Chapter 3

LITERATURE REVIEW

3.1 Part A: History of Outsourcing of Services

3.1.1 Introduction:
The rise of twentieth century has seen tremendous improvement in technology and telecommunication. We are now leaving in the era of Globalization. World is well connected now a days because of this profound rise in software and internet technology. This has enabled delivery of services from any place to any place. This has also enabled the global players to enter in new geography’s and thus has increased the competition. This has resulted in increased pressure on the performance of the business. So the organisations from the developed western world have started looking out for various cost reduction techniques or measures. During 1990’s, C.K. Prahalad’s theory of core competency influenced lot of organisations.¹ So the organisations have started focusing more on their core area and were ready to outsource non-core business processes. This has also offered them the most required cost advantage. Thus the new era of “Outsourcing of Services” started .This has boosted the Offshoring of services business. Over a period of time, the outsourcing of services has gone up from non-core business processes to some core, critical business processes outsourcing. So the outsourcing is now the main agenda for board of directors of many organisations in the west and is considered as a main strategic tool taken care by the senior leadership of the organisation. (Pg. 1, Chapter 1, 12)

Over a period of time the outsourcing has gone up from simple business process outsourcing to more complex knowledge process outsourcing. Countries from developed world have started looking at the developing countries for this type of world. India with its abundant English speaking skilled manpower is a most preferred destination for outsourcing of services.

This chapter discusses in detail about the Service Outsourcing, Business process outsourcing (BPO), knowledge process outsourcing (KPO) and Outsourcing in India.
3.1.2 Definition of Outsourcing:

I. Dr. Ilan Oshri defines Sourcing as “Sourcing is the act through which work is contracted or delegated to an external or internal entity that could be physically located anywhere. It encompasses various in-sourcing (keeping work in-house) and outsourcing arrangements such as offshore outsourcing, captive off-shoring, near-shoring and on-shoring.” (19, pg. no. 7)

II. As per Oxford Dictionary, Outsource means, “Obtain by contract from an outside supplier” (Tenth edition, Pg. 1013)

III. As per the Outsourcing Institute, 2001 Outsourcing can be defined as the “strategic use of outside resources to perform activities traditionally handled by internal staff and resources”. It is a management strategy by which an organization outsources major, non-core functions to specialized, efficient service providers.

IV. As per the black book of outsourcing, “Outsourcing is the act of obtaining the services from an external source”.

V. In the Book “Global Services: Moving to a level playing field”, Mark Kobayashi- Hillary and Dr. Richard Sykes defines services outsourcing as, “Service Outsourcing is the process of purchasing a service from a third party supplier: usually distinguished from procurement by the consideration that most outsourced services remain a part of supply chain.”

VI. In the Book “Global Services: Moving to a level playing field”, Mark Kobayashi- Hillary and Dr. Richard Sykes defines multisourcing as, “The use of several service partners within a single contract, to extract or to ensure each can offer their key strength.”

3.1.3 Levels of outsourcing in an organisation:

The outsourcing happens at three levels in the organisation. At project level, a small process from the project is outsourced. At program level, different projects of a program are outsourced and at division level, the complete
operation of division is outsourced. The nature of work, trust of client in the service provider, cost efficiency; image of the service provider will impact the decision of level of outsourcing.

3.1.4 Various Modes of Outsourcing:

The outsourcing can have following types of modes:

i. **On-shore Outsourcing:** When the work is outsourced to a company located in the same country it is called as Onshore or Domestic Outsourcing.

   *e.g.*: *When Telco outsource IT service to Infosys, both located in India, is Onshore Outsourcing.*

ii. **Near-shore Outsourcing:** When the work is outsourced to a company located at the neighbouring country, it is called as near-shore outsourcing. This has advantage of having similar work culture, same time zone, and frequent visits due to less distance to travel and may also prove to be cost effective.

   *e.g.*: *When G.E, USA outsourced its voice business process operation to Computer Generated Solutions Chile S.A. (CGS, Chile) located in Chile is Near-shore outsourcing.*

iii. **Off-shore Outsourcing:** When the work is outsourced to a faraway country, majority of time located in the different time zone, is called as off-shore outsourcing. This provides a definite cost advantage, availability of skilled resources and time zone advantage. Usually it is a third party outsourcing but the term is also used for the captive centers or shared resources.

   *e.g.*: *When GE, USA, outsourced its work to Infosys in India, it is offshore outsourcing.*

iv. **Multi-Shoring Outsourcing:** Now a days company also opt out for a combination of outsourcing arrangements involving Offshore, Onshore and Near-shore outsourcing options, known as multi-shoring outsourcing. Now a days service provider themselves have multiple offices at multiple locations providing option of multi-shoring to the client.

   *e.g.*: *Perficient is a US based IT Outsourcing company. It has service centers in USA, China, India and Macedonia. This gives opportunity to US client to decide which project can be outsourced to which location.*
3.1.5 Types of outsourcing models:

Once the decision to go near-shore or off shore is made, then the organisation needs to decide about which model of outsourcing should be used. Following options are available for the company to choose from:

a. **Captive Unit:** 100% subsidiary of the client company located at different location is a captive unit. Normally these units are located in developing country to have a cost advantage. This model offers complete control and protection of intellectual property along with the cost advantage.

b. **Third Party Outsourcer Unit:** In this mode a company makes a contract with a vendor located at a foreign country for a specific task for a specific amount. It is one of the most commonly used outsourcing models. The vendor has the required infrastructure facility and the manpower to perform the contracted task.

c. **Joint Venture:** In this model the client company establishes a joint venture with the service provider company. The advantage of this model is both client and service provider share the risk and resources.

**Fig. 2: Representation of Types of arrangements and Modes for Outsourcing**
3.1.6 Advantages of Outsourcing:
Outsourcing offers lot of advantages to the client company. Few of them are:

a. **Core Competency Focus:** Because of outsourcing, client organisation can focus on the core functions. By outsourcing non-core activities, lot of time and resources are saved by the client organisation. By using this company can bring new improved services and products to the market and be competitive in market.  

b. **Cost Reduction:** Cost reduction is the most important advantage of outsourcing. As per Accenture, outsourcing can have up to 25% to 30% reductions in the cost.  

c. **Quality of work performed:** Outsourcing service provider appoints specialists to perform the outsourced task. This sometimes resulting in the better quality of work performed as compare to the in-house job.  

d. **Flexibility:** The client organisation is having a flexibility of changing the service outsourcer if the quality of work is not up to the mark. As the outsourced task is contractual, it very easy to terminate the service provider than a full time employee.  

e. **Round the Clock Working:** Due to off-shoring, the client have advantage of running the office virtually for 24 hours a day. This happens due to time zone difference. Because of this the work can be finished early and thus results in time savings. This helps the client organisation to reduce the time to market.  

f. **Access to latest technology:** The service providers work on varied technology platform. They focus on their core services and so needs to keep them updated. So the client company can leverage this technological update of the service vendor.  

3.1.7 What is being outsourced?

a. **Service Outsourcing:**
Outsourcing has started with manufacturing industry outsourcing few tasks to the vendors. By the late 1980’s it was a well-known practice in the manufacturing sector. In late 1980’s countries like Taiwan have become the manufacturing outsourcing hub.
At the same time there was drastic improvement in technology. This has enabled the companies to outsource the non-core activities like payroll management and accounting. With improvement in technology, call center and R and D were next in line for outsourcing.³

By 1990, digitization of telecom network has brought together two independent streams of Information Technology and telecommunication together. This has given rise to a field called as “Information and Communication Technology” (ICT). It has enabled the outsourcing of processes to far away destination and so has given rise to “The Era of Services Outsourcing”.³

b. **Classification of Services:**

The services are classified as individual and business services. Business services are further classified as Information Technology (IT) services and Information Technology Enabled Services (ITeS)

**Fig. 3: Categories of Business Services:**

![Diagram of Business Services Classification](source: Book on Global Service Outsourcing)
c. **Types of Business Service Outsourcing:**

There are two types of business services outsourcing Technology services and business process outsourcing.

- **Technology Services:**
  - Now a day’s backbone of operations of any company is Technology services. There is constant change in technology and it is becoming very effective. The technology can be used for betterment of the company but it is not core strength of the company. So to focus on core area of the business many companies outsource its IT services to the external service providers.

