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**IN PURSUIT OF INDIA'S
EXPORT EARNING
ADVANTAGE:
AN ASSESSMENT OF
IT-ENABLED SERVICES
INDUSTRY**

Meenakshi Rajeev

B P Vani

**INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE
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IN PURSUIT OF INDIA'S EXPORT EARNING ADVANTAGE: AN ASSESSMENT OF IT-ENABLED SERVICES INDUSTRY

By Meenakshi Rajeev and B P Vani¹

Abstract

Services trade has assumed considerable importance for the Indian economy and the role of IT and IT-enabled services (ITES) is particularly worth mentioning in this context. The growth of this sector has not only helped to improve India's current account balance, but also generated income and employment. This paper looks at the ITES industry particularly focusing on three major service lines, viz., customer care, financial and health care. It analyses India's strengths and weaknesses vis-à-vis the competing countries. While the major strength of Indian business process outsourcing (BPO) industry is the availability of cost-effective manpower, ironically, it has been observed that the major challenges faced by the industry in India today are mainly human resource related. The paper comes up with the possible measures necessary for keeping India's competitive edge intact in this segment.

Introduction

Trade in services has been assuming a prominent place in the global economy in recent times (see IMF reports). A number of services that could previously be delivered only through commercial presence have now become deliverable by cross-border trade. There are many developments, which have led to this growth, the most fundamental being the development of IT, and communication technology networks. Further, opening up of the market by many nations to allow the commercial presence of the other nations in their respective economies have helped to bring foreign direct investment into the services sector. Recognizing the significance and growing role of services in the global and national economy, the Uruguay Round broadened the scope of multilateral trade

¹ Meenakshi Rajeev is Professor and B P Vani is Assistant Professor at CESP, ISEC, Bangalore. This paper has benefited from a project done by the authors on BPO industry. The project was funded by the Ministry of Commerce and Industry, Government of India and the authors are grateful for the support.

negotiations under WTO to include services for the first time in the history of trade negotiations. The result of these negotiations was the General Agreement on Trade in Services or GATS, which came into force on 1st January 1995. India is a member of WTO and a signatory to GATS.

As far as trade in services in India is concerned, within the general services sector, the role of information and communication technology has been significant. As mentioned above, with the development of information and communication technology (IT), service delivery mechanism has changed radically. Consequently, services that can be handled using computers and telecom networks have come to play a significant role in the Indian economy. Business process outsourcing (BPO) industry is a result of this technological revolution. While there are a lot of discussions over this sector in media and elsewhere, this paper looks at the industry more methodically, from the perceptions of the managements of the BPOs, and attempts to examine India's future prospects in this segment by focusing on her strengths, weaknesses as well as competitors in three major service lines of the industry.

Before moving further, it is appropriate to define certain terminologies used in the context of this industry. Business process outsourcing (BPO) generally refers to the operation of letting out the task of performing certain functions of an enterprise to another enterprise, often a third party and, in some cases, a subsidiary of its own. These functions are usually non-strategic and non-core in nature though they can be very critical for a business enterprise (see Williamson, 1967, for a discussion on problems of vertical integration).

Outsourcing of some activities to a distant location has become possible due to the development of information technology (IT). Such cross-border IT-based services, usually termed *IT-enabled services*, are functions that are provided from one location to another over telecommunication or data networks (through wire line or wireless devices) and are either externally contracted (*third party outsourcing*) or provided by a remote subsidiary of the same company (*captive BPO*). Many of the

well-known multinational foreign companies such as GE Capitals, Hewlett Packard, and Bechtel are benefited by locating their subsidiaries in cost effective countries like India. In BPO literature, three terminologies are used as below, depending upon the distance of outsourced location from the parent company.

- i. *On-shore BPO*: When an enterprise outsources its activities to another company located in the same country.
- ii. *Near-shore BPO*: When activities are outsourced to a neighbouring country.
- iii. *Off-shore BPO*: When business processes are outsourced to a remote or far off country.

