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# IT Enabled Services Trends and Opportunities

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# Agenda

- Introduction
- Industry Segments
- Building for Success
- Market Trends and Opportunities
- India Scenario
- Government Involvement Areas
- Conclusion

# Introduction

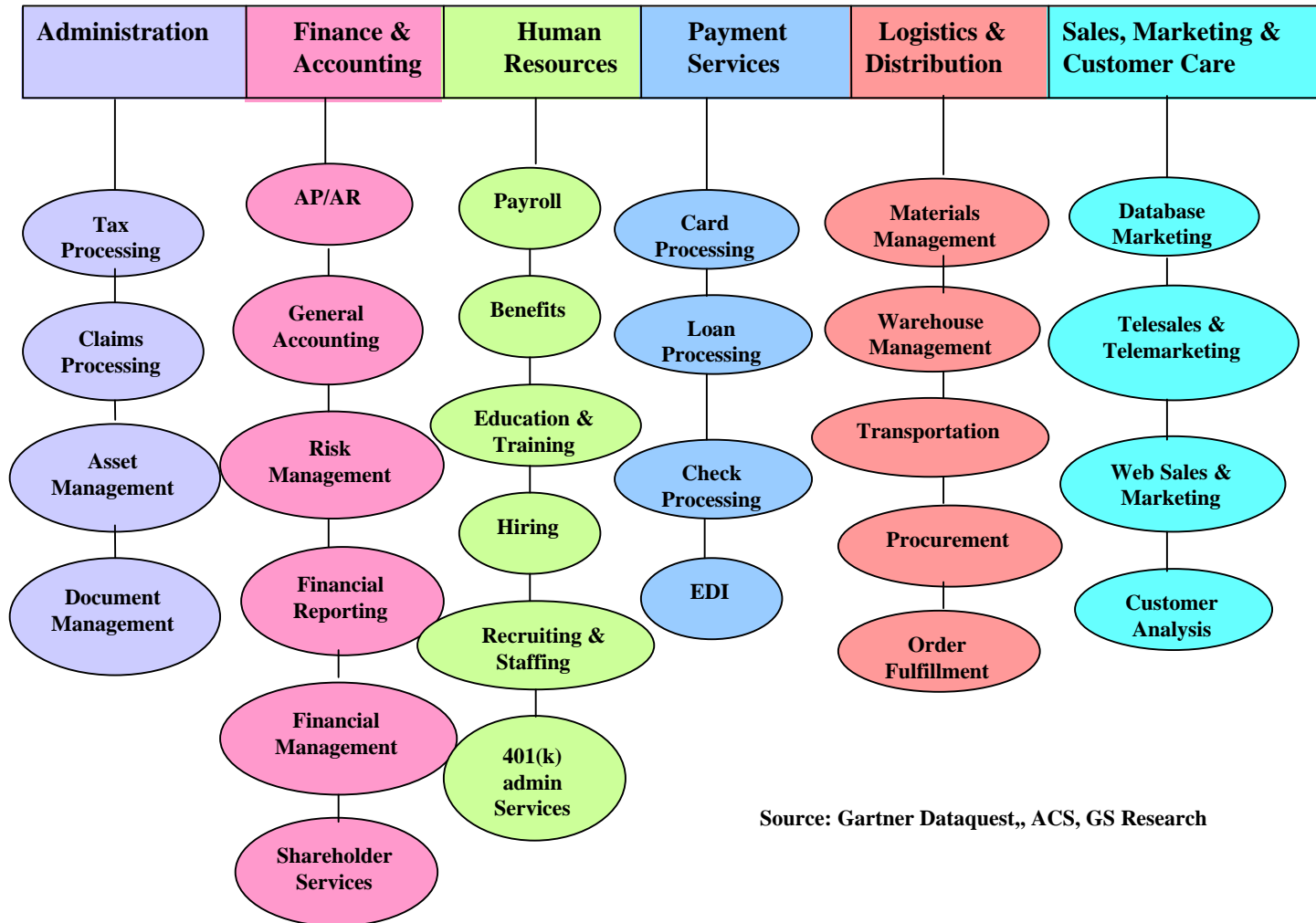
- IT enabled services..Huge Opportunity for India
- Opportunity Larger than Software Opportunity
- 80's: Manufacturing Outsourcing :Success Stories..Solectron, Taiwan, etc
- 80's: BPO Success Stories :Convergys, Paychex, Fiserv, Exhult, US
- 90's: IT Services Outsourcing..Success Stories..Wipro, Infosys, India
- 2000's: Business Process Outsourcing...Success Stories...?????
- Services to India can be what 'Oil' is to Middleast.

