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WTO AND ITS IMPACT ON FINANCIAL SERVICES SECTORS IN INDIA

Dr. Sanjeev Mittal*

The present paper studies the impact of World Trade Organization on financial services sector with reference to India. It details the General Agreement on Trade in Services from the Uruguay Round held in July 1995. Under GATS it studies the agreement on financial services, which initiated the process of liberalization and globalization of the financial services sector of the participating nations. Financial system is quite important in the development of an economy. Under the financial system the most important constituent is the financial services sector. WTO liberalized and globalised the financial services sector by introducing General Agreement on Trade in Services. This agreement brought forward various modes in which services, which were earlier not considered a significant tradeable item, could be traded from one nation to another. These modes are cross border supply, consumption abroad, commercial presence and presence of natural persons. The agreement among its various annexures also has an annexure on financial services. These financial services included banking and insurance services. The annexure outlined the definitions and scope of financial services along with various normative rules underlying the same. India accepted the agreement being a member nation and has made attempts since then to liberalize the banking and insurance services sector. The restrictions on branch growth and entry of new foreign banks have been relaxed leading to a mushroom growth of foreign participants in this sector accounting for 8.2% of the total assets in the banking sector. In the insurance sector foreign equity participation upto 26% has been allowed. However one area where progress remains to be made is cross-border trade in financial services. The scope of GATS remains limited, especially in relation to financial services other than insurance, e.g., banking and securities services. This is mainly due to regulatory concerns of Members' financial regulators. Any significant progress in the context of GATS is dependent on the regulatory cooperation and/or harmonization, among member nations. Without that, it is unlikely that Members' concerns will he alleviated such that they will be willing to take significantly broader commitments.

In case of India, the GATS commitments limit market access for India's exports of Labour intensive services. India has a huge potential for cross-border supply of various professional services, especially through back-office and outsourced activities and via electronic delivery and that too at a lower cost.

Taking into account India's requirement of additional equity for the financial services sector as well as the potential for providing Labour intensive services, it is perhaps time to be more ambitious and improve our offers under GATS, including financial services. For that we need to have a good regulatory system in place.

INTRODUCTION

Financial system is the integral part of development of an economy. It is the life and blood of any economy and lack of financial system means that the economy will cease to exist.

Under the financial system the most important constituent is the financial services sector. It comprises of banks, financial institutions, non-banking finance companies and intermediaries of the capital market. The financial services sector in India remained underdeveloped till revolutionary aspect of liberalization was started to infuse healthy competition necessary for rejuvenation and growth. Although the liberalization process goes long back a major boost to this came through liberalization of financial services under General Agreement on Trade in Services (GATS) by signed participating nations of WTO.

WTO has always functioned with the motive of integrating world's trade and services system. One of the important achievement under this has been GATS.

General Agreement On Trade In Services (GATS)

The General Agreement on Trade in Services (GATS) came into existence as a result of the Uruguay Round of negotiations and entered into force on 1 January 1995, with the establishment of the WTO. (1)

The multilateral legal instruments resulting from the Uruguay Round were treated as a single undertaking. India also signed all the WTO agreements under the

***Reader, University School of Management Studies, GGS Indraprastha University, Kashmere Gate, Delhi – 110006**
E_mail: dr_Sanjivmittal@yahoo.co.in

of negotiations, the GATS will lead to significant liberalization of trade in financial services among the Members of the WTO. Even though the Understanding does not apply to all Members, the major players in the financial services sector have already adhered to its disciplines, and it is to be expected that a larger number of Members will eventually accept to be bound by them as well.

One area where progress remains to be made is cross-border trade in financial services. Even where Members have adhered to the Understanding, their obligations and commitments in that respect remain limited, especially in relation to financial services other than insurance, e.g., banking and securities services. As noted above, this is in large part due to regulatory concerns of Members' financial regulators. The prudential carve-out may be of limited help in this regard as the issue relates to the enforcement of prudential regulation in respect of financial service suppliers located in another jurisdiction where a Member's financial regulator does not have authority. Any significant progress in the context of the GATS may thus be dependent on the progress made by Members on regulatory cooperation and/or harmonization, for instance in the context of their participation in the work of the Basel Committee on Banking Supervision and the implementation of the recommendations made by that organization. Without progress on that front, it is unlikely that Members' concerns will he alleviated such that they will be willing to take significantly broader commitments, for instance in the course of the current round of negotiations.

