

Knowledge Process Off-shoring The Next Big Opportunity

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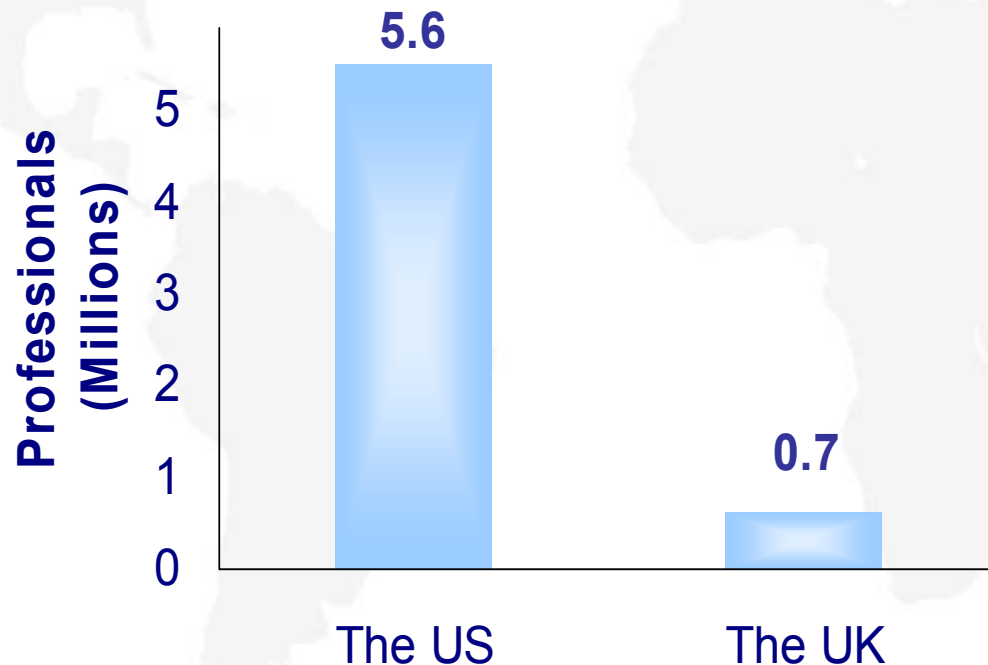
EVALUESERVE
Expert Knowledge Services

Presentation Plan

- Global off-shoring: An economic imperative for the developed nations
- Shift from low-end BPO to high-end KPO services
- Case studies

Global off-shoring: An economic imperative for developed nations ...

