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Online Information Seminars

Day 2 - Wednesday 1 December

Outsourcing of information services to India - Challenges and Chances for Western Information Professionals

13:30 - 14:00 - Theatre B

In the late 90s outsourcing of information services to India started. Since then the outsourcing of research & analytics services, the Knowledge Process Outsourcing (KPO) industry in India has seen strong growth and a variety of models emerging. Over the past few years the KPO industry in India has started to mature, some of its impacts even visible on Online Information 2009 presentations showing budget shifts for research and analytics services from high salary countries (for example US, UK, Japan) to outsourcing countries (for example India) and the announcement of the first Online Information Asia Pacific conference in 2011. The presentation will summarize the personal experiences of the speaker, who was a senior manager in an outsourcing company in India for several years, and the last research results on the Indian KPO industry, for example: Which are the most common business models at the moment. Which business model will be the most successful in the future? What are the impacts of Indian KPO industry on western information services market? Another focus of the presentation will be on how western Information Professionals can deal with these players serving western markets. What are the strengths and weaknesses of Indian KPO companies? What are the challenges or threats for western Information Professionals? What are the chances and how could western Information Professionals position themselves in this competitive environment.

Speaker

- [Birgit Bauer](#), Owner, Bauer Business Research

Biography



Bauer Business
Research

Birgit Bauer

Owner

Bauer Business Research

With more than 10 years career in research, Birgit Bauer recently founded her own research company Bauer Business Research. After heading tecnet, an Austrian business and technology research program for high-tech start-ups, technology companies and investors for more than seven years, Birgit Bauer joined one of the worlds leading Knowledge Process Outsourcing companies in India. From 2007 till 2009, as a Group Manager with Evalueserve in India, she was responsible for the IT& High Tech Group in the Business Research vertical. With her team she served some of the companys most prestigious clients with market studies, competitive intelligence, newsletters, sales battle cards and more. A material engineer by education, prior to her research career, Birgit also worked in technical product development with a manufacturing company, in global technical sales with a VOEST rolling mill and in industry-financed scientific research at the reputed Montan Mining University of Austria.

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Outsourcing of Information Services to India: Challenges and Chances for Western Information Professionals



Bauer Business
Research

Birgit Bauer

Online Information 2010

London, 30 Nov – 2 Dec

Knowledge Process Outsourcing (KPO) = outsourcing of complex, judgment intensive, information-related work