For India, the GATS commitments fail to expand market access for India's exports of Labour intensive services. India has a huge potential for cross-border supply of various professional services, especially through back-office and outsourced activities and via electronic delivery.

Given our requirement of additional equity for the financial services sector as well the potential for providing Labour intensive services, it is perhaps time to be more ambitious and improve our offers under GATS, including financial services. Of course we need to have a good regulatory system in place.

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EFFECTIVENESS OF HUMAN RESOURCE DEVELOPMENT PRACTICES: BANKING SECTOR EVIDENCES

Riyaz Rainaye*

This is an attempt to study Human Resource Development (HRD) practices in two prestigious commercial banks, namely, State Bank of India (SBI) and Jammu and Kashmir Bank Limited (JKB). The focus resides on general supportive HRD climate, OCTAPACE culture, training, performance appraisal, and quality of work life. Whereas it records that the HRD scenario is, to a large extent, satisfactory; it evaluates the opinions of the employees of two cadres of both banks: in particular that HRD can be made fully effective only when true essence of HRD is understood in changing circumstances and an integrated approach is adopted towards developing human resources. The results of this study may have some practical significance for HRD planners and banks as a whole.

INTRODUCTION

Human Resource Development (HRD) is rightly called the golden key to discipline, efficiency, productivity, quality, better industrial relations, reliability of products and services, and a strong and progressive economic base. Globalisation, liberalisation, transnational invasion, together implying that all businesses including banking has to face a stiff competitive environment, the key to winning lies in the sublimest development of human resources, and this has created the burning need for adopting a pro-active HRD policy and practice. The banks will have to continuously strive to give new thrust and direction to equip their employees to meet emerging challenges. And hence, the adoption of HRD policy focused on employee development is essential.

As commercial banks are service-oriented institutions, the development of human resources here is all the more important, because a sound banking system helps in the process of economic development as per national priorities. The need for HRD in banking institutions has continuously grown because of the effective role they are called upon to play in the task of socio-economic development and upliftment of especially those people who were hitherto neglected and deprived. There are also high expectations of the society from the banking system, and these cannot be met without the development of integrity, efficiency, and behavioural patterns of those working in banks. Besides, the clientele of banking is not only growing numerically with the large increase in population but is also getting widely diversified. Again, banks have strong industrial relations orientation, which necessitates more focus on improvment of HRD.

Around the year 1977, banks started feeling the need for revitalistion and development of human resources. Subsequently, State Bank of India, Canara Bank, Punjab National Bank and others set up their HRD departments. The National Institute of Bank Management (NIBM) took up several HRD initiatives, including a programme on HRD, and dealt out useful information in the form of research reports on different dimensions of HRD in banking industry. Parallely, some banks started communicating their HRD philosophy and values to their employees through their in-house journals.

In spite of these initiatives, there is a widespread feeling that HRD is merely a "fashionable term" and nothing substantial has been achieved so far. Efforts do not seem to have gone deep into the veins of the banking organisations: most of the banks do not yet have a well chalked out training and placement policy; few banks have career development strategy in operation; decision on promotions are not made on the basis of assessment of the employees potential but on the basis of performance in the past; the slack exists in understanding of HRD values, philosophy as also of management development, competitive

* *Riyaz Rainaye (Ph D) is a reader in the department of Commerce and Management Studies, University of Kashmir - 190 006*

