

Transforming Outsourcing with Verticalized Solutions

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The IT enabled services industry is projected to grow at 9-10 percent both in international and domestic market. There are several trends that are driving the industry today. Foremost is the emergence of new geographies as a potential near-shore center. Most BPO providers today, are identifying new geographies to set up centers that are in close proximity to their customers. For example, shore for U.S. near shore center would be in South America and for Europe it could be in the Asia Pacific region. Another thing that is being seen clearly is that factors like call cost arbitrage, availability of pool of English speaking professionals, IT educated professionals and more can no longer be called differentiators for India. Today, these have actually become the basic tools for operating within the BPO space. This is something you need to have on the table when you go bid for a contract. What we can call a differentiator now is 'what can we add.' What 'value add' can one bring to the client over and above these basic tools.

The other trend could be providing end to end transformational outsourcing, where we are talking about

not just going to the clients and telling them this is what we offer, but rather asking them what they need and then providing a customized technology enabled verticalized solution with services that are needed by the client. This is the kind of expectation a client has from a service provider today. Hence, one needs to develop niche and differentiator within a vertical. Apart from this, one also needs to have specific domain knowledge, understanding of the industry trends, knowing what works and does not work within the industry and more, if you are to operate in that vertical. Additionally, clients today want their service providers operate on an OPEX based model rather than a CAPEX based model.

Another norm today is process engineering and innovation, where one is looking beyond the tried and tested ways of doing the work. How can we improve upon the entire experience of what is being done by using one's knowledge that has been gained through working for multiple clients in the same environment. This is the transformational business impact which the client is expecting the service provider to make. This is a growing trend that we see which transcends across various vertical



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that any BPO is expected to operate in.

My advice to entrepreneurs today is to pick your space and look at customizing and specializing in that. They need to focus on areas which are skill based, more vertically oriented, domain oriented and where technology enablement can also be used. This is because managing a manpower incentive or a capital incentive business with some of the more commoditized players will become very difficult for a new player to come in. ■