Expected shortfall of labor by FY 2010

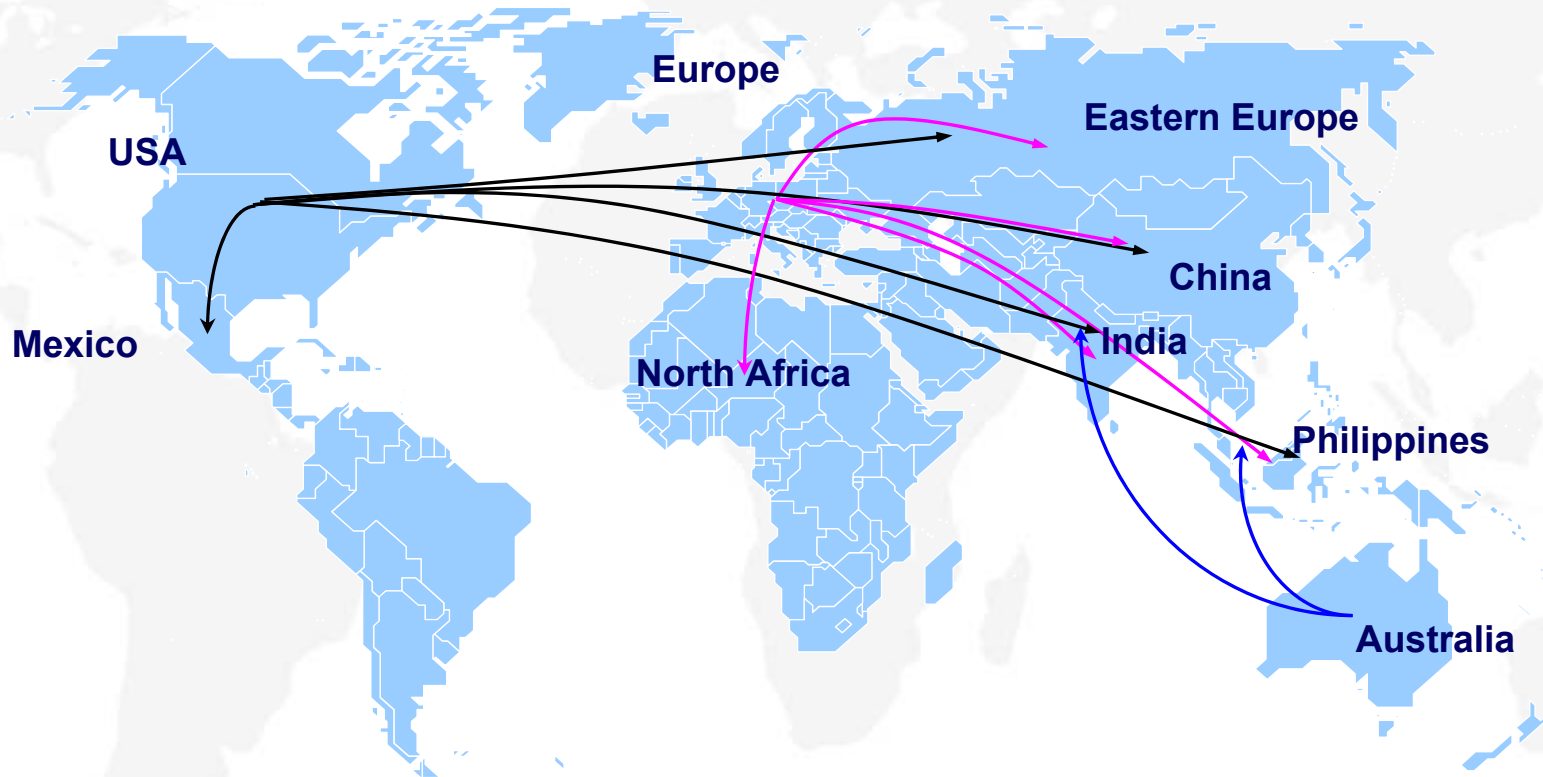


Majority of the shortfall in services industry

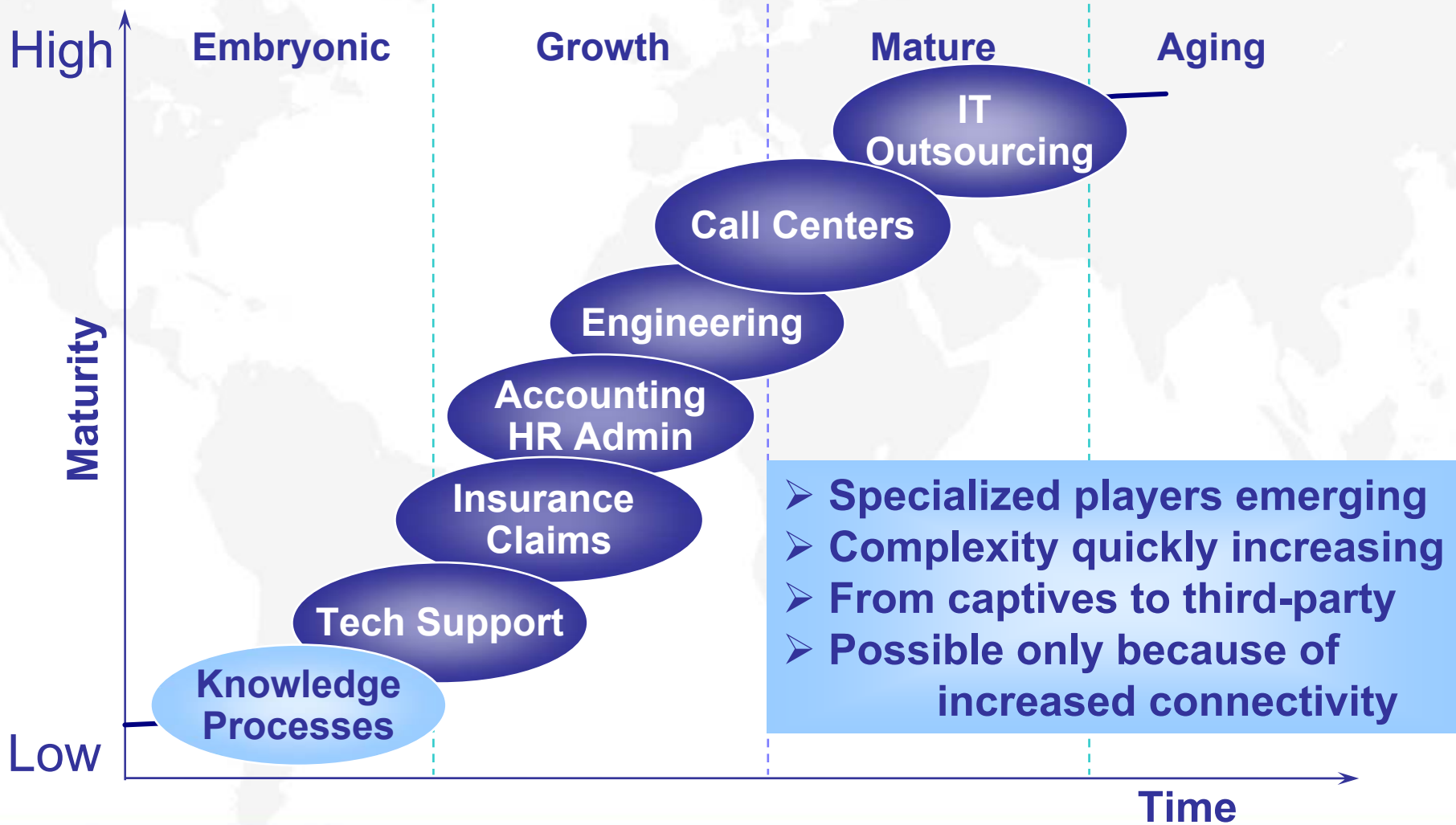
Potentially massive gap in GDP

