India compared to other outsourcing destinations

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Abstract
This paper give an overview of the ranking position of Indian in outsourcing market. Multinational Corporations (MNC's) have deal with to identify several countries global to outsource their non-core competencies abroad, in order to focus more on what they can do better than others and improve profitability. India is one of the leading countries to be a focus for foreign business activities in the past two decades. This was a result of multiple factors that prepared the country an attractive alternative for outsourcing by MNCs. Government of India to reduce trade barriers combined with a high quality labor force, the service sector became more appealing to Foreign Service companies looking for economies in cost and time. This paper talk about the raking position of India with their reasons and efforts taken for improve the quality.

Keywords: Outsourcing, NASSCOM Report, BPO

1. Introduction
Outsourcing means when a company contracts with an outside service providers for services or other business processes, rather than employing in the own company. These services may be provided with a company (on-site) or outside of the company (off-site).

Outsourcing is one of the fastest growing sectors of BPO industry. BPO is a strategy which encourages in a unique way either by putting in new technology or applying existing technology to improve a process. IT-enabled outsourcing services use information technology in the processing and providing the services. These services are typically provided through a telecommunications or data network, or other electronic media.

India in the recent years has as shown enormous developments in the areas of communication, power and software developments. It has already established itself as a global BPO hub and is fast becoming a popular outsourcing destination for major manufactures across the world.

NASSCOM reports and studies in recent years have provided that India is the most attractive destination in outsourcing. This report released on the attractiveness of different countries for outsourcing and offshoring. This report paced India at the top of outsourcing, followed by China and Malaysia. 82% of US and European companies voted for India as the most proffered outsourcing destination over China, the Philippines and Malaysia.

2. Objectives
The objectives of this study are:
1) 1] To study of India's raking position in outsourcing.
2) 2] To find out the reasons behind India is better service providers than others.

3. Research Methodology
This study aims to highlight the Indian raking position in outsourcing sector and also find out the reasons behind it. The proposed study is based on secondary data. Secondary data are collected through NASSCOM reports.

4. Analysis of the study
4.1 Outsourcing attractiveness of offshore locations.
Various factors such as, education of human resources, availability of human resources, wages, cost considerations, language, political environment, infrastructure costs, etc (which mention in above table) were taken into consideration by AT Kearney to display the attractiveness index for each outsourcing country. The following table shows the ranking position of Indian –

Rank	Outsourcing Country	Outsourcing Attractiveness
1	India	7.12
2	China	5.61
3	Malaysia	5.59
4	Czech Republic	5.58
5	Singapore	5.45
6	Philippines	5.45
7	Brazil	5.44
8	Poland	5.33
9	Hungary	5.29
10	Thailand	5.20

Source – NASSCOM Report

By getting 7.12 score India got the ranking position in outsourcing market. China and Malaysia are following with 5.61 and 5.59 score respectively.

4.2. Reasons of Indian service providers better than other offshore vendors
NASSCOM has given away that Indian outsourcing service providers follow advanced standards of quality when compared to vendors from others offshoring countries. Here is the reason you can expect better quality standards from Indian outsourcing vendors:
- Indian outsourcing service providers specifically hire only practiced quality assurance personnel who are either Certified Software Quality Analyst (CSQA) or Certified Software Test Engineer (CSTE) certified by the international Quality Assurance Institute.

- IT, ITES and BPO companies in India incorporate and adhere to international standards of quality assurance.
- Over 70% of Indian outsourcing service providers have implemented various levels of ISO, such as ISO 9002, ISO 9001, and ISO9001:2000 and ISO 9001:2008.
- Over 65% of Indian service providers follow Six Sigma Standards and Capability Maturity Model Integration (CMMI).
- The majorities of Indian consumer support service providers are COPC certified and ensure that quality is maintained even in oral communication skills, like accent, polite, grammar and fluency in English.