While on-shore and near-shore BPOs existed long time since, off-shore activities are gaining momentum only in recent years. India has a number of positives to operate successfully as an off shore location. India being one of the world's most populous countries, obviously has a large pool of human resources. Government's continued investment in higher education since independence in terms of establishment of educational institutions as well as subsidization of education have produced a pool of knowledge-workers capable of performing skilled and specialized tasks. Already having a strong IT sector helped further to develop India's IT-enabled services sector. In addition, due to the rupee dollar exchange rate, Indian labour turned out to be considerably less expensive for the US business enterprises. Traditionally, knowledge of English language is also high amongst the Indian population, compared to the other Asian countries. Given India's value proposition, multinational organizations came up to establish captive units in India or outsource processes to third party service providers.

However, as the possibility of off-shoring has increased over time and in particular white collar jobs which have began to shift to the developing world, there have been protests amongst the labour union

activists of the West against off-shoring. Though less than 0.3% jobs have been off-shored (according to Goldman Sach's estimate²) it has been argued that outsourcing to an offshore location would invariably reduce the employment opportunities in the home country and hence may be detrimental to the growth of the overall economy. Given such backlashes, the off-shoring industry has to face further challenges (see Bhagawati et al, 2004). It has to constantly prove its superiority in service delivery, cost efficiency and compliance with data security norms. In addition, competition amongst the off-shoring service provider countries has also increased over time.

Given the opportunities and challenges of the global BPO markets, several important questions arise for India as a player in this segment. First, how is the Indian BPO industry coping up with the challenges? What are our strengths to be highlighted in the global market and the shortcomings that need to be overcome? How do we compare with our competitors and what should be our strategies to effectively compete in the market? Given the fact that India's success in this industry has significant implications on its economy in terms of export revenue and employment generation for educated youths, these questions are important. This paper based on a survey of industry personnel all over India focuses on some of these issues.

In particular, we propose to take a close look at the sub-sectors that deliver the three most important services in India, viz., customer care, financial services and health care. The contribution of the three sectors to the BPO industry is more than 70% (NASSCOM Strategic Review, 2005) of the Indian BPO industry. Call centres alone generate more than 30% of the revenue generated by the sector (NASSCOM Strategic Review, 2005). Within the horizontal of customer care services, different verticals exist including health care or financial services. Therefore, the three segments are not mutually exclusive.

Survey Methodology

NASSCOM compiles a list of BPO companies registered with it, which was used for the selection of the sample. We concentrated mainly on the three major service lines viz., customer care, financial and health care BPOs. The survey covered all major locations viz., Bangalore, Mumbai-Pune and Delhi-Gurgaon regions, Hyderabad and Chennai. Thus a typical stratum under consideration is "location x sub-sector/process". For each stratum we selected a large number of firms and requested them to participate in the survey. The firms that responded positively were later interviewed. In order to get an idea of the problems and prospects of the BPOs operating in the second-tier cities, we have covered firms from Thiruvananthapuram in Kerala and Mangalore in Karnataka, using the list of firms obtained from the respective software technology park India (STPI) offices. We would like to mention here that we faced difficulties in obtaining appointments with the managements of the firms; given their busy schedules, one needs to wait unduly for their appointments. Further, it has been observed that companies are also reluctant to disclose financial information. Notwithstanding these difficulties we have covered **70 firms from different locations** and service lines.

BPO Industry in India: General Trends

Though onshore or near-shore outsourcing is a well-established concept in global business, whereas outsourcing to an off-shore location is relatively a recent trend. Discovery of some of the developing nations as cost effective destinations, made off-shoring to some of these third world countries a profitable proposition for the business giants of the West. India in particular tops the list with low cost-high quality abundant manpower, which led a few industry majors to experiment with off-shoring of business processes and consumer-related tasks to centres in India. The experiment began with the establishment of wholly owned subsidiaries by the likes of GE Capitals and British Airways (captive players). There has been no turning back since then. Third party players then started investing in the market with the backing of venture capitalists and met

with considerable success. The ITES services sector in India soon started showing exponential growth rates over the years (Table 1) (see also Rajeev and Vani forthcoming papers).

Table 1: Indian ITES-BPO Industry: Export and Employment

Year	Export (US \$ billion)	Employment (in numbers)
2000-01	0.9	70000
2001-02	1.5	10600
2005-06	4.6	316000
2006-07	6.3	415000

Source: NASSCOM Strategic Review, various issues

Year on year increment in export was 64.6% from 1999-2000 which remained high till 2002-03, thereafter it showed a small fall to 44% between 2002-03 to 2003-04 and maintained that level of growth subsequently.