Gap is likely to be filled by Offshoring and Immigration

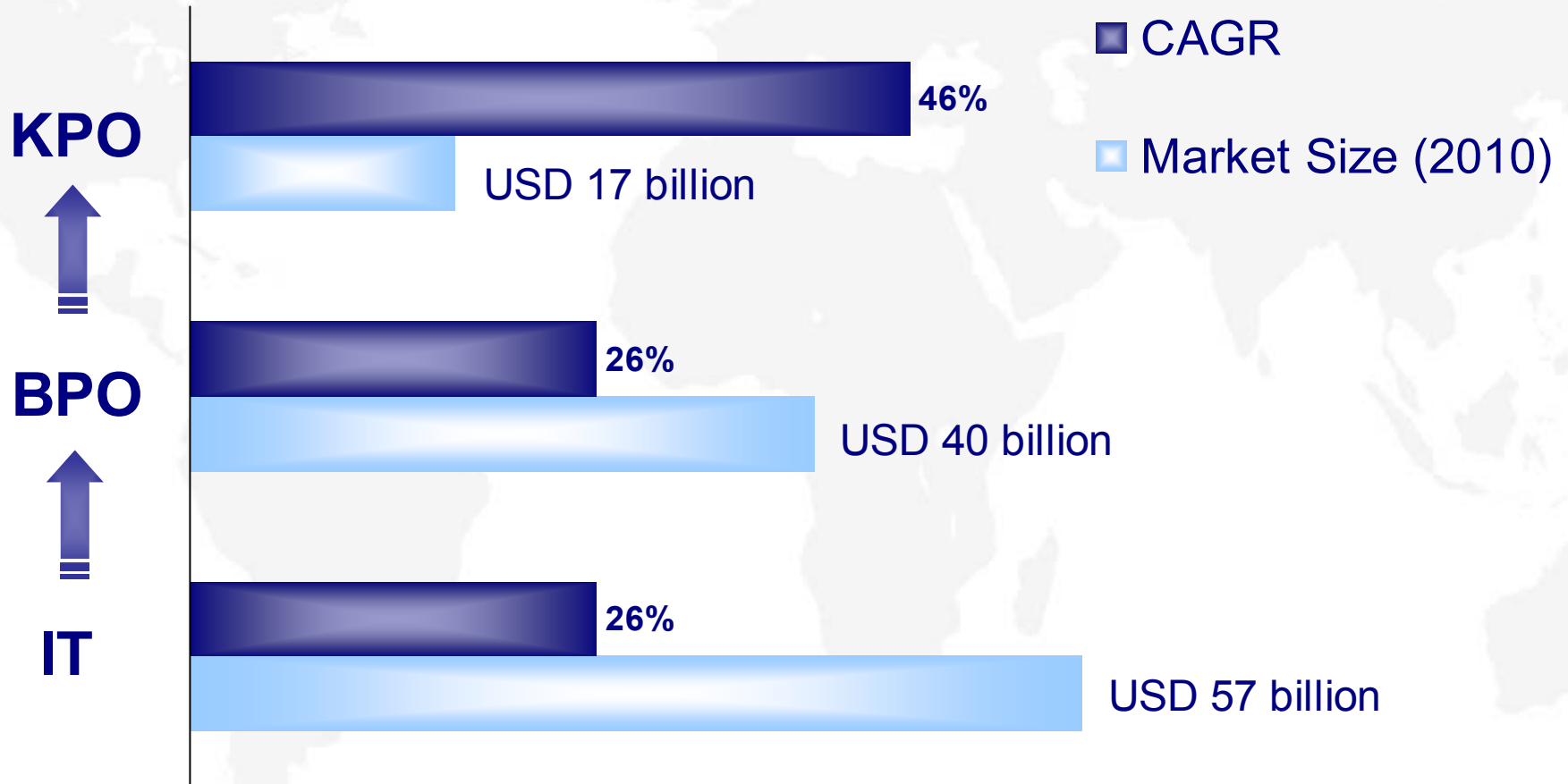
Near-shore and far-shore nations are expected to bridge this supply-demand gap of labor pool ...



BPO is maturing and moving up the value chain ...