# Industry Scope

- Global IT enabled services will account for 350 billion US\$ by 2004 according to Goldman Sachs
- Slowing domestic economic growth is boosting demand by forcing corporations to consider cost saving through outsourcing
- India is emerging as the “Preferred Global Hub”
- BPO is becoming an investable theme now
- India can gain 1 million jobs

# Business Process Outsourcing

The six flavours in BPO-A Layout of the vast opportunities



Source: Gartner Dataquest,, ACS, GS Research

# Business Process Outsourcing

Five Reasons why BPO is now a key area of focus

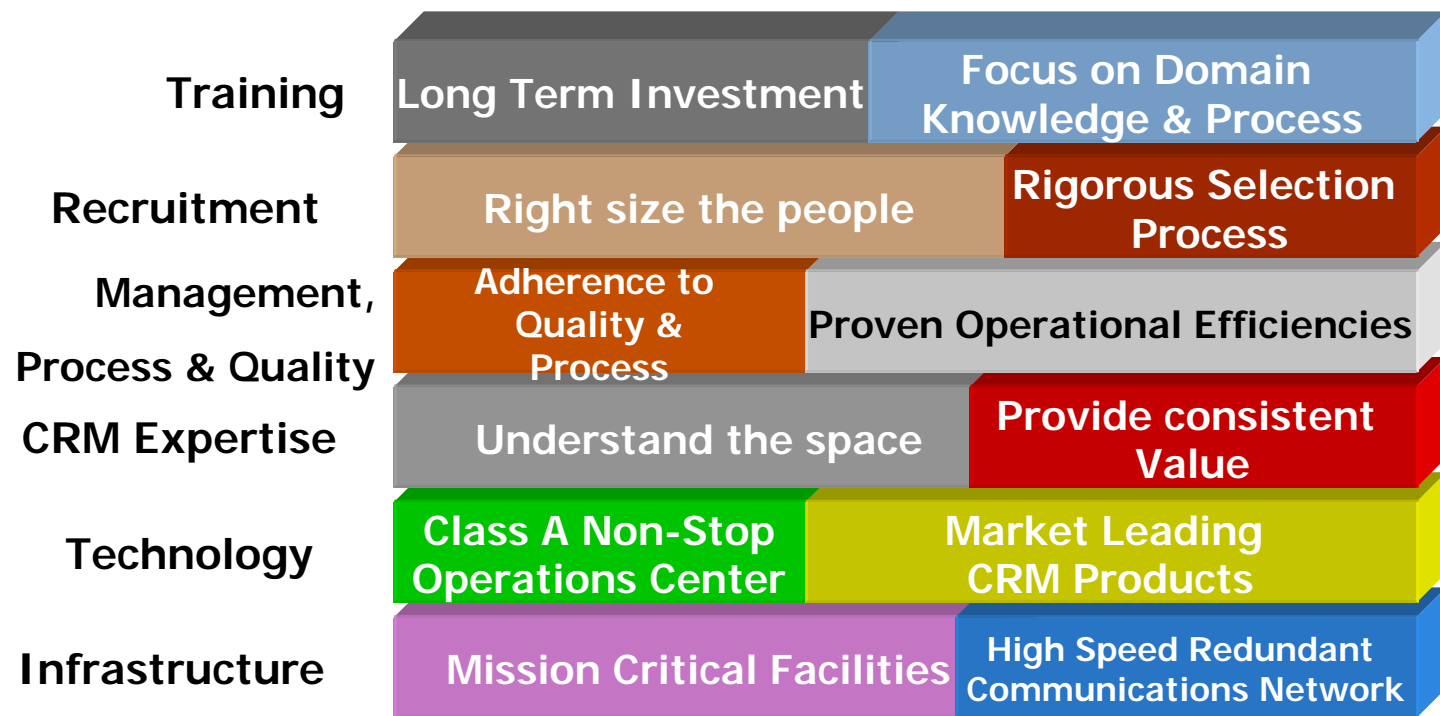
- Significant Development in Communication Technology Infrastructure: Internet Backbone
- BPO substantially expands the addressable technology services market
- BPO improves efficiency and substantial cost savings
- Corporations are ready for BPO
- Attractive economics and competitive landscape for services providers
- Technology enablers like ERP etc. eliminate some of the important obstacles to BPO