Initially India was concentrating in a few sub sectors but over time diversifications to various service lines have begun. Today we observe companies moving up the value chain to capture the Knowledge Process Outsourcing (KPO) sector. Notwithstanding such achievements few sub-sectors remain dominant in the industry and customer care is one of them.

Customer Care Segment

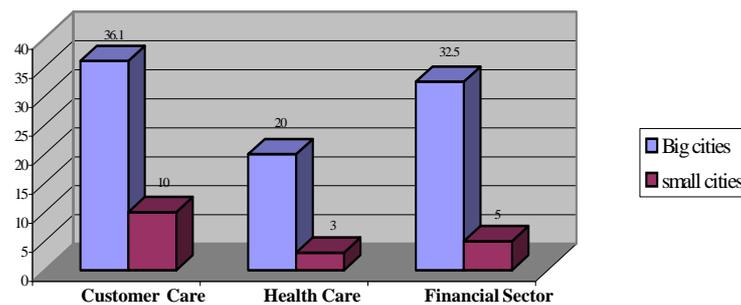
Call centres are locations where business related enquiries originate or are received by telecom networks. Typically, in a voice-based customer care centre, a customer calls a toll-free number and an operator answers queries by accessing a database. Due to technological constraints, until recently, call centre operations required substantial investment. However, after the development of LAN based switches, open phone systems and other related facilities, even comparatively smaller players can operate in this segment.

A call/ contact centre addresses sales support, airline or hotel reservations, technical queries, bank account operations, client services or telemarketing. Technical support services for software or web sites are often non-voice (e-mail) based. Traditionally, customer-care services are the most significant component of outsourced services. Such activities, being non strategic and usually based on pre-defined rules, are comparatively safer to outsource to a third party. This, however, does not diminish the significance of their activities as the demand for the product(s) of the parent firm depends on customer contentment. Thus providing customer care service to the full satisfaction of the customer becomes crucial (see Rajeev and Vani, 2007).

In India, a number of large captive and third party BPOs are active in this segment and some of the large players in this segment are 24/7, Convergys, Daksh, AOL, Accenture, Dell and so on. A number of positives, India enjoys operates in favour of this segment. Going by a company's own assessment of its strengths, good quality work and successfully meeting clients' demands are the most important strengths of Indian BPOs in the customer care segment. During our survey 29% of the respondents considered this as the principal strengths of Indian customer care BPOs. Another 24% of Indian companies rank availability of a large pool of workforce at comparatively lower cost as their greatest advantage, followed by domain knowledge (Fig. A.1). Due to odd working hours and the resulting stress, attrition rate is quite high in this segment. Thus, retaining 'quality employees' is a challenging task for the employers. Innovative HR practices used to retain the employees become a major strength of Indian BPOs in customer care services. Setting up a call centre is capital-intensive as compared to setting up pure back office operations (e.g. pay roll, data entry etc.). Availability of capital in the market is also considered to be a strength (see Fig A.1). Given these positives no doubt, the sector has been able to show promises over the years. Of our respondent firms, 57% consider that customer-care services are doing 'very well' in India and another 35 % consider that this segment is doing 'fairly well' .

However, the sector is not free from weaknesses as well and a careful examination of them is essential for further development. On the basis of the reflections of BPO firms on their own weaknesses, we have constructed indices of shortcomings² under separate heads and presented them in Fig.A.2. As our sample contains firms of all sizes, getting access to the market turned out to be one of the significant bottlenecks. Attrition rate in this sector is found to be quite high ranging from as high as 80% to a low of 25%, and averaging at about 37% for metros. This is therefore, considered to be the next most important weakness in this sector. It is important to note that smaller cities have comparatively lesser attrition rates, which emphasizes as to why one should develop smaller cities for BPO industry (Fig. 1).

Fig 1. Mean attrition rates in different segments (big metros vs small cities)



Source: Field Survey

Further, this sector uses telecom infrastructure quite intensively. Though quality of telecom infrastructure is now considered 'good', the cost is still high compared to that of our competitors.

