

Book review by Fredrik Wicklund

What's This India Business? Offshoring, Outsourcing and the Global Services Revolution

Author: Paul Davies

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Davies' starting point is that outsourcing is an inevitable part of successful enterprises in the global economy of today and of the future, and while cost reduction often is the initial goal of outsourcing, the book points at its real value of increased quality and greater effectiveness. How to become part of the economic revolution, in which India is fast becoming the global services centre for business, is the main purpose of the book.

The first part introduces the reader to outsourcing as a corporate element, and spells out which business functions are suitable for outsourcing to India and how potential suppliers or business partners should be selected. Davies, being a UK native, points at India's role in the services revolution and the advantages which competence in engineering (and English) have, given India's role in the global IT market. He provides an insight into the way one should approach these resources, align objectives, and structure relationships to do business together with the Indians.

The second part concerns India as a country and is comparable to a tourist guide-book to prepare the entrepreneur for Indian particularities. Roughly 50 pages out of 230 are dedicated to this section, which is written with limited links to outsourcing. It is largely based on the author's own experience of India, which brings flavour to the description, yet with certain sarcasms and sublime undertones at the expense of Indian culture. Davies returns to a more professional stance in chapter eight where he describes the different approach to time between India and many Western countries, and the implications it has on business meetings. Differences in communication styles are also brought up in this context.

In the final section Davies explores specifically how one can make the most of the business opportunities in India; how to make the right decisions, tips for formulating business plans, relationship-building and long-term benefits, what risks to avoid and what legal issues are involved in Indian contracts, as well as Indian negotiation styles. In the last chapter, Davies focuses on how to create responsible developments offshore, fair and advantageous to both

India and the domestic economy. The reader is provided with some suggestions that are becoming viable and that will help build a sustainable corporate social responsibility program.

Some of Davies' practical guidelines when outsourcing to India:

- ✓ Be flexible. India is a country wrestling with over-regulation and deregulation, and people have become adept to finding new ways to bypass petty restrictions. Among Indians, there is always another way of doing something. Be open to it.
- ✓ Understand each other's intentions. Indifferently from any other country, mutual trust is paramount, but understanding what is happening and why is particularly important in India, where enforcing a contract under Indian civil law is very difficult.
- ✓ Few Indian companies see the first contract as the main aim. In almost every case, there is a much larger prize of a continuing and expanding relationship with you, and that encourages a commitment to a fair and satisfactory arrangement for both sides.
- ✓ By understanding what will trigger a need for an exit from a contract for your potential supplier or partner, you will have a better understanding of the approach and intentions they are bringing to the proposed project.
- ✓ A final negotiation meeting is a trial of strength in India, similar to those in the West, but be ready to spend hours already on the initial positioning.
- ✓ Measure everything you do to get a baseline against which you can measure your progress, including productivity, employee satisfaction and customer satisfaction.
- ✓ Quantify as many costs as possible. Besides creating a profit and loss account and a cash-flow projection, it is important to consider unexpected hidden costs, such as different kinds of taxation in India, bonuses, and training costs, etc.
- ✓ Consider the social consequences of your activity and be ready for public scrutiny concerning CSR issues. You may be able to stress the positive effect your move will have locally, but whatever your approach you will need a sustainable argument for moving a fair amount of jobs offshore.

The book is well-written and easy to understand. It can be viewed as a practical guide to a dynamic country of a billion people with a vibrant business environment, and should be of value to anyone who is new to the topic of outsourcing or interested in doing business with India.

Paul Davies, a UK national, was Managing Director of Unisys India, responsible for developing the business within the domestic Indian market and also for transferring IT development significant business processes to India from the US and Europe. Currently he is the Managing Director of Onshore Offshore Ltd, a consultancy providing initial advice through to implementation of offshore services, as well as guidance and consultancy to Indian companies that wish to address the European and US markets more effectively.