have we seen something similar in other companies. It is very good since all the data is included to better control each employee who enters the park.

I would like to congratulate them because it seems to me that they are complying with the standards that the biosafety protocol dictates. The best cover letter that a company has is the employee and if they follow the biosafety rules it is a positive thing."

Dr. Martin Vásquez, SINAGER: Honduras National Risk Management System

Regulatory and Governmental Measures

The government of Honduras has taken decisive measures to ensure the wellbeing of its populace and developed specific biosecurity protocols every industry. for companies that continued to operate through pandemic had to receive governmental authorization, and guarantee compliance with WHO (World Health Organization) and PAHO (Pan-American Health Organization) guidelines.

Altia Smart Cities incorporated adaptations to operations as specified by the multilateral health entities such as adjusting distance employee between transportation workstations, methods, wearing of personal protective equipment all times, at enhanced frequency and depth of cleanina and sanitation procedures, strict health screenings with on-site doctors, and limitations on common areas.

Altia Smart Cities human resources, that serves both the free zone employees and its corporate tenants by offloading recruiting and human resources functions (per



"For Altia Smart City our clients are our friends and extended family. We have partnered with them in this as in any other situation and provided all the support they needed to continue to operate.

At Altia we understand our business is not about renting space, but the human factor that we provide in every client interaction to assure our clients are successful is why we have built strong partnerships with our customers through the years. We really take pride in exceeding their expectations, and the Covid-19 Pandemic shows what Altia can do for our clients and the benefits of operating in our smart cities"

Kathia Yacaman, Executive Vice-President, Marketing and Commercial Division Grupo Karim's



each tenant's particular needs situation) has worked alongside Altia Smart Cities executive management, meetina virtually with government personnel and remote tenant management to assist with the implementation of all government measures and mandates, ensuring awareness and compliance.

Altia Smart Cities has also coordinated efforts with Honduran national and local

authorities such as the National Police and COPECO: The country's permanent contingency commission, similar to FEMA – the Federal Emergency Management Agency in the United States – to guarantee both safety and the support of continuous tenant operations. Altia Smart Cities are 24/7/365 operations supporting tenants and their own global clients.

The Honduran National Police has provided additional support to ensure the safety in transportation of all employees to and from premises and their homes.

COPECO has provided assurance and verification that Altia Smart Cities and all tenants continue to operate compliant with all biosecurity protocols.

Helping Neighbors In Need

Altia Smart Cities and its corporate parent, Grupo Karim's delivered 8,500 solidarity packages to Honduran families in need, along with 1,000 N95 sanitary masks, 4,000 gloves, and 10,000 surgical masks that went to Honduran police and fire departments, and 750 sets of PPE (Personal Protective Equipment) to Leonardo Martinez Hospital. 3,000 lunches were donated to COPECO and the Honduran Police Force.





In addition to these measures specific to the Coronavirus COVID-19 Pandemic, the Honduran government has already implemented longstanding incentive programs and special benefits for the BPO, ITO, customer contact and shared services / back-office sectors. This public-private cooperation enhances the attractiveness of "turn-key" business parks such as Altia Smart Cities.

"Although it is a situation that affects all people worldwide, how each one perceives and feels it is different. We can find challenges that intensify anxiety and depression.

The difference in both situations lies in what we feel we are losing right now. The loss can refer to the death of a family member due to this situation to the loss of personal security, job stability, and the tranquility that a person previously had. The support at the psychological level that the clinic provides at these times serves as guidance and accompaniment so that people can regulate more appropriately the emotions they are experiencing now."

Andrea Miranda, Psychology and counseling assistant, Altia Smart City

Communications Is Key

Behind the actual measures taken by Altia Smart Cities to protect the health and safety of employees and visitors, and to ensure the operational integrity of corporate tenants, perhaps the most important ingredient to the success Altia Smart Cities has had is the constant and thorough communications it has maintained with all stakeholders during the pandemic: Employees, tenants, government, and health authorities: including Altia Smart Cities' own on-site doctors and psychologists on call and accessible to employees and their families. Altia Smart Cities developed a consistent effective communications and strategy with clients, keeping them up to



date on any relevant news or new protocols through meetings, WhatsApp chat groups, emails, social media and on-site campaigns to raise awareness and preparedness during the pandemic.

Below: Employees and visitors receive free medical checks and biosafety prevention & welcome kits upon arrival to the premises.



Conclusion

Many companies, especially those with North American or Latin American operations see definite benefits in nearshore locations. Of all possible choices, Honduras offers a unique blend of proximity and convenience to the United States and Canada, a bilingual, cost-efficient workforce, political stability, a business-friendly economic environment, and an attractive location to visit.



Tegucigalpa, the capital city of Honduras & home to the 2nd Altia Smart City

"In our more than 10 years of business, throughout this shared journey we have worked to support and sustain our employees, our customers and our partners. As we address a pandemic that will no doubt become a chapter in the history books, our commitment will not waver.

We stand ready to help our clients to promote a safe work environment for their employees; while working aside governmental institutions to create procedures that allow us to operate as regular as we possibly can under the current circumstances."

Andrea Duarte, Human Resources Director, Real State Division Grupo Karim's

Honduras shares time zones with the United States, Canada and Mexico, and is cost-attractive even for servicing other Central and South American geographies.

"Catracho" is the nickname for someone from Honduras in the same way that Hoosier is the nickname for someone from Indiana.



Honduras is a modern, diverse country with an ancient history that lives today through its land, people and culture.

