Chapter 4
DATA ANALYSIS AND INTERPRETATION

4.1 Part 1: Questionnaire Analysis

Question No. 1.
Do you consider yourself as a third party Knowledge Process Outsourcing Company? Yes/ No

Table No. 4.1: Third Party Outsourcing Company:

<table>
<thead>
<tr>
<th>Third party Knowledge Process Outsourcing Company?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90</td>
<td>0</td>
</tr>
</tbody>
</table>

Data Interpretation:
This table indicates that the primary data was collected from people working in Third party Knowledge Process Outsourcing Company.

Question No. 2. If Yes Why:

Data Analysis:

i. The outsourcing processes are domain based. Specialists are required to work on these processes.

ii. We provide business expertise rather than process expertise.

iii. The outsourcing processes that demand advanced analytical and technical skills as well as decisive judgment.

iv. Human resource with high analytical skills and domain knowledge are required in our business.
Question No. 6.
Following statements describe situation which can be the obstacles for India to lose its position as a KPO destination? Please tick your response for each reason.

Data From Questionnaire:

Table No. 4.2: Obstacles for India:

<table>
<thead>
<tr>
<th>No.</th>
<th>Main Reasons</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of Information &amp; Communication-ICT infrastructure</td>
<td>2</td>
<td>28</td>
<td>30</td>
<td>24</td>
<td>6</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Lack of government support</td>
<td>14</td>
<td>12</td>
<td>6</td>
<td>27</td>
<td>31</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>High employee attrition rate</td>
<td>51</td>
<td>15</td>
<td>4</td>
<td>13</td>
<td>7</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>Higher wages compared to other countries</td>
<td>35</td>
<td>15</td>
<td>3</td>
<td>30</td>
<td>7</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Problems related to data protection &amp; confidentiality</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>51</td>
<td>32</td>
<td>90</td>
</tr>
<tr>
<td>6</td>
<td>Shortage of employees with right skills</td>
<td>12</td>
<td>20</td>
<td>3</td>
<td>51</td>
<td>4</td>
<td>90</td>
</tr>
<tr>
<td>7</td>
<td>Higher operating cost due to high inflation</td>
<td>52</td>
<td>21</td>
<td>1</td>
<td>12</td>
<td>4</td>
<td>90</td>
</tr>
<tr>
<td>8</td>
<td>Political instability leading to change in the regulations</td>
<td>32</td>
<td>12</td>
<td>14</td>
<td>15</td>
<td>17</td>
<td>90</td>
</tr>
<tr>
<td>9</td>
<td>Social Instability</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>61</td>
<td>25</td>
<td>90</td>
</tr>
<tr>
<td>10</td>
<td>Worker Unions</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>19</td>
<td>61</td>
<td>90</td>
</tr>
<tr>
<td>11</td>
<td>Lack of Technological Support</td>
<td>24</td>
<td>15</td>
<td>17</td>
<td>16</td>
<td>18</td>
<td>90</td>
</tr>
<tr>
<td>12</td>
<td>World Recession</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>57</td>
<td>28</td>
<td>90</td>
</tr>
</tbody>
</table>
Table No. 4.3: Calculation of Weighted Mean for obstacles for India:

<table>
<thead>
<tr>
<th>Option No.</th>
<th>Main Reasons</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Higher operating cost due to high inflation</td>
<td>260</td>
<td>84</td>
<td>3</td>
<td>24</td>
<td>4</td>
<td>375</td>
</tr>
<tr>
<td>3</td>
<td>High employee attrition rate</td>
<td>255</td>
<td>60</td>
<td>12</td>
<td>26</td>
<td>7</td>
<td>360</td>
</tr>
<tr>
<td>4</td>
<td>Higher wages compared to other countries</td>
<td>175</td>
<td>60</td>
<td>9</td>
<td>60</td>
<td>7</td>
<td>311</td>
</tr>
<tr>
<td>8</td>
<td>Political instability leading to change in the regulations</td>
<td>160</td>
<td>48</td>
<td>42</td>
<td>30</td>
<td>17</td>
<td>297</td>
</tr>
<tr>
<td>11</td>
<td>Lack of Technological Support</td>
<td>120</td>
<td>60</td>
<td>51</td>
<td>32</td>
<td>18</td>
<td>281</td>
</tr>
<tr>
<td>1</td>
<td>Lack of Information &amp; Communication-ICT infrastructure</td>
<td>10</td>
<td>112</td>
<td>90</td>
<td>48</td>
<td>6</td>
<td>266</td>
</tr>
<tr>
<td>6</td>
<td>Shortage of employees with right skills</td>
<td>60</td>
<td>80</td>
<td>9</td>
<td>102</td>
<td>4</td>
<td>255</td>
</tr>
<tr>
<td>2</td>
<td>Lack of government support</td>
<td>70</td>
<td>48</td>
<td>18</td>
<td>54</td>
<td>31</td>
<td>221</td>
</tr>
<tr>
<td>9</td>
<td>Social Instability</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>122</td>
<td>25</td>
<td>164</td>
</tr>
<tr>
<td>12</td>
<td>World Recession</td>
<td>15</td>
<td>4</td>
<td>3</td>
<td>114</td>
<td>28</td>
<td>164</td>
</tr>
<tr>
<td>5</td>
<td>Problems related to data protection &amp; confidentiality</td>
<td>15</td>
<td>8</td>
<td>6</td>
<td>102</td>
<td>32</td>
<td>163</td>
</tr>
<tr>
<td>10</td>
<td>Worker Unions</td>
<td>5</td>
<td>8</td>
<td>21</td>
<td>38</td>
<td>61</td>
<td>133</td>
</tr>
</tbody>
</table>
Graph 4.1: Major Obstacle for India to lose its position as a KPO destination

- Higher operating cost due to high inflation
- High employee attrition rate
- Higher wages compared to other countries
- Political instability leading to change in the regulations
- Lack of Technological Support
- Lack of Information & Communication-ICT infrastructure
- Shortage of employees with right skills
- Lack of government support
- Social Instability
- World Recession
- Problems related to data protection & confidentiality
- Worker Unions

7 3 4 8 11 1 6 2 9 12 5 10

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree
Table No. 4.4: Calculation of Agree Percentage:

<table>
<thead>
<tr>
<th>Option No.</th>
<th>Main Reasons</th>
<th>Agree</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Higher operating cost due to high inflation</td>
<td>73</td>
<td>0.81111111</td>
</tr>
<tr>
<td>3</td>
<td>High employee attrition rate</td>
<td>66</td>
<td>0.73333333</td>
</tr>
<tr>
<td>4</td>
<td>Higher wages compared to other countries</td>
<td>50</td>
<td>0.55555556</td>
</tr>
<tr>
<td>8</td>
<td>Political instability leading to change in the regulations</td>
<td>44</td>
<td>0.48888889</td>
</tr>
<tr>
<td>11</td>
<td>Lack of Technological Support</td>
<td>39</td>
<td>0.43333333</td>
</tr>
<tr>
<td>6</td>
<td>Shortage of employees with right skills</td>
<td>32</td>
<td>0.35555556</td>
</tr>
<tr>
<td>1</td>
<td>Lack of Information &amp; Communication-ICT infrastructure</td>
<td>30</td>
<td>0.33333333</td>
</tr>
<tr>
<td>2</td>
<td>Lack of government support</td>
<td>26</td>
<td>0.28888889</td>
</tr>
<tr>
<td>5</td>
<td>Problems related to data protection &amp; confidentiality</td>
<td>5</td>
<td>0.05555556</td>
</tr>
<tr>
<td>12</td>
<td>World Recession</td>
<td>4</td>
<td>0.04444444</td>
</tr>
<tr>
<td>9</td>
<td>Social Instability</td>
<td>3</td>
<td>0.03333333</td>
</tr>
<tr>
<td>10</td>
<td>Worker Unions</td>
<td>3</td>
<td>0.03333333</td>
</tr>
</tbody>
</table>

Data Interpretation:
The three main obstacles for India because of which India may lose its position as a KPO destination are as follow:

1. Higher operating cost due to high inflation
2. High employee attrition rate and
3. Higher wages compared to other countries
Question No. 7.
Which of the following bodies support you in improving the status of “KPO” industry?

