

## **GENERAL INTRODUCTION TO INDIA**

India stands tall today among global contemporaries in the software and customer services market, its name having become synonymous with expertise in these disciplines. Currently India occupies the premier position in offshore work. Perhaps, somewhat uniquely, India has made outsourcing a brand in its own way.

Not only has there been an exponential growth, but the outsourcing industry has also moved up the value chain. India's outsourcing saga, which began with staffing, moved its way up to software development, then integration, then customer services and now centers around top-of-the-line business consulting projects.

There are various factors which contribute to India being the number one destination for business process outsourcing. They are listed below.

## **ADVANTAGES OFFERED BY INDIA**

**Education:** India has one of the most developed educational systems in the world. Together, Indian universities produce a large amount of highly skilled technical manpower suitable for the outsourcing needs of Western companies. Currently labor arbitrage is a major driver for the Indian supremacy in outsourcing. This lower cost of labor and quality of service is extremely beneficial to Western companies. The fact that English is the main commercial language in India makes it also very easy for Western companies to do business with India.

**Infrastructure:** India has the technology for successful offshore outsourcing. Currently the country is undergoing a massive infrastructure revamp to gear itself up for the ever increasing outsourcing demand. Office buildings in the high tech zones have reached or even surpassed global standards. The government has strengthened telecom infrastructure and built fiber-optic networks in city centers of software activity, as well as provided uninterrupted power supply.

**Emphasis on Quality:** Indian service providers offer high quality standards. 50 out of 74 CMM-level 5 companies in the world are Indian.

**Government Support:** The Indian government has realized that offshore outsourcing is a major economic driver. For this reason, the government is offering a comprehensive package of tax incentives such as a 10 year tax holiday for IT service exporters and is backing telecom deregulation to support the growth of this sector.

## INTRODUCTION

Not without reason, outsourcing has become an acceptable operational alternative and is being embraced by companies in the US, also gaining in popularity in other parts of the world. For IT offshore outsourcing India is the most popular destination due to the large pool of highly educated IT professionals, knowledge of the English language and presence of the required infrastructure.

## WHY SHOULD YOU OUTSOURCE?

Outsourcing is obviously a means to get work done by talent outside your organizational pool. Companies outsource for different reasons, depending on individual requirements. Some outsource for cost savings, others to gain skills and resources lacking internally, still others outsource in the hope of gaining a strategic edge over the competition. We can, therefore, sum up the most important factors why companies outsource:

### **Financial**

Access to the outside provider's lower cost structure allows considerable savings of operational and development costs. At the same time all costs are getting clearly outlined, predictable and therewith manageable.

### **Flexibility**

When companies outsource they become more flexible, more dynamic, and better able to change themselves to meet the changing opportunities. Flexibility can be achieved in terms of capacity and technology. Shifting to a new technology becomes a matter of a notification rather than re-organizations and training courses.

### **Market agility**

Market agility includes the ability to expand core businesses rapidly and involves better information management for decision making and expansion to new geographic markets.

### **Improve speed and service**

Outsourcing gives a competitive edge in terms of deliverable speed, increased service levels and access to specialized skills. Establishing a long-term, strategic relationship with world-class service providers allows a company to adjust the IT requirements to the ambitions of the company rather than being restricted by the performance and output of the corporate IT department.

**Thereby companies can also choose for outsourcing in order to:**

- Reduce IT overheads, free up resources
- To gain a fresh and new perspective on a stalled project.
- Avoid capital expenditure
- Offload non-core functions
- Focus on strategic thinking and managing trading partner relationships
- Improve company focus.
- To increase project speed and reduce lead time: Use more capacity and exploit the Time Zone Advantage
- Non-core business functions are on an "as used" operational expense basis.
- Share Risks: No investment in trendy new technologies
- Scalable

## **FACTS AND TRENDS**

Currently the large companies are active players in the field of outsourcing. Outsourcing is quite a step to take but more and more medium and small scale companies discover the potential of outsourcing. Companies currently outsource for 17 billion dollar a year and is expected to increase to 25 billion in 2007.

Global giants such as IBM, Microsoft, Novell, Oracle, AT&T, Fujitsu, Motorola, Digital, Hewlett-Packard Philips, General Electric, IBM, Reebok, Fujitsu, British Aerospace, General Motors and Sears are keeping ahead of their rivals thanks to the competitive advantage conferred on them by some of the best software companies in India.

But by far the most important benefit of outsourcing for us is the increase in flexibility. If we need a large project we are no longer restricted by the capacity of our own IT-department in USA & India.

## **PITFALLS**

Although outsourcing offers many benefits, there some aspects that require special attention:

- Communication barriers
- Cultural hindrances
- Language difference
- Partner selection
- Management of collaboration



## **TEK-DATA PROVIDES THE WINNING FORMULA**

### **The Company**

Tek-Data is a global business and technology services company dedicated to providing the highest level of innovative and cost-effective BPO/technical solutions to customers in telecom, services industry, healthcare, social networking, life sciences, financial, legal and fashion industry. Headquartered in New Jersey, Tek Data has customer services, development capabilities in the U.S. as well as offshore call center and development centers in India and Philippines.

### **Why Tek-Data? - The Winning formula**

- Global Concept, Local presence- in USA as well as in India.
- We specialize in small to mid-size companies.
- Cost effective and high quality service- centers are established after a stringent process of evaluation and many are CMM level 5 certified.
- Data Security conscious to protect your business.
- Extensive know-how in conducting business in India- avoids the pitfalls, smoothen and speed up the process, comply with local laws. Legal and regulatory issues are taken into account.
- Multiple Call Center & BPO hubs in India - Tek-Data has one of the largest portfolios to offer to their customers.
- Flexible approach, genuine interest for customer relationships and reliable local presence have proved to be important factors to our success.

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## TEK-DATA

Tek-Data is an independent US based company with presence in India.

**Thinking global and acting local**, that is our credo!

We can be of immense value to you because of our local presence in India. By doing so we are a perfect gateway to target the potential of the Indian industry and market.

**Global concept, Local presence.** Tek-Data is a dynamic young organization with a clear focus on building and maintaining relationships between Western companies and Indian counterparts. We have the requisite knowledge, contacts and expertise to carry out complex international projects successfully:

- Strategic and Market Entry studies.
- IT Outsourcing Projects, both On-shore as well as Off-shore.
- IT Product/Application development.
- Outsourcing Customer care center.
- Outsourcing Billing services.
- Legal outsourcing.
- Outsourcing Engineering and Research Projects.
- Representation and liaison projects.