  Following are few of the technological services which can be outsourced:
  - Software Applications
  - IT infrastructure
  - E-Commerce
  - Web Security
  - Web hosting and maintenance

- **Business Processes Outsourcing or Information Technology Enabled Services:**
  - Company has lot of non-core business processes. These processes are outsourced by the company to gain advantage of Cost as well as the expert services. Information technology helps in operations of these outsourced services. So these are called as Information technology enabled services (ITES). Following are the few non-core processes or IT enabled services which can be outsourced:
  - Customer Relation Management
  - Tele calling
  - Admin Support
  - Back office support
  - Accounts and Finance
  - Recruitment and selection
  - Payroll
3.1.8 Business Process:

a. Definitions:

i. James Chang had defined process from business prospective. As per James F Chang a process is “Co-ordinated and standardized flow of activities performed by people or machines, which can traverse functional or departmental boundaries to achieve a business objectives that create value for internal or external customers.”(Pg. 3, 7)

ii. Hammer and Champy (1993) state, “A business process is a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer.”

iii. Davenport (1993) defines business process as, “A structured, measured set of activities designed to produce a specific output for a particular customer or market.”

iv. As per Appian, “A business process is collection of linked tasks which find their end in the delivery of a service or product to a client.”

b. Characteristics of Business Process:

1. **Definability:** A business process must have input, output and predefined clear borders.

2. **Order:** It must be comprised of the activities sequenced as per space and time.

3. **Customer:** Output of each business process must have a specified receiver, a Customer.

4. **Value Adding:** The process must add value to the receiver either upstream or downstream.

5. **Embeddedness:** A process must be part of organizational structure, it cannot exist stand alone.

6. **Cross functionality:** A process commonly, but not necessarily, can span over different functional areas.
c. **Classification of Business Process:**

I. **As per the operational area:** The business processes are classified in following three types as per the operational area.\(^{10}\)

i. **Management Processes:** Processes at the managerial operations level. E.G. Corporate Governance and Strategic Management.

ii. **Operational Process:** The processes cores to the organisation are operational processes like Purchasing, Marketing and Sales.

iii. **Supporting Processes:** These are the processes which are complimentary processes to the main business like Requirement, Technical support and Accounting.

II. **As per the importance to the organisation:**

1. **Core Processes:** These are the most important and vital processes for the organisation. Companies hesitate outsourcing it.\(^{13}\)

2. **Critical but non-core processes:** These are important processes for the company but are not core to the operations of the company. But if not managed properly then will definitely affect the competitiveness of the company. Logistics for any company will be of vital importance to any company but will not be the main function of the company.\(^{13}\)

3. **Non-core –non critical activity:** These are regular day today activities of the organisation. If they are not performed well then the damage to organisation will not be too large. These are not at all the core competencies of the organisation.\(^{13}\)

3.1.9 **Business Process Outsourcing:**

Eastman Kodak was the first big company to outsource it’s IT function to IBM in 1989. It was one of the largest outsourcing events. It is known as “Kodak Effect “and after this there was boom in IT outsourcing industry. Soon due to technological advancements, outsourcing has extended from IT to IT enabled services and is known as Business process outsourcing.

As per black book of outsourcing, “Business process outsourcing is when the organisations turns over the management of particular business process over to third party which specializes in the process.” The following table shows the journey of BPO till date.
Table No. 3.1: Journey of Business Process Outsourcing till date:\(^{6}\)

<table>
<thead>
<tr>
<th>Year Span</th>
<th>1960’s</th>
<th>1970’s</th>
<th>1980’s</th>
<th>1990’s</th>
<th>2000’s</th>
<th>2000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes Outsourced</td>
<td>Time</td>
<td>Data</td>
<td>Complete</td>
<td>Shared</td>
<td>Process</td>
<td>IT-</td>
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<tr>
<td></td>
<td>Sharing</td>
<td>processing</td>
<td>IT</td>
<td>Services</td>
<td>Outsourcing</td>
<td>Enabled</td>
</tr>
<tr>
<td></td>
<td>and</td>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
<td>offshore</td>
</tr>
<tr>
<td></td>
<td>Sharing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>services</td>
</tr>
</tbody>
</table>

3.1.9.1 BPO Journey:

The call centers were amongst the first ones to be outsourced as BPO activity. The success of call centers has given confidence to the organisations to outsource other supporting services. Call centers up till now have been looked as non–core support functions. But now it is considered as main part of Customer relationship management systems. So the BPO have started operating as Voice BPO and non-voice BPO. The Voice BPO particularly have the call center arrangements while non-voice BPO were processing activities like accounting and HR. Today we see collaboration of non-voice and voice BPO for the same activity. Today the work for BPO comes from three major operational areas namely, Business administration, Sales & marketing and Supply chain management. India offers advantage of cost, quality and scope for increasing the scale. So it dominates the BPO market. \(^{14}\)

3.2 Part B: Overview of Knowledge Process Outsourcing Industry:

3.2.1 Introduction to Knowledge process outsourcing:

Top management of companies got the confidence from the success of Business process -outsourcing and the knowledge intensive processes are also outsourced nowadays. To perform these processes, people with domain knowledge are required. In the developed world there is shortage of such type of people, where as in contrast in developing country like India have these type of skilled people in abundance available at much less cost. This has given rise to a new type of outsourcing called as “Knowledge process outsourcing”. \(^{15}\)

As per Evalueserve, Dr. Alok Agarwal, Cofounder of Evalueserve, was the first to use the term, “Knowledge Process Outsourcing”, for the first time. By the use of this term Evalueserve wanted to position its services more different than the BPO/ITO services. \(^{15}\) It adds more value to the client organization. After India’s National Association of
Service and Software companies (NASSCOM) have included the term KPO in its annual report in 2005, it has become the well accepted term in the outsourcing industry. **A KPO activity requires high domain expertise, analytical skills and these resources will interact with clients more than their BPO counterparts.** (16)

It is also known as Knowledge Service Industry. As per Nasscom report on Knowledge Services Outsourcing it is becoming the third wave of Outsourcing.

**Fig. 4: Outsourcing Journey in India:**

![Outsourcing Journey in India](image)

Source: Indian Knowledge Services Outsourcing industry: Creating Global Impact – Report by NASSCOM and Crisil Global Research and Analytics
The next section defines and clarifies few terms associated with KPO industry.

3.2.2 Definitions:

I. Knowledge:

1) As per the Oxford Dictionary, Knowledge means “information and skills acquired through experience or education.”

2) Knowledge is information, skills and understanding about a subject which a person has gained through learning or experience (reference unknown)

3) Knowledge is information, skills and understanding about a subject which a person has gained through learning or experience

4) Explicit Knowledge:
Explicit knowledge is the knowledge that can be formalized, represented in words and numbers and readily communicated.

5) Tacit knowledge:
Tacit knowledge is Knowledge that is based on subjective and experiential learning and is highly personal and difficult to formalize.

II. Knowledge Worker:

1) As per the Oxford Dictionary, Knowledge worker means “A person whose job involves handling or using information.”

III. Knowledge economy:

1) In the book titled “Global Services: Moving to a level playing field” writes Mark Kobayashi- Hillary and Dr. Richard Sykes defines Knowledge economy as, “As many service based jobs have been created requiring no more than the knowledge inside a person’s head, the term knowledge economy has grown in usage to describe the jobs, these people perform and their value in wider economy.  

2) The World Bank Institute offers a formal definition of a knowledge economy as, “The one that creates, disseminates, and uses knowledge to enhance its growth and development.”

3) A knowledge economy uses data as it raw material and transforms it using technology, analysis tools, and human intelligence into knowledge and expertise.
4) Walter W. Powell and Kaisa Snellman in their article titled “Knowledge Economy”, defines it as, “production and services based on knowledge-intensive activities that contribute to an accelerated pace of technological and scientific advance as well as equally rapid obsolescence”.

IV. Knowledge Intensity:
1) In a book titled Global services Outsourcing written by Ronan McIvor and published by Cambridge University Press, “Knowledge intensity is defined as the extent to which the service is based on knowledge.”

V. Knowledge Process:
1) As per KPOexperts.com, “Knowledge process can be defined as high added value processes chain where the achievement of objectives is highly dependent on the skills, domain knowledge and experience of the people carrying out the activity.”

2) As per Mohit Srivastava, Country Manager, Evalueserve a Knowledge Process is “A Process of Creating, Structuring, Storing, Synthesizing, Protecting and Monetizing Knowledge.” It requires significant domain expertise and Shift from execution of ‘standardized processes’ to carrying out ‘complex processes’ that demand advanced analytical and technical skills as well as decisive judgment.

VI. Knowledge Process Outsourcing:
1) Knowledge process outsourcing refers to performing “high end knowledge or judgment services” (Larkey, 2006).

2) The following extract from chapter two of the British Computer Society book 'Global Services: Moving to a Level Playing Field' by Mark Kobayashi-Hillary and Dr Richard Sykes attempts to define KPO:

"KPO is merely a continuation of BPO, though with rather more business complexity. The defining difference is that KPO is usually
focused on knowledge-intensive business processes that require significant domain expertise (application professionalism in the language of Chapter 1). The offshore team servicing a KPO contract cannot be easily hired overnight as they will be highly educated and trained, and trusted to take decisions on behalf of the client.”