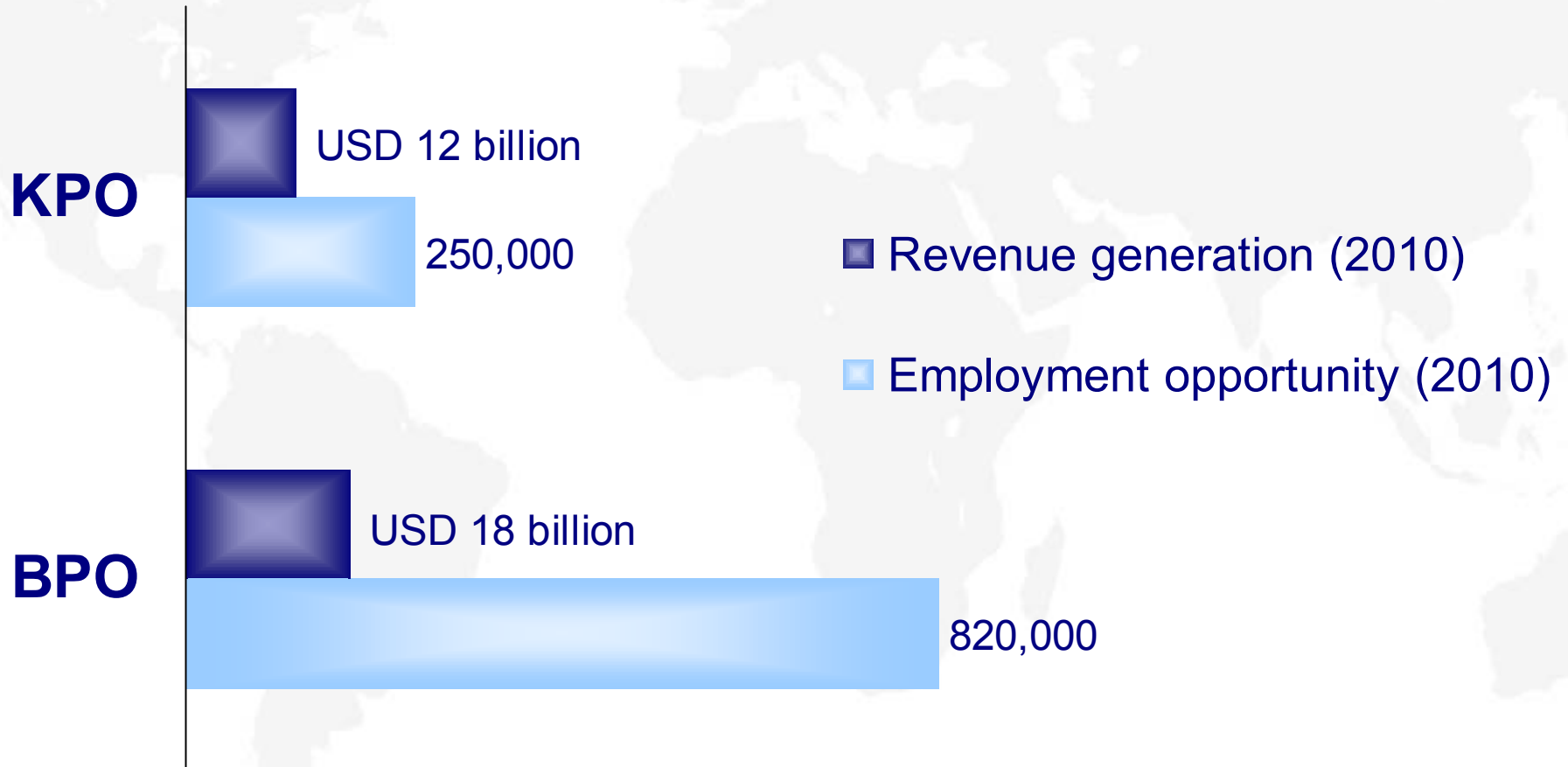


Global off-shoring of services growing rapidly ...



Massive employment opportunity ...

Indian non-IT off-shore services



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- **Shift from low-end BPO to high-end KPO services**
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Several demand side factors are fuelling the KPO trend ...

- Shortage of knowledge professionals in developed nations
- Increased global competition
- Cost pressures
- Reduced time-to-market
- Need for more flexibility

Similarly, several supply-side factors are also fuelling the KPO trend ...