No doubt India has a large number of graduates who supposedly possess English language skills but when it comes to providing quality services to the satisfaction of a western client, the skill level of the Indian labour pool in general is not up to the mark³. This results in high training cost and poaching becomes a profitable proposition for a BPO firm. Training in customer care segment involves mainly process training

and accent neutralization training. Largest percentage of firms provides training in these two aspects. A large number of firms also give orientation training and few higher- end BPOs provide specific training to acquire domain knowledge. consequently, the labour cost in fact has been increasing over the years and companies are facing a scarcity of quality labour. This is a matter of concern and China may thus have a competitive edge over India in the long run in terms of labour costs.

Working on the shortcomings becomes all the more important for this service line as *competition* from other countries for the BPO market is mainly concentrated in the customer-care sector. Respondent firms have ranked competing countries in the following order. Philippines is considered to be the most significant competitor followed by China. Though currently China is not a competitor, in future it can be a credible threat to India. As per the rankings given by our respondents the subsequent ones are Australia and Canada followed by Malaysia (Fig.A.3). Mexico, Russia and South Africa are also considered to be competitors in this segment. However, some of the other players in this field, viz., Singapore, Ireland are not perceived to be major threats to India due to the size factor (see also Bhide, Rajeev and Vani, 2005).

The various strengths of the competing countries (in the customer care segment) are cultural affinity, language skills in terms of accent, good infrastructure, appropriate legal system and adequate Government support in that order (decreasing) of significance (see Bhide, Rajeev, Vani, 2005). The major weaknesses of most of the competing nations are their smaller size and relatively expensive manpower, while for China it is currently the language barrier.

In addition to the customer care another significant service line where India has been able to get higher share of business is the health care segment. Within the health care segment medical transcription had come up rapidly which suffered a set back subsequently due to non-compliance of the quality constraints.

Health Care Sector

Medical practices in USA require high levels of documentation at every stage of treatment. The need to outsource some of these processes originates from such regulations. Medical transcription (MT) constitutes the major share of the services provided in the health-care segment. In addition, medical billing, coding and insurance-related processes are also off-shored to India. Some of the large players in this segment are Health Scribe, HTMT, Karvy Global Services, C-Bay etc. A limited number of firms like Manipal or Tele-radiology Solutions are engaged in higher end tele-radiology related tasks.

Failure of Medical Transcription Segment: After McKinsey's assessment of transcription as a potential BPO sector, many small BPO firms ventured into this segment. The reason is partly because the transcription segment is not as capital intensive as customer care. However, these firms did not have the required size to enjoy the economies of scale. Further, firms started competing with each other in terms of price quoted per line of transcription and a kind of Bertrand competition prevailed. However, once the quotations went below a certain level, work started to suffer, as it was difficult to get quality people at that rate. The medical transcription segment demands very high accuracy and obviously the smaller firms started losing their market. Over time, this segment began to recover in India and however as the market stabilizes, it is only the competent players who will remain in the field. More than 80% of our respondents feel that this is one major segment where India failed to deliver services. In our survey 43% of the respondent firms considered performance in this segment in India as moderate, while only 12% consider that India is performing well in health care services.

The Positives and The Negatives: The health care sector has built upon a number of positives that India enjoys and these strength elements will be important in future as well. Availability of cost-effective skilled manpower is the major strength of India in this field. Amongst our respondents, 46% have reported this as the most important

strength of health care BPOs in India. The already well-developed IT technology will be a facilitator to this sector, which enables the companies to deliver quality work. In fact, the companies that exist now are able to deliver quality services with high levels of accuracy (Fig. A.4).

As this work requires night-time working hours, good HR practices are must to retain the quality employees. While good HR practices are considered as strength, high attrition rate in spite of such practices is considered as a weakness. As mentioned above this industry needs its employees to work during the night-time. Usually, 'voice recorded materials are downloaded from a server located in the client country and they are typed and sent back to the client for the material to reach which should be ready by the morning. Sleeplessness and meeting deadlines create stress, and the attrition rate in this industry is also high in the MT segment. However, in the medical insurance segment or higher-end tele-radiology segment attrition rates are not too high. On an average, our sample firms show an attrition rate of about 20% in the metros (see Fig.1). All BPOs provide necessary training to their employees and naturally with attrition, training cost increases. In addition to orientation training, specific training in this segment involves accent training (to understand the dictations by USA doctors), training in medical terminology and process training. The latter can be intense for the medical insurance services, as processing of insurance claims demands knowledge of medical coding as well as US medical insurance regulations and procedures. Thus, training involves substantial costs and the presence of attrition and poaching can be major threat to this segment.