# Building for Success

Critical Success Factors



# Key Success Factors



# People Philosophy

**P**assion: Talented people with strong service orientation

**E**nvironment: World-Class facilities & amenities

**O**wnership: ESOP for all employees

**P**roductivity: World-Class processes & systems

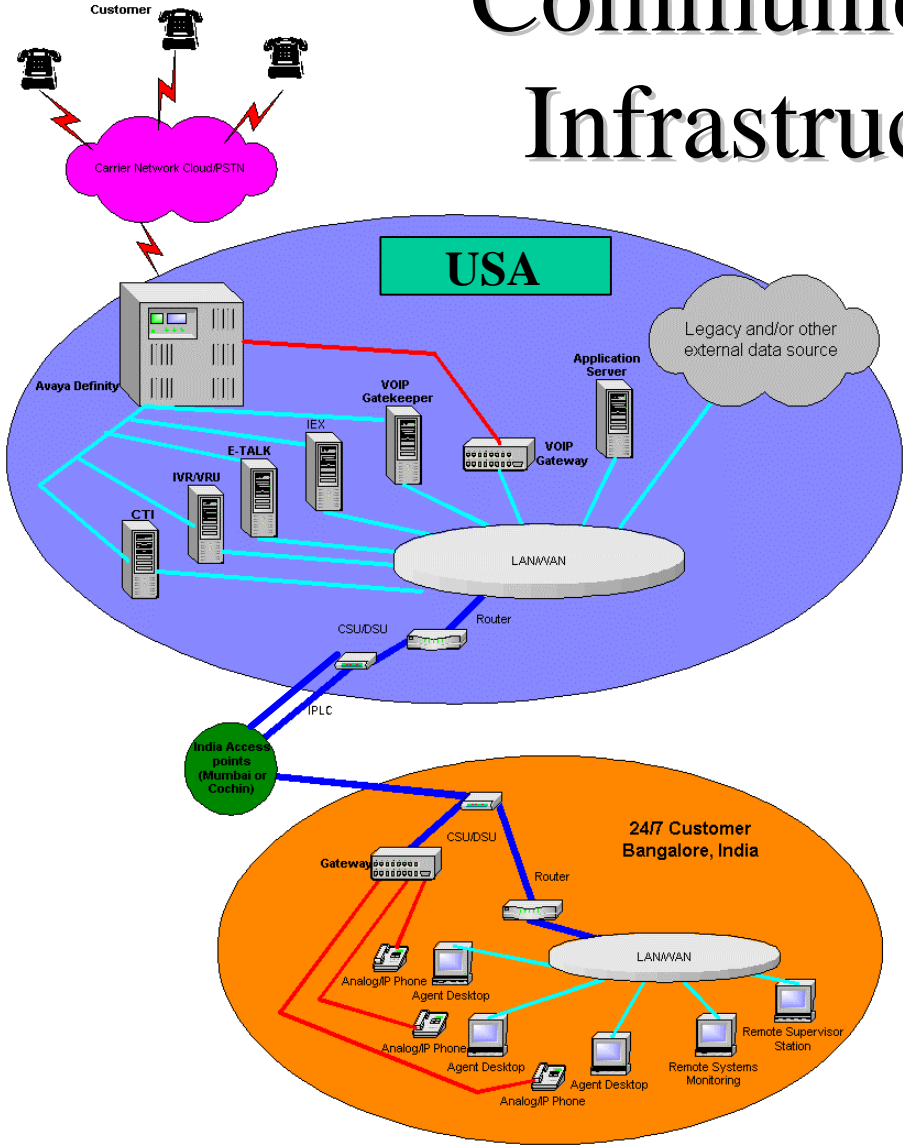
**L**earning: Continuous training & skill development