Quality of training programmes	Quality of in-bank programmes is excellent and handled by competent faculty, external training programmes are chosen on quality and suitability.
Transfer of learning to the job	Employees after returning from training get conducive climate to implement new ideas and methods and are given adequate free time to plan improvements.
Participative planning and analysis	Appraisers and appraisees jointly identify and analyse factors which facilitate or hinder performance of an assessee.
Performance review	HRD department, performance review committees and reviewing officers educate appraisers to overcome their personal bias and favouritism.
Performance counseling	Discussion on KPAs with line managers and performance review committees is educative to appraisers and appraisees.
Self appraisal	Employees do a thorough job on self appraisal
Objectivity in assessment	Objectives of appraisals are clear, appraisers try to be objective in appraisals, and appraisals facilitate growth and learning.
Use of appraisal data	Appraisals are used for recognition and developmental decisions like job rotation, and determining training needs.
Working environment dimension	Physical work environment, employee welfare, absence of undue job stress, respect for individual.
Relational dimension	Relations with superiors; work group relations, union - management relations, confidence in management,
Job dimension	Job security, advancement based on merit, employee commitment, on the job development and utilization, employee involvement and influence, employee state of mind, impact on personal lives, absence of developing apathy.
Financial dimension	Economic well being, career goal progress.

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Corporate Governance Scenario In The Asian Countries: The Challenge Of Increasing Transparency

Dr. Madan Lal Bhasin*

Corporate governance (CG) has assumed greater significance with the series of corporate failings following which the markets, investors and society at large have begun to loose faith in the infallibility of these systems. Nowadays, the conduct of those who take care of' public' money is being questioned since they are being tested on 'ethical' standards. The application of 'Dharma', has been advocated as stipulated in ancient Indian Shastras. India can be proud of what it has achieved so far in CG practices but, of course, much more needs to be done.

How to increase CG transparency in Asian countries is the biggest challenge? An overview has been provided of two independent studies recently reported by ACGA and JPMorgan. Full convergence with international accounting and audit standards, better protection of minority investors, stronger enforcement of existing laws and regulations, are some of the recommendations to improve governance in Asian countries.

CG has been high on the agenda for Asian regulators in recent years with most markets having introduced comprehensive regulations. Still much work remains to be done and despite compelling evidence of the financial benefits to companies of a good governance culture, the ethos of CG has yet to sink in. Regulators, companies and investors all have to play their vital roles. CG in Asia remains, at best, a work-in-progress requiring some rethinking.

The term 'governance' has been derived from the word 'gubernare', which means "to rule or steer." Though originally meant to be a normative framework for exercise of power and acceptance of accountability thereof in the running of kingdoms, regions and towns. However, over the years it has found significant relevance in the corporate world. This is particularly so in the context of the growing number and size of the corporations, the widening base of their shareholders, increasing linkages with the physical environment, and overall impact on the society's well-being. Governance has assumed greater limelight with the series of corporate failings, both in the public and private sectors, following which the markets, the investors and the society at large, have begun to lose faith in the infallibility of these large systems.[1] Nowadays, the conduct of those who take care of the public money is being questioned since they are the agents of the stakeholders who have invested their money in corporations. Ultimately, corporate governance can be improved by making corporate operations more transparent, without sacrificing business strategy and secrets, which are absolutely necessary for success in the competitive market place. More and more corporations are, therefore, being tested on 'minimum' ethical standards laid down by 'shastras' and several regulatory agencies. They have to meet both ethical and legal norms in the conduct of the company.

The last two decades of corporate literature had made a significant amount of contribution on corporate governance, which started from Sir Adrian Cadbury Committee's report and continued to Hampel Committee's report, King's committee report, Greenbury Committee's report, the Combined Code of the London Stock Exchange, the OECD 'Code on Corporate Governance', the Blue Ribbon Committee's report, the CII guidelines in India and SEBI-appointed K.M Birla Committee recommendations. All this literature emanated due to identification of some specific problem areas of corporate management practices all-around the world and attempts from various corners to solve these problems. The Enron debacle of 2001 involving the hand-in-glove relationship between the auditor and the corporate client, the scam involving the fall of corporate giants in the US, (like WorldCom, Qwest, Global Crossing, Xerox) and the consequent enactment of the stringent Sarbanes-Oxley Act in the US were some important factors which led the Indian government to wake up, and Naresh Chandra Committee was appointed in 2002 to examine and recommend drastic amendments to the law involving the auditor-client relationship,