India was ranked the most attractive outsourcing destination because of its availability in great quantity of skilled talented and experienced resources. India's low labour cost, high-end infrastructure, language, educational system and regulatory environment and financial structure are other factors that have made India best outsourcing location. Following table show the ranking ample availability of various resources-

Countries	Language	Government Support	Labor Pool	Infrastructure	Educational System	Cost	Political and economic environment	Cultural Compatability	Global and legal maturity	Data and IP security and privacy	Total Score
India	Very Good	Excellent	Excellent	Good	Very Good	Very Good	Very Good	Very Good	Good	Good	39
Mexico	Good	Very Good	Very Good	Good	Good	Very Good	Good	Very Good	Good	Very Good	35
Chile	Good	Very Good	Good	Very Good	Good	Good	Very Good	Good	Good	Fair	32
Czech Republic	Good	Good	Good	Good	Very Good	Good	Good	Good	Good	Very Good	32
Malaysia	Very Good	Very Good	Good	Very Good	Good	Good	Good	Good	Good	Fair	32
Poland	Good	Good	Good	Good	Good	Good	Very Good	Very Good	Good	Fair	31
China	Fair	Very Good	Good	Very Good	Good	Very Good	Very Good	Good	Fair	Poor	30
Mauritius	Good	Good	Fair	Good	Good	Very Good	Good	Very Good	Good	Fair	30
Philippines	Very Good	Good	Good	Good	Good	Very Good	Fair	Very Good	Fair	Fair	30
Brazil	Fair	Good	Good	Good	Fair	Fair	Excellent	Very good	Good	Fair	29
Egypt	Good	Very Good	Good	Good	Good	Good	Fair	Good	Good	Fair	29
South Africa	Very Good	Good	Fair	Fair	Good	Fair	Fair	Very Good	Good	Very Good	29
Uruguay	Fair	Good	Poor	Good	Good	Good	Very Good	Good	Good	Good	28
Slovakia	Good	Fair	Fair	Fair	Fair	Very Good	Good	Good	Good	Good	27
Costa Rica	Fair	Good	Fair	Good	Fair	Good	Good	Very Good	Fair	Fair	26
Hungary	Fair	Fair	Fair	Good	Fair	Good	Good	Good	Good	Good	26
Panama	Good	Fair	Fair	Good	Poor	Good	Good	Very Good	Good	Fair	26
Peru	Fair	Fair	Fair	Good	Fair	Good	Good	Good	Good	Fair	25
Romania	Good	Good	Fair	Fair	Fair	Good	Fair	Good	Good	Fair	25
Columbia	Fair	Good	Good	Poor	Fair	Good	Good	Good	Fair	Fair	24
Turkey	Good	Good	Fair	Fair	Fair	Fair	Fair	Good	Good	Fair	24
Vietnam	Fair	Good	Good	Fair	Fair	Very Good	Fair	Good	Fair	Poor	24
Bulgaria	Fair	Good	Fair	Fair	Fair	Very Good	Fair	Fair	Fair	Fair	23
Morocco	Good	Good	Fair	Fair	Poor	Good	Fair	Good	Fair	Fair	23
Russia	Fair	Fair	Good	Good	Fair	Fair	Fair	Good	Fair	Fair	23

Source: Trends in Global Sourcing Finding and Managing IT Talent - April 18, 2012 Terri Station Gale Director, CSC

4.3 Efforts Taken By Indian Vendors to Improve Quality

Though Indian service providers have always provided high quality services, they have not rested on their success, and are taking constant efforts to improve quality levels in outsourcing IT, BPO and ITES services. They following efforts are taken by Indian service providers to improve the quality -

- NASSCOM has introduced specific quality certification programmes across India, which QA personnel of Indian BPO and IT companies used to sharpen their competencies in quality assurance.
- NASSCOM has been taking efforts towards guaranteeing high quality among Indian companies by taking initiatives to control copyright infringement and make sure that data privacy and information security are maintained.
- NASSCOM has also ensured that Indian service providers conduct on-going internal quality check and review.
- Indian BPO and IT vendors and constantly upgrading themselves with better quality assurance procedures and getting trained in COPC implementation and support, Six Sigma, customer satisfaction, transaction supervising and people management.
- NASSCOM has developed an E-SCM and E-Services Capability Model, which serves as a universal benchmark for quality among Indian BPO companies. Companies wishing to outsourcing to India can now compare the capabilities to different vendors

4. Conclusion

In competitive world of Offshore outsourcing India leading at ranking position due to various favorable factors like language, labour pool, government support, infrastructure, political conditions etc. By adopting certification of ISO, CSQA, CSTE

and following the quality improvement norms of NASSCOM they provide the quality services and achieved the ranking position destination.

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