**E**mpowerment: Encourage involvement at all levels

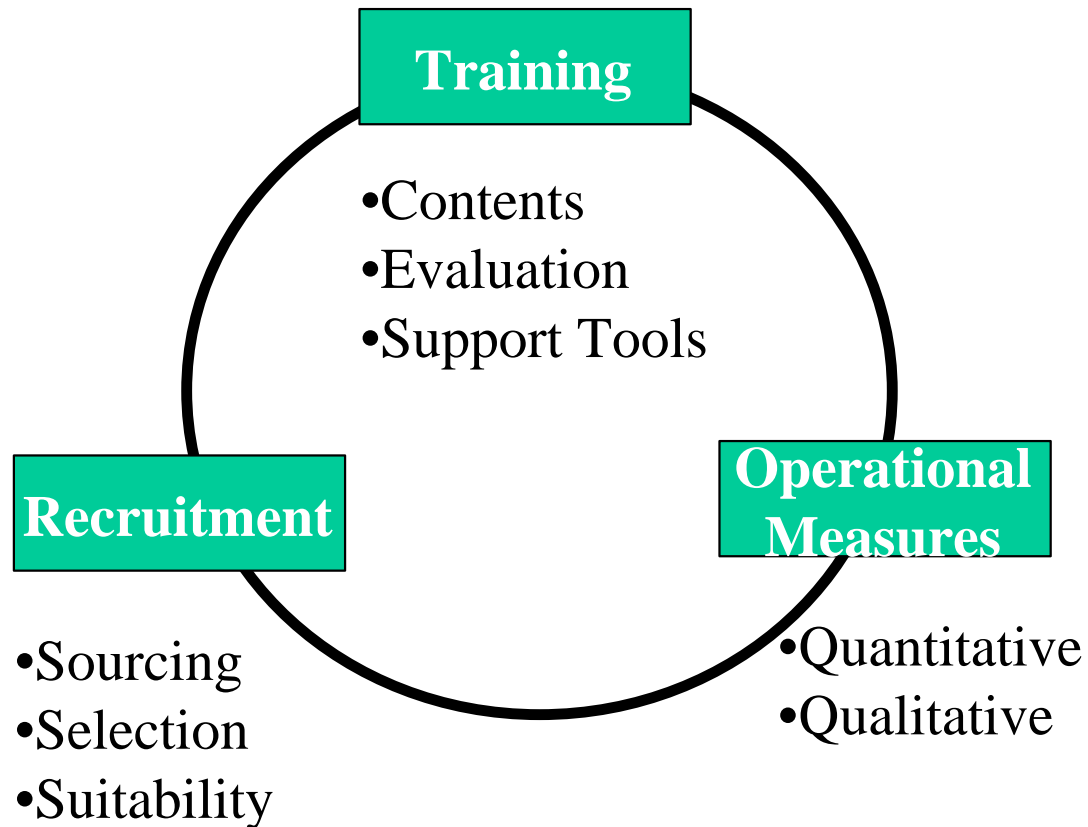
# Technology and Infrastructure

- Infrastructure to be built to scale and for growth
- Build redundancies for
  - Power
  - Bandwidth
- Have access and expertise to a wide range of technologies