3) In a report titled, Knowledge Process Offshoring (KPO): A Balanced View of an Emerging Market, published in July 2007, Technology Partners International (TPI) defined KPO as follows:

“Knowledge process off-shoring is about getting high-end, value-added work done by resources whose co-location with the end client is not necessary, where the effort is people-intensive, and the end product is arrived at through rigorous methodologies. Because this type of work requires a high level of judgment, subjective analysis and interpretation, the end results can vary from practitioner to practitioner.”

3.2.3 Difference between BPO and KPO.

Table No. 3.2: Difference between BPO and KPO:

<table>
<thead>
<tr>
<th></th>
<th>BPO</th>
<th>KPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>BPO provides services like customer care, technical support through voice processes, tele-marketing, sales, etc.</td>
<td>KPO provides in-depth knowledge, expertise and analysis on complex areas like Legal Services, Business and Market Research, etc.</td>
</tr>
<tr>
<td>Stands for</td>
<td>Business Processing Outsourcing</td>
<td>Knowledge Processing Outsourcing</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>Outsourcing of standard business process</td>
<td>Outsourcing of knowledge intensive business process and activities</td>
</tr>
<tr>
<td>Requirements</td>
<td>BPO</td>
<td>KPO</td>
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<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Requires</td>
<td>Good communication skills and basic computer knowledge</td>
<td>Specialized knowledge</td>
</tr>
<tr>
<td>Services</td>
<td>Low end services</td>
<td>High end services</td>
</tr>
<tr>
<td>Process</td>
<td>Processes are mostly standardized.</td>
<td>Knowledge creation process is not well defined.</td>
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<tr>
<td></td>
<td>Pre-defined process</td>
<td>Requires application and understanding of business</td>
</tr>
<tr>
<td>Employees</td>
<td>Basic qualifies employees</td>
<td>Skill and expertise of knowledge employees</td>
</tr>
<tr>
<td>Expertise in</td>
<td>Process</td>
<td>Knowledge</td>
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<tr>
<td>Primary Driver</td>
<td>Cost is the primary driver</td>
<td>Value, time to market, scale, flexibility are the primary drivers,</td>
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<tr>
<td></td>
<td></td>
<td>then cost</td>
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<tr>
<td>Industry stage</td>
<td>Industry is mature and outsourcing components easily carved out</td>
<td>Industry is evolving and clients are still learning</td>
</tr>
<tr>
<td>Risk Level</td>
<td>Most of the risk have been addressed by infrastructure, processes</td>
<td>Clients perceive risk of data security and IP leakage</td>
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<tr>
<td></td>
<td>and contract SLA’s</td>
<td></td>
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<tr>
<td>Challenge of Human</td>
<td>Managing attrition is the biggest challenge.</td>
<td>Finding skilled talent is the biggest challenge</td>
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<tr>
<td>Resource</td>
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</table>

(Prepared by the researcher after collating data from various sources)

**Points worth to note:**

a. Unlike BPO, KPO industry works on highly skilled domain specialized processes.

b. KPO work is more challenging as it demands business expertise and advance skills from its employees.
c. BPO and KPO Work Domain:

<table>
<thead>
<tr>
<th>BPO Undertakes</th>
<th>KPO Undertakes</th>
</tr>
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<tbody>
<tr>
<td>Customer Support Services</td>
<td>Analytics</td>
</tr>
<tr>
<td>Technical Support Services</td>
<td>Business Research</td>
</tr>
<tr>
<td>Telemarketing Services</td>
<td>Design &amp; Animation</td>
</tr>
<tr>
<td>Employee IT Help-desk Services</td>
<td>Engineering Service Outsourcing (ESO)</td>
</tr>
<tr>
<td>Insurance</td>
<td>Financial Research Outsourcing (FRO)</td>
</tr>
<tr>
<td>Processing Data Entry Services/Data</td>
<td>Legal Process Outsourcing (LPO)</td>
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<tr>
<td>Processing Services</td>
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<tr>
<td>Data Conversion Services Scanning,</td>
<td>Marketing Services</td>
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<tr>
<td>OCR with Editing &amp; Indexing Services</td>
<td>Market Research Outsourcing (MRO)</td>
</tr>
<tr>
<td>Book Keeping and Accounting</td>
<td>Publishing Outsourcing</td>
</tr>
</tbody>
</table>

d. KPO companies require people with diverse educational background like MBA, medical, engineering and many other specialised skills.

3.2.4 What functions does it cover?

The large professionally qualified class available in developing countries has created trained workforce for all the recent fields of business. This includes fields like Law, Pharma, data analysis and financial services etc. The next section covers major segments or service lines of KPO in Detail.
Table No. 3.3: Overview of major segments of KPO:

<table>
<thead>
<tr>
<th>No</th>
<th>Parameter</th>
<th>LPO</th>
<th>Financial Services Outsourcing</th>
<th>Market analysis Outsourcing</th>
<th>Business Analysis Outsourcing</th>
<th>Data modelling and Analytics Outsourcing</th>
<th>Pharmaceutical Services Outsourcing</th>
<th>Data Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>Legal process outsourcing means getting support for the legal of external legal service firm by the law department of the organisation or law firm of the organisation</td>
<td>In financial services outsourcing, outsourcing of financial and accounting functions happens. The major reason is cost efficiency but still domain expertise also considered prime driver for this.</td>
<td>Industries need accurate data analysis like market size, demand, competitor analysis, customer satisfaction and risk management. This is outsourced as market research activities.</td>
<td>Business analysis outsourcing is the extension of market research outsourcing. Here the service provider provides very vital information on various industry and financial research.</td>
<td>In data analytics, investigation and processing of data is done with the objectives of drawing the conclusions. Data analytics gives the real time analysis.</td>
<td>The key pharmaceutical processes are outsourced.</td>
<td>Data and the information generated from it are the main assets of the organisation. But random data is of no use to them. So they need Data management and reporting services.</td>
</tr>
<tr>
<td>2</td>
<td>What it Covers</td>
<td>Low end legal services and high end legal services.</td>
<td>Actuarial and Insurance Investment banking and equity research Project finance and corporate credit Shared finance function Retail banking and marketing</td>
<td>Competitor analysis Pricing analysis Effectiveness of marketing program Brand analysis Perception studies Market demand, size and growth analysis Customer profiling</td>
<td>Industry research and financial research</td>
<td>Marketing Analytics Risk Analytics Operation and Data analysis Finance Investment analysis</td>
<td>Statistics and Programming Scientific Writing Safety Data management Regulatory affairs</td>
<td>Management of data and development of reports</td>
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<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO</td>
<td>Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
<td>Data Analysis</td>
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<tr>
<td>3</td>
<td>Demand Side Drivers for the developed nations</td>
<td>Increase in regulatory framework in developed countries. Increase in bankruptcy cases due to economic crisis. Increasing Cost pressure due to slow economic growth in developed countries. High cost of an attorney in the developed world. Shortage of cable workforce in USA and UK.</td>
<td>Major financial institutions were under cost reduction pressure in developed nation. Inadequate availability of skilled human resource available at very high cost in developed nation.</td>
<td>Huge competition forcing all the major players to enter in all the customer segments. So the companies need to have information on the customer segments and geographies. Cost of research is very high in developed nation.</td>
<td>Huge competition forcing all the major players to enter in all the customer segments. Business is becoming more and more complex day by day. Need of fast data analysis for quick decision. Shortage of talent</td>
<td>Requirement of data analytics is increasing. Very costly resource in the developed country. Shortage of talent</td>
<td>Pharmaceutical market is becoming very competitive Cost of operations is too high Scarcity of Skilled resource</td>
<td>Lot of data is generated in organisations due to multi location working. Company need to generated information from this large data to get competitive advantage</td>
</tr>
<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
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<tr>
<td>4</td>
<td>Supply Side Drivers</td>
<td>Availability of competent law force in developing world. Competent manpower available at less cost. Time zone advantage. Knowledge of USA and UK law to the lawyers from Developing world</td>
<td>Availability of competent workforce in developing world. Competent manpower available at less cost. Availability of advance analytical financial functions software platforms</td>
<td>Due to Technical infrastructure, the data can be transferred in real time. Competent manpower available at less cost in developing nation</td>
<td>Competent manpower available at less cost in developing nation</td>
<td>Development in telecom and internet technology</td>
<td>Competent manpower available at less cost in developing nation</td>
<td>Time to market is reduced due to outsourcing</td>
</tr>
<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO</td>
<td>Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
<td>Data Analysis</td>
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<tr>
<td>5</td>
<td>Challenges:</td>
<td>Issue of confidentiality Ethical Challenge's Lack of awareness amongst corporates and students</td>
<td>Confidentiality of data. Safeguarding Intellectual property right when working with external service provider.</td>
<td>Cost of data collection can be less but the authenticity of data is still a question mark. So there can be issue of validity and reliability of data. The cost of data analysis and prediction is still high in developing nation also due to scarcity of skilled manpower at the top management level. Shortage of data analysts who have both domain as well as software platform knowledge to generate information from the collected data.</td>
<td>Issues of plagiarism and copy rights. Limited life of research findings. Reliability and validity of the information. Rising pricing.</td>
<td>IP management Data security Validity and reliability of data.</td>
<td>Violation of ethical guidelines. Different regulatory environments in client’s country and service provider’s country and so the risk of non-compliance. Loss of critical and confidential information to the competitor.</td>
<td>Data validity and reliability. Security of the information Management of talented workforce.</td>
</tr>
<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO</td>
<td>Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
<td>Data Analysis</td>
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<tr>
<td>6</td>
<td>Future</td>
<td>Change in legal and ethical compliance in USA and UK, which will fuel the growth of LPO. Emergence of LPO providing end to end legal service solutions. Stricter security and confidentiality agreement policies.</td>
<td>The outsourcing industry will need people with a number of international financial certifications. Companies don’t want to keep all the financial data at one location. So in future we will have multi-location financial service centers. Soon critical core financial services also will be outsourced.</td>
<td>Market research outsourcing service providers needs to position themselves as strategic partners rather than only the service providers. Instead of full service organisations, companies in future will prefer to have specialist working only on one area. This will reduce their risk of losing out marketing information to only one company. Market research organisations should train their manpower on various software platforms as that will be the need of the hour.</td>
<td>There is need to have near shore centers for business analysis. Business research needs to be more proactive than proactive.</td>
<td>Cyber analytics will be one of the major growing sector in the days to come. Analytics domain will be ruled by shared service centers and not the third party service provider.</td>
<td>Third party outsourcing will increase operational as well as strategic processes. Multi sourcing will increase in time to come. Stricter governance contract will be done with the third party outsourcer.</td>
<td>Companies will need complex data management tools. Skilled manpower understanding the complex tool</td>
</tr>
<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO</td>
<td>Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
<td>Data Analysis</td>
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<tr>
<td>7</td>
<td>Human Resource Requirement</td>
<td>Lawyers having knowledge of UK and USA laws. Engineers, CA’s and Scientist with good domain knowledge and IP related work. People with good communication skill and soft skill are prerequisite</td>
<td>The financial services outsourcing needs people with strong finance domain like CA or ICWA or MBA (Finance) Non-financial domain specialists like Engineers and statisticians are required for statistical analysis. Logical and statistical thinking is prerequisite for people working in financial services outsourcing.</td>
<td>There are two type of people required in this type of industry, the domain specialists and the analyst. A person with deep domain knowledge of marketing domain and specialist in interpreting the data is required. The person should be very well conversant with the global culture. Also person with statistical background and expert in data software tools of data analysis will be able to find place in this domain. Analytical and logical mind set</td>
<td>Needs postgraduate domain specialists with expertise in secondary data analysis. Person should be proficient in conducting data through focus group interviews. Strong analytical and logical thinking is pre-requisite.</td>
<td>People with knowledge of computer modelling tools. Experts in spreadsheets and latest techniques like HADOOP and R.</td>
<td>People with domain expertise in pharmacy. Most post graduates are preferred. Excellent English communication skill and writing skills is pre-requisites.</td>
<td>The service providers will need people with specialists in document reading and business intelligence specialists.</td>
</tr>
<tr>
<td>No</td>
<td>Parameter</td>
<td>LPO</td>
<td>Financial Services Outsourcing</td>
<td>Market analysis Outsourcing</td>
<td>Business Analysis Outsourcing</td>
<td>Data modelling and Analytics Outsourcing</td>
<td>Pharmaceutical Services Outsourcing</td>
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<tr>
<td></td>
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<td></td>
<td>with command over research tools and techniques and a professional degree like MBA or engineering or post graduation in statistics and quantitative techniques is prerequisite to work in this industry.</td>
<td></td>
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</tr>
</tbody>
</table>
Major types of Knowledge Process Outsourcing Arrangements:

