

# VERGE

A NASSCOM Regional Newsletter – SOUTH

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## In Focus

### March of the South brigade

*The key cities of India's Southern Region are emerging as hubs of IT services, BPO and education. Verge looks at why the South is critical to the IT-BPO industry's success story.*

The Southern Region – led by Tier I cities such as Bengaluru, Chennai and Hyderabad – has emerged as an important hub for IT services, Engineering and R&D (ER&D), education and product development in India.

Even the Tier II and III cities within the states of Karnataka, Andhra Pradesh and Tamil Nadu, including Mysore, Hubli, Visakhapatnam, Vijayawada, Mangalore, Thiruvananthapuram, Madurai, Coimbatore, Cochin, and Vellore are becoming centres of IT excellence.

Andhra Pradesh now houses around 1,300

IT-BPO organisations, (Source: IT Department and STPI), of which, over 800 are operational, approximately 700 of which, work out of Hyderabad alone, and provide direct employment to 2.75 lakh people and indirect employment to 11 lakh professionals. Hyderabad has also taken strides within the product development arena, housing 470 product start-ups and growing within this segment at a CAGR of 18 per cent (2007-11).

The IT-BPO exports from Andhra Pradesh touched ₹ 40,000 crores in 2011-12 (STPI figures).

Till now, Bengaluru has been the IT Hub with over 950 product firms (out of an overall count of 2,400 in India), but now it has become a breeding ground for start-ups and emerging organisations in this space, supported by a healthy Venture Capital ecosystem.

Bengaluru has been ranked fourth as a global hub of



## OUTREACH

Dear Friends,

The Indian IT-BPO industry is the most strongly represented in Region South, which has over the past few years, emerged as the hub for IT services, BPO, IT training, Engineering and R&D (ER&D) and product development.

Taking cognizance of the growing importance of this region, NASSCOM, directly, and through its numerous Forums, is supporting the ICT ecosystem in the South, unveiling initiatives, hosting events and engaging with the industry, government and academia. By facilitating collaboration among members, NASSCOM is helping catalyse the growth of the IT-BPO industry, including both large and SME players. In this newsletter, we look at some of the strategic work that NASSCOM is doing in Region South, and how it is impacting the economy of the region.

**Rajiv Vaishnav**  
Vice President – Member Outreach

technological innovation, behind San Francisco and Austin of the US, and Taipei in Taiwan. Besides a large number of MNC R&D centres, the city has a vast R&D talent pool, accounting for more than 50 per cent of the installed skills base.

Chennai too remains an important destination within the region's landscape for its product development activity and growing number of IT-BPO organisations. Today, there are 359 product start-ups operating out of Chennai, the segment has

grown at a CAGR of 10 per cent over 2007-11.

Region South, with its huge base of manpower, has also taken a lead in the area of diversity and inclusion. NASSCOM member organisations are supporting initiatives that encourage gender diversity. Wipro and CGI, for instance, facilitated by NASSCOM, have signed The UN Women's Empowerment Principles – a set of principles for businesses offering guidance on how to empower women at the workplace, marketplace and community.

# GICs

## NASSCOM's GIC initiatives in Region South take a leap

NASSCOM's GIC initiatives in Region South have taken a leap, with the chapters in Chennai and Hyderabad hosting events to spotlight the challenges faced by the sector, and offering solutions to get GICs on the high growth path. During the quarter, the GIC groups within the two cities remained extremely active, meeting regularly to brainstorm on key trends, defining and shaping the IT-BPO industry and the role GICs can play within the industry, going forward.

by NASSCOM, Bengaluru's GIC defined its activities, and identified the top three issues it would focus on, during 2012-13. Innovation, business impact, and the management of the talent lifecycle are the three key areas where the Bengaluru GIC will launch initiatives. It will also concentrate on the problems, it must solve within each of these areas, the best approaches to take, and the expected output from each of the focus areas.

The Bengaluru chapter of NASSCOM's GIC platform became active, and put in place its anchor team. Facilitated

NASSCOM enabled interaction among GICs in the three cities, providing a platform for organisations to collaborate,



and share experiences and best practices. NASSCOM's GIC chapter in Hyderabad led the creation of a Paper on cost competitiveness, the Chennai chapter led one on operational excellence, focusing on how it could be

achieved through benchmarking exercises. The progress, drawbacks and hiccups faced by organisations during benchmarking sessions were highlighted, with a special emphasis on adherence to timelines and NDAs.

