

## **I NASSCOM-A.T Kearney study on 'Location Roadmap for it- BPO Growth: Assessment of 50 leading cities' Released**

- ?? First comprehensive assessment and gap analysis of the attractiveness of top 50 locations across India as potential hubs for IT and BPO operations*
- ?? Effort to define a roadmap to ensure uniform economic development to tier 2 & 3 cities as well*
- ?? Establishes growth of the industry is possible and feasible in cities other than 7 metros*
- ?? Builds on India's growth story as an IT BPO destination, with great potential for further development*

NASSCOM, the premier trade body and 'voice' of the Indian IT-BPO industry, along with A.T Kearney, today released the findings of a first of its kind report on the assessment of 50 locations in India suitable for the IT - BPO industry titled '**Roadmap 'Location Roadmap For IT- BPO Growth: Assessment Of 50 Leading Cities'**'. This study provides a detailed gap analysis along with advantages and shortcomings of these 50 locations, the available opportunity for attracting investment from this sector with a deeper objective of showcasing a roadmap to achieve uniform economic development in India. It sets the stage for the next wave of the industry's growth beyond the top 7 cities.

Speaking at the launch, **Dr. Ganesh Natarajan, Chairman, NASSCOM and Global CEO, Zensar Technologies** said, "The Indian IT- BPO sector has been a frontrunner of economic development in select cities, providing employment to a large number of people and improving the overall quality of life and amenities like education and healthcare in these cities. We now see the time as being right to spread this development to a new set of locations, provided the requirements of the Industry can be met. We have broken down these 50 locations into different categories and for each of these locations, and even beyond them, there is significant potential to create a success story. We see this report serving as a planning input for State Governments, educational institutes, policy makers and local industry bodies when they look at means to attract investment into their regions."

Speaking about the rationale of the report, **Mr.Som Mittal, President, NASSCOM** said, "The development of only a few select set of cities has put severe pressure on the infrastructure, costs and also increased migration of resources. We see immense potential in the next set of locations if the right steps are taken now. The growth projections of the industry indicate that even existing seven existing centres will see significant growth, however

would need proactive planning and meticulous execution to support this growth.

“This report will provide useful information on relative attractiveness to companies who are looking to enter or expand. The dispersion of IT centres will lead to balanced economic development and reduce economic disparity. Apart from partly balancing the pressure on the top tier locations, this would also add significantly to the stability of employees and reduce migration to large urban areas. The success of each of the centres would depend upon the speed and commitment with which the local city and state governments will work to fill up the gaps identified. We also hope that the government would support and encourage development of these areas by extension of the STPI/SEZ like tax benefits as there are few SEZ’s in these locations”, **he further added.**

Commenting on the methodology and findings of the study, **Mr. Saurine Doshi, Partner, A.T. Kearney** said “The objective of doing this study was to assess the potential and attractiveness of key 50 locations in India as hubs for IT and BPO operations. In addition to the defined information on the locations, we have also provided insights based on discussions with key stakeholders on factors that determine ‘location choices’ for both companies seeking to outsource as well as companies offering IT-BPO services. The insights from this report will serve as key reference point for everyone who plays a role in planning, development and leverage of a location. This is a first-of-its-kind study with such detailed analysis and insights on 50 locations in India. We believe this report will play a vital role in building competitiveness of all involved and taking the success story of Indian IT and BPO industry to the next growth phase. We are happy to have partnered with NASSCOM in this effort to spread economic development throughout the nation.”

## **Methodology**

The study was conducted by collecting and analyzing data from 50 locations on over 100 metrics broken down in to key parameters such as the following:

- ?? Knowledge pool and skill-set availability
- ?? Infrastructure
- ?? Social and Living environment
- ?? Enabling business environment
- ?? Government support
- ?? Operating cost

Apart from secondary research, a key aspect of the study was significant primary interactions with companies, educational institutions, Government authorities, etc in each of the 50 locations.

## **Key findings**

The analysis indicates that based on their stage of development for IT-BPO, the locations can be categorized into 4 groups, viz. Leader, Challenger, Follower and Aspirants (*refer table below*)

?? Bangalore	?? Ahmedabad	?? Aurangabad	?? Allahabad
?? Chennai	?? Bhubaneshwar	?? Bhopal	?? Dehradun
?? Hyderabad	?? Chandigarh	?? Goa	?? Durgapur
?? Kolkata	?? Coimbatore	?? Gwalior	?? Gangtok
?? Mumbai	?? Indore	?? Hubli-	?? Guwahati
?? NCR	?? Jaipur	Dharwad	?? Ludhiana
?? Pune	?? Kochi	?? Kanpur	?? Patna
	?? Lucknow	?? Mysore	?? Raipur
	?? Madurai	?? Nashik	?? Ranchi
	?? Mangalore	?? Pondicherry	?? Shimla
	?? Nagpur	?? Salem	?? Siliguri
	?? Thiruvananthapuram	?? Surat	?? Srinagar
	?? Tiruchirapalli	?? Vijayawada	?? Varanasi
	?? Vadodara		
	?? Visakhapatnam		

From a talent perspective, while the number of people required to capture a five-fold growth are available, there maybe a requirement of employable talent, of which approximately 50 per cent of the additional talent requirements will have to be met from Tier 2 and 3 cities in India, necessitating the creation of physical and social infrastructure in these cities.

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