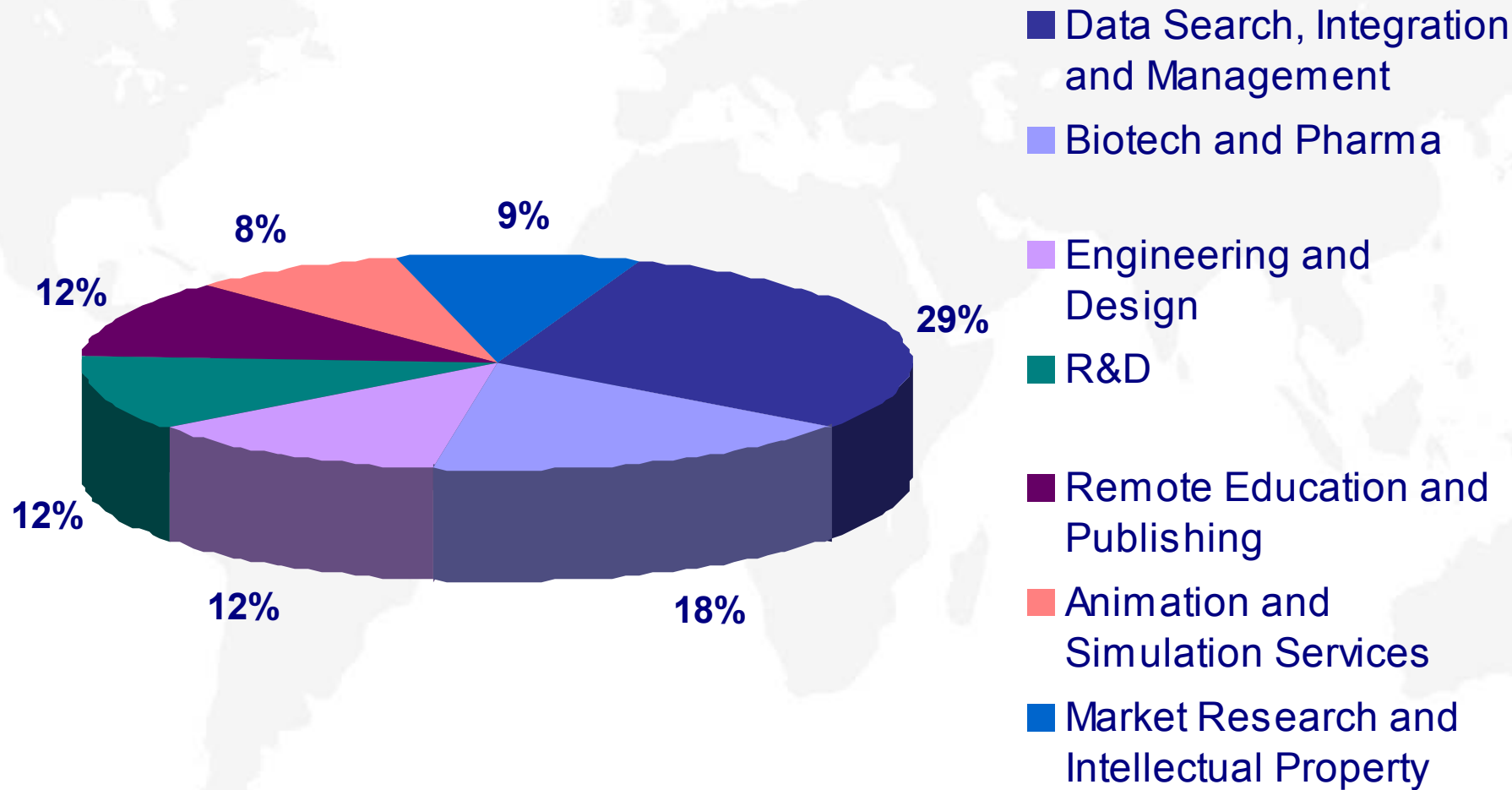
- Off-shoring service vendors maturing
- Vendors moving up the value chain
- Increasing domain expertise
- Competition from emerging off-shore locations

Domain expertise
required



Insurance Industry

Wide variety of KPO services by 2010 ...



India likely to take largest market share in KPO, but niches remain for others...

India



- **Flourishing offshore IT services and BPO sectors**
- **Good project management skills**
- **Very good supply of talented labor pool, proficient in English**
- **Favorable government policies**
- **Large diaspora driving demand**

China catching up...

China



- **Presence of off-shore manufacturing sector**
- **Talented pool of engineers and scientists**
- **Ramping up skills in English and Economics**
- **Uniquely positioned to tap the Japanese and Korean markets**
- **Favorable government policies**

Philippines established as well...