* *Head, Accounting Department, Mazoon College, Muscat, Sultanate of Oman*

consumers, as well as on entire economies. If we want robust and effective corporate governance, we need robust and well-crafted rules and most importantly, vigorously enforcing them. CG stems from the culture and mindset of management and cannot be regulated by legislation alone; too many legal provisions and their intricacies would make the real objective worthless. Still much work remains to be done and despite compelling evidence of the financial benefits to companies of a good governance culture, the ethos of CG has yet to sink in. Full convergence with international accounting and audit standards, better protection of minority investors, stronger enforcement of existing laws & regulations, etc. are some of the grey areas requiring immediate improvements in governance in Asian countries. Please note that regulators, corporate management and investors, all have to play their vital roles in the near future. To mark a permanent shift in standards, companies need to embrace corporate governance standards and investors need to demand that they do it willingly. Thus, we can say that corporate governance in Asia remains at best a gradual work-in-progress, and how soon it will attain perfection only future will tell us.

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BALANCED SCORECARD: A TOOL FOR EXCELLENCE

Dr. Khursheed A. Butt*

In today's dynamic and complex business environment, traditional financial metrics fails to provide adequate guidance to the management. Thus, realizing the need for a balanced performance measurement system, Kaplan and Nortan developed Balanced Scorecard which translates institutional strategy into measurable goals and reports on a frequent and timely basis for correction and realignment of strategy. To date no worthwhile effort has been made so far to design a Balanced Scorecard for Higher Educational Institution operating in the private sector in a highly competitive environment. This paper is a modest attempt to fill this gap. The paper defines a set of Balanced Scorecard criteria and at the end unfolds the critical factors for the successful implementation of the scorecard.

INTRODUCTION

Achieving leadership in chosen markets as an institution dedicated to deliver value to all the constituencies at full monies worth and applying at all times highest professional and ethical standards, is the mission of most higher educational institutions. However, achieving institutional mission in today's complex and dynamic business environment would largely depend upon the effective Performance Planning and Control System. Organizations which have proper performance measurement system at place, are more than twice as successful as similar organizations (Phadnis, 2002). Much of the work is being done in today's higher educational institutions to achieve shareowners wealth maximization by introducing new educational programs and forging new kind of relationships with other industries and institutions of prominence, however, few have been able to translate their goals into concrete results largely due to the lack of a proper Performance Planning and Control System. It is essential to have a well defined performance measurement system, aligning performance measures with the institutional strategy to enable in strategic alignment and learning, which is considered essential to achieve continuous improvements.

Traditional financial metrics is widely used to measure performance, however, it only provides the postmortem report of the past. This also fails to link lag indicators (Financial goals) with the lead indicators (Performance drivers) and align performance measures with long term strategic objectives. It maps only outcome financial measures without any integration with lead indicators. The single most important criticism of traditional financial metrics is that it focuses on organizations past performance and fails to incorporate drivers of future performance (Thomas D. Corrigan et. al., 2001). The same view has been expressed by (*Kaplan-Norton,* 1994; Phadnis, 2002; Tatikonda et. al., 2001). Financial accounting models developed in the early nineteenth century can no longer be used in today's complex business environment where survival of the fittest applies. To be fit to compete and thrive, there is a need to have such a performance planning and control system which translates institutional strategy into performance goals and constantly reports what is happening throughout the organization.

To navigate successfully in today's intricate business environment, the need is to have performance planning and control system which provides a blue print of all factors that are critical for improving performance and reports on a frequent and timely basis for learning and realignment. Balanced Scorecard, a dynamic system that evolves as the company's strategy evolves fills in this gap. It is a new performance measurement system, consisting of a set of discrete, yet linked measures that gives users a comprehensive and timely evaluation of organizational performance. The outcome of this versatile performance measurement system is reported to be quite assailable. At least 40 percent of the fortune 1,000 companies will have implemented

**Professor, American College of Dubai, Dubai, UAE*

balanced Scorecard periodically. For this purpose it would be essential to constitute a Strategic Committee. The committee should consist of members drawn from different departments and other units in the organization.