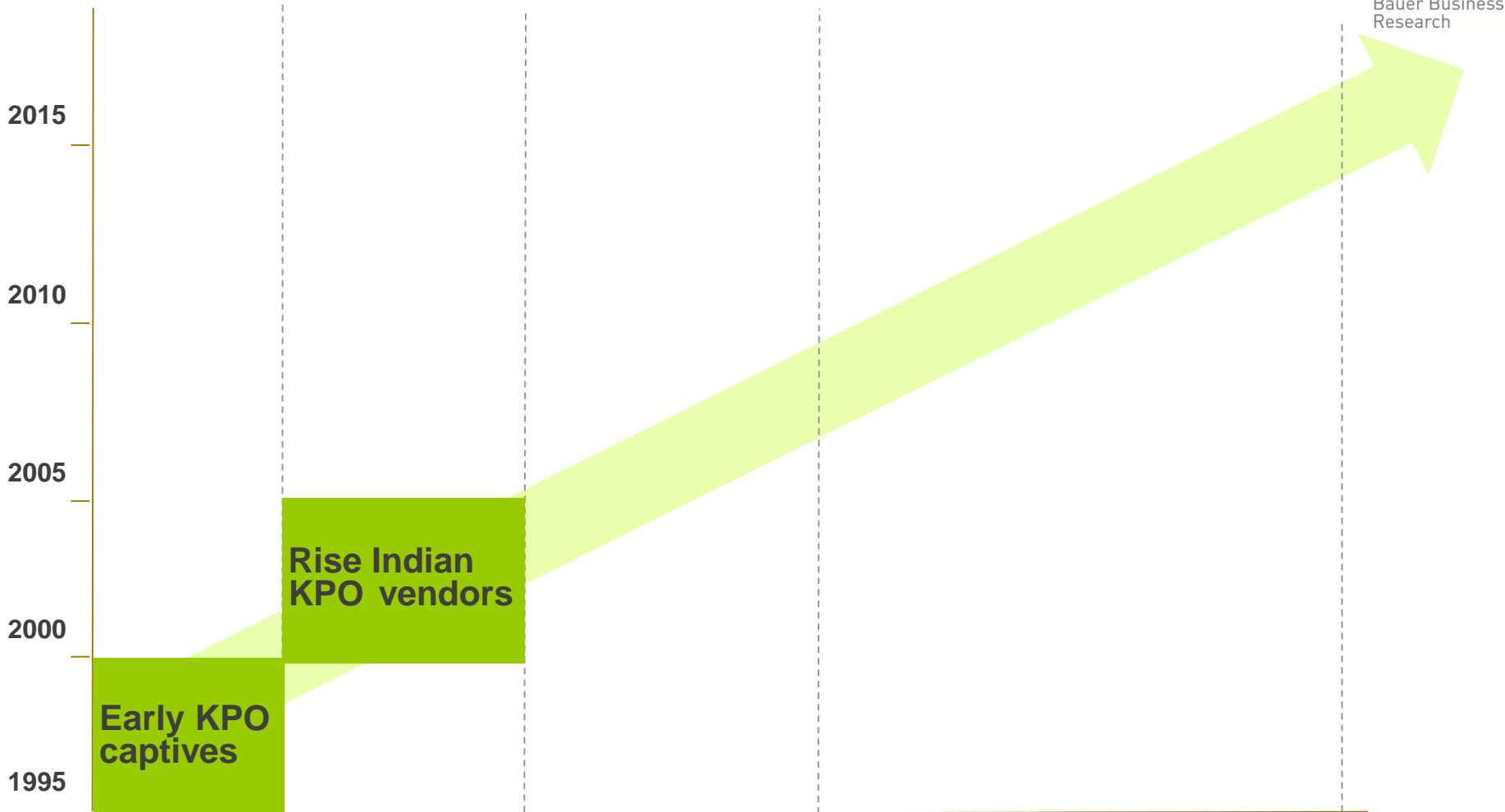


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- **Financial, Investment and Insurance Research & Analytics**
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- **Human Resources Research & Analytics**
- **Writing & Content Development and Publishing Services**
- **Others***
Data Management & Analytics, Education & Training, Pharma R&D, Game Design & Animation, Marketing & Sales Support, Engineering Services,

* Depending on definition

KPO follows ITO with 10-year time lag



Source: BBR analysis, including information from CGGC, NASSCOM, IDC, EVS, TPI, KPMG, KPO vendors

Indian KPO Companies

Captives



and others ...