This problem is compounded by the presence of able competitors. Competition though is not as intense as that of the customer care sector, one needs to be conscious of the competitors in this service line. Competing countries mainly include the Philippines and some of the developed near-shore locations like Canada. However, China is considered a major threat even in this segment by Indian BPO firms. Cultural affinity, familiarity with the US health care system, English

language skill and excellent telecom infrastructure are assumed to be the strengths of the competing countries. China's strengths would be the cheap manpower and infrastructure. Client country in this segment is largely USA.

In addition to these two sectors, another most significant service that shows a lot of promise in India is the financial sector. A large number of activities fall under this service line.

Financial Services

Financial services generally fall under back office horizontals. Initially, back-office operations are created as captives of the parent companies. However, due to development of job skills and online connectivity, over time, third parties successfully emerged in this segment. Some of the important captive and third party BPOs operating in this segment are J P Morgan, HCL Technologies, e Funds Corporations, EXL Service Holdings, B2K, Progeon, Mphasis etc. They are engaged in wide-ranging activities such as tax processing and billing services, financial data analysis, credit/debit card management , general accounting, payroll processing , cheque processing and other banking-related activities.

Given the variety of activities that can be outsourced under this segment, the financial services sector has very high potential. Most companies which initially began with outsourcing lower-end work are now moving up in the value chain to take up higher-end processes also. For example, many companies while handling insurance processing were previously confined their work to simple claims but are now enlarging their activities to more complex claims processing.

Like insurance, retail-banking operations also have tremendous potential for off-shoring⁴. For example, in loan processing several activities from selection of applicants to servicing can be off-shored. In handling applications, from the entry to the closing stages, complete data entry, under-writing, credit-decision communication and final document preparation all can be off-shored (NASSCOM).

There are certain inherent advantages of this segment which must be borne in mind. First, our survey reveals that many BPOs in this segment do not need call centre or night-time operation. Some BPOs engaged in transaction processing (e.g. Progeon) however, do need 24X 7 operations. Thus the issue of stress-related problems resulting in high attrition rates is not as large as it is for call centres. While some of the call centre BPOs reported 60% to 80% attrition rate, BPOs in this segment (located in the metros) show on an average 32% attrition rate (high attrition rates are observed mainly in the telemarketing of credit cards). Since the work is usually project based, employees need not be transported to reach the company at a specific time. Thus, a firm need not incur high transportation-related costs, which can be substantial in the metros. Further, unlike call-centre operations, this segment is not capital intensive. Most importantly, there is ample scope for moving up in the value chain. Unlike call-centre services, the financial services in general do not need English accent skills, and good cultural affinity. Only when there is a call center provision for enquires relating to say, insurance payments, some amount of accent training is required.

Coupled with these advantages there are a number of positives India enjoys in this sub-sector. The greatest strength of Indian companies in this field is *domain knowledge* (33% of the respondent firms have reported this as the major strength). The qualifications of the employees in financial services generally range from a graduate degree in commerce to one in chartered accountancy and other specialised qualifications in accounting and commerce. India has a large pool of manpower specialized in commerce and accountancy-related fields. We also have people with good IT knowledge. Thus, availability of adequate qualified manpower makes India a suitable market for this service. Good work ethics of employees leading to timely delivery of quality services is another major strength of the firms operating in financial services (Fig. A.5). Given these advantages, in the Indian BPO industry about 51% of our respondents consider that India is performing very well in this segment

and another 41% considers India's performance to be fairly well whereas only 5% of the respondent firms consider the performance of Indian firms in financial sector to be moderate.

It is interesting to note that while availability of quality work force is mentioned as the strength of the Indian BPO industry operating in this segment, the same can also be a major weakness. This is because though this industry exists due to the availability of qualified workforce, supply of labour is not commensurate with the increasing demand from the industry. Thus in the near future industry is going to face a scarcity problem, which in turn would increase the cost of labour and may give rise to quality problems. Also Indian commerce graduates are not familiar with international accounting procedures and hence training needs to be given which is costly; this in turn makes poaching prevalent. These concerns are revealed in the weaknesses of the segment during our survey (Fig.A.6)

As far as familiarity of accounting practices are concerned UK is a better location to be served by Indian workforce as the financial practices of India are similar to those of UK. Right now the largest numbers of firms serve USA-based clients (45%) but the UK market also appears to be sizeable in this segment (32% of the firms operate for UK-based clients). Firms also serve Australia, Canada and other European countries. One needs to explore non-USA markets more in this segment.