CF V: Assessment of Policies and Strategies

Monitoring and measuring performances regularly to test the theories underlying institutional strategy is critical to the success of Balanced Scorecard. This calls for a well defined assessment policy and procedures, detailing out assessment criteria and procedures for data collection and analysis. Keeping in view the impact of assessment policies and procedures on the accuracy and completeness of data, a due care is needed to be given to the preparation and administration of questionnaires. The questionnaires should be precise, simple and complete.

Being a dynamic measurement system, Balanced Scorecard evolves as the institutional strategy evolves, thus calling for periodic review of assessment policies and procedures to make it consistent with the institutional strategies and goals. To fulfill this critical requirement for the successful implementation of Balanced Scorecard, the establishment of Institutional Effectiveness Committee would be compulsory. In addition to the above stated responsibilities, the role profile of this committee should include the following responsibilities:

- To formulate policies related to assessment and guide in developing assessment procedures.
- To provide technical support and coordinate the assessment work carried out by the different unit heads. -
- Make recommendations to the strategic committee.

The assessment results and recommendations of Institutional Effectiveness Committee will be a guiding resource to the Strategic Committee in realigning the goals/objectives and intended outcomes for different departments, research centres and other units of institution. However, strategic planning should form the main responsibility of the Strategic Committee, where under it has to accomplish three functions. See figure No V highlighting strategic planning process.

Fig. V: The Strategic Planing Process

Under strategic direction, Strategic Committee will be responsible to determine movement of an institution by defining Institutional Rationale, Institutional Mission and Institutional Goals. Through the strategic information, committee seeks answers to the questions viz., "Where have we been?" and "Where are we now?" While as strategic decision helps in the development of alternatives by finding answers to the questions viz., " Where Do We Want to Go?" Where Should We Go?" and Where Can We Go?". Being a high profile committee, therefore, it should comprise deans of different faculties and headed by the vice president or president himself.

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IMPACT OF SELECTIVITY AND TIMING SKILLS OF FUND MANAGERS ON THE PERFORMANCE OF THE FUNDS: AN EMPIRICAL STUDY OF MUTUAL FUNDS IN INDIA

Dr. S. Anand*, Dr. V. Murugaiah & Dr. T Mallikarjunappa*****

This study is conducted to evaluate risk and return characteristics of mutual funds and to examine the impact of major factors like selectivity and timing ability of fund managers on the performance of mutual funds in India. The study revealed that majority of the schemes has not registered an increasing return during sample period. The study also showed that the performance of the mutual fund industry has varied as per performance of the market movement. The present study has also found that the fund managers failed to exhibit their selectivity and market timing skills.

Key Words : Mutual Funds, selectivity, market timing skills, performance, risk-returns.

INTRODUCTION

Indian financial system has witnessed revolutionary changes, developments and innovations since 1991 due to economic reforms initiated by the government. With the advent of liberalization, privatization and globalization, the financial services sector has become more dynamic and vibrant. Many innovative methods of finance products, services, business and regulatory bodies have emerged to make the Indian Capital Market more liquid and strong to face the global challenges. Emergence of increasing role of Mutual Fund industry in financial intermediation is one such development following the structural reforms initiated in the Indian economy.

Objectives Of The Study

The study has set the following specific objectives.

1. To evaluate the risk and return characteristics of schemes of selected mutual funds
2. To examine the degree of correlation that exists between fund and market return
3. To understand the impact of fund specific characteristics on performance
4. To study the major factors (selectivity, market timing) influencing the investment performance of the schemes

Scope of the Study

The present study intends to cover the schemes of all public, private and multinational sector MFs in existence for more than one year as on end of March 2003 and having major exposure (more than 90% of corpus) to equity stocks. The period of study is restricted to 48 months (April 1999 to March 2003).

Monthly data on adjusted NAVs and BSE Sensex., covering for the period April 1999 to March 2003, has been analyzed. The BSE Sensex is assumed as surrogate for Market Index or the Benchmark for evaluation. The monthly yield on three years term deposit rate of State Bank of India for the above period has been used as proxy for risk-free return.