Table No.4.5: Government Bodies helping KPO Industries:

<table>
<thead>
<tr>
<th>No.</th>
<th>Official Bodies</th>
<th>Participation (Yes/No)</th>
<th>Current Role Played</th>
<th>Your Expectations from them</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indian Government</td>
<td>45</td>
<td>Tax benefit</td>
<td>Should start one organisations only for KPO having different verticals</td>
</tr>
<tr>
<td>2</td>
<td>Nasscom</td>
<td>30</td>
<td>Some outside engagements. But only for IT companies extending in KPO.</td>
<td>Should have wing for KPO verticals.</td>
</tr>
<tr>
<td>3</td>
<td>Software Technology Park</td>
<td>10</td>
<td>Tax and infrastructure benefits</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>Ministry of Science and Technology</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>5</td>
<td>MCCIA</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>6</td>
<td>Any other , Please specify</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Question No. 8.
Would you like to have any such organisation for “Knowledge Process Outsourcing” sector? Yes/No

All 90 respondents wanted an organisation for “Knowledge Process Outsourcing” sector.
Question No. 9.
If yes, what are your expectations from such an organisation?

Data Analysis:
i. This organisation should create “Brand India” in the international market for KPO.
ii. The organisation should help small players to get the customer’s from across the borders.
iii. The organisation should conduct training sessions.

Question No. 10.
In your opinion which can be the next sector where India can be the leader for Knowledge process outsourcing?

Data Analysis:
• Business Analytics
• Legal Process Outsourcing

Question No. 11.
Who will be the biggest competitor to India in the KPO segment?

DATA from Questionnaire:

Table No.4.6: Competitor Nations for India in KPO Industries:

<table>
<thead>
<tr>
<th>Option No.</th>
<th>Country</th>
<th>Main Reasons</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Philippines</td>
<td>Low cost</td>
<td>25</td>
<td>0.277777778</td>
</tr>
<tr>
<td>4</td>
<td>Mexico</td>
<td>Near to USA</td>
<td>22</td>
<td>0.2444444444</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
<td>Low cost</td>
<td>15</td>
<td>0.1666666667</td>
</tr>
<tr>
<td>1</td>
<td>China</td>
<td>Low cost</td>
<td>10</td>
<td>0.1111111111</td>
</tr>
<tr>
<td>Option No.</td>
<td>Country</td>
<td>Main Reasons</td>
<td>Total</td>
<td>Percentage</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------</td>
<td>---------------------------------------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>7</td>
<td>Brazil</td>
<td>Near to USA. Language, culture same.</td>
<td>10</td>
<td>0.111111111</td>
</tr>
<tr>
<td>5</td>
<td>Eastern Europe</td>
<td>Near to developed European countries. Same culture.</td>
<td>3</td>
<td>0.033333333</td>
</tr>
<tr>
<td>8</td>
<td>Russia</td>
<td>Low cost</td>
<td>3</td>
<td>0.033333333</td>
</tr>
<tr>
<td>6</td>
<td>North Ireland</td>
<td>No</td>
<td>2</td>
<td>0.022222222</td>
</tr>
<tr>
<td>9</td>
<td>Any other – Pls. specify</td>
<td>NIL.</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Graph. 4.2: Competitor Nations for India in KPO Industries

Data Interpretation:
The nearest two competitors for India are **Philippines** because of low cost and **Mexico** because of proximity to USA.
Question No. 12.
How confident are you in business continuity with reasonable growth (say minimum 15% per annum) over next three years (2013 to 2016)

DATA from Questionnaire:

Table No.4.7: Business Growth in Next 3 years:

<table>
<thead>
<tr>
<th></th>
<th>Very Confident</th>
<th>Somewhat confident</th>
<th>Uncertain</th>
<th>Not Confident</th>
<th>Don’t Know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36 36</td>
<td>26 26</td>
<td>9 9</td>
<td>3 3</td>
<td>16 16</td>
<td>90 90</td>
</tr>
<tr>
<td></td>
<td>40.00%</td>
<td>28.89%</td>
<td>10.00%</td>
<td>3.33%</td>
<td>17.78%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Graph. 4.3: Business Growth in Next 3 years:

Data Interpretation:
65% of respondents are confident about minimum 15% per annum over next three years (2013 to 2016). The prospects for KPO business are bright.
Question No.13.
How did you assess the current business situation in your company compared to boom time in late 90’s?

DATA from Questionnaire:

Table No.4.8: Business Environment as compare to 1990s:

<table>
<thead>
<tr>
<th>Very Uncertain</th>
<th>Very Pessimistic</th>
<th>Very Optimistic</th>
<th>No Change</th>
<th>Can’t say</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>12</td>
<td>53</td>
<td>3</td>
<td>16</td>
<td>90</td>
</tr>
<tr>
<td>6.67%</td>
<td>13.33%</td>
<td>58.89%</td>
<td>3.33%</td>
<td>17.78%</td>
<td></td>
</tr>
</tbody>
</table>

Graph. 4.4:  Business Environment as compare to 1990s

Data Interpretation:
About 60% of respondent are very optimistic about their business and the environment. 60% of people feel that the current time is good to do the business in KPO domain.
**Question No. 14.**

In your business what are the prospects in next 12 months for the following:

**DATA from Questionnaire:**

**Table No.4.9: Business Prospects for Next 12 Months:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Will go up</th>
<th>Will remain the same</th>
<th>Will go Down</th>
<th>Can’t Say</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employment</td>
<td>46</td>
<td>21</td>
<td>11</td>
<td>12</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Sales or Revenue</td>
<td>42</td>
<td>18</td>
<td>6</td>
<td>24</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Demand for your service or product</td>
<td>71</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>90</td>
</tr>
</tbody>
</table>

**Table No.4.10: Percentage of Business Prospects for Next 12 Months:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Will go up</th>
<th>Will remain the same</th>
<th>Will go Down</th>
<th>Can’t Say</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employment</td>
<td>51.11%</td>
<td>23.33%</td>
<td>12.22%</td>
<td>13.33%</td>
<td>100.00%</td>
</tr>
<tr>
<td>2</td>
<td>Sales or Revenue</td>
<td>46.67%</td>
<td>20.00%</td>
<td>6.67%</td>
<td>26.67%</td>
<td>100.00%</td>
</tr>
<tr>
<td>3</td>
<td>Profit</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>4</td>
<td>Demand for your service or product</td>
<td>78.89%</td>
<td>3.33%</td>
<td>4.44%</td>
<td>13.33%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Graph. 4.5: Percentage of Business Prospects for Next 12 Months

Data Interpretation:
All respondents feel that Employment, sales and demand for the service will go up.

Question No. 16.
In general how satisfied you are with the quality of regulations, administrative requirements and Burocratic Behaviour affecting your businesses and investments in this country?

