

Chapter 8: The Major Industry Players in India

Trying to list or describe the major players in the Indian outsourcing market is rather like trying to nail water to a wall - impossible. The market is vibrant and constantly evolving. New players enter the market and grow to be major influences across various sectors or start to dominate a niche. New services are created and are first greeted by possible clients with bemusement, mild interest then a flood of enquiries.

During my research for this book I questioned a number of senior managers from the large majors and smaller fast-growing firms. I had a personal belief that the hyper-growth of the smaller firms may cause some overstretching on occasion and force projects to fail where a larger, more experienced firm may have succeeded. This opinion was negated by several key figures from the major firms, the very people I expected to support that view.

The market is growing fast, but the smaller firms are catching up and finding niche areas of specialisation. The effect is a market like any other. You can pay more for an established brand product and enjoy the security and reassurance of your partner's name or you can pay less and often get the same level of service. With smaller firms it may be possible to share the risk of the project through joint investment, the kind of flexibility that may not be possible with larger firms.

The rules of negotiation are the same as with any other major procurement plan. Never forget that it may be just as much in the strategic interest of the outsourcing firm to take on your business as it is for you to employ them.

This chapter introduces the three main Indian technology outsourcing firms with comments on the foreign competition and the rise of other companies in the Business Process Outsourcing sector. Other sectors are appearing, but technology has been the historic centre of gravity for outsourcing to India with BPO becoming the new rising star.

In the original first edition of this book I included revenue figures and staff headcount in this section and immediately regretted it because the information was out of date by the time the book was in print. I believe that Progeon had just about doubled the number of people employed between the time I researched the figures and typed it up in my office and the book hitting the bookstore shelves. It was a mistake to comment on the industry being so fast-growing and to then include very specific company size details, so I have omitted the information from this edition of the book. Some of the quoted media articles do refer to company size or staff headcount, however you should assume in all cases that the company has grown since the media comment was published. I have given the URL of each

company, so it is very easy for any reader to go and check the corporate web site for the latest information.

This chapter is not ordered by revenue size or staff headcount. It is a reaction to my experience of being a foreigner entering India and learning about this industry from the ground up. You can easily find a list of the Indian technology and BPO sector companies ordered by revenue on the NASSCOM web site, however this is a more personal list of companies that I feel it is essential to be aware of. Others are important too and some managers have complained to me, saying that their company is bigger than some of those I have listed, however I make no apologies for the way the list is constructed.

Infosys, Wipro and TCS may be the Indian giants this year and they are working hard to remain at the top of the tree, but the market is evolving so fast that new service providers are emerging each and every week. This is a fascinating industry to observe.

Infosys

Corporate History

In a speech to the Indian government, Department of Administrative Reforms and Public Grievances, Narayana Murthy recalled the birth of Infosys: "Let me first trace the history of Infosys. My mind goes back to 1981, when we put together Rs. 10,000 (less than US \$ 250 at today's exchange rate). We started out in my small 700 sq. ft. apartment in Pune. We were long on hope, commitment and hard work; we were short of money. We thought we had a little bit of smartness. I was sure at that point of time when we founded Infosys, to quote Leo Burnett, that when you reach for the stars, you may not quite get one, but you won't come up with a handful of mud either. I can only say that God has been very kind to us. As somebody said, when God is shy to announce his presence, he comes in the form of chance. This is the only way I can rationalise, if our performance is seen as better than that of others."¹

The small start-up became the fabled star of Indian technology firms. Now, world leaders queue up to visit the Infosys headquarters in Bangalore. When I made my own pilgrimage to the verdant lawns of the Infosys centre in Bangalore, I was quickly escorted away by strong security guards. How was I to know that several Chinese government ministers were inside, taking a look at the Infosys way of developing software?

Infosys expanded to the US by 1987. They went public on the Indian stock market in 1993 and by 1995 were setting up software development facilities across India.²

In 1996, the first UK office was opened in Milton Keynes and the company started focusing on strategic offerings by creating spin-off initiatives. The first was