a. Legal Process Outsourcing:

I. Meaning:
Legal process outsourcing means getting support for the legal of external legal service firm by the law department of the organisation or law firm of the organisation.\textsuperscript{16}

Outsourcing of legal work is not new. But off-shoring of legal work is definitely a new concept. To take advantage of cost effectivity of law firms from USA or UK are outsourcing work to legal service providers in country in India.\textsuperscript{18}

II. What it Covers:
Initially LPO started as a transcription work only. Today it encompasses services like drafting of patents, legal research and writing legal agreement’s etc.

As organisations across the world would like to concentrate on the core competencies so nowadays most risk prone area like Legal processes are also getting outsourced. The competitive legal experts available in developing countries at comparatively less cost are enhancing the growth of legal outsourcing industry.\textsuperscript{17}

Legal services are of two types: Low end legal services and high end legal services. The difference between low end and high end services is that low end legal service does not require in depth domain knowledge as against the high end services.\textsuperscript{17}

Major Outsourced Legal Services:

<table>
<thead>
<tr>
<th>Low end legal services</th>
<th>High end legal services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic document management service</td>
<td>Legal research</td>
</tr>
<tr>
<td>Electronic document discovery services</td>
<td>Due Diligence services</td>
</tr>
<tr>
<td>Para legal services</td>
<td>IP services</td>
</tr>
<tr>
<td>Document management services</td>
<td></td>
</tr>
</tbody>
</table>

45
Major Outsourced Legal Services:

1) **Low end services:**
   - **Para legal Services:** These are support services provided to the lawyers. These services normally include preliminary investigation, document drafting, depositions, indexing, proof reading and patent search. They are mostly used in the field of IPR, mergers and acquisitions, business lawsuits and medical claims mostly.\(^2^2\)
   - **Document management services:** Data digitisation, coding and legal transcriptions are included in this head.\(^1^7\)
   - **Electronic document management service:** Word Processing, legal transcription, data digitisation and XML tagging are included under this head.\(^1^7\)
   - **Electronic document discovery services:** This includes collecting, processing and reviewing electronic records and scanned (optical character recognition) etc.\(^1^7\)

2) **High end services:**
   - **Legal Research:** This includes compilation of information on a specific area of law. It could include study of legal environment of particular area, analysis of various laws and primary & secondary law research.\(^2^2\)
   - **Due Diligence services:** It includes services related to investigation of business, firm or person before completion of transactions. It gives real and latent risks associated with the transaction. Mostly used in mergers and acquisitions.\(^1^7\)
   - **IP services:** These includes all Intellectual property (IP) related work like IP audits, Patent and trademark – search, drafting and filling, Patent analysis and IP litigations.\(^2^2\)

The high end services required people with high domain knowledge. Along with legal professionals like lawyers, MBAs and Engineers are also required to perform the high end legal outsourcing processes.
III. **Business Models of Providing LPO services:**
There are basically five different business models present in the market with respect to offshore LPO business. 

i. **Pure Play LPO:** Firms specialised only in legal process outsourcing business. These are either subsidiaries of law firms or stand-alone LPO started by a lawyer.

ii. **Broad Based KPO and BPO provider:** These are the KPO providers who have added a LPO business line to their existing business. There are some IT and BPO service providers who are trying their hands with the LPO business line.

iii. **Captives of Corporate firms:** Many of the MNC’s have started their captive units for the legal services. Majority of them are consolidating their legal services at one locating and servicing it to multiple locations.

iv. **Captive Units of Law firms:** Few law firms USA and UK have opened a captive center in developing country like India. As per Indian law, forging firms are not allowed to work in Indian Courts so these captive units are performing 100% export oriented work.

v. **Joint venture:** Joint venture between a BPO company and a law firm from developed nations is another model but is not very successful.

VII. **Business Drivers for LPO:**

**Table No. 3.4: Demand and Supply Side Drivers for LPO:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increase in regulatory framework in developed countries.</td>
<td>Availability of competent law force in developing world.</td>
</tr>
<tr>
<td>2</td>
<td>Increase in bankruptcy cases due to economic crisis.</td>
<td>Competent manpower available at less cost.</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Demand Side Drivers</td>
<td>Supply Side Drivers</td>
</tr>
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<td>--------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Increasing Cost pressure due to slow economic growth in developed countries</td>
<td>Time zone advantage</td>
</tr>
<tr>
<td>4</td>
<td>High cost of an attorney in the developed world</td>
<td>Knowledge of USA and UK law to the lawyers from Developing world</td>
</tr>
<tr>
<td>5</td>
<td>Shortage of cable workforce in USA and UK.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Inconsistent workflow for in hose legal departments</td>
<td></td>
</tr>
</tbody>
</table>

VIII. **Challenges in front of LPO:**
   a. Issue of confidentiality
   b. Ethical Challenge’s
   c. Lack of awareness amongst corporates and students

IX. **Future of LPO:**
   a. Change in legal and ethical compliance in USA and UK, which will fuel the growth of LPO.
   b. Emergence of LPO providing end to end legal service solutions.
   c. Stricter security and confidentiality agreement policies.