DATA from Questionnaire:

Table No.4.11: Satisfaction Level of Burocratic Environment of India:

<table>
<thead>
<tr>
<th>Very Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Dissatisfied</th>
<th>Very Dissatisfied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>12</td>
<td>25</td>
<td>4</td>
<td>12</td>
<td>12</td>
<td>90</td>
</tr>
<tr>
<td>27.78%</td>
<td>13.33%</td>
<td>27.78%</td>
<td>4.44%</td>
<td>13.33%</td>
<td>13.33%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Data Interpretation:
From the table one can understand that around 60 % of respondents are satisfied with the administrative requirement and burocratic behaviour in India. But still we cannot ignore 30% who are unhappy with it. So we need to understand it in depth and suggest corrective methods.
4.2 Part 2: Hypothesis Testing

**Hypothesis 1:**
In the years to come, outsourcing will change from simple to high technology areas of Knowledge Processing.

**Null Hypothesis:**
In years to come, outsourcing will not change from simple to high technology areas of knowledge processing.

**Alternate Hypothesis:**
In the years to come, outsourcing will change from simple to high technology areas of Knowledge Processing.

**Question No. 15.**
In your business what kind of change have taken place over time due to dynamic change in international business environment

1. **Data from Questionnaire : (Observed Value):**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More complex processes are outsourced.</td>
<td>60</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>KPO work is based on advanced technology platforms</td>
<td>40</td>
<td>50</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>KPO work has changed from normal data support analysis to advanced decision making analysis or analytics</td>
<td>55</td>
<td>35</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>Work is more dependent on technological or domain competence</td>
<td>42</td>
<td>48</td>
<td>90</td>
</tr>
</tbody>
</table>
2. **Expected value:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More complex processes are outsourced.</td>
<td>49.25</td>
<td>40.75</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>KPO work is based on advanced technology platforms</td>
<td>49.25</td>
<td>40.75</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>KPO work has changed from normal data support analysis to advanced decision making analysis or analytics</td>
<td>49.25</td>
<td>40.75</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>Work is more dependent on technological or domain competence</td>
<td>49.25</td>
<td>40.75</td>
<td>90</td>
</tr>
</tbody>
</table>

3. **Observed – Expected:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More complex processes are outsourced.</td>
<td>10.75</td>
<td>-10.75</td>
</tr>
<tr>
<td>2</td>
<td>KPO work is based on advanced technology platforms</td>
<td>-9.25</td>
<td>9.25</td>
</tr>
<tr>
<td>3</td>
<td>KPO work has changed from normal data support analysis to advanced decision making analysis or analytics</td>
<td>5.75</td>
<td>-5.75</td>
</tr>
<tr>
<td>4</td>
<td>Work is more dependent on technological or domain competence</td>
<td>-7.25</td>
<td>7.25</td>
</tr>
</tbody>
</table>

4. **(Observed - expected )square /expected:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes (o-e)^2/e</th>
<th>No (o-e)^2/e</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More complex processes are outsourced.</td>
<td>2.346447</td>
<td>2.83589</td>
</tr>
<tr>
<td>2</td>
<td>KPO work is based on advanced technology platforms</td>
<td>1.73731</td>
<td>2.099693</td>
</tr>
<tr>
<td>3</td>
<td>KPO work has changed from normal data support analysis to advanced decision making analysis or analytics</td>
<td>0.67132</td>
<td>0.81135</td>
</tr>
<tr>
<td>4</td>
<td>Work is more dependent on technological or domain competence</td>
<td>1.067259</td>
<td>1.289877</td>
</tr>
</tbody>
</table>
5. Final Table:

| row -1 | 3 |
| column-1 | 1 |
| degree of freedom is (r-1)(c-1) | 3 |
| Chi square value from above table (sum of all ) | 12.85914 |
| Critical calculated Chi-square (X2) value | 7.8147279 |

Chi square value is greater than critical value, so reject null hypothesis

| P | 0.004951 |
| Alpha | 0.05 |

Calculated probability is less than 0.05 i.e. critical values, so reject null hypothesis.

From above calculation it is proved that: In the years to come, outsourcing will change from simple to high technology areas of Knowledge Processing.

**Hypothesis 2:**

India with its large number of scientists and engineers will be the most preferred destination for Knowledge Process Outsourcing in the world.

**Null Hypothesis:**

India with its large number of scientists and engineers will not be the most preferred destination for Knowledge Process Outsourcing in the world.

**Alternate Hypothesis:**

India with its large number of scientists and engineers will be the most preferred destination for Knowledge Process Outsourcing in the world.
Question No. 5.
What is the main reason behind growth of KPO in India? Please rank following from 1 to 9, 1 being highest rank. Please do not repeat the ranking.

**DATA from Questionnaire:**

<table>
<thead>
<tr>
<th>Option No.</th>
<th>Reasons</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government policies</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>18</td>
<td>12</td>
<td>18</td>
<td>20</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Business environment</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>24</td>
<td>7</td>
<td>43</td>
</tr>
<tr>
<td>3</td>
<td>Large English speaking population</td>
<td>12</td>
<td>12</td>
<td>16</td>
<td>11</td>
<td>9</td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Unique time zone – 24x7 service</td>
<td>5</td>
<td>13</td>
<td>18</td>
<td>14</td>
<td>8</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Low cost of labor</td>
<td>30</td>
<td>22</td>
<td>18</td>
<td>12</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Indian multi-disciplinary education system helps in managing knowledge</td>
<td>7</td>
<td>2</td>
<td>6</td>
<td>22</td>
<td>24</td>
<td>25</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>based projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Economic Stability</td>
<td>3</td>
<td>1</td>
<td>12</td>
<td>2</td>
<td>16</td>
<td>7</td>
<td>21</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>Greater numbers of professionally educated personnel like Lawyers,</td>
<td>25</td>
<td>33</td>
<td>19</td>
<td>9</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Engineers, Scientists etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Better Knowledge infra-structure compared to other countries</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>53</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>
## Calculation of Weighted Mean:

<table>
<thead>
<tr>
<th>Option No.</th>
<th>Reasons</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>total</th>
<th>wt. mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Greater numbers of professionally educated personnel like Lawyers, Engineers, Scientists etc.</td>
<td>225</td>
<td>264</td>
<td>133</td>
<td>54</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>696</td>
<td>15.466667</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Low cost of labor</td>
<td>270</td>
<td>176</td>
<td>126</td>
<td>72</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>684</td>
<td>15.2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Large English speaking population</td>
<td>108</td>
<td>96</td>
<td>112</td>
<td>66</td>
<td>45</td>
<td>68</td>
<td>30</td>
<td>4</td>
<td>1</td>
<td>530</td>
<td>11.777778</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Unique time zone – 24x7 service</td>
<td>45</td>
<td>104</td>
<td>126</td>
<td>84</td>
<td>40</td>
<td>52</td>
<td>27</td>
<td>6</td>
<td>7</td>
<td>491</td>
<td>10.911111</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Indian multi-disciplinary education system helps in managing knowledge based projects</td>
<td>63</td>
<td>16</td>
<td>42</td>
<td>132</td>
<td>120</td>
<td>100</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>485</td>
<td>10.777778</td>
<td>5</td>
</tr>
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<td>1</td>
<td>Government policies</td>
<td>27</td>
<td>32</td>
<td>0</td>
<td>108</td>
<td>60</td>
<td>72</td>
<td>60</td>
<td>16</td>
<td>7</td>
<td>382</td>
<td>8.4888889</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Economic Stability</td>
<td>27</td>
<td>8</td>
<td>84</td>
<td>12</td>
<td>80</td>
<td>28</td>
<td>63</td>
<td>34</td>
<td>11</td>
<td>347</td>
<td>7.7111111</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Business environment</td>
<td>27</td>
<td>16</td>
<td>7</td>
<td>6</td>
<td>25</td>
<td>16</td>
<td>72</td>
<td>14</td>
<td>43</td>
<td>226</td>
<td>5.0222222</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Better Knowledge infra-structure compared to other countries</td>
<td>18</td>
<td>8</td>
<td>0</td>
<td>6</td>
<td>20</td>
<td>24</td>
<td>6</td>
<td>106</td>
<td>21</td>
<td>209</td>
<td>4.6444444</td>
<td>9</td>
</tr>
</tbody>
</table>
Graph. 4.6: Reason behind the growth of KPO in India

Data Interpretation:
The main reason behind the growth of KPO in India is Greater numbers of professionally educated personnel like Lawyers, Engineers, and Scientists etc. So the hypothesis is proved.
**Hypothesis 3:**
Over a period of time Knowledge Process Outsourcing will require the organizations with highly talented and knowledgeable workforce.

