

India – ahhhhh!

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The Indian Tourism Board has a series of advertisements with beautiful photographs of places, tigers, elephants, and various aspects of life in India, all highlighted with “India – ahhh!!!”.

That sigh pretty much sums up India – an incredible country that can delight, thrill, fascinate, and yet can drive people to exasperation. The sigh represents the complete bandwidth of the sights, the sounds, the smells, and colors that typifies India – some great and yet some not so pleasant!

The BBC recently carried a story about an English lady who had sold her house near London but had missed out on booking her usual holiday. Seeing an ad about the Indian state of Kerala, she decided to try it. She arrived in Cochin after having faced all sorts of travel-related hassles and a hair raising ride from the airport. On checking in to her hotel, she asked the travel desk to arrange for her to fly back home the very next day. Unfortunately, no seats were available for a few days. In the meantime, however, she began to increasingly like the place and people. She canceled her return ticket and has now been living in India for several years.

Such tales abound. All over India there are former foreign managers and diplomats who arrived as skeptics, critical of the habits, mores, practices and other things Indian, but in a reasonably short time started to love it, imbibed the country and its culture and became so assimilated that they now call this place home. Of course, there are those who, sanitised by long years of living and working in very orderly societies and corporations, hate most things about India and cannot wait to leave.

This analogy applies equally well to companies setting up operations in India.

Centuries ago, India was the world’s first globalised economy. It was also where the first confluence of the world’s major religions happened. It therefore has a long history of cross-cultural relationships and an ingrained culture of tolerance, but demands assimilation.

Interestingly, observers also speak of strong evidence, although empirical, which suggests that companies and entities from the old colonial countries are not as successful as those from the non-colonisers.

India is also now rapidly becoming a favored investment destination. A.T. Kearney, Japanese Bank for International Co-operation, and the European Union are just a few of those ranking India amongst the top three investment destinations in the world.

The past few years have also seen a great surge in outsourced engineering and design services related projects in the fields of biotechnology, healthcare and pharmaceuticals. But, with the recent announcements by the South Korean majors, Italian company ‘Piaggio’, and also Finnish companies, Elcoteq and Nokia, that they are establishing large production units in India, it is becoming increasingly evident that India is the next good story as far as manufacturing is concerned.

And of course, IT-related services is an area in which India has already acquired an outstanding reputation.

But while the Indian IT sector was making its mark in the international sphere, something else was brewing. This is of course the whole gamut of IT-enabled services and Business Processing Outsourcing (BPO), ranging from simple back office operations, financial services, engineering design services, architectural services, geographical information services, technical support centers, through to plain vanilla call center services. From virtually nothing as recently as the 1990s, BPO services today are a \$4bn revenue earner for India, employing over 200,000 Indians, with skill sets ranging from raw young graduates through to highly qualified engineers and scientists, some with PhD degrees. More are being added every day.

Today, India provides BPO services to pretty much all the Fortune 500 companies and many others. Exports from India have risen from US\$565m in 1999-2000 to US\$2.4bn in 2002-2003 and analysts predict that by 2006, export revenues will rise to US\$6bn.

Now all the world's majors were scrambling to India to get a piece of the action. Citigroup, HSBC, Accenture, Dell, Hewlett Packard – the list goes on.

It is nobody's claim that India is a cakewalk and an easy place to operate in. Yet, there are numerous success stories of companies doing very well indeed. In a June 2004 survey of multinationals operating in India, the Federation of Indian Chambers of Commerce and Industry, found extremely high and increasing levels of investor confidence, with a staggering 93% of respondent companies indicating attractive additional investment opportunities in their sectors of operations.

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