

# India emerges as 'outcome sourcing' hub

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A large European company recently engaged Infosys to shift its data centre operations to a private cloud infrastructure and the \$7-billion Indian IT services firm successfully brought about this transformation along with making more than 1,000 servers redundant, resulting in multiple benefits like, among many others, lower energy and real estate costs. It shows the definite shift towards how India is now being viewed as an "outcome sourcing" destination that provides definite innovative results and not just an outsourcing region where efforts are being paid for being lower cost.

The \$70-billion IT & BPO services industry in India is thriving on the well-established global delivery model (GDM) where cheaper cost is the key attractiveness. Under this model, the efforts of the Indian IT companies are paid in two main pricing mechanisms — time & material (T&M) and fixed price. However, all this is changing with the two key markets for the Indian



**INDIA SEEN AS A DESTINATION THAT PROVIDES DEFINITE INNOVATIVE RESULTS AND NOT JUST AN OUTSOURCING REGION**

IT industry — North America and Europe — under severe economic pressure, looking at ways and means to spend less on technology but still wanting the optimum results calling for innovative capabilities.

Chandrashekar Kakal, senior vice-president and global head, business IT services, Infosys, said: "India is now looked at as an outcome sourcing destination and this is a major shift."

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