Integrated Vendors



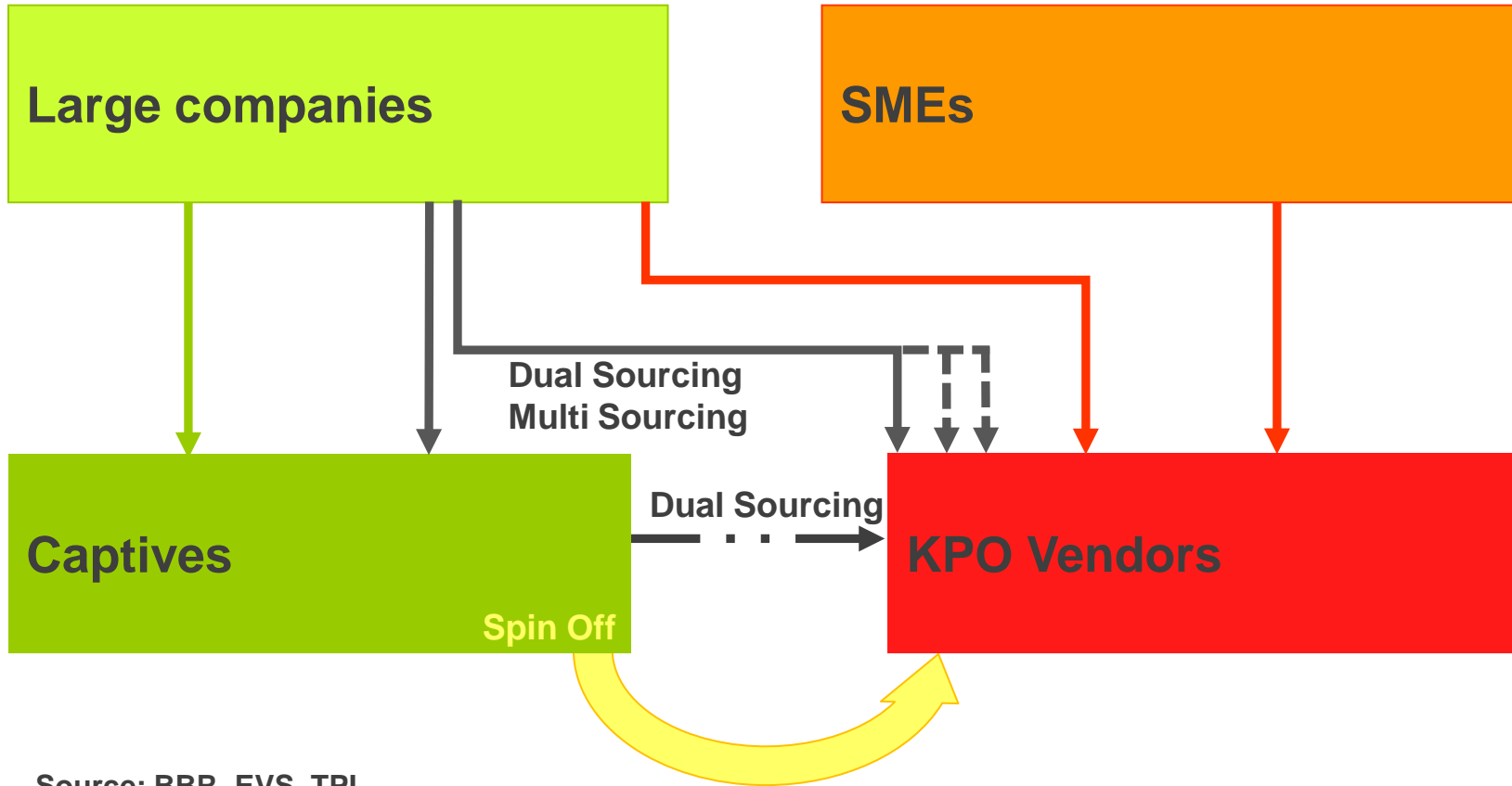
and others ...