**Null Hypothesis:**
Over a period of time Knowledge Process Outsourcing will not require the organisations with highly talented and knowledgeable workforce as compare to today.

**Alternate Hypothesis:**
Over a period of time Knowledge Process Outsourcing will require the organizations with highly talented and knowledgeable workforce.

**Question No. 22.**
What type of human resource you will need over a period of time for your type of KPO work.

1. **DATA from Questionnaire: (Observed Values):**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>You need teams with high skilled based individual contributors</td>
<td>45</td>
<td>45</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>You need individuals who will be able to understand technology as well as the business domain.</td>
<td>60</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>You will need more subject matter experts or domain specialist either technical or functional</td>
<td>60</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>You will need people with multi-disciplinary understanding.</td>
<td>70</td>
<td>20</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>235</td>
<td>125</td>
<td>360</td>
</tr>
</tbody>
</table>
2. **Expected Values:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>You need teams with high skilled based individual contributors</td>
<td>58.75</td>
<td>31.25</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>You need individuals who will be able to understand technology as well as the business domain.</td>
<td>58.75</td>
<td>31.25</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>You will need more subject matter experts or domain specialist either technical or functional</td>
<td>58.75</td>
<td>31.25</td>
<td>90</td>
</tr>
<tr>
<td>4</td>
<td>You will need people with multi-disciplinary understanding</td>
<td>58.75</td>
<td>31.25</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>235</td>
<td>125</td>
<td>360</td>
</tr>
</tbody>
</table>

3. **Observed – Expected:**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>You need teams with high skilled based individual contributors</td>
<td>-13.75</td>
<td>13.75</td>
</tr>
<tr>
<td>2</td>
<td>You need individuals who will be able to understand technology as well as the business domain.</td>
<td>1.25</td>
<td>-1.25</td>
</tr>
<tr>
<td>3</td>
<td>You will need more subject matter experts or domain specialist either technical or functional</td>
<td>1.25</td>
<td>-1.25</td>
</tr>
<tr>
<td>4</td>
<td>You will need people with multi-disciplinary understanding</td>
<td>11.25</td>
<td>-11.25</td>
</tr>
</tbody>
</table>
4. (Observed - expected ) square / expected:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameter</th>
<th>Yes (o-e)^2/e</th>
<th>No (o-e)^2/e</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>You need teams with high skilled based individual contributors</td>
<td>3.21808511</td>
<td>6.05</td>
</tr>
<tr>
<td>2</td>
<td>You need individuals who will be able to understand technology as well as the business domain.</td>
<td>0.02659574</td>
<td>0.05</td>
</tr>
<tr>
<td>3</td>
<td>You will need more subject matter experts or domain specialist either technical or functional</td>
<td>0.02659574</td>
<td>0.05</td>
</tr>
<tr>
<td>4</td>
<td>You will need people with multi-disciplinary understanding</td>
<td>2.15425532</td>
<td>4.05</td>
</tr>
</tbody>
</table>

5. Final Table:

row -1 | 3

column-1 | 1

degree of freedom is (r-1)(c-1) | 3

Chi square value from above table (sum of all ) | 15.6255319

Critical calculated Chi-square (X2) value | 7.8147279

chi square value is greater than critical value , so reject null hypothesis

P | 0.001353

Alpha | 0.05

Calculated probability is less than 0.05 i.e. critical values, so reject null hypothesis.

From above calculation it is proved that: Over a period of time Knowledge Process Outsourcing will require the organisations with highly talented and knowledgeable workforce ass compare to today.
4.3 Part 3: Case Study

4.3.1 Evalueserve: It talks about journey of a KPO company.

4.3.2 Vakil Legal Services: The case study talks about what should be the approach to expansion. Adding the product line or spreading the geographies.

4.3.3 eClerx: The case is about how to grow organically or other way?

4.3.4 PS Analytics: This case talks about decision of co-location in South America.
4.3.1 Case Study: Evalueserve

Disclaimer:
This case study is written by the researcher using secondary data sources. Company website has been used as the base for developing this case study.

Abstract:
Knowledge process outsourcing is not a new name now. India Leads in this domain. But fifteen years back this type of differentiation was not available. A company consciously made an attempt to create a niche for themselves and have tossed the name, “Knowledge Process Outsourcing Company”, for the first time. Since then the company has grown exponentially and has become the role model for other pure play KPO companies. This case study outlines the success journey of this company, Evalueserve and the reasons of the same.
1. **Introduction:**

Knowledge process outsourcing is not a new thing now. But 15 years back when Mr. Marc Vollenweider and Dr. Alok Aggarwal founded Evalueserve, the name KPO was not known. Both of them started the company providing business research, analytics and data management services with an objective of having a world class professional services providing firm.

Today the company is well known pure play KPO company using a approach named as “Man +Machine “approach using best of the human resource and the world class technology. Clients from a varied range of industries and variety of business function are served by the company. This approach has helped the clients of Evalueserve to have competitive advantage over competition and have a noticeable impact on the clients top and bottom line.
2. **Strength of Evalueserve:**

Clients select Evalueserve as partner because of following factors:

- More than 3200 capable talented human resource
- Phenomenal growth over last 15 years
- Industry and domain experience
- Excellent fiscal deficit
- Whole hearted support of everybody towards vision of “To be recognised as world’s best and innovative research and analytic management service provider.”
- Mind + machine approach followed by company.

3. **The Client profile:**

The company serves fortune 500 companies, professional service firms, and innovative mid- size companies in financial services, life sciences and various manufacturing services industries.

4. **Organisational Model:**

Evalueserve has a unique business model. It has the management team in the America and Europe. The delivery centers are located in Chile, China, India, UAE, USA and Romania whiles a small client service office around the world. Evalueserve has team which can speak 35 languages and around 40 nationalities. Diversity of the company gives the most important cultural fit to all its clients. The human resources with the company also have a diversity with most of them having a dual degree in Business, finance, engineering, IT, Science, medical or law. To complement their education, Evalueserve also has its own training programs on Project management, communication’s and leadership skills.

Along with the human resource and facility centers, the clients also need to have trust for confidentiality and reliability of data. To win this trust, Evalueserve have obtained various certifications. Evalueserve is an ISO 27001 certified company, which ensures that we are endorsed by industry-
defined standards of information security and data privacy across all our client engagements. The multi-hub structure of company allows for global business continuity planning. Normally a on shore small team with client and off shore dedicated team in any of the delivery center is the structure followed by the company for faster and effective delivery. This helps to provide world-wide exposure in terms of skill speciality, time zone and regional depth.

One can identified different functions done by different teams as follows:

- **On-site teams:** The on-site teams’ activities include working on process optimization, conducting productive and complex work, interfacing for client communication, and coordinating QC feedback.