The study analyses the performance of 113 schemes of 25 fund houses. The sample comprises 37 schemes

**Asst. Professor, Finance, Goa Institute of Management, Ribandar, Goa.*

***Chairman, Dept. of P G studies in Business Administration, Kuvempu University, P G Centre,Davanagere, Karnataka.*

**** Professor & Dean, Dept. of Business Administration , Mangalore University, Mangalagangotri, Mangalore, Karnataka.*

But the extent of their influence in the performance of the fund has shown fluctuation during the sampled period. However, investment components like market return, SD, Unique risk, Market timing ability and selectivity have shown higher degree of influence in the performance in the performance of the mutual funds.

FINDINGS & CONCLUSION

On the basis of overall analysis it can be inferred that the additional return on sampled schemes and the market over risk free return was significantly low during the study period. This indicates that the majority of schemes showed underperformance in comparison with risk free return. In majority cases risk free return was higher than the fund return during sampled period. It implies that the mutual funds were not able to compensate the investors for the additional risk that they have taken by investing in the mutual funds. The fund managers have not generated positive return by exposing their portfolios to a higher or lower risk level than what the investor may have expected.

The study also found that fund managers have failed to compensate the investors' expected risk by their portfolio investment. The overall analysis indicates that though the fund managers were successful in performing better than the market expected risk, yet the expected return on their portfolio was much lower than the risk free return.

Further, the study revealed that the NSPD of majority of schemes were negative which implies that the manager has taken diversifiable risk that his winners have not compensated in terms of extra return. It can be understood from the above results that the forecasting skill and superior stock selectivity across sampled fund was lacking among the fund managers during the above sampled period.

The analysis in terms of Trynor and Mazuy formulation revealed the fact that the majority of the Indian fund managers do not seem to be engaged in market timing activities. Further, the results indicate that wherever fund managers attempted to time the market, they did in the wrong direction. The result, thus, do not lend support to hypothesis that Indian Mutual fund managers are able to time the market. On the basis of these results one may conjecture that Indian fund mangers are not seriously resorting to any market timing activities at all and are relying only on stock selection skills.

It is evident from the above analysis that the influence of market factor was more severe during negative performance of the funds while the impact selectivity skills of fund managers was more than the other factors in the fund performance in times of generating positive return by the funds. Thus the overall analysis indicates that the funds have not offered the advantages of professionalism to the investors.

It can be concluded from the study, that selectivity, expected market risk and market return factors have shown closer correlation with the fund return than the rest of the factors. Market timing factor has reported negative correlation with the fund return through out the sampled period. However, investment components like market return, SD, Unique risk, Market timing ability and selectivity have shown higher degree of influence in the performance in the performance of the mutual funds.

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BPO Industry in India: HR Challenges & Strategies

Dr. Nityesh Bhatt* & Mr. Sanjay Jain**

Economic Reform process has transformed every dimension of world trade. Radical shift is observed in all the industries in terms of cut-throat competition leading to cost cutting, efficiency and customer orientation. Outsourcing is one of the threads linking every industry across the globe for achieving these three objectives. Core Competence has become a global mantra for organisation's long-term survival and growth. Organisations are realizing the importance of outsourcing various non-core business processes for sustenance and advancement. India, due to its inherent advantages has become a global hub for outsourcing. While the IT and ITES sectors have contributed significantly for the Indian economy, Indian BPO industry is facing many challenges. Among these, HR challenges are the most critical. Both the industry as well as government have started taking serious measures in this regard.

Against this backdrop, in this paper, an attempt has been made to

1. Present an overview of Indian BPO Industry.
2. Highlight the contribution of ITES for Indian Economy.
3. Analyze various human resource challenges related to ITES industry.
4. Discuss the HR strategies adopted by Indian industry for overcoming these challenges.
5. Construct a suggested framework for sustaining global competitive advantage.

BPO INDUSTRY : AN OVERVIEW

Over the last few years, worldwide, Business Process Outsourcing (BPO) industry, more specifically IT enabled services (ITES) has undergone rapid transformation. Continuing pressure on cost and margins in the highly competitive era is driving companies to look at offshore outsourcing as a strategic alternative. Access to global talents, economies of scale, wage arbitrage, increased profit margins and quality improvements are some of the gains that companies have realized. In other words, the crux of BPO industry is to take over non-core processes of companies and bring in external best practices. Rapid developments in Information & Communication Technology (ICT) sector have played a catalytic role in the growth of the ITES-BPO industry.