Beyond the Honduran advantage, Altia Smart Cities offer a unique, flexible option

At ALTIA, they have taken first-line measures to provide a safe working environment, with preventive measures against COVID19 from the time of entry. Having medical personnel provides greater security and certainty in the identification of suspicious cases and the correct management of these coworkers for the well-being of their health.

Mario Avendaño MD, Altia Smart City triage Doctor.

for operators to move in and begin operations with very little capital investment necessary. As certified free zones, operators enjoy tax advantages, unlimited repatriation of profits and capital, and easy delivery of equipment and other physical goods.

The Altia Smart Cities team reacted immediately upon the arrival of Coronavirus COVID-19 infections to Honduras and was prepared once public health measures were announced. Uniquely, Altia Smart Cities

tenants were able to operate in the country uninterrupted because of the measures taken.

The Altia Smart Cities in both Tegucigalpa and San Pedro Sula are than much more real estate developments. Their team works as operational partners to support all tenants in facing any operational situation or challenge that may arise. Providing on-site medical personnel, face masks to employees, or even support to local hospitals and public safety entities such as police and fire are a few examples of the value-added services offered by Altia Smart Cities.

 Altia Smart Cities' relationship with national and local government officials ensured uninterrupted operations via special permissions and authorizations, even during the height of the Coronavirus COVID-19 Pandemic.



- Altia Smart Cities' complete tenant service and support operations provide guidance and compliance assistance on all biosecurity protocols, government mandates, and any special tenant requests to ensure compliance and smooth operations at all times.
- Medical attention was institutionalized with on-site doctors, nurses, extensive health checks and measures, and even psychologists to help employees with mental and emotional factors.

The Altia Smart Cities team supports and partners with tenants in all aspects of establishing operations in Honduras and then efficiently maintaining them on an ongoing basis. Legal, recruitment, maintenance, construction, customer service;

"The truth is working at Altia is great since they have given me the necessary tools to develop myself in my area of work, with the respectful treatment of the bosses, as well as the comforts that they give us to make us feel good. The truth is that I love working at Altia since it makes us feel comfortable and safe. I am proud to be part of a great company."

Carlos Canales, Operations, and customer service coordinator.



Altia Smart Cities has an entire team dedicated to tenant success and service. For employees, Altia Provides more than a comfortable workspace. Medical doctors and psychologists are on call for all employees and even their families.

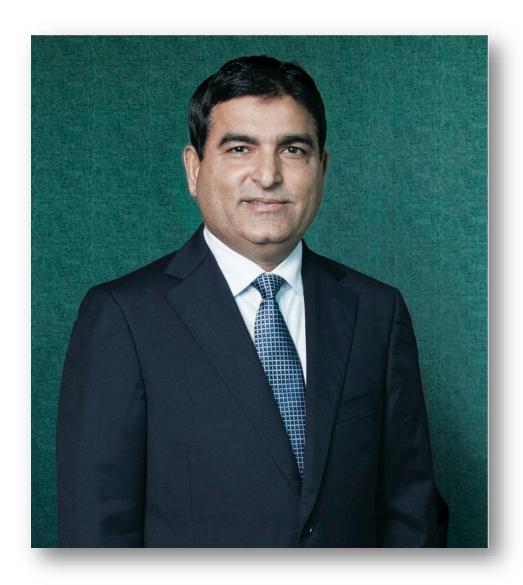
Operators should consider the success factors in this white paper as best practices to implement across geographies, especially when it comes to site biosecurity when operations must continue during a public health crisis.

An even better option would be to strongly consider Altia Smart Cities as a primary or additional site for operations and global delivery. Altia Smart Cities offers unique advantages and security for BPO firms, in-house shared services and global delivery operations and centers of

Altia is concerned about the well-being of its collaborators, which is why it transmits security from the moment they enter the park because Altia has taken all the biosafety measures to keep us in an optimal environment to be able to work during the bandemic"

Michelle Guzman MD, Altia Smart City triage Doctor

excellence, IT firms, software developers, and customer contact providers.



"We firmly believe in the capacity of Honduras to provide services at a global level. Large multinational enterprises that accompany us can testify that the human capital of Honduras is the most valuable resource here."

Mohammad Yusuf Amdani, CEO of Grupo Karims, developer of Altia Smart City.

"Somewhere along the way, we must learn that there is nothing greater than to do something for others."

— Martin Luther King Jr.

Contact information for Altia Smart Cities is as follows:



KATHIA YACAMAN Executive Vice President Marketing and Commercial Division

Tel. (504) 2580-2015 www.altiasmartcity.com

Honduras

México Dominican Republic Nicaragua Pakistan Panama

Guatemala

Dubai

UAE

Website: www.altiasmartcity.com

Email: kathia.yacaman@grupokarims.com

LinkedIn: https://www.linkedin.com/in/kathia-yacaman-45216428/

Phone: +1(504) 2580-2015 or +1 (504) 2580-2090

About the Analyst & Author

Loren Moss is an analyst, strategist, researcher & publisher of:

<u>Cognitive Business</u> - Disruptive Enterprise Technology From a Business Perspective

<u>FinanceAmericas</u> - Latam & Caribbean Investment, Fintech, & Services

<u>Finance Colombia</u> - The Only English Language News Source Dedicated To Colombia's Financial Sector

<u>Unido Digital Media</u> - provides analysis, new media, & business intelligence for the next generation of global decision makers.