- **Global knowledge centers:** The global knowledge centers are responsible for research, data collection, and analysis. The China center focuses on work in Asian languages and research on Asian countries. The Chile center is primarily used for time-critical tasks in the US time zone and research on Latin America. The Romania center focuses on research on European activities and conducts data-sensitive tasks within the European Union. The India center is our main center for global English language work.

- **Knowledge Technology team:** The Knowledge Technology team supports our client teams with regard to productivity enhancement, improvement of outputs, and automation of workflows. They create customized knowledge tools such as portals, dashboards, and scorecards for data collection, analysis, and dissemination.
The organisation Diagram:

![Organisation Diagram]

**Methods and Knowledge:**
We add value by combining proprietary methodologies to analyse and improve knowledge process, and knowledge technology to improve productivity and to enable unmatched service levels.

5. **Product Line:** In order to add best value for our clients, Evalueserve is structured in three vertical business units:

1. **Financial Services**
Evalueserve is a leading provider of financial research and analytics services to the banking and financial services industry. Evalueserve’s financial services clients include five of the top ten global retail and commercial banks, seven of the top ten investment banks, three of the top ten insurance firms, asset managers, retail banks and many mid-market financial services firms.
Evalueserve has one of the largest financial research teams in the industry, with over 900 professionals, including certified financial analysts, chartered accountants, and MBAs. While the majority of the financial research team provides dedicated support to its clients, it also supports them through on-demand projects.

The clients typically look for solutions to improve knowledge-based processes, including:
- Fundamental research
- Corporate finance
- Buy side research
- Quantitative research
- Editorial and publishing
- Data analytics
- Business research

Solutions for financial services firms
Evalueserve’s client-focused approach, combined with robust project management skills, delivers customized solutions to address the unique requirements of financial services clients.

Investment banks
Evalueserve has an impressive track record of serving investment banks through its corporate finance, investment research, and quantitative analytics services.

Retail banks
Evalueserve's experience and research breadth in retail banking provide significant value and insight to its clients’ marketing, strategy, risk management, procurement, product development, and customer insight teams.

Commercial banks
Evalueserve engages with leading commercial banks to provide end-to-end knowledge services. The corporate marketing, credit, and risk teams of some
of the largest commercial banks leverage Evalueserve's knowledge platform for sales and marketing, credit decision-making, and risk management.

**Asset management**
Evalueserve has extensive experience in supporting global asset managers through portfolio management support, industry analysis, financial modelling, and risk management.

**Private equity**
Evalueserve's private equity expertise includes supporting firms’ deal sourcing, in-depth market and sector analysis, due-diligence, and portfolio company management.

**Insurance**
Leading insurance and re-insurance companies worldwide partner with Evalueserve to develop a deeper understanding of the market, analyze customer segments, and improve operating efficiency.

2. **Corporates and Professional Services**
Evalueserve serves corporates and professional services firms in a variety of industries across the Americas, Asia-Pacific, and EMEA. The corporates that we serve include firms across the ICT, energy, chemicals, transportation, and consumer goods industries. Our professional services clients are law firms, consulting firms, accounting and advisory firms, market research firms, and human resources firms.

The clients typically look for solutions that improve knowledge-based processes across divisions and functional units, such as:

- Market analysis and competitive intelligence
- Customer insight (market research and data analytics)
- Business development and sales support
- Intellectual property searches and analytics
- Information services and knowledge management
- Financial controlling and analytics
Typical challenges faced by clients:

The typical challenges faced by Evalueserve clients include shortage of skilled professionals, thinly spread resources across functions and geographies, silos in terms of information flow and knowledge management, lack of well-defined processes and know-how, mediocre Return on Investment and low productivity, as well as unaddressed pain points in terms of capabilities.

Evalueserve’s value proposition

Based on so many years of operation and over four million hours of service provided annually, the company packages the wealth of best-practice functional and industry experience into sets of solution modules that fit various budgets and clients. At the same time, Evalueserve’s methodology is designed for immediate implementation, including the requisite change management, while minimizing the need for the client to ‘handhold’ Evalueserve. In this way, even small clients get rapid access to a global and scalable platform. Furthermore, the engagement model is designed to allow Evalueserve to work on both a client’s internal and external data of a client, making Evalueserve a close partner rather than just an external information provider. This integration reduces complexities for our clients and allows them to tap a far wider range of improvement opportunities.

The solutions for corporates and professional services firms

Evalueserve’s suite of solutions is customized to address the unique requirements of our corporates and professional services clients.

➤ Market analysis and competitive intelligence services: It is a mix of rapid-turn-around and in-depth research on markets, countries, customers, and competitors. The key attributes include:
  • a unique ability to combine deep business and technology perspectives for holistic understanding
• a global, multi-lingual, 24-hour service supported by Evalueserve's knowledge portal technology
• a domain understanding of our customers’ businesses, given our experience of working across diverse industry sectors

- **Customer insight Solutions (market research and data analytics):** Integrating and analysing both internal and external data to support marketing in strategic and tactical decision making. Solutions for a variety of client needs, including continued data harmonization, campaign management support, price elasticity analysis, and customer segmentation.

- **Business development and sales support:** Supporting sales operations in areas such as key account management, pre-meeting briefings, sales alerts, smart CRM leverage, and operations analysis, supported by Evalueserve’s proprietary knowledge technology.

- **Intellectual property services:** Patent searches and patent analytics, combined with business-related activities, such as licensing support or IP competitive intelligence.

- **Information services and knowledge management:** Complete outsourcing of information services, such as libraries and the management and administration of knowledge management systems, with a significant part of the team operating ‘on-site’ at client premises. Focus on effectively capturing internal know-how, supported by technology.

- **Financial controlling and analytics solutions:** Support for CFO-related controlling activities, including the creation of corresponding dashboards.

3. **Life Sciences and Healthcare:** For life sciences and healthcare clients, we combine our deep domain expertise of the industry with our research and analytics solutions. Our solutions help clients gain insights and make informed decisions. Over the last few years, the company have engaged across scientific and commercial functions, and have worked with many of the top 20 pharmaceutical and med-tech companies.
The company provide support through dedicated teams or on a project-by-project basis, as specified by our clients. Our preferred way of adding value to our clients is by creating dedicated global teams with the objective of improving productivity and quality.

Our solutions can help clients in at least the following four vital areas:

a. Drug Discovery and Development
b. Sales, Marketing and Commercial
c. Supply Chain and Operations
d. Procurement

4. **Verticals:** In addition the company have three horizontal capabilities that span the business units:

a. **Data Analytics & Customer Insight:**
   - Data science is a multi-dimensional field that incorporates computer science, database management, statistical analysis, systems modelling, and subject matter expertise in a specific domain to design systems that can help in optimizing specific business processes.
   - Data science includes classical analytics as well as natural language and speech processing, and rapidly growing computer hardware, software and largescale systems architecture. Using specific data science techniques, businesses can harness high-volume and high-velocity data obtained from various sources to conduct rapid analysis and improve the efficiency of various business processes with respect to cost, time, quality, customer experience, risk and compliance.

b. **Intellectual Property:**
   - Evaluserve is a leading provider of IP searches, IP intelligence and analytics services, IP management process support, innovative patent drafting solutions, and impactful R&D information to corporate clients, IP law firms, and other professional services firms in the IP industry.
   - Evaluserve has one of the largest and best IP search and analytics teams in the industry, with over 350 professionals. The clients look for solutions to improve knowledge-based processes, including:
- Standard searches for preparation and prosecution
- IP and R&D intelligence, such as patent landscaping
- IP licensing and commercialization support
- Patent drafting
- IP management / paralegal support
- R&D information and library management
- Innovation Intelligence
- Chemical Safety and Regulatory Compliance

Evalueserve typically combines several processes into more efficient, integrated processes, which are delivered through a dedicated team of professionals.

c. **Knowledge Technology:**
Over the years the company have gained deep industry knowledge, enabling us to address our client’s needs in a targeted way. The company have also developed distinct methodologies and proprietary technology solutions and leverage them in all our client engagements.

