

Outsourcers based in India must win race for next 'killer service' by 2010

**~ Xansa CEO predicts leadership in knowledge management will be key to
staying ahead of the global competition ~**

Mumbai, 7 February 2007: Identifying the next 'killer service' is vital if outsourcing providers in India are to remain at the forefront of the industry, according to UK-based outsourcing and technology expert Xansa. Speaking at the NASSCOM conference in Mumbai, Xansa CEO, Alistair Cox, predicts that the next killer service will be knowledge management.

Current business process outsourcing (BPO) services access high volumes of data which is processed transactionally but not utilised to strategic advantage. Unlocking, analysing and synthesising the essential information buried in this data will help clients take more informed decisions about their costs, their customers and their markets. Cox predicts that companies will harness information better to make savings but also to gain advantage in the marketplace. Linking information analysis with business processes and technology will deliver clear bottom line benefits.

The emerging utility model

As technology continues to automate many business services, Cox sees a change in their mode of delivery:

"Over time, most services tend to migrate toward a Utility model for provision. We have seen that happen to power, bandwidth and storage already. Software as a service will bring the same shift to applications. Outsource providers will therefore need to become extremely low cost suppliers in a commodity-style market or develop an ability to continually innovate, add value to existing services, bring ideas to market ahead of the competition and differentiate themselves as service experts. If you can't or won't differentiate on service value or cannot become the lowest cost supplier, you will lose out."

Differentiate or die

Cox continues:

"Certain services such as Finance and Accounting and HR outsourcing are rapidly becoming mainstream and clients want to buy such services from proven experts. There is an early-mover advantage for those companies who rapidly establish track records as experts in these services. While other players seek to replicate those same offerings, the innovators will already have moved onto the next generation of value-added service. India is well placed to take the lead in terms of such innovation, but the next three years will be crucial in terms of establishing leadership in expert knowledge management outsourcing. The inherent processing skills are already here, the trick will be to understand your clients business well enough to be able to pinpoint, analyse and draw meaningful conclusions from the sea of information that all organisations collect."

The innovation paradigm

Commenting on current UK outsourcing trends, Cox adds:

“We believe that companies not currently offshoring any of their business processes are already two years behind. The marketplace has moved on and many organisations are now comfortable with integrated offshore and onshore delivery for a number of their key processes. We find that offshoring is now usually a mandatory aspect of an outsourcing proposition. However, what started as a simple cost-driven business case is now evolving into one delivering higher value around innovation, quality and flexibility.”

NOTES TO EDITORS

If you would like to receive the latest news updates from Xansa via SMS throughout NASSCOM, please sign up here for the free service: www.twitter.com/xansanasscom

Xansa's senior executives will also be blogging from the conference. You can subscribe to the latest news here: xansanasscom.typepad.com

Alistair Cox - Chief Executive Officer, Xansa

Alistair joined Xansa as Chief Executive in 2002. He has led Xansa as it has established itself as a leader in complex back-office process management and outsourcing, as well as its historical strength in IT services. Pioneering the use of offshore delivery resources into the UK marketplace, today around 5,000 of the group's total workforce of 9,000 are based in India, making Xansa one of the UK's leading employers in India. An engineer by background, his early business experience was with British Aerospace and Schlumberger in the UK and US.

About Xansa

Xansa is an outsourcing and technology company. Committed to delivering guaranteed business outcomes through a combination of technology and process expertise, Xansa gives its clients the freedom to do more with their business. Strong relationships, commercial innovation and an integrated Indian delivery capability ensure that Xansa drives real and long-term cost reductions, performance improvements and new ways of working tailored to each client. The services Xansa provides are Business and Technology Consulting, IT Implementation, IT Outsourcing and Business Process Outsourcing. Head-quartered in Reading, Berkshire, Xansa is listed on the London Stock Exchange (LSE: XAN) and has over 8,500 people in the UK and India.

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