Worldwide three types of players provide ITES-BPO services:

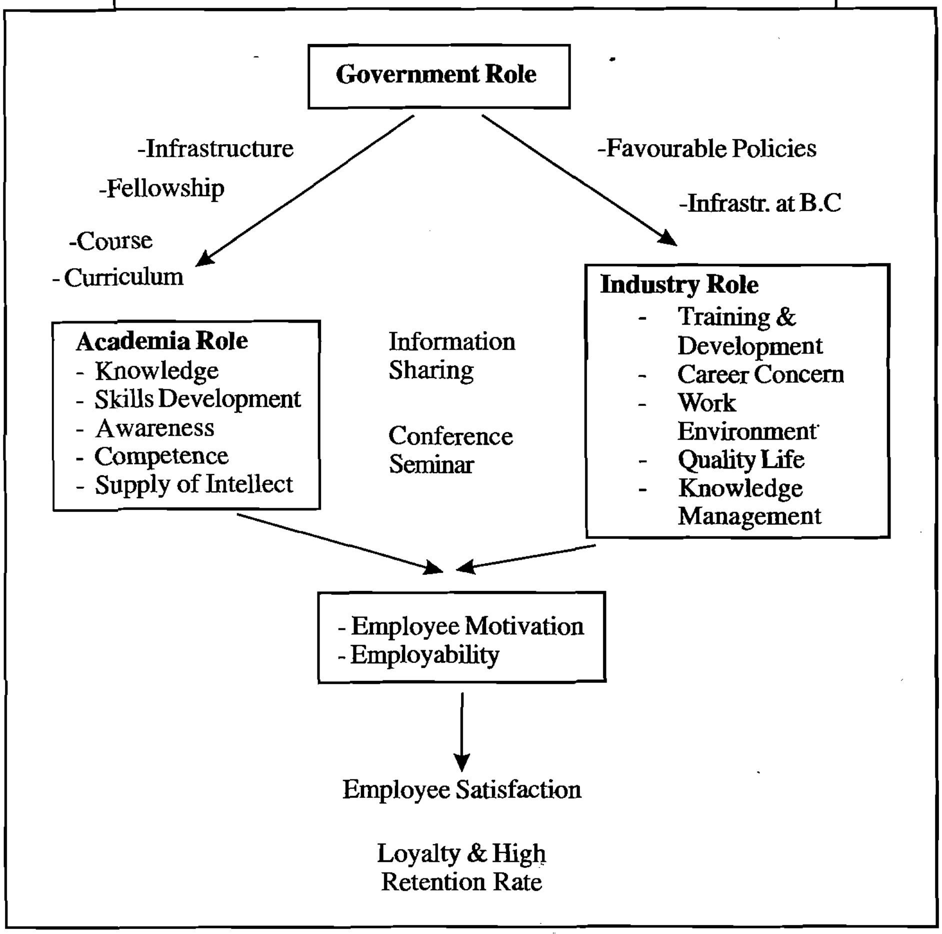
- First category belongs to captive centres or in-house centres like GE, JP Morgan, British Airways, Dell, HP, McKinsey, HSBC Ernst & Young, AOL etc who outsource business processes to low cost, high skill off shore locations like India, Malaysia, Ireland, Philippines.
- Second category relates to focused BPO providers who are specialized in narrow *"non core, non critical"* processes and offer standard services to multiple verticals. India Life Hewitt, Ma Foi in HR; HDFC, ABN Amro in finance; IBM, TCS, WIPRO & Infosys in IT; TCI, Safe Express in logistics are some examples of this category.
- In the third category, Broad based service providers like Pricewaterhouse Cooper are included who offer bundled BPO and ITO services in an effort to develop into a one stop shop e.g. ACS, EDS.