5. **Concluding Remarks:**
The success of Evalueserve can be given to the unique organisational model of diversity applied by the company. The company have USA and Europe as management decision centers as the executive team is located here. The global knowledge centers across the world located in Chile, China, India, UAE, USA and Romania are having specific tasks and support a specific client requirement. The diverse human resource in company speaks 35 languages and represents more than 40 nationalities. Also the human resource have varied educational background supported by the own tanning facility of the company to fill in the GAPS if any. Also Evalueserve as ISO 27001 certified company building the trust of the client.

So all in all we can say Indian companies will emerge ion the KPO stage as one of the leader.

**Reference: Evalueserve Website**
4.3.2 Case Study: Vakil Legal Services (VLS)

(This is a real life case study. The names, year and places details are disguised due to request of the LPO Company.)

Abstract:
This is case is based on Vakil Legal Services (VLS), a small firm practicing Legal process outsourcing from Pune. The Owner of Vakil legal Services, Mr. Ramesh Kulkarni, is a well-known corporate lawyer. He has worked in top MNC’s in India as well as in USA. After a successful corporate life of twenty years, he has started his own venture, “Vakil Legal Services”, providing Para legal and Legal Research services. The company is headquarter in Pune and is having an office in Jersey, USA. The company is having more than 100 people working with them out which more than 30 are lawyers and more than 30 are subject matter specialists.

The director stationed in USA, is requesting Mr. Ramesh Kulkarni to start an Intellectual Property operations service line and become a full service LPO. But the market research team from Pune is advising to concentrate on same service line and increase the market reach to UK as it is a new market opening up for LPO business.

Both the diversifications will have major impact on the company’s financial status. So Mr. Ramesh Kulkarni has called for a meeting on December 26, 2015 to have healthy discussions on the said topic. Today on January 4, 2016, Mr. Kulkarni needs to announce his decision.
Index:

1. Introduction
2. Background of Vakil Legal services
3. The current situation of Vakil Legal Services
4. The Way forward….

1. **Introduction:**
   It was a warm winter morning in Pune on January 3, 2016. Mr. Ramesh Kulkarni was in deep thoughts as to what should be his decision. Mr. Ramesh was the founder owner of “Vakil Legal Services” (VLS) located in Pune. The company is 11 years old and is having a good business from US law firms and corporate law offices. With the strength of more than 100 knowledge workers, VLS is set to increase its foothold. But the marketing research and the operations team are thinking in two different directions. To resolve the issue Mr. Ramesh Kulkarni has called a meeting on December 26, 2015. But the consensus was not achieved in the meeting. The team has left the decision with Mr. Kulkarni. While making a choice Mr. Kulkarni was thinking about the company’s history, the current situations and the future directions.

2. **Background of Vakil Legal services:**
   “Vakil Legal Services” is a company specialised in Para legal and legal research outsourcing company established on January 2, 2004 is specialist in Legal Research services and Corporate Due Diligence services. The founder owner of the company is Mr Ramesh Kulkarni, a well-known corporate lawyer. He has a vast experience of 20 years in the industry. He has served Indian companies as well as American company. His last assignment was with the American MNC and he was stationed in New Jersey. Their only he met Mr. Williams, an attorney from USA. Mr. Williams. Both of them came across the concept of Legal Process Outsourcing (LPO).

   Legal process outsourcing is the process of getting the legal or para legal work done from the outside specialist company by the law firms or the law departments of the corporate houses. This trend is set by the developed
Generally these outside specialists are located in the countries where the cost of performing these activities is very less. So majority of time the LPO work from USA is outsourced to a developing country like India. The main reason is though Cost efficiency, the time advantage offered by India and the quality of manpower available in India are the other main reasons for selecting India as an outsourcing destination. In addition to this the supportive government and similar Law system in India and US also add to this. But LPO is not without the risks. Along with anger of people over losing the job, the companies are also worried about confidentiality of data. So there are lot of expectation from Client Company from the service provider.

Mr. Williams and Mr. Kulkarni felt that they can set such a company and serve the clients well and so they decided to start LPO and this is how Vakil Legal services, the pioneer LPO Company in India was born. Being from Pune and well versed with the Pune environment, Mr. Kulkarni decided to headquarter the company in Pune. The company initially started with staff of 6 only and was providing a paralegal service to two law firms from USA. Over a period of 10 years the staff strength increased to more than 100 with more than 30 lawyers trained in USA Law and more than 30 subject matter specialists like taxation consultant, merger and acquisition consultant and so on and so forth.

The company soon added legal research to its portfolio of services. The company now provides following Para legal, corporate due diligence services and Legal Research services, servicing around more than 75 clients from USA.

**Services Provided by VLS:**

a. Para Legal Services:
   a. Legal Coding
   b. Statutory report filing
   c. Transcriptions and
d. database creations
b. Legal Research Services:
a. Contract management
b. Technical Research
c. Legal Research
c. Corporate Due diligence services:
   a. Research for merger and acquisition
   b. Analysis for Joint ventures
   c. Legal diligence services

3. **The current situation of Vakil Legal Services:**

   After completing successful decade in the business now the team of VLS was thinking to increase its business. So Mr. Kulkarni called for a meeting of its team from USA and Market research team from India.

   a. **Suggestions from USA Team:**

   The operations team in USA was well versed with the USA market conditions and the requirement of the clients. Mr. Williams has learned that the US clients are now interested in a company which is a full service LPO. There was huge potential for Intellectual property – IP services providers. Lot of companies were interested for outsourcing of IP, trademarks and patent services. But they had a stringent requirement about data confidentiality and quality of manpower. VLS was ISO 27001 certified company. The ISO 27001 certification is international security standard. Also the existing clients were ready to give their positive feedback about the work culture of VLS. Mr. Williams was convinced that new clients will definitely trust VLS. But neither Mr. Williams nor Mr. Kulkarni had a great exposure in IP services. Also the current manpower was also not well versed with IP services and regulations in India or USA. So the company had to appoint somebody from outside if they decide to add this service line.

   Mr. Williams had suggested making a team of IP specialist from USA and an IP specialist from India. An attorney who is specialist in IP services from USA can be appointed on a contract for a year and a full time IP specialist working with the competitors from India can be appointed in Pune office. Both of them can select a team of 5 to 6 people currently working with VLS. An adequate
training will be given to this team and they will act as an IP service team for VLS. By this the current will get exposure to new work area and chance to learn from USA attorney. Also the team can be motivated if they all are posted in USA for a month for training.

This would have asked for a lot of financial burden but Mr. Williams was very confident that because of this the business of company will increase by double with in a period of two years.

b. **Suggestions from Market Research team from India:**
The Indian Market research team was having a different view point. Mr. Ketan Naik, head marketing was of the opinion that the company has already invested a lot for last ten years and now is the time to ripe the fruits. VLS has more than 120 satisfied clients and majority of them were with company for last 5 years. This has created lot of good will and a brand image in the international market for VLS. Mr. Naik felt that the same set of services can be offered to a new geographic location and the image of the company itself will act as a marketing tool.