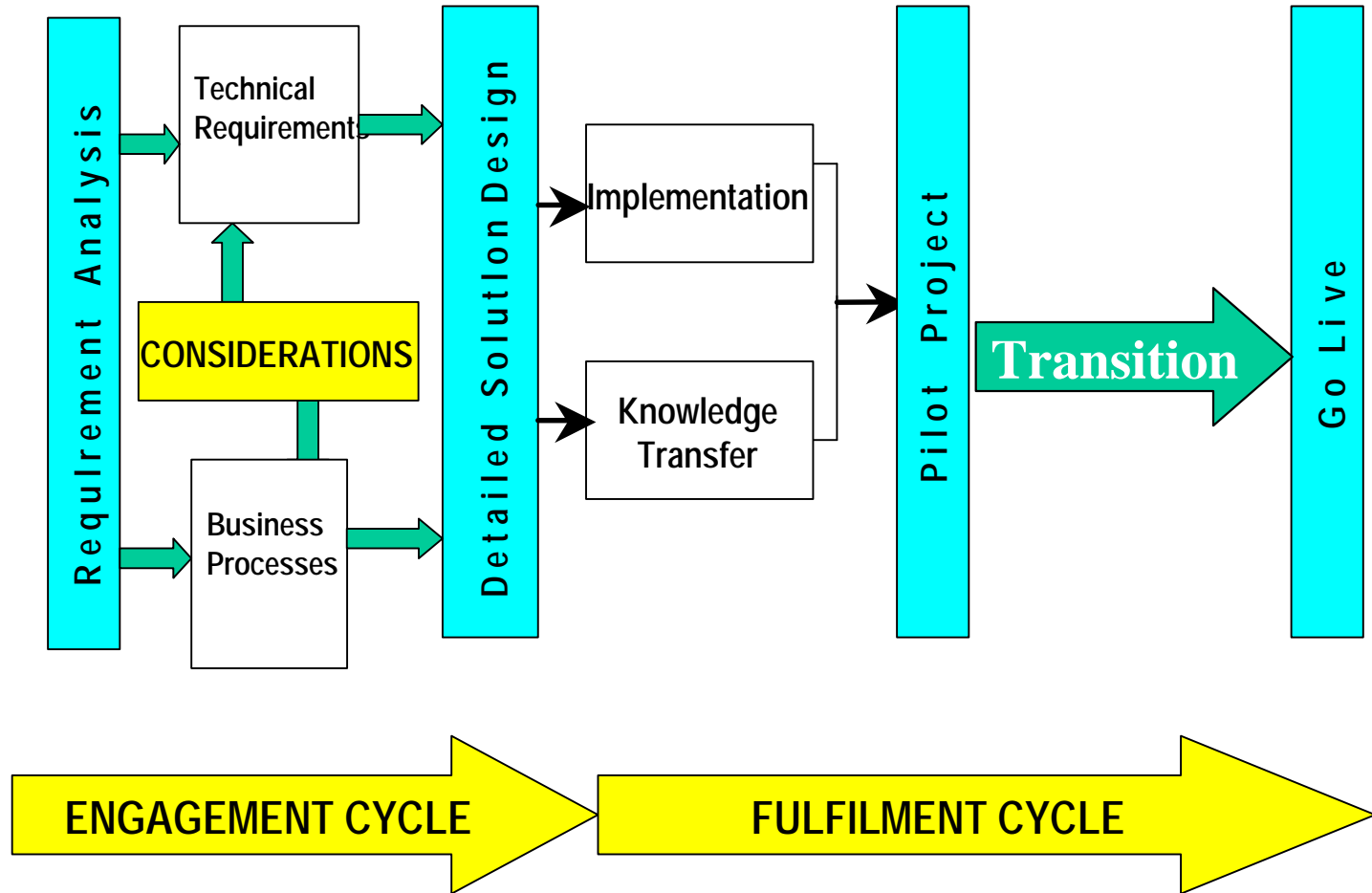
# Communication Infrastructure



# Operational Framework



# Customer Engagement Model



# Process and Quality Measures

- Build processes around world-class standards
  - ISO
  - EFQM
- Adopt Quality Measures which are proven
  - COPC
- World Class Organizations expect Quality - consistently

# Market Trends & Opportunities

# Opportunities in India

- Large scale opportunity for outsourced services
- Tremendous brand equity
- 203 Fortune 500 companies outsource
- Skilled, untapped resource pool
- 12 hours time difference with US
- Incentives from the Government
- Cost-effective

# Outsourcing...Considerations

## **Pro's**

- Vast access to skills
- Quality of workforce
- Cost Advantage
- Rapid time to market
- Government support
- Fluency in English

## **Con's**

- Public Relations
- Lack of Control
- Privacy and Security
- Infrastructure
- Speech and Culture

# Advantage India

- A vast pool of English speaking literate man power at competitive costs
- Time zone difference advantage
- Large scale opportunity for outsourced services (>40% of Fortune 500 companies outsource to India)
- Success of Software services outsourcing have proved that we can be competitive without diluting on Quality
- Incentives from the Government
- India enjoys a strong Brand Equity in major markets

# India Scores over other Countries

A comparison amongst some countries in Asia Pacific based on these factors highlights the following

(Ratings are on a scale of 1 to 3, with 1 being the lowest and 3 the highest)

Country	Workforce	Market Access	Local Market	Infra structure	Cosmopolitan	Cost Base
New Zealand	2	2	-	2	3	2
Kuala Lumpur	1	2	-	2	2	2
Japan	1	2	1	3	1	3
Hong Kong	1	2	2	2	2	2
India	3	2	2	2*	3	1
UK	1	2	2	3	2	3

\* Infrastructure is good only in certain cities

- 1 denotes low - 2 denotes average- 3 denotes high

Source: NASSCOM-McKinsey Study

# Current Scenario in India

- India currently has the best value proposition of all IT enabled services' hubs.
- MNC's shifting their Contact Center operations to India
- Indian Entrepreneurs setting up outsourced Service Centers to tap into the Overseas Market

# Government Involvement Areas

- Education
- Infrastructure
  - Power
  - Bandwidth
- Non Restrictive policies
  - International Voice Gateways

# Conclusion

Its all about

- People
- Processes/Quality
- Technology

**Thank You**

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