These three kinds of companies provide various services in different verticals (industries). Some of these verticals along with the key opportunity areas are mentioned below:

* *Associate Professor – MIS & Marketing, Pacific Institute of Management, Udaipur.*

** *Assistant Professor – Sales & Strategy, Pacific Institute of Management, Udaipur.*

Suggested Framework for BPO Growth in India



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SOFTWARE EXPORT MARKETING : PROBLEMS AND PROSPECTS FOR INDIA

Dr. Ashutosh Nigam*

Significant competition exists in the world software market for Indian software exporting firms. To make their presence felt in international market the Indian software exporting firms have to develop suitable software export marketing strategy by focusing on its core competency areas and developing the practices of international standards. The marketing strategy for software products is especially relevant where normal selling fails to deliver the required results and to make ***Made in India*** label a symbol of software quality, competitive price, reliability and service to the customers.

SOFTWARE EXPORT MARKETING

Uniqueness Inherent in product:

It has been widely argued that competitiveness of an economy depends largely on its ability to secure edge over its competitors. One is through active pursuance of exports. The thrust on export assumes special significance due to economies of scale that are accrued on account of extended market access facilitating the growth of Indian software industry. However, software export marketing is posing a great challenge for exporters as marketing mix for software is not static but often changing. Software is a unique product. It's neither merchandise nor a service. Therefore, software marketing has a unique characteristic that makes it different from marketing other products & services. The term **software product** refers to two distinct classes of offerings; one like other products it involves a conventional production and marketing process and is amenable to branding strategies and; secondly it attributed towards providing solution to specific business problem (speciality servicing). This characterizes a software product to be tailor made to the specific business needs. Hence, marketing of

software is unique & different and it is crucial for the development of the software industry is India. Initially Indian software companies were dependent directly on the end users but now the Indian companies are having establishments in different countries to cater to the global needs. Internet is also emerging as a strong marketing channel for Indian software companies.

PRESENT STATE OF LITERARY CONTRIBUTIONS

Bekowitz (1997) describes that software marketing plan is a way of synchronizing marketing activities of an organisation for a specific period of time. The paper argues that no generic plan applies to all organizations or to one organization for all times. It varies according to the target customers, complexity of the organisation and the industry at a given time. **Ali (2003) 'Software export marketing in Bangladesh prospective'** emphasized on several new actions and improved marketing strategies and to create environment for marketing opportunities through the regular research to analyze the demand of the prospective customers. **Koppar (2003)** concluded that software exporting firms must have specialized division of marketing and after-sales service headed by management professional who can draft efficient marketing strategies for exporting their software products and services instead by the technical persons in this field. **Krishna (1999)** analyzed the marketing strategy being followed by Indian software firms and did the complete socio-political analysis in Indian context and recorded its impact on the designing of software export marketing strategy.

* *Reader, Centre for Management Development, Modinagar*

(3) **Customer Experience Management:** Indian software exporting firms should develop customer experience network. Thus they can anticipate and accommodate the customer needs and take them to the stage of delight rather than merely state of satisfaction. Before exporting beta version of software should be properly tested. An emphasis should be on market specific studies like warehousing, promotional advertising, branding. Learning through experience and observation would enable the software exporters in narrowing the gap of global and the local needs.

(4) **Talent Management:** The software exporting firms should try to hire right kind of talent to cope up international demand, to groom them according to international standards and technologies and to retain the talent for long term prospective.

(5) **Communication Programmes:** The Marketing communication should be done effectively to bridge gaps in culture, market and economic conditions, consumer needs and usage patterns of media availabilities and legal restrictions,

(6) **Identify Niche Market:** The software exporters must able to identify the niche markets to market for software product and customized service. One of the primary goals of going international should be to achieve the highest sales volume with the least expenditure.

(7) **Innovation:** The Indian software firms must be able to accommodate the new technologies and innovative products to understand market needs, competitors and capability to communicate effectively project features to potential clients. The synchronization of activities between marketing professional is required.

(8) **Brand:** The firms must try to build brands and try to move up the value chain through superior processes and ensure good quality software product or services.

(9) **Localizing the Software according to destination countries:** The localization should make your customer feel as if your products were created in their own country and by their neighbors. It should reflect their language, their cultures, their idioms and their way of doing business. The localization of software according to the destination country will add cultural, national and linguistic essence to software products.

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