Philippines



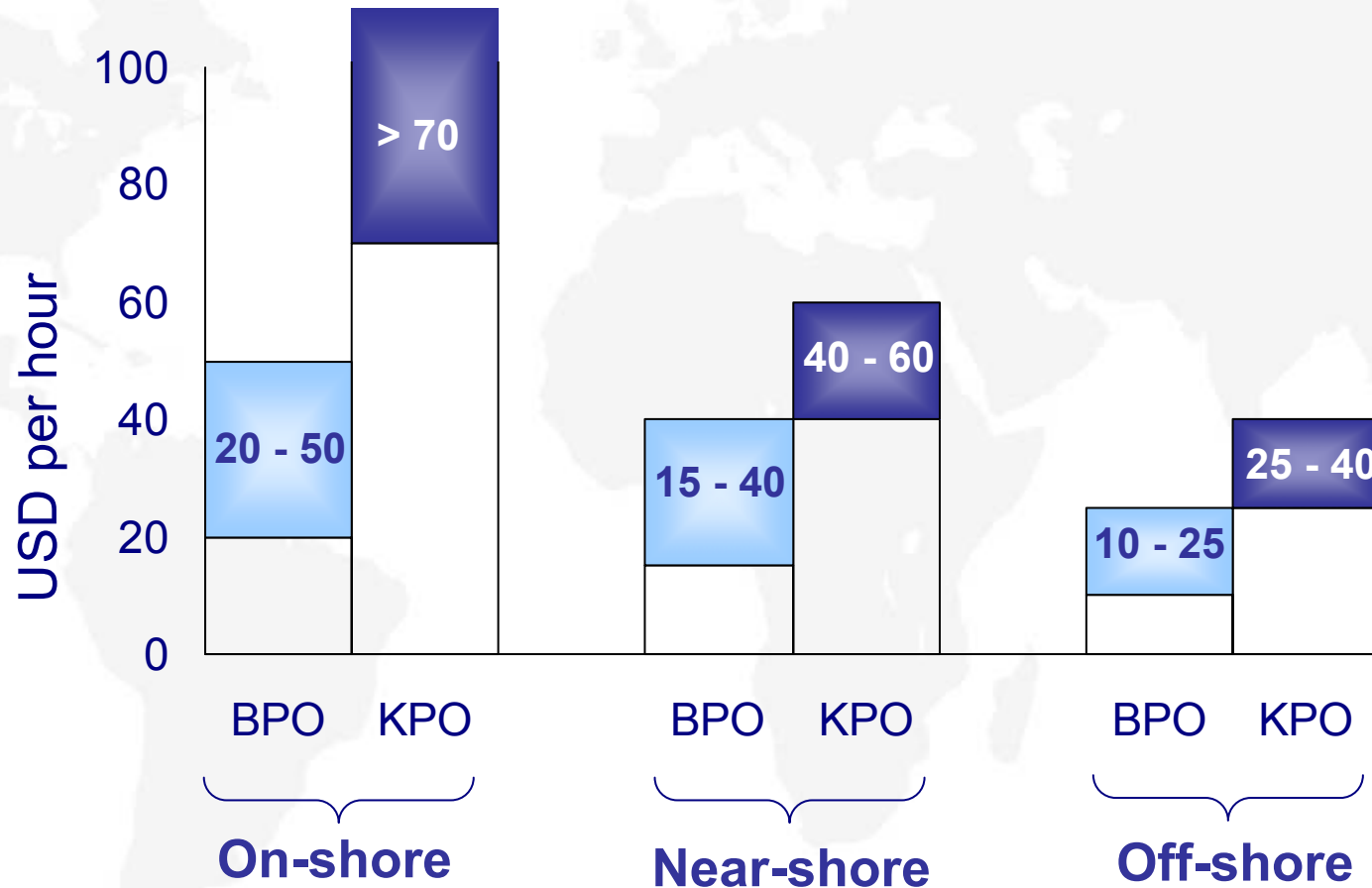
- **Promising human resources, proficient in English**
- **Slightly lesser developed academic environment**
- **15,000 technology students graduate annually**
- **Favorable cost structure**

