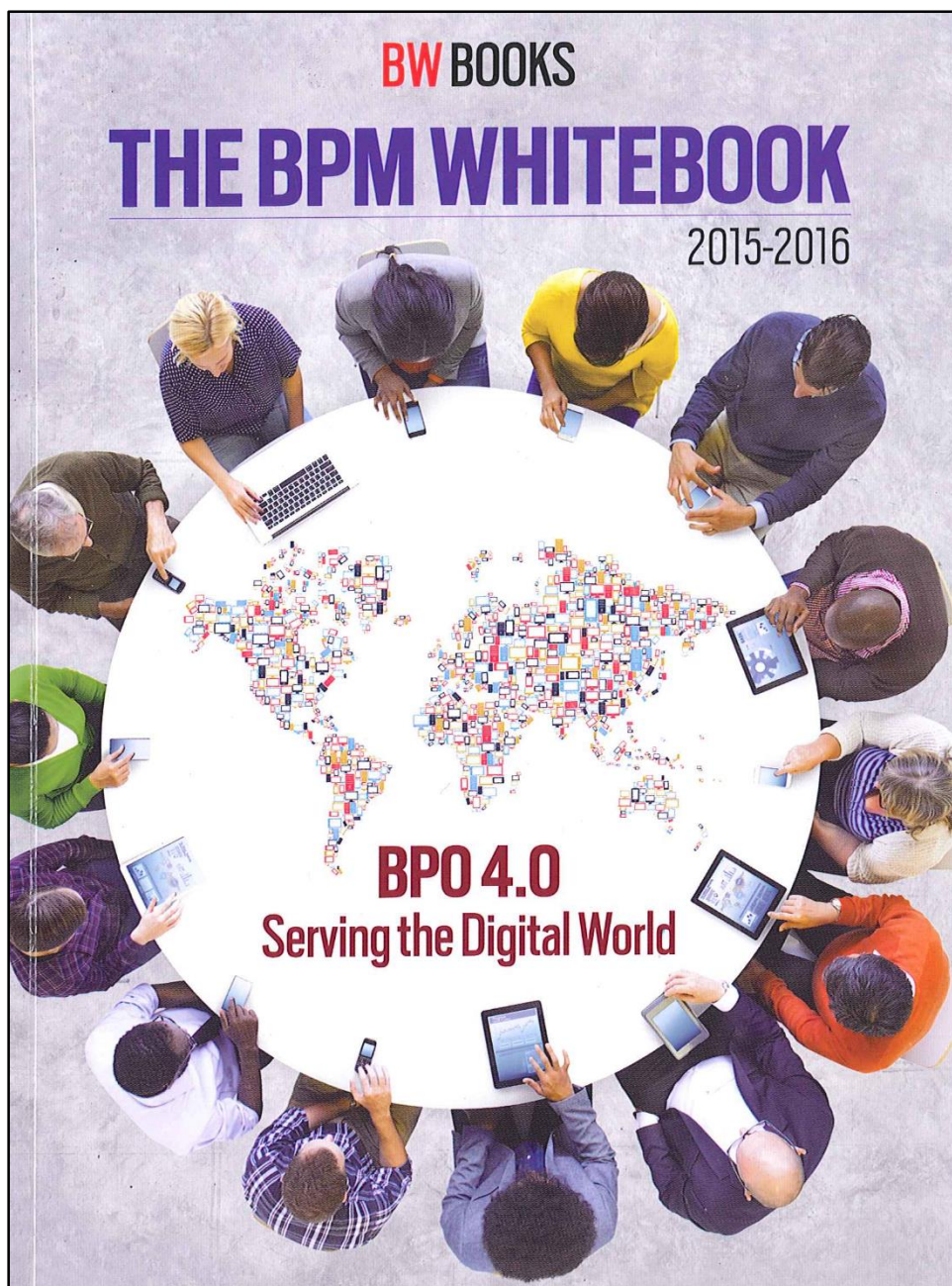


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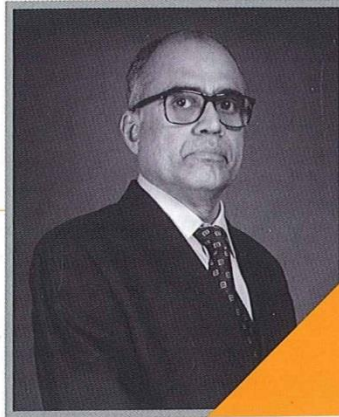
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