## Focus Tamil Nadu and Kerala

### Joining Hands to Serve

#### NASSCOM supports relief work for Cyclone Thane

NASSCOM's Chennai Region initiated relief work for Cyclone Thane on January 24, 2012. Local corporates (including R R Donnelley, eNoah iSolution, Take Solutions, Infosys Ltd., The World Bank, Zoho Corporation, UST Global and Equinity ICS), were the socially responsible organisations who participated in the exercise.

The organisations helped collect relief material within the stipulated time frame, arranged the logistics alongside PMSSS, and ensured that the affected areas received the donations. The first consignment of recovery items was sent soon after the relief work initiation which was closely followed by the second consignment.



### HR

#### Chennai plays host to the sixth session of HR Forum

NASSCOM's HR Forum held its sixth session in Chennai on January 30, 2012, at the Hotel Hilton in the city. The session began with a welcome address from Sabita J Chairperson of the HR Forum and AVP, HR, Steria India Pvt. Ltd. This was followed by a context setting exercise by Dr Santanu Paul, Managing Director and CEO, TalentSprint.

sharing. Finally, there was a panel discussion on 'Unconventional Talent Management - The New Normal for 2012', which featured participation from eminent speakers including Gouri Gupta, Principal, NSDC; Ravi Shankar, VP, HR, HCL Technologies; Sujith Kumar, Location Head, HR, Infosys; M Venkata Subramanian, Founder and MD, Matchbox Solutions and Dr Santanu, who moderated the session. Over 50 delegates, representing NASSCOM's member organisations actively contributed to the proceedings.

The keynote speech was delivered by Dr Narendra Jadhav, Member, Planning Commission, the Government of India, who energised the gathering with his thoughts and experience

## Peer Interaction

### Senior IT professionals engage under the aegis of NASSCOM

NASSCOM provided a plank for senior IT professionals, including CEOs, CXOs, CFOs and HR heads to meet up with peers in Chennai, under the umbrella of its different Forums. The aim was to enable these business, technology, financial and HR

leaders to exchange ideas, discuss important trends and developments in these segments, and determine their impact on organisations.

NASSCOM member organisations based out of Chennai, including Steria India, TalentSprint, HCL

Technologies, Infosys, Matchbox Solutions, Cognizant Technology Solutions, congregated under NASSCOM's CEO, HR and CFO Forums, focusing attention on issues such as India's regulatory climate, managing talent, and the overall state of the IT-BPO industry.



### MTC Chennai launches 30 new buses to cater to the needs of IT-BPO organisations on the IT Express Highway

NASSCOM, alongside the Government of Tamil Nadu's Metropolitan Transport Corporation (Chennai) Ltd., has recently introduced 30 more buses (a mix of AC and regular vehicles), on the routes/times suggested by the Indian IT-BPO industry in the city. The buses will make around 150 trips covering the entire stretch of 24 kilometres, and benefit over

200,000 employees working for more than 100 corporates on the IT Express Highway. The new service will encourage public transport usage, thereby decongesting the existing routes. NASSCOM will work with the transport department to keep track of the usage of the buses and arrange for more frequent services.

Sunil Kumar, Centre Head of the World Bank, inaugurated the bus service. The event was attended by officers from the Tamil Nadu Government, industry representatives and members of the media. The admin teams of various large and small member organisations of NASSCOM also actively participated in this initiative.



## Policy

### Tamil Nadu Government sets up panel to study the labour law amendments for IT-BPO industry

The Government of Tamil Nadu has created a panel to study the labour law amendments for IT-BPO industry to make the state, the IT hub of South Asia by creating a knowledge-driven ecosystem.

NASSCOM had suggested to the government that the IT industry be exempted from the provisions of the contract labour (Regulation and Abolition Act 1970) for contracts

involving the development and implementation of IT solutions.

While accepting the fact that there were certain intrinsic differences between software organisations and counterparts, the panel stated that the functions, work requirements, environment, qualification of employees, etc., were such that IT organisations could not adhere to the provisions contained in the general

labour laws applicable to other industries.

Taking into account, the tremendous employment opportunities that the IT-BPO industry offered to technically skilled professionals in the state, the panel felt that it was important to nurture and fortify the IT-BPO industry in Tamil Nadu, while keeping employee safety, interest and welfare within sight.