He identified UK as the new geographic location for VLS. From 2004 onwards the US market has accepted the outsourcing of legal services to developing country like India. But the UK market was very conservation at that time. The legal services are considered as most confidential and so outsourcing of these services was not acceptable. Over a period of time due to increase in the volume of legal services the UK companies have accepted the outsourcing of Legal Services. But the service provider was from UK or from the eastern Europe countries. UK companies were not able to develop trust on any Indian companies for outsourcing. But over a period of time cost cutting have become important for the UK companies also. Also the success of LPO providers from India for the USA clients has given confidence to UK companies to look at India as a destination for LPO. So few UK companies have given some paralegal work to Indian LPO giants like Mindcrest.
So Mr. Naik was of the opinion to offer the services for VLS to UK clients. He also suggested that the company should undertake a research for next two months for UK companies and scope for LPO work. He suggested that they can first tap the existing clients from USA and ask them to provide the lead for UK companies. Also a dedicated back office team of five persons can be appointed for generating leads and drafting the proposals for UK. Mr. Naik was of the opinion that from the current team itself the five persons can be identified and so company need not invest on the new manpower. So the additional expenditure will be for market research and for back office operations. He was confident that with next two years the company was able to generate 30% of revenue from the UK market.

Both the teams were confident about their suggestions. They have left it to Mr. Ramesh Kulkarni to make the final decision. Selecting any one decision would have left other team unhappy. **So Mr. Kulkarni was in deep thoughts as to what to do next?**
4.3.3  Case Study of eClerx

Disclaimer:
This case study is written by the researcher using secondary data sources. Company website and chairman’s speeches for last five years have been used as the base for developing this case study.

Abstract:
This case study is based on eClerx, a pure play KPO company form Pune, India. The company is operating in two major verticals Financial Services and Retail & Manufacturing. It was operating in two countries namely India and UK from the start. Now company is having more than 8500 people working for it and has sales and marketing offices in eight countries.

Due to fearsome competition in Indian KPO market, company has decided to add one more vertical to it. There were two options available to the company. One was organic growth by appointing the people in the decided vertical and selling it to the existing client. The other was acquisition of already existing KPO and grows inorganically.

The company has decided to grow by the acquisition of another KPO. The researcher wants to have further discussions on it so the case was developed.

Index:
1. Introduction
2. The growth Journey of eClerx
3. Challenges Faced by the Company
4. Concluding Remarks
4.3.3 Case Study: eClerx Services Limited ("eClerx")

1. **Introduction**

   eClerx Services limited ("eClerx") is a leading third party outsourcer from India founded in 2000. The two founders of the company, Mr. Anjan Malik and Mr. P.D. Mundhra, identified opportunity in the high end knowledge process outsourcing. \(^1\) Today the company employees more than 8500 people in the five delivery centers from India and eight marketing and sales center located across the globe. The company supports to more than 30 Fortune 500 companies across the world.\(^1,3\)

   The company was present in two countries from the start. Headquarter and operation center was in Mumbai, India and client engagement office was in London, UK.\(^2\) The company started by serving two verticals, Financial Services and Retail & Manufacturing. The company was known for its understanding of the domain and pain areas of the clients in the verticals it is servicing. As an outsourcing company, the company acted as a partner with the client and helped it in reducing the risk and increase the sales rather than only be a passive service provider providing the cost advantage.\(^4\) eClerx soon realised that the main resource in the knowledge process outsourcing domain is highly talented resource. So from the start they have invested in this valuable resource and started their own training school. This has enabled them to have a constant flow of skilled resource.\(^4\)

2. **The growth Journey of eClerx:**

   In 2007 it became the public listed company, listed on Bombay and National Stock Exchange in India. In the first year of operation as Public limited company, the company has to face the Global recession. But still in the year 2008-2009, company has shown increase in the profits by 39% with the increase in revenue by 51%. In this year for the first time the company appeared in the list of “Top 200 under a billion” list for Forbes magazine. This is list of 200 top most companies in Asia Pacific. The company added 446 employees and a started an office in Pune.\(^5\)
In the year 2009-2010, the company has shown increase of 20% in profit and 30% in revenue. For the first time company appeared in India’s Most Admired Knowledge Enterprise List (MAKE). The company added 1000 more employees. So the Pune center was running in full capacity and company started another center in Airoli, Navi Mumbai, the sixth center in India. The company wanted to grow and grow fast. Up till now the company was focusing on clients from USA and Europe. But Asia pacific was also the region where the company felt that growth can be achieved. So in the same year a sales and marketing office was established in Singapore to cater to this market. Thus in the tenth year of its operations eClerx has becoming the leading third party outsourcing company form India.6

In the year 2010-2011, the US revenue was increased by 67% and profit by 40% for the company. Year on year the company has shown compounded annual growth of minimum 40% in profit and revenue. The company differentiate themselves by way of automation and process reengineering. The company has increased the employee strength again and now have 3658 people on payroll. The company also acquired various certifications like ISO 27001 for information security, CMM iii and PCMM3 for software services and human resource respectively.7

3. **Challenges Faced by the Company:**
Till the year 2011, eClerx has established itself as a prominent KPO player from India. Till this time it was operating in the two vertical, financial services and Retail & Manufacturing. The company was wise enough to understand the problems that can be faced by the service provider in the knowledge process outsourcing industry. So from day one they had their own training center ensuring the flow of continuous talent. Also the company has acquired all the major certifications so as to win the confidence of the clients. Thus has enabled the clients to renew the service contract with the company year on year as the confidential and sensitive data was safe with the company. Also every year company has participated and won lot of accolades for itself. This has helped the company in attracting the new clients.
The company was having sales and marketing offices across the globe, right from USA to Europe to Asia Pacific. This has given edge to company to penetrate deep in all the geographies. But the main clientele of the company was still from North America.

By 2010, the Indian KPO market has seen tremendous growth. There were lot of companies entering in this domain. The well established companies in the domain of BPO or ITO are also entering into the KPO domain. They already had a well-established customer base and were ready to offer solutions to multiple verticals and ready to offer multiple service lines.

This has imposed a challenge of sustainability in front of eClerx. They were present in almost all geographies serving only two verticals. There was an attire need to increase the service provided by the company. Company could have done this by identifying the need of current clients in the area and then by employing people with right skill set for the identified area. Company has five major clients in USA and 80% of business was coming from them only. This would have given ready-made business to the company.

But the company has chosen another way. They wanted to enter into a new vertical in North America which will help them to create an altogether new customer base. The company identified a company called as “Agilyst”, niche pure KPO players providing back office support and analytics solutions to the media and telecom industry in North America for the acquisition. Agilyst was headquartered in Pennsylvania with the back office operation in a tier II city of Chandigarh from India.

This has helped company to establish its foothold in Media industry. Thus adding few new clients and reducing the dependency on Big 5. Also it has helped company to have a foothold in tier II city of India. By this a new talent base entered in the company.
4. **Concluding Remarks:**
Mergers and acquisitions of the niche KPO give an opportunity for a company to enter into a new market as well as access to a highly skilled readymade talent pool. By this way they can immediately show increase in their bottom line. Will this type of inorganic growth seems to be the next big wave for the Indian KPO companies?

5. **References:**
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4.3.4 Case Study: PS Analytics

PS Analytics
(This is a real life case study. The names, year and places details are disguised due to request of the Company. Also the researcher has made use of the report titled, “Latin America: Nearshore attractions Beckons as a Global Outsourcing Destination”, published by KPMG International)

Abstract:
This case is based on PS Analytics, a niche pure Knowledge process outsourcing company specialised in Data analytics and business research. The owner Ms. Payal Shahane is a multi-talented lady owning an experience of 20 plus years in major MNC’s across the world. Her last assignment was with a well-known consulting firm as VP (Business Research) stationed in New Jersey (USA). She always had an entrepreneur spirit and so she left the job and in 2006, started her own company “PS Analytics”, a pure play KPO in the area of Data analytics and business research. The company have a sales office in New Jersey, USA and the operations are done from, Pune, India. The company started with a small manpower of 20 engineers and 10 MBA’s. Today company is having more than 150 employees servicing major MNC’s from USA.

