

Chapter 10: The Major Outsourcing Locations

Outsourcing has grown throughout the various cities of India and continues to do so. Many BPO operators avoid the major cities and are rewarded with lower operating costs in what are often termed 'B+ towns', though all the major cities feature an array of major vendors and captive operations.

Although this expansion is ongoing, most of the offshore outsourcing organisations are clustered around a few key areas, for obvious reasons. Organisations need skilled people and skilled people gravitate to the major cities in any country. The larger cities also offer travel, power and telecommunications infrastructure that may not be available in all areas of India.

There is of course the domain importance of particular areas through the clustering of certain industries. For example, Mumbai is the home of financial services in India and so many service companies offering support to this industry will locate themselves nearby.

There are many guidebooks available offering a general overview of the major areas and cities of India. The Lonely Planet, Rough Guides and Culture Shock! series all feature books on India. These general guide books can be used before travel to determine what best to see once you are out there negotiating the outsourcing contract. This is assuming you have left enough time in your schedule to enjoy some of the wonderful sights India has to offer.

North and West India

The north and western India outsourcing map is focused on two major areas; Mumbai and Delhi. As mentioned, Mumbai has strong historic links to the financial services industry. At Nariman Point, almost every building houses a bank of some description.

Pune has scooped up some of the work previously performed in Mumbai. It is itself a large city, yet is close enough to Mumbai to allow business to be easily performed with Mumbai-based clients.

The Delhi region houses the national capital and is a huge metropolitan area. The nearby cities of Noida and Gurgaon are enjoying tremendous growth as outsourcing organisations move in and take advantage of their proximity to the capital district. The entire area is usually termed the National Capital Region (NCR).

Kolkata is not yet a major location for outsourcing organisations, however it is growing fast. The infrastructure exists and the operating costs are far lower than

the other more established cities - it is a location to watch. It has a poor international reputation because of the historic association with poverty; however other Indian cities suffer similar levels of poverty.

South India

In the south, most outsourcing activity is concentrated on the 'technology triangle' of Hyderabad, Bangalore and Chennai. Bangalore is often referred to as the 'Silicon Valley' of India, though the more literally correct 'Silicon Plateau' is sometimes used.

Bangalore has grown from being the 'garden city', where folks move to spend their retirement years, to a frenetic supercharged city of growth and excess. The rapid growth has led to some diabolical traffic problems, but it remains an exciting place to visit and work. Poverty is notable by its absence in Bangalore. You can find it, but in other large cities you don't need to go searching, it comes to you.

Hyderabad and Chennai both have their own history and attractive compliment of industries, but remain slightly in the shadow of Bangalore. The focus of these southern cities has been historically rather more technology-oriented than other destinations; however Chennai and Hyderabad are both starting to earn a strong reputation in BPO services.

Delhi

The entire Delhi region, including the capital city New Delhi, has a population of 13,782,976 people¹. Delhi has a large international and domestic airport. As the capital city, most international airlines fly to Delhi and it is very easy to arrange onward domestic flights, as all the local airlines offer routes to Delhi.

As this is the National Capital Region (NCR), most of the major outsourcing firms have a presence here. NIIT and HCL Technologies are based here and BPO players Daksh, vCustomer and WiproSpectramind all have major local facilities.

Noida and Gurgaon are two local cities to watch within the NCR. EXL Service has a facility in Noida with around 3,000 employees. These two cities are growing rapidly and are close enough to the capital to enjoy major transport links without the drawbacks of locating a new business in a very large and well-established city.

Delhi Chief Minister Sheila Dikshit is driving the push to become a completely electronic administration, offering facilities to local people via the government website. In May 2003, the Chief Minister announced the development of a 6,000 square kilometre IT Park for Delhi.²

A fact worth remembering is that Delhi will be only the second Asian city to ever host the Commonwealth games in 2010, after Kuala Lumpur in 1998. Around 5,500 athletes will travel to Delhi for the games, after it beat Canadian rival Hamilton in the final deciding vote.