X. **Human Resource Requirement:**
   a. Lawyers having knowledge of UK and USA laws.
   b. Engineers, CA’s and Scientist with good domain knowledge and IP related work.
   c. People with good communication skill and soft skill are prerequisite.

b. **Financial Services Outsourcing:**

I. **Meaning:**
In financial services Outsourcing, outsourcing of financial and accounting functions happens. The major reason is cost efficiency but still domain expertise also considered prime driver for this.\(^{16}\)
II. What it covers:

Initially the financial services started with simple outsourcing of accounting. Now it has reached up to outsourcing of most complicated services as insurance and actuarial services & Equity research. Following five domains are the financial process outsourcing happens.  

a. Actuarial and Insurance  
b. Investment banking and equity research  
c. Project finance and corporate credit  
d. Shared finance function  
e. Retail banking and marketing

Table No. 3.5: Different activities covered in the five main domains of financial outsourcing services:

<table>
<thead>
<tr>
<th>Domain</th>
<th>High Complexity</th>
<th>Moderate Complexity</th>
<th>Low complexity</th>
</tr>
</thead>
</table>
| Insurance and actuarial       | Company valuation  
• Profit/capital management  
• Capital adequacy/solvency calculation  
• Long-term liability modelling  
• Integrated reserving and pricing  
• Product design, profit testing  | Customer domain and distribution channel analysis  
• Claims modelling and estimation  
• Asset/liability modelling  
• Expense analysis and benchmarking  
• Product line projections  
• Discounted cash flow modelling  | Product and channel profitability analysis |
| Equity research and investment Banking | • Update of valuation models  
• Creation and support for Mergers & Acquisitions  | • Update and maintenance of product models  | • Presentations and pitch books for institutional investors  
• Preparation of |
<table>
<thead>
<tr>
<th>Domain</th>
<th>High Complexity</th>
<th>Moderate Complexity</th>
<th>Low complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(M&amp;A) stand-alone valuation models</td>
<td>• New idea generation for M&amp;A Deals</td>
<td>• Market research for fixed interest, index linked, credit interest rate swaps and as set backed markets</td>
<td>thematic industry reports • New company initiation reports</td>
</tr>
<tr>
<td>Corporate credit, structured and project finance</td>
<td>• Feasibility analysis • Cash flow modelling • Credit quality analysis • Loss protection calculation • Stress testing • Scenario modelling • Fair value reporting • Asset-pool performance</td>
<td>• Presentation and graphics • Library, knowledge management and general research</td>
<td></td>
</tr>
<tr>
<td>Group-wide shared function</td>
<td>• Product profitability analysis • Framework development • Shareholder return analysis • Capital management analytics • Risk management support</td>
<td>• Budgeting analytics • GAAP reporting support • SOX 404 support • Activity based costing</td>
<td></td>
</tr>
<tr>
<td>Retail banking and marketing</td>
<td>• Fraud analytics • Delinquency analysis • Attrition modelling • Propensity modelling • Product profitability analysis</td>
<td>• Strategic customer or domain analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Market research support</td>
<td></td>
</tr>
<tr>
<td>Domain</td>
<td>High Complexity</td>
<td>Moderate Complexity</td>
<td>Low complexity</td>
</tr>
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<td>-------------------------</td>
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</tr>
<tr>
<td></td>
<td>• Credit scoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Underwriting algorithms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Background</td>
<td>Tier I and II MBA, CA, CFA, CPA, Post graduates</td>
<td>Tier II and III MBA, CA, CPA, Graduates (Finance and accounting)</td>
<td>Finance and accounting Undergraduates</td>
</tr>
<tr>
<td>Required</td>
<td>(Finance and accounting)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Financial services KPO domain activities and complexity by KPMG / Swamy and Associates, Knowledge Process Outsourcing, February 2008

### III. Business Drivers for Financial Process Outsourcing:

**Table No. 3.6: Demand and Supply Side Drivers for Financial outsourcing services:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Major financial institutions were under cost reduction pressure in developed nation.</td>
<td>Availability of competent workforce in developing world.</td>
</tr>
<tr>
<td>2</td>
<td>Inadequate availability of skilled human resource available at very high cost in developed nation.</td>
<td>Competent manpower available at less cost.</td>
</tr>
<tr>
<td>3</td>
<td>Availability of advance analytical financial functions software platforms</td>
<td></td>
</tr>
</tbody>
</table>
IV. **Business Models of Providing Financial Outsourcing Services:**

Financial data is considered as the most confidential data in the business. So opening a own shared services operations in developing country is the most preferred business model till today. Third party outsourcing is now getting some confidence from the industry and is establishing in as business model for financial outsourcing services.

V. **Challenges for Financial services outsourcing:**

- Confidentiality of data.
- Safeguarding Intellectual property right when working with external service provider.

VI. **Future of Financial outsourcing:**

- The outsourcing industry will need people with a number of international financial certifications.
- Companies don’t want to keep all the financial data at one location. So in future we will have multi-location financial service centers.
- Soon critical core financial services also will be outsourced.

VII. **Human Resource Requirement:**

- The financial services outsourcing needs people with strong finance domain like CA or ICWA or MBA (Finance)
- Non-financial domain specialists like Engineers and statisticians are required for statistical analysis.
- Logical and statistical thinking is prerequisite for people working in financial services outsourcing.

c. **Marketing Research Outsourcing:**

I. **Meaning:** Market research outsourcing is the most old and mature service line in the KPO. Industries need accurate data analysis like market size, demand, competitor analysis, customer satisfaction and risk management. Availability of experts from service providers in the market research domain allows the
company to have insights into essential business strategies and principle policies.  

II. **What it covers:** The activities in market research outsourcing cover all activities of from data collection to analysis and recommendation required for marketing of the department. The specialists are used for drafting the data collection tools, for collecting the data and then for analysing the data. Initially it was restricted to competition and market analysis but now the area is extended and companies now outsource the functions like the complete marketing intelligence and go to marketing strategies.  

Following are the few of the services performed by the Market research outsourcing firm:  

- Competitor analysis  
- Pricing analysis  
- Effectiveness of marketing program  
- Brand analysis  
- Perception studies  
- Market demand, size and growth analysis  
- Customer profiling
III. **Business Drivers for Marketing Research Process Outsourcing:**

Table No. 3.7: Demand and Supply Side Drivers for Marketing Research Process Outsourcing:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huge competition forcing all the major players to enter in all the customer segments. So the companies need to have information on the customer segments and geographies.</td>
<td>Due to Technical infrastructure, the data can be transferred in real time.</td>
</tr>
<tr>
<td>2</td>
<td>Cost of research is very high in developed nation.</td>
<td>Competent manpower available at less cost in developing nation</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Time to market is reduced due to outsourcing.</td>
</tr>
</tbody>
</table>

IV. **Challenges:**

- Cost of data collection can be less but the authenticity of data is still a question mark. So there can be issue of validity and reliability of data.
- The cost of data analysis and prediction is still high in developing nation also due to scarcity of skilled manpower at the top management level.
- Shortage of data analysts who have both domain as well as software platform knowledge to generate information from the collected data.

V. **Future of Market research outsourcing:**

- Market research outsourcing service providers needs to position themselves as strategic partners rather than only the service providers.
- Instead of full service organisations, companies in future will prefer to have specialist working only on one area. This will reduce their risk of losing out marketing information to only one company.
Market research organisations should train their manpower on various software platforms as that will be the need of the hour.

VI. **Human Resource Requirement:**

- There are two types of people required in this type of industry, the domain specialists and the analyst.
- A person with deep domain knowledge of marketing domain and specialist in interpreting the data is required.
- The person should be very well conversant with the global culture.
- Also person with statistical background and expert in data software tools of data analysis will be able to find place in this domain.
- Analytical and logical mind set with command over research tools and techniques and a professional degree like MBA or engineering or post gradation in statistics and quantitative techniques is prerequisite to work in this industry.

**Business Analysis Outsourcing:**

I. **Meaning:**

Business analysis outsourcing is the extension of market research outsourcing. Here the service provider provides very vital information on various industry and financial research.