Focused KPO Players



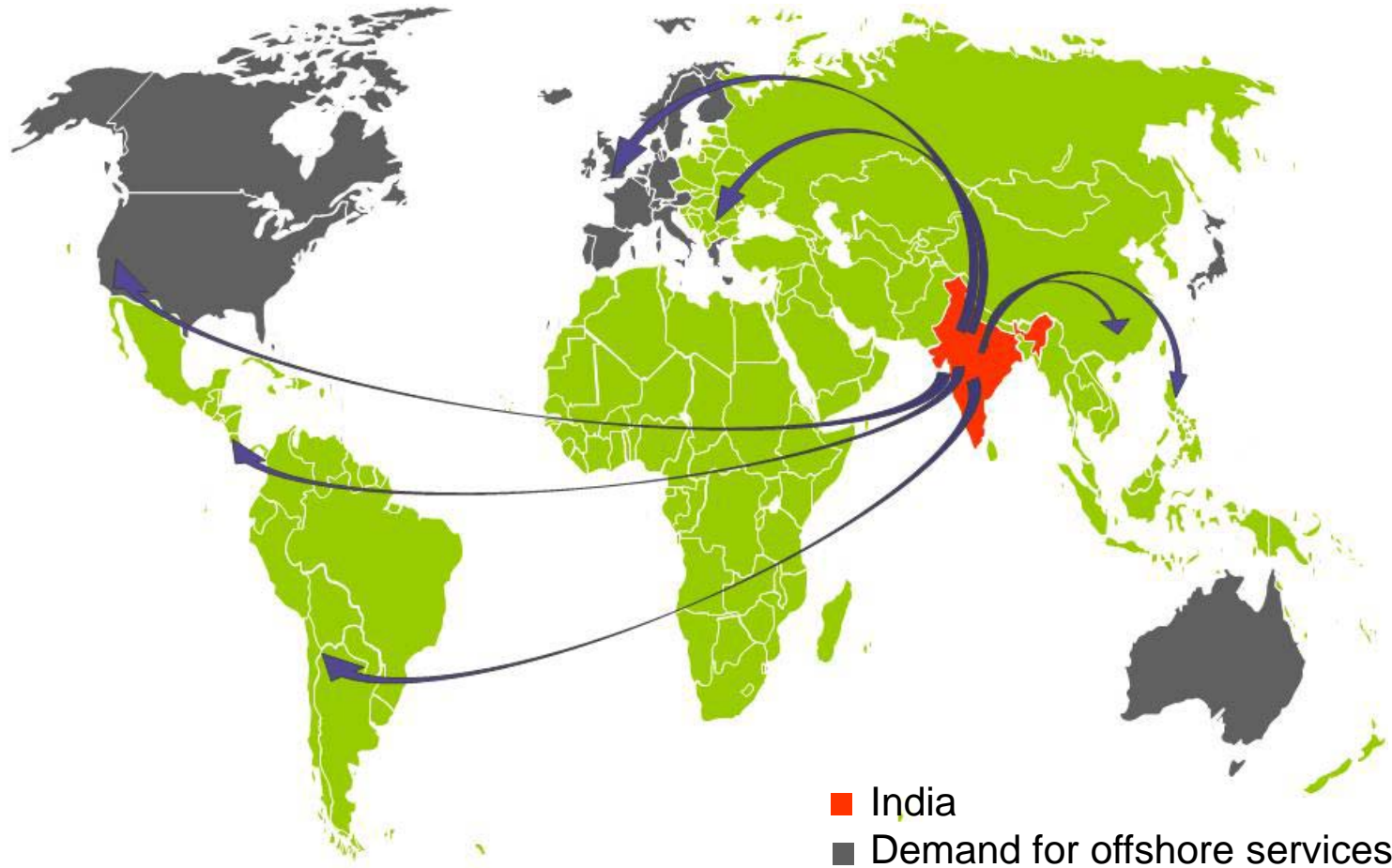
and others ...