Competition is not intense in this area as compared to the customer care segment. In this segment again, rank-wise, Philippines again is perceived as the most important competitor, while China is considered as a major future threat, mainly because this segment does not require excellent English knowledge (average ranks of both the countries are same). Australia, Srilanka and Canada are the other players in this segment, though they may not really be India's competitors.

Given the assessment of the actual practitioners of the three most important segments of the ITES-BPO industry one can derive

certain important conclusions regarding the course of action warranted for facilitating further development of the industry.

Policy Implications

The above analysis shows that both in terms of manpower as well as salaries of employees, China is a potential competitor to India. Currently, China's major weakness is the lack of English language skills, which, China is aggressively seeking to overcome by providing special language training to its youth. Our field survey, on the other hand, reveals that though we have graduates supposedly with good English knowledge and other related skills, in practice it is rather difficult to find quality manpower, resulting in high training costs for BPO firms. To reduce such costs, poaching takes place, which is considered to be a major threat to the industry. Competition amongst the firms also pushes the salaries upward making India a less cost effective country vis-à-vis China and Mexico. Given this background, two distinct policy measures can aid the industry. The first is to create an education curriculum suitable for this industry, incorporating e.g. training in communication skills, cultural background, and financial and legal regulations of western target countries. The second is to develop two-tier cities where attrition and poaching problems are much less prevalent. Transportation is a major constituent of the employee-related costs of Indian BPOs located in the metros, whereas this cost component is almost negligible in the 2- and 3-tier cities (survey findings). Further, comparison of expected salary in two-tier cities vs metros shows that while *average per annum salary of an agent-level employee is Rs90, 000 in Bangalore, in two-tier cities like Mangalore this cost reduces to Rs 70,000 (survey findings). Thus, if one establishes a set-up of 1000 employees there can be cost savings of Rs 2 crores per year.*

Another important advantage in some of the developed nations, like Ireland or Canada, is the simplification of business procedures and reduction of business start up time. As mentioned above, captive

BPO firms say that complex bureaucratic procedures and uncertainty caused by unclear regulations may prompt them to reconsider their future investment plans. India should evolve strategies to expedite the bureaucratic process and make it clear and simple.

A high level of bandwidth tariff in India is another concern for the industry (see TRAI Discussion Paper No.10, 2004). Many of the competing countries like Singapore, Philippines and others have already liberalized the telecom sector, resulting in low tariff rates and excellent telecom infrastructure. China is also liberalizing its telecom infrastructure. Though India is already on the move in this direction, presently VSNL would have to further reduce the cost of the broadband facility.

Our survey of Indian BPO firms reveal that *"data security and privacy"* is an important concern for western clients. Though Indian companies comply with the privacy norms by adhering to various quality control measures, the fact remains that India does not have any domestic regulation compatible with the privacy act of the West. Thus, if any BPO employee quits a company and threatens to reveal any private information, there is no separate domestic law to protect the respective BPO firm. A few aspects are important in handling the issue.

The first is to enact an appropriate privacy and data protection act. Purview of these acts may be restricted to those segments that deal with foreign customers. Such an act need not necessarily encompass all domestic firms.

Second, together with the enactment of such an act, strict implementation needs to be ensured. This has been emphasized by more than 50% of the BPO firms in this segment. India has a large number of acts that are not appropriately implemented. Litigation cases go on indefinitely without concrete judgment. Thus it is felt that the mere presence of an act would not impress a Western customer or client.

Furthermore, domestic law should be amended to facilitate women to work in night shifts. While some states have already taken

initiatives in this direction, some are yet to amend the law. If women are not allowed to work after certain hours, those regions will not be able to avail manpower from the women section. Given the scarcity of manpower and 55: 45 ratio of male and female workers in the industry, this can act as a draw back. However, the safety of the women workers are an important aspect which needs to be ensured completely.