II. **What it covers:**

Business analysis outsourcing covers areas like equity research, research on financial services and environmental research in depth for a particular industry. It mainly covers two areas – Industry research and financial research.

i. **Financial research :**

a. This is one of the biggest segments of business research. It encompasses matured business lines like investment and equity research, corporate finance and retail brokerage research. Commodity and derivative research is one of the growing business lines for
financial research. Indian vendors are leading in this. Investment banks, Securities & Mutual funds and Banking & insurance, are the two major verticals for which these services are provided.\(^{16}\)

b. **Services for Investment banks, Securities & Mutual funds:** Research in references, securities and market data management, analytical services for hedge funds and portfolio analysis are some of the services included in this head.\(^{16}\)

c. **Services for Banking & insurance:** Primary and secondary research for credit cards, home loans, consumer loans as well as analysis of account payable, account receivable and asset liability management are some of the services included in this head.\(^{16}\)

ii. **Business/ Industry Research and Analysis:**
Analysis of various industries and companies included, Mergers and acquisitions, and environment analysis are few services included in this sector. Few of the services offered under this are as follows:

a. Company analysis and Profiling
b. Micro and Macro environment analysis for the sector
c. Market Size and future demand study
d. Country analysis
e. Competition analysis by using Michael porter’s framework.
f. Sectoral Reports.
III. **Business Drivers for Business Research Process Outsourcing:**

Table No. 3.8: Demand and Supply Side Drivers for Business Research Process Outsourcing:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huge competition forcing all the major players to enter in all the customer segments. Business is becoming more and more complex day by day.</td>
<td>Competent manpower available at less cost in developing nation</td>
</tr>
<tr>
<td>2</td>
<td>Need of fast data analysis for quick decision.</td>
<td>Development in telecom and internet technology</td>
</tr>
<tr>
<td>3</td>
<td>Shortage of talent</td>
<td>Time to market is reduced due to outsourcing.</td>
</tr>
</tbody>
</table>

IV. **Challenges of Business Analysis Outsourcing:**

- Issues of plagiarism and copy rights.
- Limited life of research findings.
- Reliability and validity of the information.
- Rising pricing.

V. **Future of BAO:**

- There is need to have near shore centers for business analysis.
- Business research needs to be more proactive than proactive.

VI. **Human Resource Management:**

- Needs postgraduate domain specialists with expertise in secondary data analysis.
- Person should be proficient in conducting data through focus group interviews.
- Strong analytical and logical thinking is pre-requisite.

e. **Data Management Outsourcing:**

I. **Meaning:**

Data and the information generated from it are the main assets of the organisation. It helps in taking precise and informed decisions. All kind of
Business wants data to help them in all activities. But random data is of no use to them. So they need Data management and reporting services. Due to very costly options in developed countries, the work is outsourced to developing country.

II. What does it covers:
Data management services involve management of data and development of reports.

I. Data Management: It is process of collecting, organising and managing huge data on various subjects like competitors, vendors and dealers etc.

II. Development of Reports: A report covers information generated by processing raw data received. The most basic report has arrangement of raw data generated through various sources in a proper format.

a. These services are required in all the verticals from legal to marketing to pharmaceuticals to banking.

III. Business Drivers for Data Management Outsourcing:

Table No. 3.9: Demand and Supply Side Drivers for Data Management Outsourcing:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lot of data is generated in organisations due to multi location working</td>
<td>Cost of hardware and software licenses reduced in the developing country.</td>
</tr>
<tr>
<td>2</td>
<td>Company need to generated information from this large data to get competitive advantage</td>
<td>Good infrastructure with technology support for generating the report.</td>
</tr>
<tr>
<td>3</td>
<td>Why skilled human resource is available at comparatively less cost.</td>
<td></td>
</tr>
</tbody>
</table>
III. Challenges:
- Data validity and reliability.
- Security of the information
- Management of talented workforce. 16

IV. Future:
- Companies will need complex data management tools.
- Skilled manpower understanding the complex tool.16

V. Human Resource Requirement:
- The service providers will need people with specialists in document reading and business intelligence specialists. 16

f. Data modelling and Analytics Outsourcing:

I. Meaning:
Data modelling and Analytics is one of the fastest growing areas in outsourcing. This is due to the fact that companies around the world are now making all their vital decisions based on analytics- interpretation of large data using computer modelling techniques. In data analytics, investigation and processing of data is done with the objectives of drawing the conclusions. Data analytics gives the real time analysis. 24

II. What it covers:
Data analytics and modelling is still a pretty new area. So there is lot of debate on what constitutes this segment. Few companies and researchers have tried identifying the services included in this area. The researcher felt that the following classification given by KPMG is best amongst them. 24
As per Viral Thakker, Executive Director, Performance and Technology Services, KPMG, following are the key segments operating in the present outsourcing analytics market.

**Customer and Marketing Analytics:** Telecom, Internet and credit card companies generally generate a vast quantity of customer data. Marketing analytics involves data mining, primary research, surveys, secondary research, statistical modeling and data synthesis to understand and predict consumer behavior.

**Risk Management Analytics:** This involves the using of analytics for high risk businesses. For example, insurance companies use credit risk analysis to predict an expected claim amount depending on past data.

**Operations and Data Analytics:** Operations and data analytics uses IVR analytics, demand forecasting and demand management, performance and productivity, customer satisfaction analysis, collections efficiency, etc., to identify and redesign the IVR strategy based on user segments and user preferences.

**Finance and Investment Analytics:** Industry research, company valuation, due diligence, financial reporting, risk assessment and equity research and analysis are various verticals that are of demand in the finance and investment analytics sector.

### III. Business Drivers for Data analytics and modelling Outsourcing:

Table No. 3.10: Demand and Supply Side Drivers for Data analytics and Modeling Outsourcing:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Requirement of data analytics is increasing.</td>
<td>Competent manpower available at less cost in developing nation</td>
</tr>
<tr>
<td>2</td>
<td>Very costly resource in the developed country.</td>
<td>Development in telecom and internet technology</td>
</tr>
<tr>
<td>3</td>
<td>Shortage of talent</td>
<td>Time to market is reduced due to outsourcing.</td>
</tr>
</tbody>
</table>
IV. Challenges:
   - IP management
   - Data security
   - Validity and reliability of data.

V. Future:
   - Cyber analytics will be one of the major growing sector in the days to come.
   - Analytics domain will be ruled by shared service centers and not the third party service provider.

VI. Human Resource Requirement:
   - People with knowledge of computer modelling tools.
   - Experts in spreadsheets and latest techniques like HADOOP and R.

Pharmaceutical Services Outsourcing:

I. Meaning:
The pharmaceutical industry is facing challenges of shrinking profits, increasing costs and weak pipeline of new drugs. To face these challenges the pharmaceutical companies have change their business models. The more and more processes from pharmaceutical industry are getting outsourced to the companies in the developing nations, thus giving rise to Pharmaceutical services outsourcing.  

II. What it covers: Work from following four areas is outsourced to KPO.
   a. **Statistics and Programming:** Clinical trial in pharmaceutical companies needs lot of statistical analysis. This is must before launching a new product in the marketing. Lot of this work is not getting outsourced to developing countries.
   b. **Scientific Writing:** Pharmacology involves lot of written information on the medicine, protocols, reports on the study conducted and medical marketing material. This comes under scientific writing.
c. **Safety Data management:** These are the Pharmaceutical call centers. This concept is more famous in America. Here patients as well as doctors call to report an adverse reaction. Also doctors can ask for additional information. In addition to give answers to the calls, the person also need to collate data, generate report and interpret the outcome. So person with pharmacy background is required for this type of work.

d. **Regulatory affairs:** There is lot of regulatory writing involved before launching a new medicine in the market. Also if some change is required in the medicine, then again there are series of documents which needs to be submitted. Each country has its own rules and regulations. This writing has to be done with a domain expert. In the developed world this is very costly option so lot of companies are outsourcing these services to the companies from developing world.

III. **Business Drivers for Pharmaceutical Process Outsourcing:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pharmaceutical market is becoming very competitive</td>
<td>Availability of skilled resource</td>
</tr>
<tr>
<td>2</td>
<td>Cost of operations is too high</td>
<td>Cost of operation is bit cheap</td>
</tr>
<tr>
<td>3</td>
<td>Scarcity of Skilled resource</td>
<td>Time to market is less.</td>
</tr>
</tbody>
</table>

IV. **Challenges for Pharmaceutical Process Outsourcing:**

a. Violation of ethical guidelines.

b. Different regulatory environments in client’s country and service provider’s country and so the risk of non-compliance.

c. Loss of critical and confidential information to the competitor.

V. **Future of Pharmaceutical Process Outsourcing:**

a. Third party outsourcing will increase operational as well as strategic processes.
b. Multi sourcing will increase in time to come.
c. Stricter governance contract will be done with the third party outsourcer.

VI. Human Resource Requirement:
   a. People with domain expertise in pharmacy. Most post graduates are preferred.
b. Excellent English communication skill and writing skills is prerequisite.

3.2.5 Reasons for Knowledge Process Outsourcing: 
A strong demand and the same strong right quality supply are the main fuels of the growth of any industry. The last few days the knowledge process outsourcing industry has seen tremendous growth. The following table gives list of Demand side and supply side drivers for the same.

