

In turmoil, back-office boys remain gung-ho

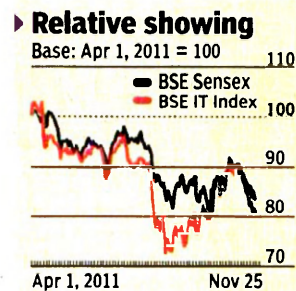
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BANGALORE

The world may be in the throes of economic and political turmoil, but outsourcers are surfing the high wave of optimism.

What's the cause of this sanguinity? It's a conviction that the crisis in the developed world will compel companies to cut costs like never before, boosting their business prospects.

"As companies increasingly face pressure in terms of costs, they are forced to contain and improve the cost of goods sold," said Sanjiv Kapur, senior vice-president and global head of BPO at iGate Patni.

"We see clients increasingly demand integrated IT+BPO and look at large deals," he said, referring to contracts that include not just writing code and maintaining information



technology systems, but also back-office services such as handling consumer helplines.

Rahul Singh, president and head, business services, HCL Technologies, admits the global macro-economic situation continues to be volatile. "But the BPO industry has been dynamic, offering end-to-end services to customers. The technology platforms, operational excellence, domain orientation are the key themes driving the industry today," he said.

Sanjay Venkataram, executive vice-president and head, Asia business unit at Firstsource, the outsourcer, said the company continues to see traction from both existing and new customers across the world.

As per estimates by research firm Gartner, the IT research firm, the Asia/Pacific BPO market would be worth nearly \$14.8 billion by 2015, growing at a compounded annual growth rate of 10.5% from 2010 onwards.

According to Sangita Gupta, vice-president, Nasscom, unless there is a complete meltdown, the BPO industry has nothing to worry. "There are many transactions which happen around the maintenance area which will be always be there. I do not think there is anything to worry about in the IT and BPO sector as a whole," she said.

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drive large providers from markets such as North America and Europe to look for new growth opportunities in emerging markets such as in Asia Pacific. "We added 16 new BPO accounts in the last financial year."

Kapur said iGate Patni expect revenues from Europe to increase going ahead including snatching a few deals of \$50-100 million each.

Kapur said their onshore and nearshore centres in the US, Mexico as well as those in India are well-equipped to service all customers. "This includes those who prefer sourcing within the US or have compliance driven or customer facing functions to be delivered from onshore and nearshore."

BPO industry expects good business from sectors like banking, financial services, insurance, public sector, telecom.

"The continuing penetration of telecom services in the country, adoption of data services and 3G, government and PSU spending in areas like citizen services have contributed to the growth of the domestic business," said Venkataraman.

Experts said with the government's Aadhaar scheme rolling out, there will be more direct government to citizens initiatives and open up more opportunities for BPO players.

"Government departments like railways, municipality, electricity, post, income tax have started outsourcing heavily thereby increasing opportunities for us," said a senior official from a Bangalore headquartered BPO.

Back-office...

For Singh, the current crisis continues to