Eastern Europe

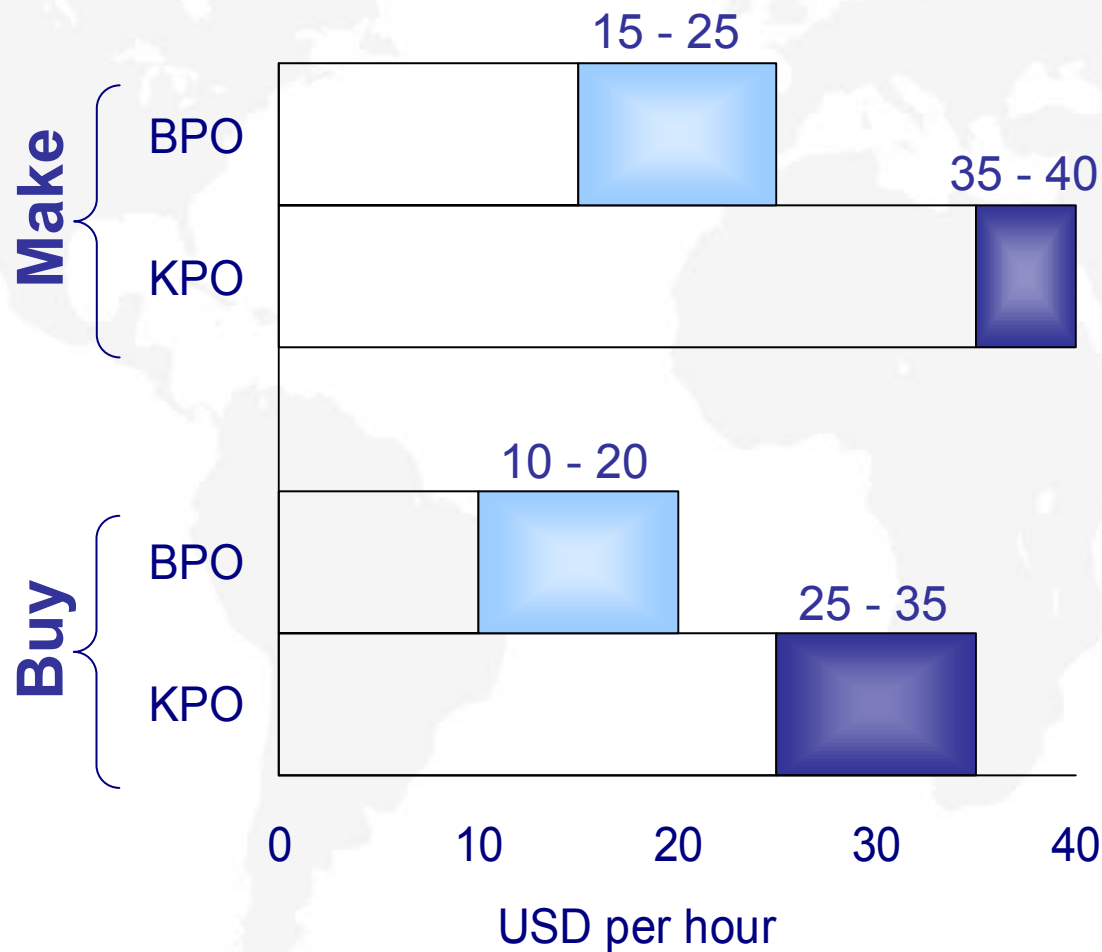


- **Highly talented pool of engineers and scientists**
- **Robust education system with ample supply of professionals for analytical work**
- **Moderate, but increasing labor costs**
- **Non-English languages**
- **Proximity to European markets**

Off-shoring provides significant cost savings ...



'Buy' increasingly becoming preferred setup, esp. for SMEs



Advantages of 'Buy' vs. 'Make':

- Faster ramp up
- Lower complexity
- Lower cost
- Better control

Human resources and robust processes are the key to high-quality KPO ...

Human resources

- Produce academic skill pool
- Recruiting of talent
- People development
- Meritocracy
- Performance management
- Retention

Robust processes

- Customer interaction
- Delivery processes
- Quality
- Productivity
- Confidentiality
- Intellectual Property

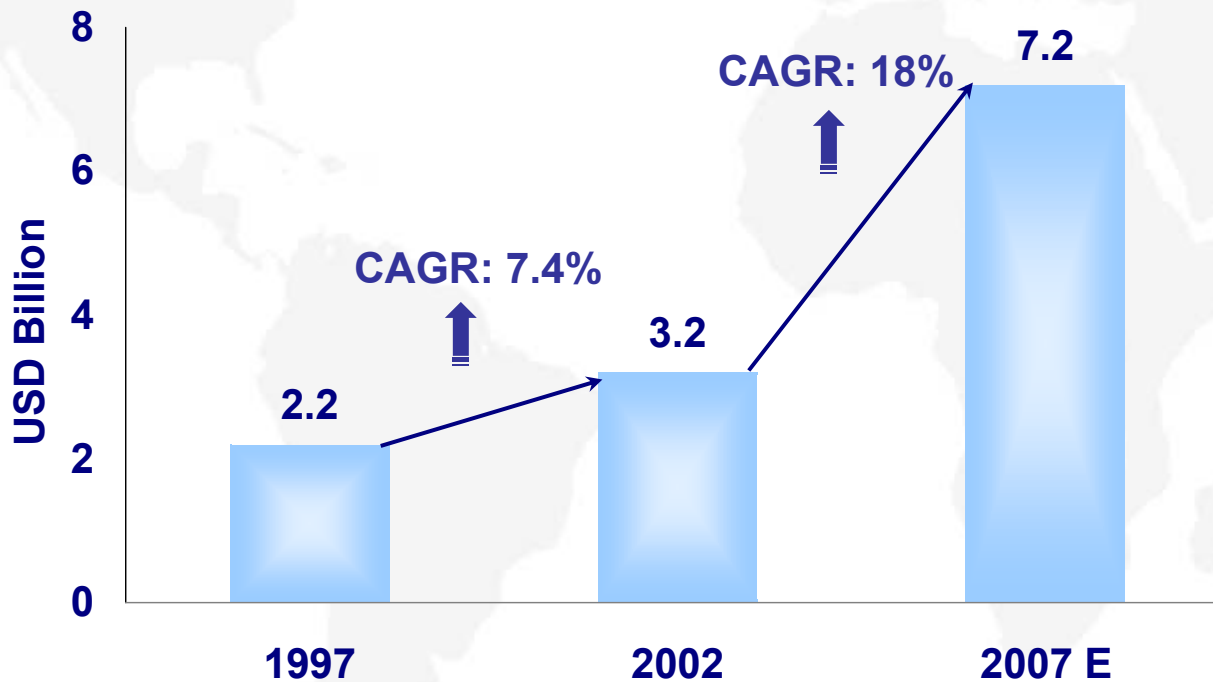
High quality KPO

Presentation Plan

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- **Case studies**

India is now considered global offshore R&D hub ...

R&D investment in India



R&D centers of more than 150 MNCs, such as:

- Texas Instruments
- GE
- Whirlpool
- Oracle
- AstraZeneca

KPO sourcing models serve a diverse set of industries ...

Area of expertise

Financial Services

High Tech/Electronics

Telecom and IT

Chemicals

Pharmaceuticals

Consumer Durables

KPO in Consulting is leading to unbundling of traditional consulting value chain ...