Table No. 3.12: Business Drivers for Knowledge Process Outsourcing:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Demand Side Drivers</th>
<th>Supply Side Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shortage of highly skilled professionals in developed nations.</td>
<td>A highly talented manpower available in developed nation</td>
</tr>
<tr>
<td>2</td>
<td>Tighter emigration norms</td>
<td>Favorable business conditions in developed nation</td>
</tr>
<tr>
<td>3</td>
<td>Cost reduction pressure</td>
<td>An attractive cost proposition</td>
</tr>
<tr>
<td>4</td>
<td>Reduced time to market is necessity for all the business</td>
<td>Time Zone difference</td>
</tr>
</tbody>
</table>

a. **Shortage of highly skilled professionals in developed nations and a highly talented manpower available in developed nation:**

➢ **Changing dynamics in the global workforce:** The developed and developing world is facing a shift in its demographics. The average age of the nations in
the developed world is quite high as compare to the average age of the nations in the developing country. More and more population in developed world like Japan, is approaching the retirement age while more and more population from developing countries like India, is young and is a working population. The developed nations are experiencing the shortage of highly skilled professionals. So companies from developing world are facing problem for recruiting the workforce requiring high domain knowledge. The young, equally competent workforce from developing nation can easily fill up this gap of developed world. 27,28

b. **Tighter emigration norms in developed countries and favorable business conditions in the developing nations:** Due to recession, the developed countries are facing lot of problems. Also people from developed countries are having lot of anger against body shopping. This has forced the government from developed countries to impose tighter norms on the emigrations. On the other hand the government from the developing countries has realized this as an opportunity. They offered good infrastructure, favorable tax structure for export oriented units and other required things for the outsourcing business. So the companies from developed world are looking at these countries as favorite destination for outsourcing business. 27,28

c. **Cost of operations is too high and an attractive cost proposition:** The cost of operations as well as workforce is becoming costly day by day. Due to recession, the companies from developed world are facing cost pressures and are finding out ways to reduce it. Whereas the talent pool from developing country is available at comparatively less cost. The high end knowledge processing outsourcing companies looks at these low cost destinations as heaven for outsourcing. 26,27

d. **Reduced time to market is necessity for all the business and Time Zone difference:**

Today the main resource for any company is Time. Companies want to have real time analysis and shorter time to market. The time zone differences
offered by the developing nations have helped the developed nations to have this time to market. 26,28

3.2.6 Latest Trends:

a. **New Entrants:** Barrier to entry is very low in the KPO industry. The cost of operation is very less and the infrastructure is easily available so share of small companies with domain expertise will increase.26

b. **New Destinations:** Up till now India is the leading destination in the KPO domain. But now countries like Philippines, Chile, Brazil and Mexico are also emerging as the new KPO destinations. But India will be the favored destination, ahead of all the competing countries.27

c. **More Investments, Mergers and Acquisitions:** Today is the era of mergers and acquisitions. Every business is looking for the growth prospects through this route. KPO is the most growing area now. The well-established BPO companies and ITO companies are looking forward to establish KPO in their portfolio. Also established KPO’s will look for small domain specialist KPO, to become full service company. Mergers and acquisitions will be the game changer in the next decades for the KPO industry.26

d. **Expertise over size:** In years to come, in KPO sector, the importance sill be given to domain specialist and skilled workforce instead of size.17

3.2.7 Challenges for Knowledge Process Outsourcing

KPO industry is experiencing following challenges: 29

1. **Workforce Management:** Lot of companies has entered the arena of Knowledge process outsourcing. The main element for success of KPO is the talent pool available with the company. With lot of demand in the market, the salaries of the employees in key domain area are increasing. This is reducing the cost advantage. More over due to aggressive recruiting strategies of KPO companies, the attrition rate in the industry is also increasing. So the KPO
companies have to work now new strategies of retention and keeping the knowledge employee happy.  

2. **Client Expectation Management:** KPO work is not the routine day to day work. Every project is different and the output of the project will be mainly dependent on the capability of the employee performing it. Also clients are not very cost cautious but the expecting very high quality output. So a KPO company is facing a challenge of performing a non-standard activity for a very demanding client.  

3. **Data Security and Confidentiality:** The work performed in KPO is very critical to the operation of a company. Lot of sensitive and confidential data is handled by the KO service provider. So the clients are very much worried about the data security issue. The KPO providers have a challenge to validate the data security and confidentiality protocols.  

3.3 **Part C: Overview & Background of Knowledge Process Outsourcing in India**  

3.3.1 **India and Outsourcing:**  
KPO companies are looking out at developed nation as the destination due to cost savings. But the talented manpower is also another critical area of consideration. Over last few years India has established itself as a favorite destination for IT outsourcing and BPO. The credit for outsourcing in India should be given to GE and Mr. Jack Welch. The complete story is given in the appendix 2.  

Large English speaking population at comparatively low cost is the main reason for this. But India has also got the trust of the client organisations. This has helped India to move up the ladder and thus India is now a coming up as a leader in for “Knowledge Process Outsourcing”.  

66
3.3.2 History of Outsourcing in India – ITO and BPO:

The journey of India in the outsourcing industry started in 1990’s with opening up of the economy. It started with Outsourcing of Information technology (ITO).

According to Kris Gopal Krishnan, COO, Infosys Technologies Ltd., the Indian IT industry has gone through the following four development stages:

Table No. 3.13: Development stages of Indian IT Industry:

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Year Span</th>
<th>Era marked with</th>
<th>Service provider’s Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1970’s to early 1990</td>
<td>Skilled manpower was in shortage. Cost was the only driver for the outsourcing</td>
<td>Service providers focused on increasing the competencies</td>
</tr>
<tr>
<td>2</td>
<td>1994 to 1998</td>
<td>Supportive government policies. Medium project on migration and problems related to Y2K are coming to India.</td>
<td>More focus on customer acquisition and improvement in quality of execution.</td>
</tr>
<tr>
<td>3</td>
<td>1999 to 2001</td>
<td>ERP and CRM projects were coming to India along with Y2K. IT consulting was an area opening up for the Indian Industry.</td>
<td>Service providers were focusing on Domain specialization, infrastructure development R and D and financial stability.</td>
</tr>
<tr>
<td>4</td>
<td>2001 onwards</td>
<td>Large IT applications and maintenance needs of MNC’s and end to end IT solutions are provided by the service providers</td>
<td>Matured Industry looking out for diversification</td>
</tr>
</tbody>
</table>
3.3.3 Evolution of BPO in India:
As said earlier due to C.K. Pralhad’s theory of core competency, all the major companies were looking out for outsourcing non-core activities. The success of IT outsourcing has given confidence to large multinationals to outsource non-core processes to India. Also India offered huge English speaking population, low cost of wages and a good infrastructure to start the business process outsourcing (BPO) immediately. The BPO business grew in three stages in India, mainly, entry of the large multi-national companies by setting up the captive centers, establishment of the third party outsourcers and entry of large IT companies into the business domain.\(^{14}\)

**Table No.3.14: History and Journey of BPO in India:**\(^{14}\)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>European airlines started its back office operation in New Delhi.</td>
<td>American express consolidated its JAPAC (Japan and Asia pacific) back office operations in Gurgaon region. This center is called as Financial Resource Centre East or FRC-E. It was headed by an Expat Harry Robertson, a veteran American Express employee with Raman Roy reporting to him.</td>
<td>General electric started GE Capital Information Services (GECIS) in India for its voice operation. In 2004 GECIS was dissolved and a separate legal entity GENPACT is formed. In that GE retained 40% stake and Oka Hill Capital Partners and General Atlantic Partners purchased remaining stake at $500 million.</td>
<td>The new telecom policy of 1999 ended the state monopoly on international calling facility. This has boosted the growth of Inbound – Outbound call centers and data processing services.</td>
<td>Pioneered by GE, the third party BPO’s sprung up in India there by overtaking the captives. EXL, Efund and Daksh started its third party operations in Noida, Mumbai and Gurgaon respectively.</td>
<td>IT majors entered into India in BPO. All major Indian IT companies started their BPO operations including Infosys and Patni. Daksh brought out by IBM, Quattro started in 2006. Convergys, Helwet Packard and Dell also set up their shops in India.</td>
</tr>
</tbody>
</table>

3.3.4 KPO in India:
Indian has a very successful track record in BPO industry. It has got the first mover advantage and established itself very well in the Voice and non-voice BPO segments. This has helped India to move up the value chain once more and a movement called “Knowledge process Outsourcing “started. India is pioneer in this business line. Founded in December 2000, Evaluveserve coined the term Knowledge Process
Outsourcing (KPO) in 2003 in an effort to differentiate its services from the booming BPO/ITO markets.\textsuperscript{15}

But KPO as an idea is initiated as early as 1987 with the opening of “McKinsey Knowledge Center”, in India. Soon MNC’s like GE, Frost and Sullivan and Gartner joined the band vegan and opened the captives performing higher end KPO work in India by early 2000. By 2005, there are lots of MNC’s including consulting firms and Banks along with the niche service providers like Evalueserve operating in India making it as the leader in KPO domain.\textsuperscript{14, 27, 28.}