# Emerge Forum

## NASSCOM engages with start-ups and emerging organisations

NASSCOM continued to spearhead a range of activities, centred around emerging organisations and start-ups in the states of Tamil Nadu and Kerala over the last quarter. From hosting sessions of the Emerge Forum, to organising workshops for entrepreneurs, to mentoring SMEs about how to gain competitiveness and stay ahead of the curve, NASSCOM led several initiatives targeted at the smaller IT-BPO players

Madurai, Coimbatore, and Thiruvananthapuram hosted special sessions that focused on issues such as product initiatives for service organisations, business culture and its value in sustainability, and sales strategies for SMEs. Events in these cities, also helped promote them as IT hubs within the Southern Region, and improve their branding and visibility.

Incidentally, India's first telecom incubator – the first public-private partnership incubator in the country called Start-up Village – was launched in Kochi in April 2012. The incubator, with a projected investment of ₹100 crore, is supported by leading local IT entrepreneurs, as well as representatives of NASSCOM member organisations, who are a part of the Advisory Board and among those joining the project as mentors and investors

NASSCOM will be holding SURGE, a conclave designed to help SMEs to grow faster and stronger, in Chennai on June 26, 2012. Designed as a power-packed, one-day programme, the conclave will include plenary sessions, panel discussions and break-out sessions and provide an opportunity for user organisations to meet with peers, experts and service providers

# Education

## 12,000 engineering students take NAC-Tech test in Tamil Nadu

Around 12,000 engineering students have taken the NASSCOM Assessment of Competence of Technology (NAC-Tech) test in Tamil Nadu. NASSCOM has been working

closely with the Tamil Nadu Skill Development Mission to train 25,000 students from the Non-Engineering sector. The skills development efforts in the state are also expected

to be bolstered by the Sector Skills Council (SSC) for the IT-BPO industry, which is being chaired by Lakshmi Narayanan, Vice Chairman of Cognizant.

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## Focus Karnataka

# Mentorship

## NASSCOM's fourth mentorship programme to take emerging organisations to the next level

NASSCOM is set to launch its fourth mentorship programme for the state of Karnataka, under the aegis of its Emerge Forum. The goal of the initiative is to push emerging organisations to the next level.

The six-month long mentorship programme is being offered

free to IT product and services organisations, that are selected through a stringent process by an eminent panel of mentors. The focus of the programme is to help the leadership of the mentee organisations to develop a keen sense of what needs to be done to take their enterprises to the next rung of development.



### Taking mentees on a journey of learning

Here's what NASSCOM's mentorship programme will do for organisations:

- It will help them develop a better assessment of their organisational strengths and weaknesses
- It will enable them to reframe their challenges in a manner that makes them easier to address and resolve
- It will get the organisations started on a process of orbit change
- It will make available 'years' of learning/experience, that the entrepreneurs can leverage

# Policy

## NASSCOM discusses impact of Budget 2012 with member organisations in Karnataka

NASSCOM member organisations in the state of Karnataka, participated in a special session on the impact of Budget 2012-13 on the Indian IT-BPO industry.

The event, led by BMR advisors, was focused around the strides being made by the sector, and at how the industry was keenly looking at the Budget proposals to provide clarity on tax litigation, especially in the context of revenue characterisation, transfer pricing, APAs, and a 'far-fetched, but potential' MAT relaxation on SEZ profits.

BMR analysts quoted the Economic Survey 2012, to highlight how the Indian IT-BPO industry was a key contributor to the country's economy, accounting for an estimated 7.5 per cent of national GDP in 2011-12. The speakers focused on how the sector had just completed its first year, post the tax holiday honeymoon period, and how most organisations were experiencing a consequent upward spiral of the Effective Tax Rates (ETRs). In this context, they added that the sector was looking for certainty on tax litigation through the Budget.

The analysts also talked about how, while the proposals for taxing software as royalty would increase the tax kitty of the government, it would also lead to uncertainty in the business environment, and negatively

impact foreign investments in the country. The repercussions of this move, and the implications of the tax challenges, would have a detrimental effect on the growth of the IT-BPO industry, the analysts said.



