

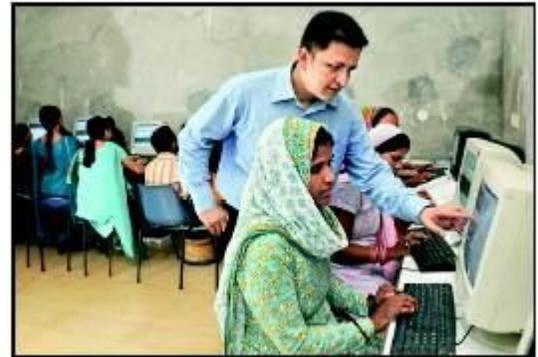
Rural BPOs promise a revolution in small towns

SRIVATSA KRISHNA

When someone who has never seen an ATM card or a credit card has to learn about a loyalty card product and its features, understand the members query, investigate the issue by accessing the clients loyalty management system, and formulate the response in English in a manner that satisfies the client, it is sheer magic. And when this someone is a 12th class pass villager from India, it only evokes awe and hope. Rural Shores, India's leading rural BPO Company, works this magic out of call centers in unknown small towns such as Jobner (Rajasthan), Falda (Gujarat), Chindwara (MP), and is slowly transforming rural India.

Likewise, when BESCOM, the Karnataka State Electricity Board, approached Infosys to set up a call centre for them in 24 hours flat from scratch, Infosys turned to Rural Shores. The company promptly set up what was needed and now runs it for Infosys. This included writing the process scripts, recruiting and training 75 rural associates, and implementing call routing mechanisms. From the very first day, process associates at this rural centre have been achieving ticket closures within four hours of customers calling in. India's BPO industry had aggregate revenues of about \$101 billion in 2011-12 as per a recent Frost and Sullivan research report, and is

expected to grow at a compounded rate of 5.3% until 2016. India's domestic BPO market is said to have stood at around \$1.4 billion in 2011, with indications that it will increase to \$2.47 billion by 2014. Of this, rural BPOs have a tiny fraction of about \$5-7 million and Rural Shores whose promoters are all followers of Satya Sai Baba and are powered as much by commercial sense as by social zeal has a significant market share with others like Desicrew, Tata Business Support Services (TBSS) and B2R following close behind. Revenue, however, is growing at about 150-200%, albeit from a small base, which indicates its potential. If 500 of India's 700 districts get a rural BPO centre with 500-1000 seats by, say, 2020 we are talking of about 10-12 lakh direct jobs (in two shifts) and many more indirect ones. The Rural Shores experience shows that it has a significant effect on migration and many a time they even find that natives of that area prefer to be closer to their roots, sometimes even sacrificing compensation.



DESI GIRL Training at a rural BPO in Haryana. The revenue of rural BPOs in India is reportedly growing at 150-200%

The business model of the BPO industry critically hinges on talent availability. As it matures and moves from simple offshoring (where it simply does rule-based transaction processing work) to outsourcing (where it does decision-based more complex business transformational work) for clients in any and every part of the globe, it needs a swathe of talent from across diverse domains to be able to meet the needs of each customer differently and yet provide the same level of customer excellence and satisfaction. To recruit talent, several industry majors like TCS, Infosys, and Wipro go hunting in smaller cities such as Hubli, Jodhpur and Salem to name just a

few. Now with increasingly seamless and cheaper telecom connectivity, it is immaterial whether the US IRS tax claim is processed in Alabama or Bangalore or Jobner. With difference in costs of between 25-40%, rural BPOs are slowly but steadily filling this talent gap and also due to the huge difference in costs of infrastructure, logistics, compensation and training, it makes them an appealing proposition for even the large IT majors.

It would be a logistical nightmare for a large IT company to manage, say, even 50 rural BPO locations across India, and so many choose to outsource work to their rural partners. So while in early days the experience of Rural Shores showed that the gestation period for learning a task can be almost twice that of an urban BPO

centre, once done they often give their urban counterparts a run for their money. Consider this: when one of India's leading BPOs wanted to service a top US logistics company on their driver logs, they approached Rural Shores, who were able to not just meet but beat the productivity standards of the Indian BPO company which had outsourced the work to them in the first place (doing more than 700 filings per day, per person vs 650 being done by their urban partner). What makes it even more socially attractive is that about 50% of employees are rural women who prefer to work closer to their villages or towns. Today, Rural Shores clients include American

Express, Airtel, WNS, Quattro, HDFC Bank, which are no different from the client list of any large IT company.

As the Indian BPO industry moves from the transactional to the transformational, from onshoring to near shoring to offshoring to ruralshoring, the cycle is complete and virtuous. As India continues its relentless journey of conquering a larger slice of the global BPO pie, rural BPOs will play a significant part in making that happen.

The author is an IAS officer

