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Scope for growth in non-voice space for Indian BPOs

By N. VISUVAIDYAN | Jul 13, 2010 | Bangalore

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Indian BPOs are receiving partnership proposals from other countries to complement their core strengths and to explore business opportunities in new markets.

Peter Bender-Samuil, CEO of Everest Group said, "The BPO segment is going through an inflection point, moving from a point of rapid adoption into a more mature space. Clients are not worried about whether they can get outstanding work from India. They have concerns about the concentration risk. The industry ecosystem is emerging to a level of collaboration between countries."

In recent years, the Philippines has been India's closest competition in the BPO market especially in the voice space. Indian BPO firms themselves have been expanding big in the country, which had about \$7.2 billion of export revenue in 2008 and sees a year-on-year growth of 50 per cent. It expects revenue of \$6.5 billion in 2010 and \$12 billion in 2011.

Oscar Sanchez, president and CEO of the Business Process Association of the Philippines, does not see India as a competitor. He said that the Philippines works closely with Nasscom on issues such as setting standards for testing tools, training and education. "We have a very large English speaking, college-educated workforce with strong western affinity and cultural ties with the US. That's why US companies are very comfortable doing business in the Philippines. Indian companies can take advantage of this scenario," he said.

Voice BPO is a big part of the Philippines BPO industry and the country is focussing on expanding to non-voice BPO verticals such as finance, accounting, legal outsourcing, HR, IT support and healthcare.

"I think getting established in non-voice operations is a challenge and I believe India can do much in this space," Sanchez said.

Jordan, which banks on its huge Arabic-speaking resources, is looking for companies that want to tap the Gulf markets through the country's language proficiency. "After the financial crunch, lots of companies are looking at outsourcing and redefining their business model, rather than expanding. This is the right time for Indian companies to tap the Gulf market through Jordan's Arabic language capability, which is the most neutral dialect of the Gulf countries," said a senior official from Development Zones Commission.