**GOPINATHAN
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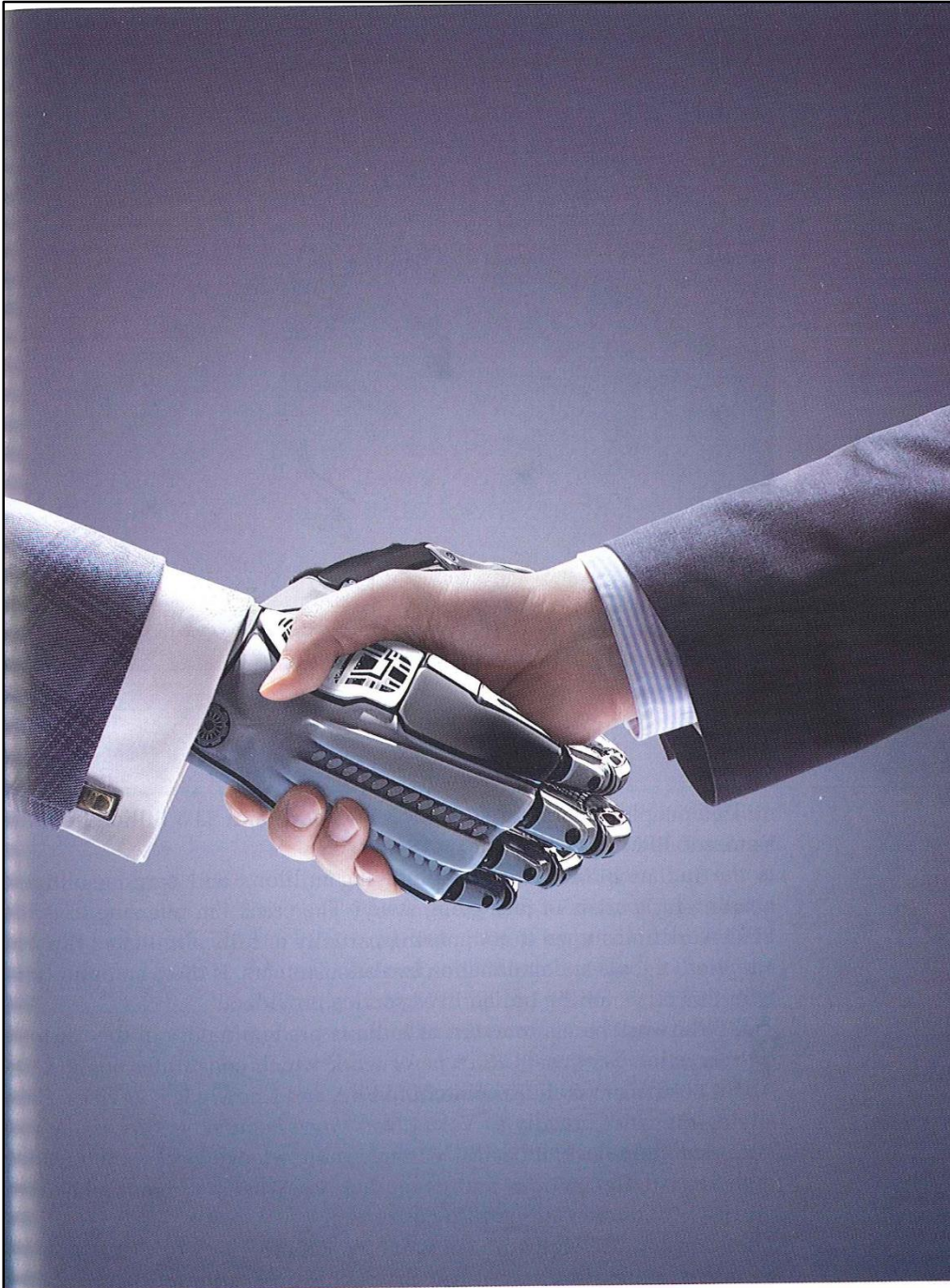
President, Global Delivery, Mphasis