Evalueserve – A Knowledge Services Firm:

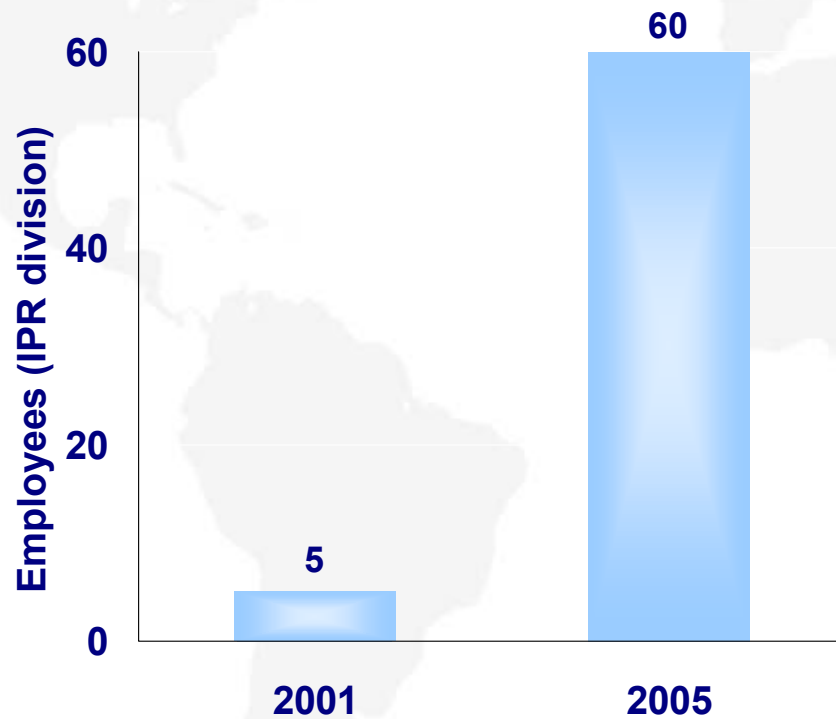
- On-demand work
- Quick turnaround
- Six synergistic lines of business
 - Business Research
 - Market Research
 - Investment Research
 - Data Analytics
 - Intellectual Property
 - Emerging Markets Research

Clients demand multi-language capabilities ...

Language	Read	Speak	Write
English	●	●	●
French	●	●	●
German	●	●	●
Spanish	●	●	●
Portuguese	●	●	●
Italian	●	●	●
Russian	●	●	●
Japanese	●	●	●
Chinese	●	●	●
Korean	●	●	●

- Confident
- Caution
- Challenge

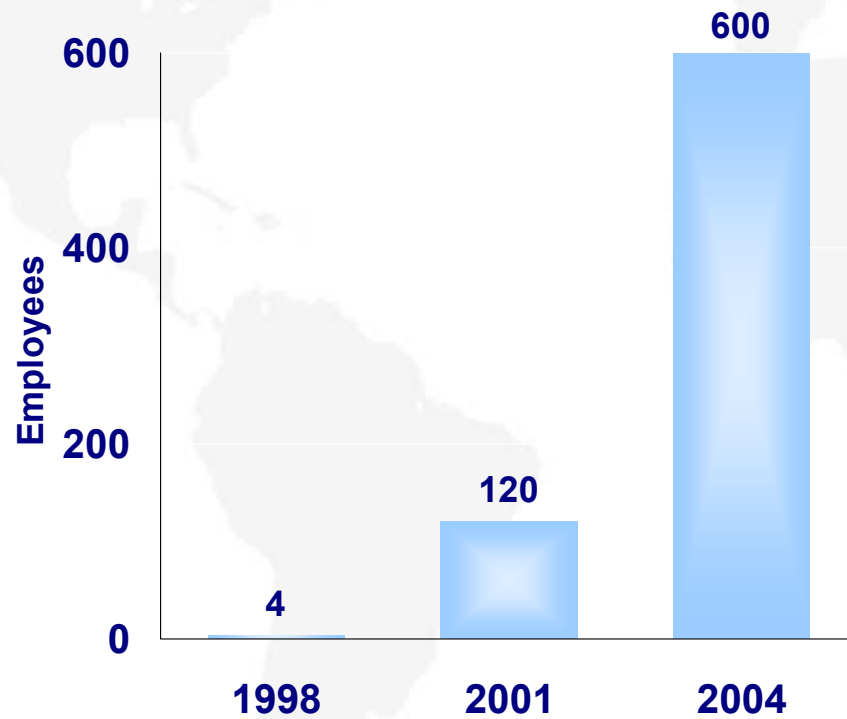
Intellectual Property Services – Example Evalueserve ...



Intellectual Property

- Patentability/technology assessment
- Patent application drafting
- IP asset management services
- Commercialization studies

GE Capital – Analytics: A Success Story of KPO ...



Areas of operations:

- Risk
- Marketing
- Collections
- Logistics
- Asset management
- Supply chain management

Summarizing ...

- **Globalisation of services is moving up the value chain**
- **KPO is the next big opportunity for developing nations after IT and BPO**
- **India, China, Philippines and Eastern Europe well positioned to tap the KPO opportunity, but niches remain open to others**
- **KPO is already a reality and moving fast**



Thank you

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