

For English, Please Press 1

The other day I was reading a discussion forum at a website about the call center and tech support and some complaints about how the tech support in India does not provide quality resolution to the issues. One of them recalled, the very moment he started describing his problem; the tech support started typing to research it, without even listening to him. What bothered me most about the post was not what this person's personal grudges were against the Indian tech support, but was a sense of familiar smile on my face while I was reading it, as if I could very well picture myself in support technician's position. In retrospect, it was very disappointing.

The world media has made big claims about the un-harnessed intellectual capital in India, most of which is true, but in terms of harnessing it ourselves, we have a long way to go. We are still a source of cheap labor and sometimes making a call to the tech support is like buying Chinese manufactured furniture. It's cheap, but you can't be absolutely sure if the chair would actually stand on its feet. Okay, that is an exaggeration. Some of the common support issues are part of growing pains. As we grow we are developing processes and benchmarks to continuously improve the quality of service. But the question is are we? Is it us, the Indian companies, who are developing these standards or is it transferred knowledge. Why worry about developing our own systems? Why not use what we have? Why reinvent the wheel? It works fine as long as we have something to work with. So if the client owns the tools and standards or at least the Intellectual Property on them then we are mere users. What is to stop a company from closing their operations and moving to a cheaper country? The biggest advantage for us has been

- Big Labor Pool
- Lower Salaries
- Conducive Socio-political Structure.

Gartner Survey suggests that an outsourcing destination is only attractive, as long as there is a salary spread of about 300%-400% between the client and outsourced country. Everyday, the headlines in newspapers boast of high salaries that Indian techs are commanding, from software development to BPO services. But the question is why are the salaries rising? The good old supply and demand. The companies want qualified and skilled employees and the employees want better salaries every 6-9 months. The industry estimates that they lose 25% of revenue to attrition. Even for a developing country that is very inefficient. So in short, we have scarcity of qualified labor pool, which is driving the salaries upwards. Which brings us back to the "Big Labor Pool". We have *the pool*, just not enough of qualified kind. A comparison, Russia currently boasts the largest resource of Engineers and qualified techs in the world and the salaries in Russia are comparable to those in India. So we don't have a monopoly in the labor pool. As we speak a teenager in China and Philippines is working on her English, so she can join the now booming Global Outsourcing Industry. After the Indian success story other countries like Malaysia, Pakistan, Czech Republic, Hungary, Fiji, Ghana, Sri Lanka preparing for a piece of the action.

Lower material and labor cost have been the driving force for the businesses to relocate for ages now. Business 101. It helps drive efficiency in the network. However, the rupee to dollar exchange rate advantage and cheaper cost of living, we have enjoyed in the past 2 years, may not last forever. As the inflation and foreign

direct investment has increased, Indian rupee has climbed against the dollar. This will soon make our services expensive in global markets. A recent quote from Steve Jobs regarding his decision to forgo the plans to setup a tech support office in India, - *India isn't as inexpensive as it used to be. The turnover is high, and the competition for good people is strong.* Apple feels it *"can do [such work] more efficiently elsewhere."* It is one incident and not indicative of a general trend. The rise of rupee is a concern to the Indian government as well, but what can the Indian industry do to hedge against these risks?

The BPO industry has recognized that the answer is *value addition*. Move up the chain. India can't be the first country in the history to be facing such issues? What did the Japanese do? How did the Japanese survive the fluctuations of dollar against the Yen? When the Japanese entered the auto market, they were the manufacturers of cheap cars, but over the years they developed their systems, to provide quality with price. They improved the business models and opened local shops using local resources. This shielded them, to some extent, against the currency fluctuations and change in foreign trade policies. Granted its apple to orange comparison, Service sector and Manufacturing industry. But the similarities are hard to ignore.

For the past few years we have been fortunate to experience a relatively peaceful relationship with the neighbor. As more and more countries enter the global market, the economic dependencies will make it difficult to take military stance against economically interdependent countries. After all, no one fights with his banker or customer. This interdependency will also promote a more stable socio-political platform. One of the boons of globalization has also been falling cultural boundaries. So in future it would be hard for India to claim an advantage in this area as well.

The purpose of the article is not to provide a solution, but to open a discussion. We need to focus on the bigger picture. If we have embraced knowledge sector as one of our core economic strengths, then lets be the best in the class. We need to focus on developing business models and benchmarks for the service sector, Improve operational efficiency, lay the groundwork for customer delight. "Value addition and not only cost reduction" – lets make this our motto. We need to provide more vocational courses in our college curriculums to improve supply of skilled labor and reduce training costs. Why focus on English speaking countries only? About half billion people speak French and Spanish. Why focus only on developed countries for revenue generation. If we have the ability to provide low cost service, then why not use the model to provide services to Brazil, Russia and even China. Why not create our own operational models to open local shops. A BPO does not have to be located 2 or 3 time zones apart to provide quality and efficient service.

I hope in not so distant future, a call to Lenovo tech support would be routed to Sanchar Global and would greeted by - "For English please press 1, ? ?? , Trois pour le francais.."

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