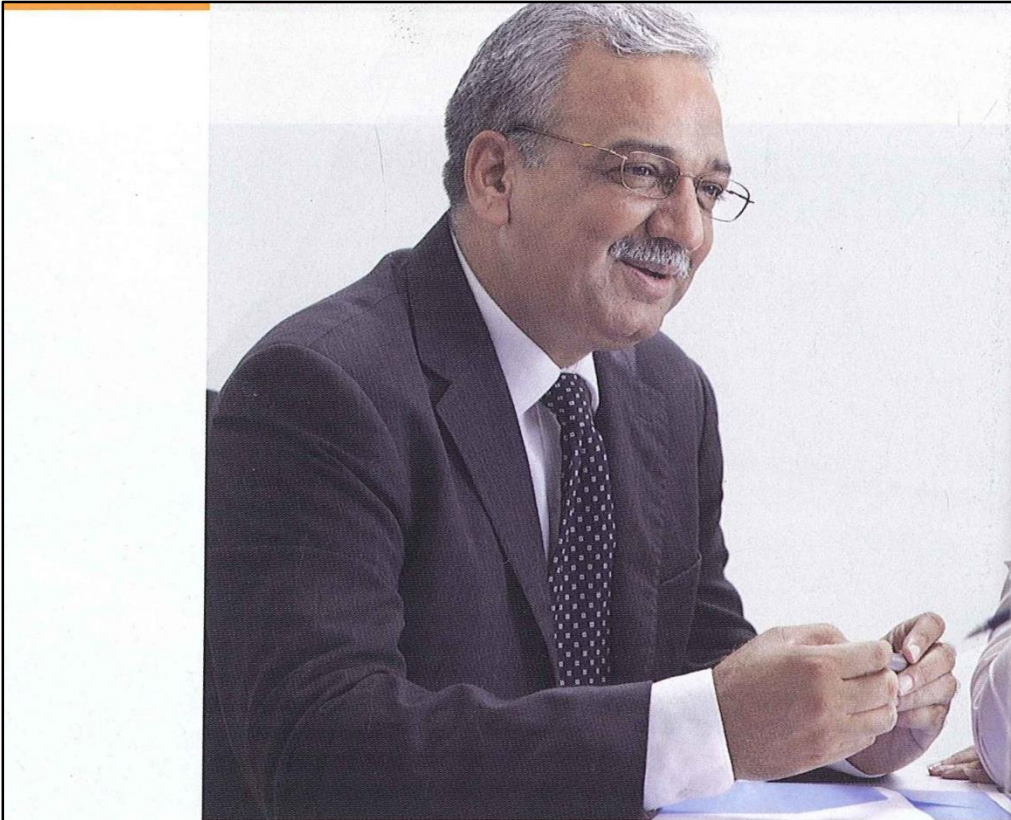
New Opportunities

Does Pinyin really mean Crisis=Danger +
Opportunity for India's BPM Industry?

WW

hen written in Chinese, the word 'crisis' is composed of two characters. One represents danger and the other represents opportunity. John F. Kennedy The IT/BPM Industry in India is estimated to employ 3.6 Million directly of which approx. one third being women and generate revenues to the tune of \$146 Billion in 2015. According to NASSCOM estimates, the size of the Indian BPM Industry is estimated to be \$26.2 Billion, employing about a



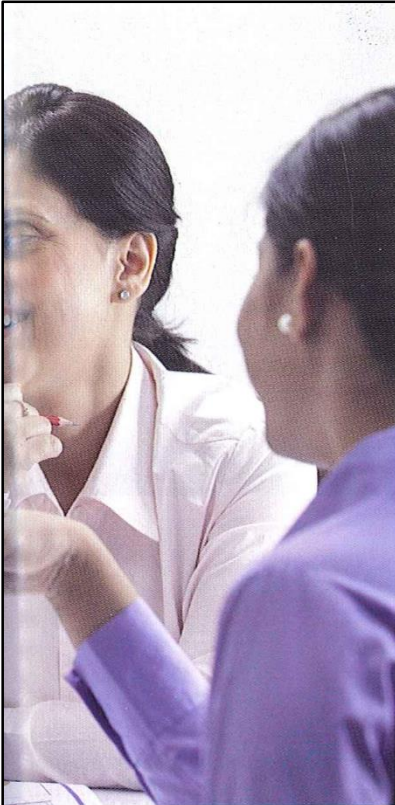


million people, earning \$22.7 Billion in exports and \$3.5 Billion from the Domestic BPM market.

Is the Indian BPM Industry, employing millions and earning billions, heading for a crisis of jobs going away? The crisis I'm referring to is the BPM work outsourced to India being partially or fully eliminated through adoption of tools and automation by the customers. Is there an opportunity in this crisis for the Indian BPM service providers?

The BPM work being done out of India is predominantly of the Customer Interaction Services (CIS) type of work which constitutes about 40%. About 50% of revenues come from F&A and Knowledge Services. Classifying the work broadly as Voice, Non-Voice documents processing and Technical help desk, it basically involves knowledge workers interacting with myriad applications and using their knowledge to handle business processes and interactions with customers.

The industry already faced the risk of voice processes in CIS moving to countries which had better language skills and cultural alignment but



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THE BPM WORK BEING DONE OUT OF INDIA IS PREDOMINANTLY OF THE CUSTOMER INTERACTION SERVICES (CIS).

7

weathered it by proving that when it comes to complex processes and scaling up, India is a better choice.

The industry has also faced and leveraged automation opportunities which helped to facilitate & manage the work and provided the ability to offer value added services, such as Predictive Dialers, Work Flow Management, Document flow Control, Validation platforms, Analytics etc.

Some of the more recent software products and solutions like Intelligent Virtual Agents (IVA), Robotic Process Automation, Intelligent Desk Top Automation Software, Business Process Au-

tomation (BPA) technologies, Intelligent data & image extraction software and Omni channel automated data capture solutions hitting the market will have significant impact on the industry.