Though the KPO industry is nascent, one can see the similarities between KPO and ITO industry in India. One can easily say that KPO is developing quickly as compare to the ITO though the revenue size in KPO is much smaller to ITO. Following chart gives comparison of these two sectors: \textsuperscript{31}

**Table No.3.15: Comparison of ITO & KPO Journey in India:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>ITO/BPO</th>
<th>KPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entrance of Captives in India</td>
<td>Early 1990’s</td>
<td>1997-199</td>
</tr>
<tr>
<td>2</td>
<td>Entry of Indian Third Party Outsourcers</td>
<td>1995</td>
<td>2000 - 2005</td>
</tr>
<tr>
<td>3</td>
<td>Expansion of Indian Services Providers</td>
<td>2000</td>
<td>2005 onwards</td>
</tr>
<tr>
<td>4</td>
<td>Indian Service Providers surpass the Captives</td>
<td>2005</td>
<td>?</td>
</tr>
</tbody>
</table>

3.3.5 Phases of KPO Development in India: \textsuperscript{31}

- **Phase I**: 1997-1999 Entrance of Captives in India:
  McKinsey and GE were the pioneers in off-shoring KPO services in India. They already had huge Indian operations so for them it was just going ahead a step.
Phase II: 2000-2005 Entry of Indian Third Party Outsourcers:
By 2000, the Indian KPO market has seen emergence of two types of Indian players – the pure play KPO service providers, specialized in one or two domains of the KPO and the established BPO/ITO companies forging into the KPO domain. This has opened up the markets for western SME’s also.

Phase III: 2005 to 2010 Expansion of Indian Services Providers:
Indian service providers were now expanding the business in KO domain via business lines as well as expansion through geographic locations. Many KPO providers have become full service KPO’s giving all sorts of KPO services. A pure play KPO company Evalueserve has opened its centers in Shanghai as well as in Santiago, Chile.

Phase IV: Indian Service Providers surpass the Captives:
This stage is yet to come for the KPO business in India. KPO is considered as a critical area of operation. Also it handles lot of confidential data. So still today companies prefer Captive model over Third party outsourcing in this business.

3.3.6 Few aspects related to Indian KPO:

- North America is the biggest sourcing region for KPO services. It’s market share is as large as 65%. Europe is now opening up as the market for outsourcing with UK leading in the front.16

- Banking, Financial services and insurance (BFSI) sector is the leading sector for outsourcing of knowledge processes. The market share of BFSI sector was amounting to 34% in the year 2010. Now the service providers are concentrating on the diversified areas such as healthcare and telecom.16

- India is leader in Business research and market research followed by Legal process outsourcing and financial services outsourcing.16
Indian attorneys’ with highest degrees work at one forth rate of USA attorneys and provide same or some time superior quality work. So India is considered as heaven for legal process outsourcing.\(^{17}\)

US pharmaceutical industry is now looking at India for drug development and testing. India is offering a cost effective solution in less time with the same quality of work.\(^{25}\)

The shortage of talented manpower in developed countries, especially USA has given rise to some niche areas in KPO sector. The new KPO areas emerging in India are Tele-radiology, Remote education and editorial reference desk support. Though small in size right now, these areas soon will be the growing arena of KPO.\(^{32,33}\)

3.3.7 Advantages offered by India as a Destination for Knowledge Process Outsourcing:\(^{26}\)

The main factors contributing to India’s position as most preferred destination are as follows:

i. **Cost Advantage:**

Indian skilled workforce is available at half the rate. Also the cost of infrastructure in India is also comparatively less than the developed countries. So India offers significant cost reduction for KPO services.\(^{26}\)

ii. **Talented Human Resource:**

The developing countries are facing shortage of talent pool and are getting older. They need domain specialist in lot of fields. Whereas India is a young country having well-educated manpower. The man power is equivalent to the resource from the developed country like USA.\(^{26}\)

iii. **Complexity Reduction:**

A KPO recruits Knowledge workers. Identifying, recruiting and managing this resource is tough task. Also continuous training of these knowledge workers is required to be fit in the competitive world. With outsourcing to a right vendor, the client company can be relaxed from these tensions. Indian outsourcing
industry is matured enough to handle this type of resource and thus reduces the complexity of the operation for the client company.  

iv. **Acceleration of process cycle:**  
Time has become one of the critical resources for the company. All the companies want to reduce on the time and virtually be in position to take real time decisions. The major in outsourcing still comes from north America. India and America have a time difference of 12 hours on an average. So if the service provider is form India then one can say that client organisation is working for 24 hours a day or the client does not have to wait for the information to be generated. Thus India accelerates the process cycle.  

3.3.8 **Concerns for the Indian KPO sector:**  
India is offers lot of advantages to the KPO Industry. But at the same time there are following concerns for Indian KPO Industry.  

- **Non availability of eady to use talent force:** India is having young educated population. But the requirement of each vertical or market segment in KPO is different. For that very specific domain knowledge and analytical skills are required. Unfortunately the Indian universities are not providing these type of specialist courses. So on appointing these young talents, the company again has to spend money and time on training.  

- **Requirement of Colocation:** Lot of clients is facing need to interact personally with the service providers. Also the client does not want all the core processes to be performed at one place only due to the nature of data involved. So the Indian KPO’s must think of diversifying and starting a business in near shore locations.  

- **Risk of Data Security and confidentiality of the Information:** The data shared with the service provider is very confidential in the KPO business. Also the processes are core to the company. So Data security and confidentiality are most important things for a client. Unfortunately up till now the Indian service
provider have not able to generate that trust. So still today companies prefer to have captive unit than the third party arrangements.\textsuperscript{34}

### 3.3.9 Competition analysis of nations in KPO Business:

- India is undoubtedly the leader and the most favorite destination for KPO. But there are few more countries coming up as a destination for KPO like Chile, Philippines and Mexico. One can have following comparison for the competitive nations.

#### Table No.3.16: Competition analysis of Nations in KPO Business:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>India</th>
<th>China</th>
<th>Chile</th>
<th>Mexico</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cost of Manpower</td>
<td>10% raise in the salary. Reducing the cost advantage.</td>
<td>8.3% raise in the salary. Reducing the cost advantage.</td>
<td>Low and Stable inflation</td>
<td>Salaries are generally high as compared to India</td>
<td>Salaries are generally high as compared to India</td>
</tr>
<tr>
<td>2</td>
<td>Availability of Skilled manpower</td>
<td>Highly skilled labour pool with expertise in all the domain</td>
<td>Huge pool of Productive, Trainable resource. University enrolments are increasing year by year</td>
<td>English and Spanish speaking, talented manpower availability</td>
<td>Skilled workforce, conversant with English and Spanish</td>
<td>Huge pool of Productive, Trainable resource. But population itself is very less than India.</td>
</tr>
<tr>
<td>3</td>
<td>Geographic Location</td>
<td>24*7 support due to Time Zone Difference</td>
<td>24*7 support due to Time Zone Difference</td>
<td>Near to USA having near shore advantage</td>
<td>Near to USA having near shore advantage</td>
<td>24*7 support due to Time Zone Difference</td>
</tr>
<tr>
<td>4</td>
<td>Government Policies</td>
<td>Very Supportive</td>
<td>Supportive, creation of SEZ’s</td>
<td>Supportive stable government having Invest Chile Program</td>
<td>Bureaucratic Government</td>
<td>Supportive government</td>
</tr>
<tr>
<td>5</td>
<td>Demographic Factors</td>
<td>Young population with high proficiency of English and higher education level</td>
<td>Low on English proficiency.</td>
<td>Large Skilled workforce</td>
<td>Large Skilled workforce</td>
<td>World’s third largest English speaking population.</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Particulars</td>
<td>India</td>
<td>China</td>
<td>Chile</td>
<td>Mexico</td>
<td>Philippines</td>
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<td>-------</td>
<td>--------</td>
<td>-------------</td>
</tr>
<tr>
<td>6</td>
<td>Disadvantages</td>
<td>Infrastructure in Tier 2 ad Tier 3 cities. Overcrowded Tier 1 cities</td>
<td>Aging population Over regulations</td>
<td>Situated in Seismic region. Have fear of Earthquakes History of civil disruptions</td>
<td>Situated in Seismic region. Have fear of Earthquakes</td>
<td>Political instability Corruption</td>
</tr>
<tr>
<td>7</td>
<td>Other Advantages</td>
<td>First mover advantage High Domain Expertise</td>
<td>Close to Japan and Korea. Can tap this market.</td>
<td>Near to USA Cultural Fit. Low operating cost and std. of living as compare to US</td>
<td>Near to USA Cultural fit. Low operating cost and std. of living as compare to US</td>
<td>Low telecom rates</td>
</tr>
</tbody>
</table>

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