Offshoring Models

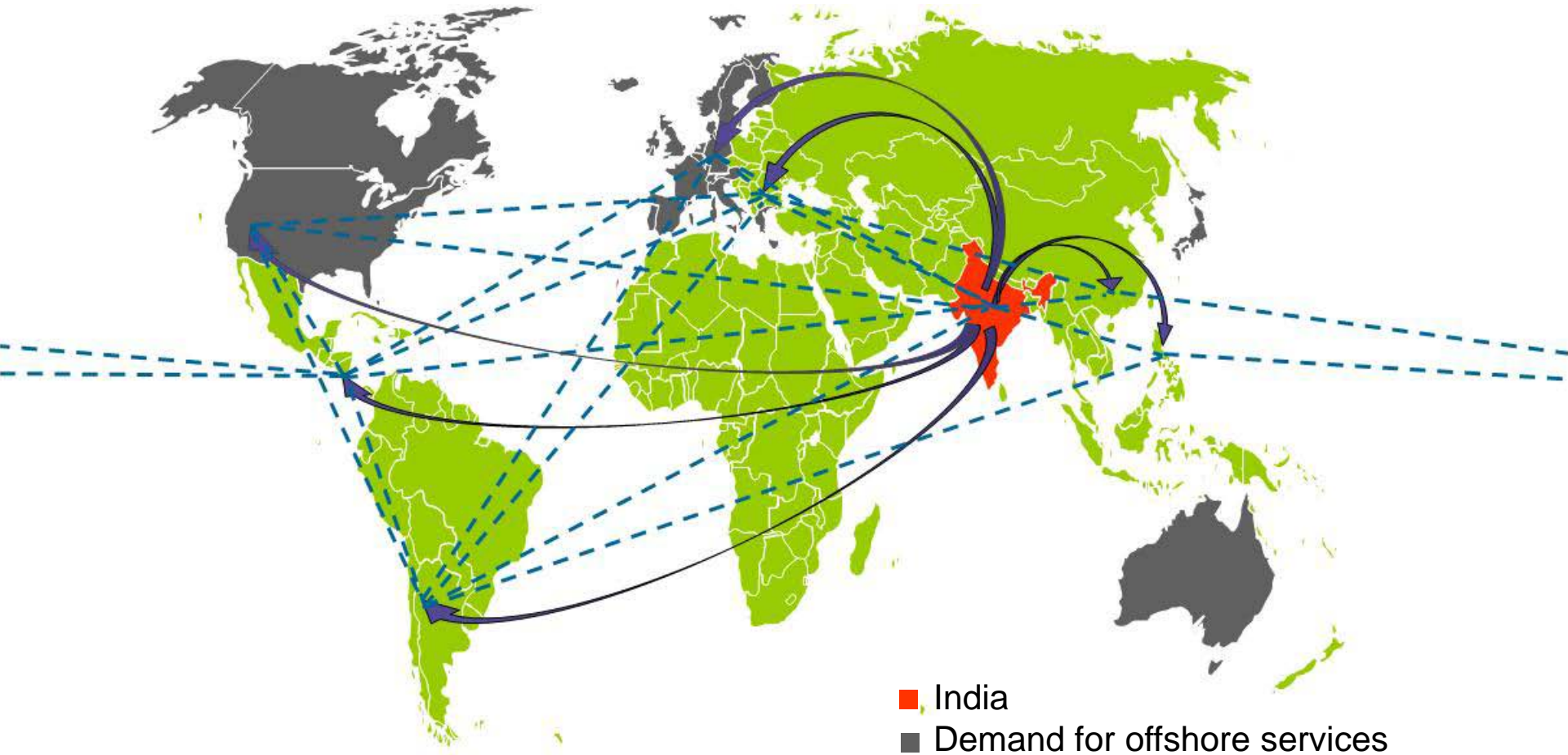


Source: BBR, EVS, TPI

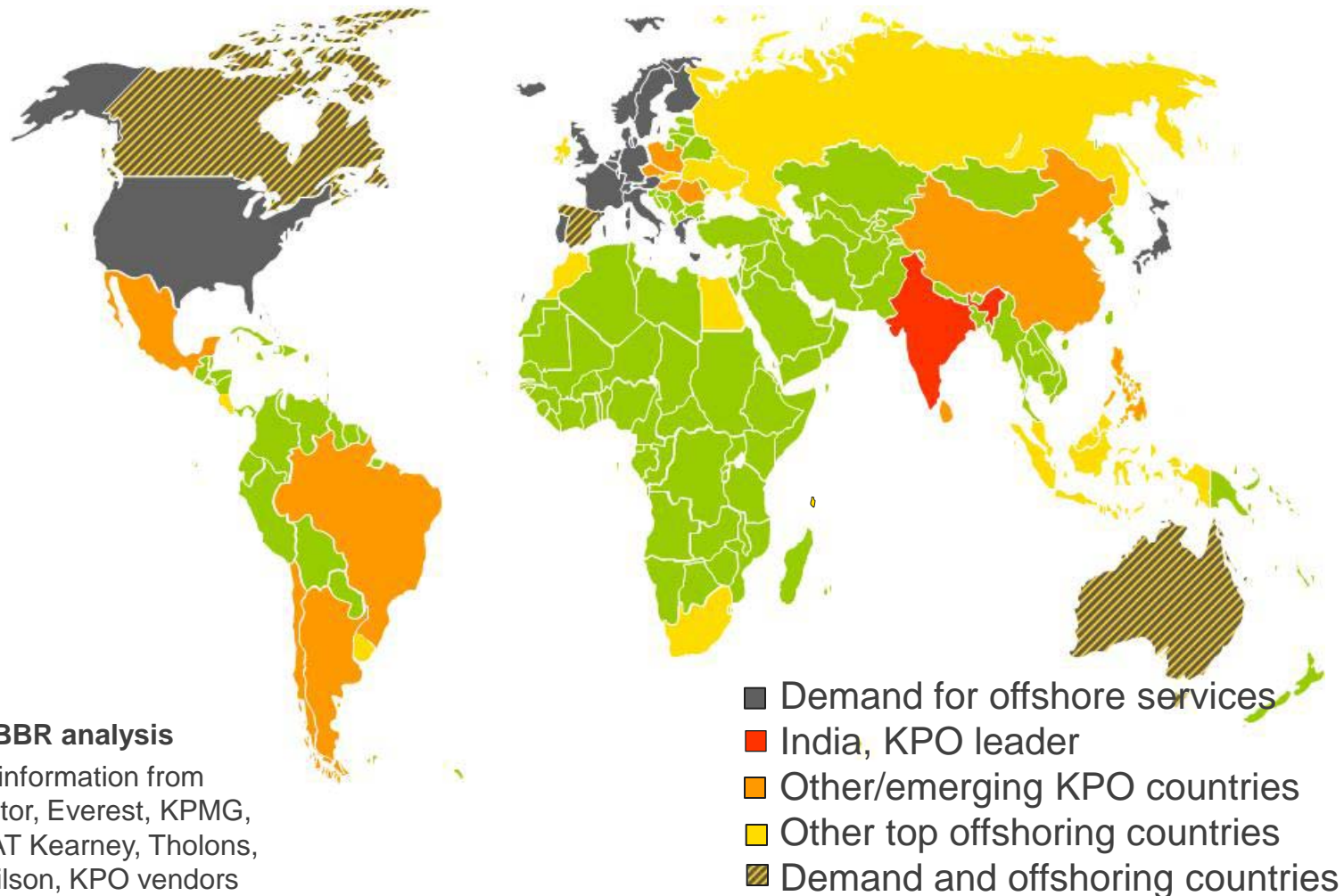
Global Delivery – Offshore, Nearshore, Onshore



Global Delivery – Interlinked Global Delivery Centers



Other/Emerging KPO Countries



Source: BBR analysis

including information from
Datamonitor, Everest, KPMG,
Gartner, AT Kearney, Tholons,
Brown-Wilson, KPO vendors

Overview – Current Trends



Source: BBR analysis, including information from CGGC, NASSCOM, IDC, EVS, TPI, KPMG, KPO vendors

Offshoring to India – Strengths and Weaknesses

STRENGTHS

- Cost advantages
- Offshoring experience
- Strong technical + language skills
- Huge educated labor pool
- Political and social stability
- Cultural compatibility with UK and US
- Vendor maturity + specialisation

OPPORTUNITIES

WEAKNESSES

- Distance (,black box‘)
- Cultural differences
- Attrition
- Time difference
- Lacking experience + domain/geographic expertise
- Language (English, accent/sound quality)

THREATS

Offshoring to India – Opportunities and Threats

STRENGTHS

OPPORTUNITIES

- Increased efficiency, focus on core competency
- Peak load absorption
- Additional offerings or better quality
- Cost advantage
- Minimized delivery time
- Global partners (geographic/language expertise)