A recent article (http://articles.economictimes.indiatimes.com/2014-07-23/news/51932089_1_robots-advances-sharing-economy) by Vivek Wadhwa argues that with the advancement of technology and automation, the world is heading for a jobless future with autonomic cars replacing all drivers, drones replacing all postmen and delivery boys, robots replacing significant number of factory workers etc. While this is an extreme and long term view (imagine driverless cars on today's Indian city roads), it is a fact that the Indian BPM industry is heading for a crisis of job reductions in the near future due to emerging tools & automation possibilities.

The enterprise class customers served by the BPM industry are striving hard to understand and leverage multitudes of emerging technologies and solutions to improve their competitiveness, reduce costs, introduce new products & services, improve / introduce processes and re-invent business models to stay relevant and leapfrog over competition. Hence they will eagerly adopt the new technologies which will eliminate millions of low level jobs in the BPM Industry. It's obvious that repetitive, standardized, rules driven work is better done by software driven virtual agents and robotic software which can work 24X365 without getting bored or tired and without making mistakes.

In this scenario, what should the Indian



**ABOUT 50% IS OF
REVENUES COME
FROM F&A AND
KNOWLEDGE
SERVICES.**





BPO Industry do in order to succeed?

Resisting the inevitable is futile. The Indian BPM industry should pro-actively embrace tools & automation in order to succeed. The industry should actively scout the horizon for emerging technologies, automation solutions and products, partner with the new tools companies, pilot their products for the existing customers and encourage the adoption of tools by their customers. The industry should be willing to cannibalize some of its own work in order to retain the remaining portion of the work. While this may lead to short term loss of jobs and revenues, it makes the remaining portion of work relatively high-end and safe in addition to getting brownie points for voluntarily offering savings to the customer which can translate in to more business in future. By proactively adopting tools and finding ways to dramatically improve productivity, the industry can also go after new work, which is currently handled inefficiently by the customer or other service providers.

Where are the new opportunities for BPM employees?

Humans are better at high value added activities; activities that need situational human judgment with unstructured data, complex human / interpersonal interactions, application of emotional intelligence, show of empathy etc. In addition, jobs that require deeper understanding of specific industry domain related processes, legal and regulatory requirements for the specific industry, etc. would be more difficult to automate.

Hence, while tools and automation will take away millions of low-end repetitive jobs, the jobs that require the above characteristics will not go away. The Indian BPM industry should focus on moving up the value

chain and going after jobs at the higher end of the value spectrum that require deeper technology & domain skills combined with human creativity, empathy and judgment / validation.

Interestingly the tools & automation will simplify the efforts and time required to complete complex tasks. Hence tasks, which were deemed to be complex earlier and hence not out sourced, will get simplified and outsourced! Hence a smaller number of low end jobs, simplified through tools & automation, will continue to flow to India too.

What should current and prospective employees do?

Daniel H. Pink, in his book 'A Whole New Mind – Why right brainers will rule the future' comes up with some interesting observations as to how the world is moving from the current Information Age to a conceptual age where the (western) work force will be predominantly creators and empathizers. Though his argument is meant for the western world based on the premise that much of the technology based knowledge work will move to Asia, it makes sense for Indian industry to get ready for the next age. Pink strongly recommends developing right brain skills and design capabilities in order to gear up for the next era. The book is worth a read. In order to handle the new jobs emerging in the BPM industry, which would need the employees to be comfortable handling information technology as well as being able to use their right brains for emotional intelligence, empathy, concept etc., combined with deeper domain / industry vertical skills, current and prospective employees in BPO should focus on sharpening their technical skills, get deeper knowledge of industry specific processes, regulations, etc. through training

& certifications, and develop their design thinking and right brain skills. Vivek Wadhwa's jobless future looks too far away. Chinese language experts have concluded that Pinyin, when written in Chinese, does not comprise of Danger + Opportunity. However, as far as Indian BPM Industry is concerned the upcoming Pinyin truly resembles Danger + Opportunity. We need to proactively embrace automation and get ready to face the future.

key points

- 01 The IT/BPM Industry in India is estimated to employ 3.6 Million directly of which approx.
- 02 One third being women and generate revenues to the tune of \$146 Billion in 2015.
- 03 According to NASSCOM estimates, the size of the Indian BPM Industry is estimated to be \$26.2 Billion, employing about a million people
- 04 It will earn \$22.7 Billion in exports and \$3.5 Billion from the Domestic BPM market.
- 05 Intelligent Virtual Agents (IVA), Robotic Process Automation, Intelligent Desk Top Automation Software, Business Process Automation (BPA) technologies, Intelligent data & image extraction software and Omni channel automated data capture solutions hitting the market will have significant impact on the industry.