Market Access and Infrastructure Barriers are other major concerns of the industry that need to be dealt with. As many as 75% of the respondent firms have offices or sales representatives in the client country. Though maintaining such a network is an expensive proposition, it is not possible to get market access without such facilities. Unlike in the manufacturing sector, subcontracting is not prevalent in the BPO industry, mainly on quality considerations and for the reason that most firms in the industry are in their growth mode. Only 26% of the firms reported partly subcontracting their business to other firms and very few of them subcontract to smaller firms. While NASSCOM is doing an excellent job in attracting foreign customers to India by highlighting the strengths and best practices of Indian firms abroad, it is mostly the big firms that gain from this process. Small firms need government support in accessing the market. This is a problem that does not get highlighted in the literature as one is usually concerned only with the large companies.

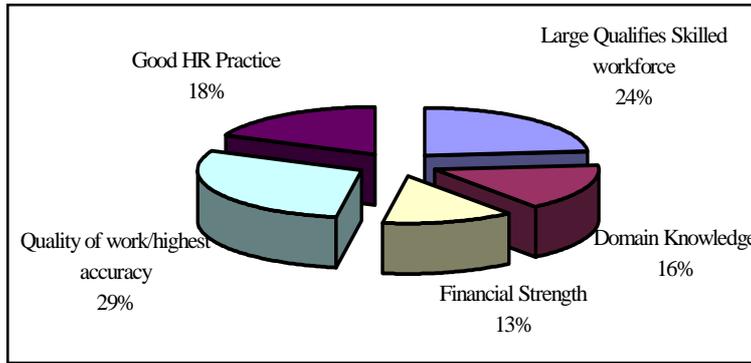
There are also debates about whether market itself will shrink due to slow down of the US economy. As is well known, the BPO industry depends mostly on the US market. Thus this fear has been voiced by NASSCOM as well. However, in the face of slow down and declining demand in the US economy, companies will be trying to find ways of cutting costs. If India can provide quality services at a low cost it can capture some of the outsourcing jobs that are now going to the near-shore expensive locations. Further, as India slowly matures as a player in this segment it should also try to diversify to other locations across the globe.

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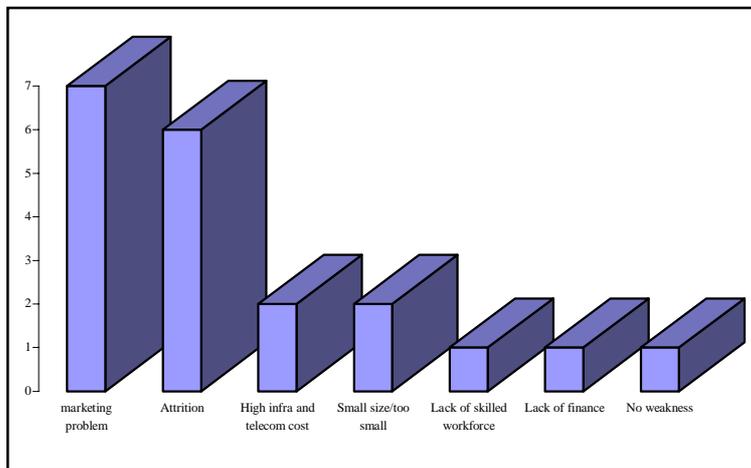
Appendix

Fig A.1. Strengths of the BPO companies operating in the customer care segment (According to their own assessment)



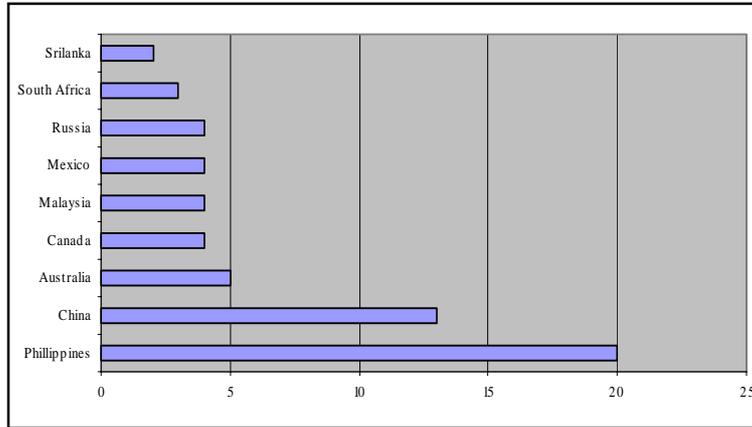
Source: Field Survey

Fig A.2. Assessment of weaknesses of BPO companies (customer care segment)



Source: Field Survey

Fig A.3. Rankings of competing countries in customer care services.