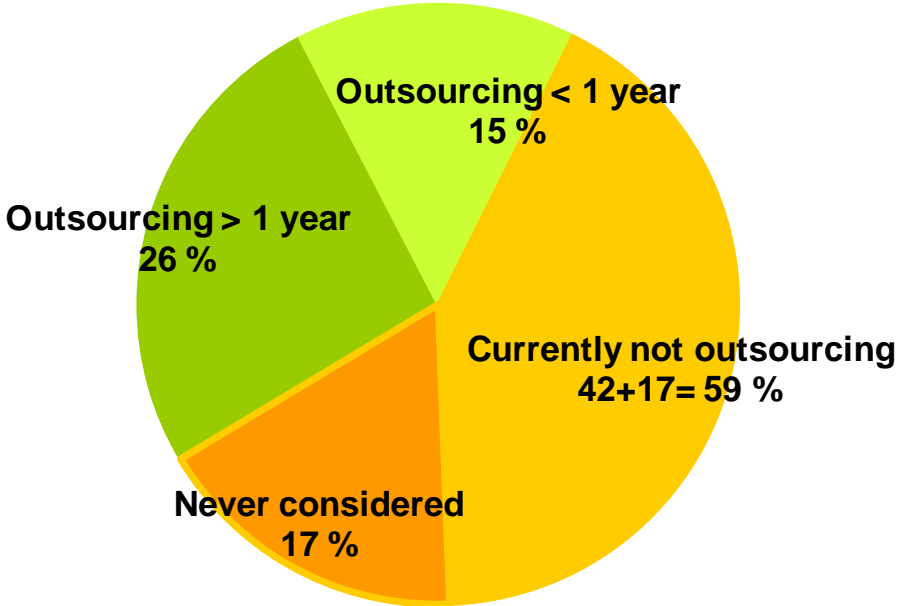
WEAKNESSES

THREATS

- Risk of losing control and transparency
- Risk of inconsistent quality
- Risk of losing core competency or intellectual property
- Risk of lower flexibility

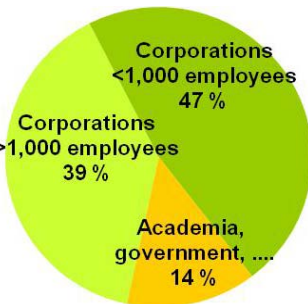
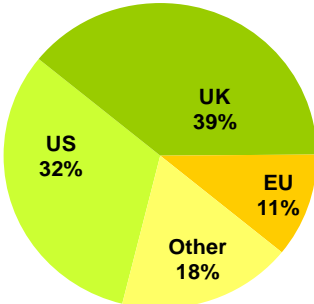
Competition

InfoPros Survey: +40% source out, majority gets value



Outsourcing Organisations:

- Research main outsourced knowledge service
- Very satisfied with results and relationships
- Majority would choose outsourcing again
- Most work done in house



Not Outsourcing:

- Quality and cost concerns
- But: majority had *no* poor past experience

Senior management actively interested, teams less

Graphs: BBR
Source: FreePint and Everest, 2009

Tipps for Offshoring to India

- **Develop outsourcing strategy
(evaluate provider/industry/country factors, projects/single set-up/team, global delivery, milestones, communication structure)**
- **Have realistic expectations
(saving estimates, set-up time, productivity gains)**
- **Start small (pilot, low-risk work)**
- **Define and monitor deliverables, quality parameters, schedules**
- **Be aware of cultural differences (politeness, diwali, calls, ...)**
- **Put everything into writing**
- **Look at the offshore company as a partner!**



**,The best companies outsource
to win, not to shrink‘ ...
,to innovate faster‘ ... ,to grow
larger, gain market share‘ ...
‘not to save money by firing
more people.‘**

***T. L. Friedman
,The World is Flat‘***

Contact



Birgit Bauer

**Bauer Business Research e.U.
Mariahilfer Straße 89/17
1060 Vienna / Austria**

**bauer@bauerbusinessresearch.com
www.bauerbusinessresearch.com**