

July 2009

Guest CEO Editorial

 **THOLONS**

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R U Srinivas
CEO
Caliber Point

R U Srinivas (RU) is a complete and passionate believer in the outsourcing concept. He brings in two decades of experience spanning industries like Banking & Finance, Insurance, and IT/ITES, working in multiple locations including India, Singapore and the US, in areas as diverse as Mergers and Acquisitions, Audit and Accounting, Banking, Corporate Planning, Quality, Operations, and Business Development.

RU has been working with Caliber Point for about three years, and held the position of COO till December 2008, during which he institutionalized a world class metrics, process, and customer orientation into the organization. Prior to joining Caliber Point, RU worked with HP as a Functional Manager at their Global eBusiness Operations. He also started and ran the Global HR Shared Services Center at Scope International, servicing Standard Chartered Bank's HR function in 56 countries, the global benchmark till date. Among his other successes is his role as part of the initial team that pioneered the development of the eSCM model with Carnegie Mellon University.

Highly respected in the industry, and well recognized by the media, RU has been declared HRO Superstar and FAO Superstar a number of times by leading industry journals HRO Today and FAO Today.

RU is a Chartered Accountant from Institute of Chartered Accountants of India (ICAI) and holds an MBA from Oklahoma State University.



Tholons: As the leader in the services globalization space, what do you see as the major drivers and challenges for the industry in general and specifically in your specialty sectors like HR, etc?

RU Srinivas: The Global Economy has seen unprecedented turbulence and almost all businesses are facing huge pressure on their bottom lines. The services industry is no exception. In this scenario, customers are challenging us to change the way we operate – in terms of quality, pricing, operational model etc. We also see increased demand for partnership & risk sharing. There is a greater shift towards result based pricing rather than just based on efforts. New concepts like Software-as-a-Service (SaaS), platform based capabilities are also becoming more acceptable.

HR Outsourcing naturally carries greater challenges because of the inherent diversity of HR processes. As a player in the HRO space, we see the market is more receptive to mid-market deals and the deals where RoI is significantly quicker. True multi-country, multi-process deals have become fewer.

Tholons: Caliber Point is one of the premier service providers in the HR Outsourcing space, what are your key strengths and differentiators in this segment? Also can you please highlight some of the dynamics in the HR Outsourcing space?

RU Srinivas: HR Outsourcing is fundamentally dependent on three things: process, quality of the data and the right technology. We have expertise in all the three. Our team includes experts who have worked in very difficult global environments understanding the processes. We also understand HR data, its intricacies, challenges & impact; probably better than most! Coupled with our parent company's (Hexaware Technologies) expertise in the HRIT space, we are able to combine all these strengths to offer tremendously deep domain knowledge. This enables us to be able to advise & deliver solutions to a range of customers, big or small, around the world.

While we pursue and continue to develop delivery capability in single process HRO, one key differentiator in multi-process deals is our proprietary HROx methodology. HROx (HR Operational eXcellence) is a systematic and robust approach that recognizes that no two organizations' HR environment is the same and that at a global level different geographies need to be serviced differently. Accepting this and studying the reality & challenges of today, HROx then creates a roadmap where technology, processes and geographies are sequentially addressed in order to deliver: 1) Tangible improvements in HR service delivery 2) A measurable financial benefit and 3) Eventual operational excellence.

Another differentiator is our strategic partnership with Oracle under the "BPO powered by Oracle" program. We were one of the first Indian service providers to do so and we already have demonstrable success stories under this new business model.

Tholons: The economic slowdown has had an impact on most verticals and geographies; however some are impacted more than others. Can you highlight which segment of buyers/clients are you looking at for combating the slowdown successfully?

RU Srinivas: While we continue to focus on our strong areas like HRO, Benefits & Healthcare, simultaneously we are investing in boosting our capabilities in Market Research, Analytics, Financial Services & FAO. We are also evaluating domestic BPO opportunities.

Tholons: A number of providers in the industry are provisioning an integrated IT/BPO offering to their clients. In your opinion, how receptive are clients to this and do you see this as a differentiator in winning deals?

RU Srinivas: Convergence is one trend which has already come up and we can expect this to be one major factor. A service provider having integrated IT- BPO offering is going to be desired. This coupled with Software-as-a-Service is going to be the future trend.

Definitely customers are more receptive to this as it makes life simpler for them.

Tholons: Innovations help revive growth; do you foresee any such innovation/trend in delivery/business model that could have a strong impact on the industry?

RU Srinivas: The standard outsourcing benefits being a given, clients are looking for innovation as additional value-adds. These will be seen both in business and delivery models. Moreover, convergence of IT & BPO services will be a trend in near future.

Business models which are going to flourish are those with flexibility with cost and capital investment. As I mentioned earlier, focus is shifting towards result based pricing rather than just based on effort or transactions.

Coming to delivery models, service providers will be looking at developing delivery capabilities near-shore & on-shore in addition to the off-shore centers.

Another important trend is the requirement and presence of industry domain knowledge, as relevant to the customer, significantly present right from the sales process till the eventual delivery.

Tholons: Caliber Point has a delivery center located in Nagpur, India – what is your take on the facility, talent pool and infrastructure the city provides? Do you see the other Tier-II location coming up as strong emerging destinations in the near future?

RU Srinivas: Tier-II cities in India provide excellent opportunities in terms of cost, risk management and above all a huge and untapped talent pool. Tier Two cities offer lower operating costs relative to a Tier One city which is very critical to the ITeS industry. Cities like Pune, Indore, Nagpur, Madurai etc are witnessing huge infrastructure development and are becoming attractive destinations for setting up delivery centers. Moreover Government's policy of setting SEZs in these cities also encouraging organizations to look at these destinations with increased interest.

In the case of Caliber Point, we set up our third delivery center in Nagpur. The Multimodal International Hub Airport at Nagpur (MIHAN) project houses the largest multi-product SEZ in India. Our state-of-the-art delivery center was completed in record time of 9 months, making us the first to start operations from here. With operational capacity of Approx. 2700 FTEs and 1, 30,000 sq. ft. of developed land, it has become a landmark building in the city of Nagpur.

Nagpur is literally the 'center' of India and is well connected by air and surface connectivity. It has a large number of quality educational institutes including the National Institute of Technology (NIT). A large number of engineering and other graduates every year give us a huge talent pool available, at an attractive cost.

We are also looking at Madurai as our likely next destination to set up a delivery center.

Tholons: The India business has been a big focus for a number of large service firms recently, what are your thoughts on how service providers such as yourself should adapt to service the India domestic market?

RU Srinivas: We are definitely looking at the Indian domestic market. Unlike the overseas business, labor or cost arbitrage does not drive the domestic BPO market. It is about value and the ability to deliver something better than others and in the bargain ensuring that it makes economic sense without compromising on quality. But without doubt there is tremendous opportunity and the domestic market is becoming receptive to it.