The company operates in the field of Data analytics and business research and serves clients only from USA currently. The data shared in this field is very confidential and core to the client company. Though the client gets the advantage of time zone difference, few of them had a wish to interact personally with the team at the start of the project and in case of any emergency. This has created a need for another location near to USA. So the company have decided to open a near shore service center in South America. Ms. Payal has appointed an external agency for this. They have recommended Mexico as an option to start this service delivery center due to low cost but Mr. Amar Bhat, V.P. (Business Research) has suggested Chile as the option for this center due to availability right resource.
As this is strategic move for the company and will involve a heavy financial impact, Ms. Payal had called a meeting on December 1, 2015. Today on January 2, 2016 she is all set to announce the decision.

Index:
1. Introduction
2. Overview of PS Analytics
3. Problem Faced by Company
4. Solution given by the outside consultant
5. Solution given by Mr. Amar Bhat
6. The Concluding Remarks

1. **Introduction:**
Ms. Payal went through her presentation once again and prayed to God that her decision should be perfect. It was January 2, 2016, Saturday, a very important Day PS Analytics. Today Ms. Payal was going to announce the decision of Top management team about the location new Service delivery center proposed to be started in South America. The research work for the same has been given to an external agency which has proposed Mexico as the option but V.P. (Business Research) of PS Analytics, Mr. Amar Bhat, has opposed it and suggested Chile as the location. It was a strategic move and success of the decision would have had long lasting impact on the finance and well as branding of the company. So Ms. Payal had called a meeting on December 1, 2016. Both the parties have done their presentation in front of the Top management team of PS Analytics. Today Ms. Payal was ready with her final decision. Before going for the presentation Ms. Payal has thinking about journey of PS Analytics and was feeling extremely good that on the 10th anniversary of the company they would be making such a bold decision.

2. **Overview of PS Analytics:**
PS Analytics is a pure play KPO firm providing data Analytics and business research services to various finance research firm, market research firms and business research firms from USA.
Ms. Payal Shahane, owner – founder and CEO of the company is a well known data analyst. In her last assignment, she received an offer to do a data analytics work as a third party outsourcer. Her own company wanted to outsource the work to a low cost destination like India. The work was huge and Ms. Payal had a dream to start her own business. So without a second thought she accepted the opportunity.

Pune was the fastest growing IT destination at that time. It was not too costly or crowded as Bangalore. At the same time it has lot of engineering and management institutes providing the valuable skilled resource. So Ms Payal selected Pune as the head office and operations delivery center for her new venture and PS Analytics got started on January 1, 2006.

Ms. Payal was intelligent enough to understand the growing demand for the data analytics services. Within two year company also offered services in business research and sales and marketing office in Huston, USA. Soon from a single client with employee strength of 30, the company grew to become a multi-client company with 150 plus resources serving various finance research firm, market research firms and business research firms from USA. The business research activity was basically done for Europe and Asia Markets.

Today, PS Analytics offers following services to the clients:

i. Marketing effectiveness
ii. Customer Management
iii. Visual Analytics
iv. Social Media Analytics
v. Market Assessment
vi. Competitive Intelligence
vii. Entry Strategy
viii. Investment memorandum
ix. Need based services and research
3. **Problem Faced by the company:**
The company was happy by serving clients only from USA. Ms. Payal was very clear of being a specialist KPO player and was not ambitious to increase more service lines. The dedicated and well talented manpower was a great asset for the company and due to this the clients were very happy with the performance of the company. But the competition from the market was increasing day by day. As the work was very specific and confidential, the clients were also worried about the security of data. The company has given them an assurance by way of certification and the perfect customer management. For the USA client, the near shore market was opening up and many clients of PS Analytics has given indications about the same. The same time zone, same culture and same language (Spanish, the second language in USA and main in the many countries of South America) is the main advantage of South American Countries.

So Ms. Payal was seriously thinking about opening up the near shore service delivery office. As Ms. Payal was not interested to invest the time of the internal resource she had appointed the external agency to suggest the proper location in South America. But she also mentioned to Mr. Amar Bhat, VP (Business Research), to find out the location.

To her surprise both of them have come out with the different preferred locations. So she has called a meeting on December 1, 2015 to discuss the same. Following are the suggestions and reasoning given by both the parties:

4. **Solution given by the outside consultant:**
The outside consultant has surveyed the entire South America and studied various countries by way of secondary research. Also the information was gathered by them through phone calls and emails. They studied all the upcoming countries from South America getting famous as outsourcing destinations. These countries included well known countries like Brazil, Mexico, Chile and new countries like Columbia, Costa Rica, Panama and Guatemala. They have done comparison on the basis of size of workforce, currency risk rating, ease of doing business rank, operation cost, cost of
human resource, government support, external environment, and infrastructure support and language skills.

The consultant suggested Mexico as the best location. The reasons mentioned are as follows:

i. Mexico is one of the biggest countries in the South America.

ii. It is young country with huge bilingual skilled population.

iii. Though the cost of labour is highest in South America the quality of labour is also best.

iv. Currency risk is comparatively less.

v. The infrastructure is one of the best.

The points against the Mexico were its image in the world and the bureaucratic approach of its government. To this the consultant argued that the Mexican government is trying to improve its image and so they are bureaucratic. Earlier Mexico was known as the country involved in all sort of illegal things including the drugs trafficking. Unfortunately the politicians were also involved in it. And so the world has created its image as highly unstable country and heaven of criminals. But in last ten years Mexico has changed a lot. After the NAFTA agreement with USA, Mexico has become the home to lot of International investment bank for servicing whole South America through Mexico. After that the government of Mexico has started a special program to promote information technology industry. Also some cities have given tax and well as credit up to as high as 50%. So the Indian IT giant like TCS also selected Mexico as their first choice to open a near shore service center. The bureaucratic way of operation by Mexican government is only to ensure that correct company will only enter the country and the company will also have a trust on the Mexican government.

So for the external consultant, Mexico was the best choice.

5. Solution given by Mr. Amar Bhat:

As against the choice of the external consultant, Mr. Amar Bhat was of the opinion that Chile should be the right choice for PS Analytics.
The points favouring Chile was as follows:

i. Government of Chile runs a program to attract the foreign investors.

ii. Chile has free trade agreements with USA as well as Canada giving concession from taxes.

iii. The cost of labour is less as compare to Mexico. (Though it is higher as compare to other cities) but infrastructure in Chile is far superior than Mexico.

iv. Chile already has well established ITO – BPO industry.

v. Chile has highest currency risk rating of A+ (considering it safest for currency fluctuations)

vi. Chile government has made an easy immigration process making sure life of expat very easy.

vii. Chile is branding itself as Industry friendly country.

The disadvantage with Chile is the less number of skilled population and non-proficiency in English. To this Mr. Amar Bhat defended by saying that the data analytics and business research requires less number of highly skilled people. Every year Chile adds approximately 10,000 engineers who are well versed with English. Currently more than 85,000 engineers are available in Chile. As the Chile service delivery office will be having small, PS Analytics is planning to employ only 30 and it will be easily available.

6. **The Concluding Remarks:**

Both the options were lucrative to PS Analytics. The top management of the company has given complete right to Ms. Payal to decide about it. Today Ms. Payal was getting ready for the presentation in which she was going to announce the result.