## NASSCOM and Karnataka's IT department join forces to promote Mysore

After successfully rolling out the over 300-delegate strong Mysore 2.0 conference, where N R Narayana Murthy and Praveen Vishakantaiah were the key speakers, the Karnataka Government has decided to launch a programme to promote Mysore. The IT department of

the Government of Karnataka has joined hands with NASSCOM, forming a core team that will focus on promoting Mysore as an IT hub.

Guided by the IT secretary, the core team will set up a task force to take the IT sector in Mysore

to its next phase of growth and evolution. The task force and IT department will focus on creating awareness about the advantages that Mysore offers IT-BPO organisations doing business in the area. It will also help the existing IT-BPO organisations in Mysore to deal with 'process blockages'

with various departments of the Karnataka Government.

The task force and IT department will focus on creating awareness about the advantages that Mysore offers IT-BPO organisations.

# Global Trade

## German delegation meets NASSCOM's member organisations in Bengaluru

A high-level business delegation from the city of Cologne, Germany, was in Bengaluru on April 27, 2012, to interact with Indian IT-BPO organisations based in the city. The objective

of the meet was to promote sustainable IT trade and economic development between India and Germany. Over 25 delegates from Cologne, representing technology organisations and the

government, met up with the senior employees of NASSCOM's member organisations. The visiting group from Germany was led by Mayor Jürgen Roters, from the city of Cologne.



# Products

## NASSCOM enables Karnataka’s product ecosystem to remain vibrant and robust

The state of Karnataka’s product ecosystem witnessed the launch of several initiatives supported by NASSCOM, that were aimed at keeping the industry vibrant and active and take them to the next level. NASSCOM in partnership with OCC, and Silicon Valley entrepreneur and strategy consultant, Sramana Mitra’s organisation, One Million to One Million (1M/1M), hosted a special event in Bengaluru. The aim was to provide insights to start-ups and emerging organisations in the IT-BPO sector, on how

they could reach the USD 1 million mark.

Additionally, NASSCOM kept the momentum up with its Fridays 2.0 sessions and regular mentorship programmes, that are enabling entrepreneurs to develop a better assessment of their organisational strengths and weaknesses, get started on the process of orbit change, and leverage the ‘years’ of experience offered by experts. NASSCOM is also actively pushing its Techie Health Plan initiative in Karnataka, which has picked



up significant momentum in the state. Several SME member organisations are signing up for the programme, in order to offer cost-effective health insurance to their employees.

labs and innovation centres, and learn about core technologies, new tech advancements and trends, from this exposure.

This year, on November 7-8, NASSCOM will also be hosting its Product Conclave in Bengaluru, offering SMEs an opportunity to connect, interact and discuss matters related to the product ecosystem.

[NASSCOM unveiled a special initiative called the Tech Savvy Series in Karnataka, to enable organisations to visit MNC labs and innovation centres, and learn about core technologies, new tech advancements and trends, from this exposure.](#)

As a part of its efforts to engage with SMEs, NASSCOM unveiled a special initiative called the Tech Savvy Series in Karnataka, to enable organisations to visit MNC

# Enabling Ecosystem

## Shared transport model implemented in Mysore’s Global Village Tech Park

It is a fact that public transport is available in all Indian cities today, and works fine for the general public. At the same time, it is also an acknowledged fact that a little fine tweaking to that system, in collaboration with the municipal authorities of a city, can work wonders for business districts. Recognising this reality, Mysore Road’s Global Village Technology Park, decided to launch a shared transport initiative in collaboration with CBS, as well as IT-BPO organisations, Mphasis and MindTree. CBS is a system that allows corporates to take

their minds off transport, and focus on their core business. It not only provides easy, dependable, sustainable and safe transport, it is also a very cost-effective system.

Heads of Mphasis and MindTree, alongside NASSCOM, initiated the idea of a shared transport model for the Global Village Technology Park. NASSCOM helped in identifying the service provider

for the initiative and acted as a bonding agent between the two organisations. Finally, Indium was selected to provide the transportation and is currently covering 40 routes.



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## Inclusion

### New core team formed for Hyderabad's Diversity and Inclusion initiative

NASSCOM's core team for the Diversity and Inclusivity initiative recently completed two years of operation, and the association called for fresh nominations from member organisations for a new team. The call for nominations received a tremendous response and a new core team was put in place following a rigorous

selection process. The inaugural meeting of the new core team is scheduled for the second week of June, during which the agenda and the action items for the year 2012-13 will be tabled. The agenda will include leadership mentoring programmes, facilitating the hiring of PWDs, and a greater emphasis on inclusion.