Source: Field Survey

Fig A.4. Strengths of the Indian BPOs operating in the health care segment

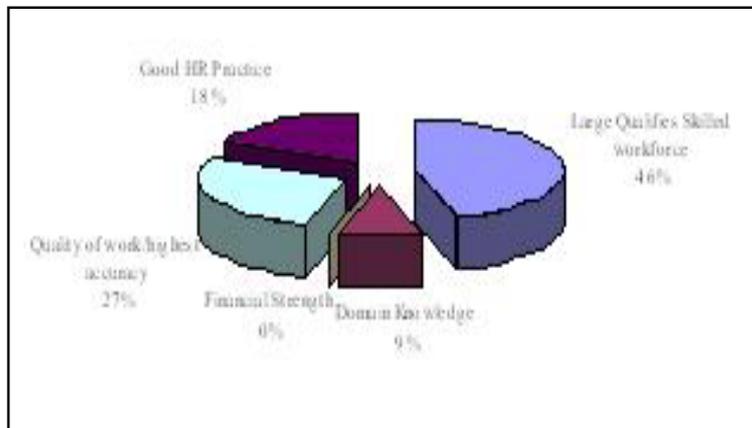
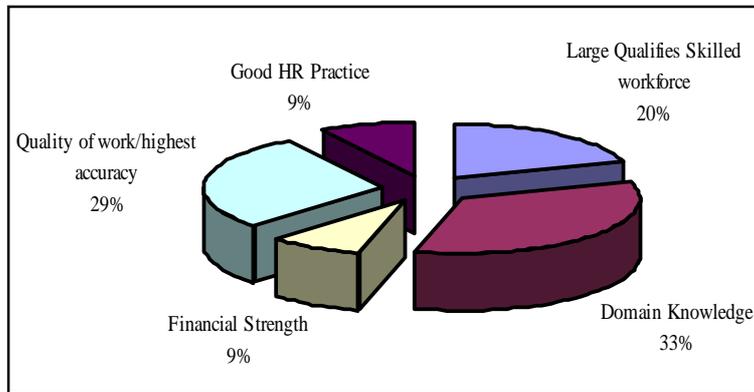
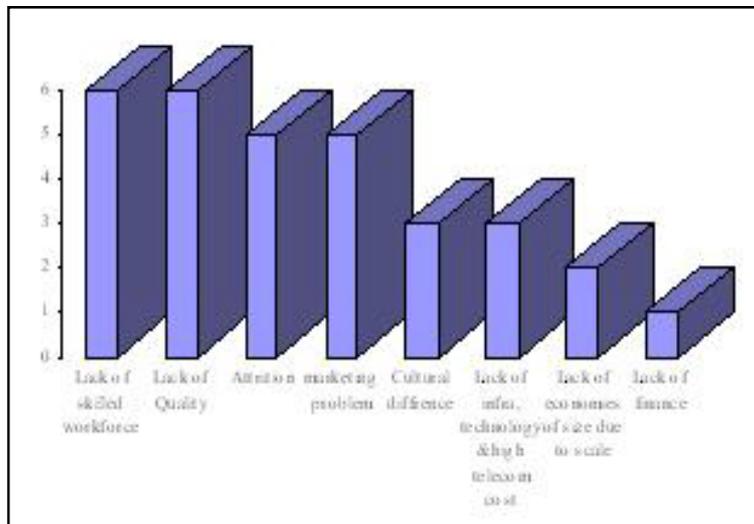


Fig A.5. Strengths of the Indian BPOs operating in the financial segment



Source: Field Survey

Fig A.6. Weaknesses of the Indian financial BPO segment



Source: Field Survey

End Notes

- ¹ <http://www.rescueamericanjobs.org/articles/index.php?info=offshore-outsourcing-jobs-statistics-offshore-facts>
- ² Based on the rankings given by the firms.
- ³ This fact has also been revealed from our employees' survey.
- ⁴ As revealed during our survey