In the past few years, NASSCOM has broadened its vision to focus on cultural, people with disabilities, generational and gender diversities. To bring this initiative into the mainstream, a high powered Diversity Forum has been created across various regions.

## Emerge Forum

### NASSCOM keeps SMEs abreast of tech trends, and builds capacity

NASSCOM continued to keep SMEs in Andhra Pradesh on its radar, launching programmes and initiatives to keep them ahead of the curve. In an effort to promote newtech among start-ups and emerging organisations and keep them abreast of developments taking place in the technology space, NASSCOM hosted workshops on cutting-edge and new opportunity areas such as enterprise mobility. NASSCOM also forged partnerships with the Indian School of Business and the Indian Angel Network (IAN), to spur capability building among start-ups. The IAN

tie-up in particular, will enable organisations in Hyderabad and across Andhra Pradesh to access the technology business expertise and C-level connections that the organisation offers, and explore raising funds from Asia's largest angel group.

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## Education

### NAC-Tech successfully concludes in Andhra Pradesh

NASSCOM signed an MoU with the AP Society for Knowledge Networks, DIT, Government of Andhra Pradesh (AP), to conduct the NAC-Tech examination for entry-level hiring in IT organisations. More than 23,000 students of the 2011-12 batch, from various engineering colleges in the state took the test. In an attempt to take the test to the next level, NASSCOM is proposing to implement its Foundation Skills in IT (FSIT) programme for the year 2012-13 in Andhra Pradesh.

readiness of students, aspiring for a career in IT/Engineering organisations. FSIT consists of modules on industry awareness, technology fundamentals, technology additional, business communication, campus to corporate, problem solving and creativity and group dynamics.

Tie-ups are being forged between NASSCOM and third-party vendors to deliver the training. The India Angel Network and ISB will also be participating in the delivery of training programmes, spread over six months, for SMEs in the state. Incidentally, NASSCOM's NAC test is also in the process of getting rolled out in the state.

Developed by TCS, Wipro, Infosys, HCL, Cognizant, Accenture, Microsoft and Cisco, the programme is expected to enhance the industry



#### FSIT Fact File

- FSIT has been developed using the 'Outcomes Based Format', keeping in mind the key skills required to perform a given job
- The programme has two tracks – one focused on training the facilitator and the other for the student
- The programme aims at improving student's understanding of the basic concepts involved in software development
- It provides the requisite awareness and knowledge to understand key concepts that can be applied to IT projects

# NASSCOM-PurpleTalk host Emerge session on 'Mobile Apps in Business' in Hyderabad

With the increasing variety of consumers accessing business information via mobile device, possessing a mobile app for your business assists people to a great extent to stay in contact with potential customers more rapidly and efficiently.

NASSCOM, in association with PurpleTalk, organised its first Emerge session for the current financial year in Hyderabad. Held on May 25, 2012, the meet focused on the theme of enterprise mobility. The half-day event saw a tremendous turnout, with an even mix of CXOs

and decision makers, developers, technologists, businesses adopting enterprise mobility as well as representatives from key smartphone organisations. The speaker line up included Sanjib Sahoo, CTO, Option Monster Holdings, USA; Annie Mathew, Head, Alliances, India, RIM,

Rama Krishna, Chief Engineer, [x]cube LABS, and Raghu Kumar, CEO, Global Outlook.

While the keynote address threw light on the past, present and future of enterprise mobility, the panel discussion spotlighted the 'lessons from the field'.

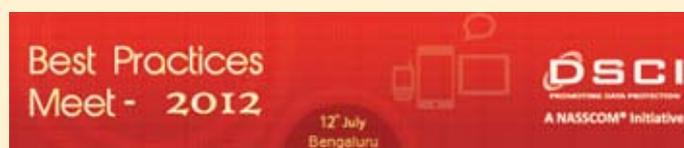


## Upcoming Events in Southern Region

### **SURGE** June 26, 2012, Chennai



### **Best Practices Meet** July 12, 2012, Bengaluru



### **HR Summit** July 25-26, 2012, Chennai



### **Cloud & Mobility Summit** August 21, 2012, Bengaluru



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