

**NASSCOM®**

# **BPM: Accelerating the Digital Edge**

**12<sup>th</sup> October, 2017**

## KEY FACTS- FY2017

**No. 1**

Largest BPM base in the world

**29.8**

USD bn

BPM revenue, FY2017

**1.2 mn**

Export employees, FY2017

**~37%**

Share in global sourcing

Growth in revenues in 5 years

**1.7X**

Number of analytics focused start-ups in India

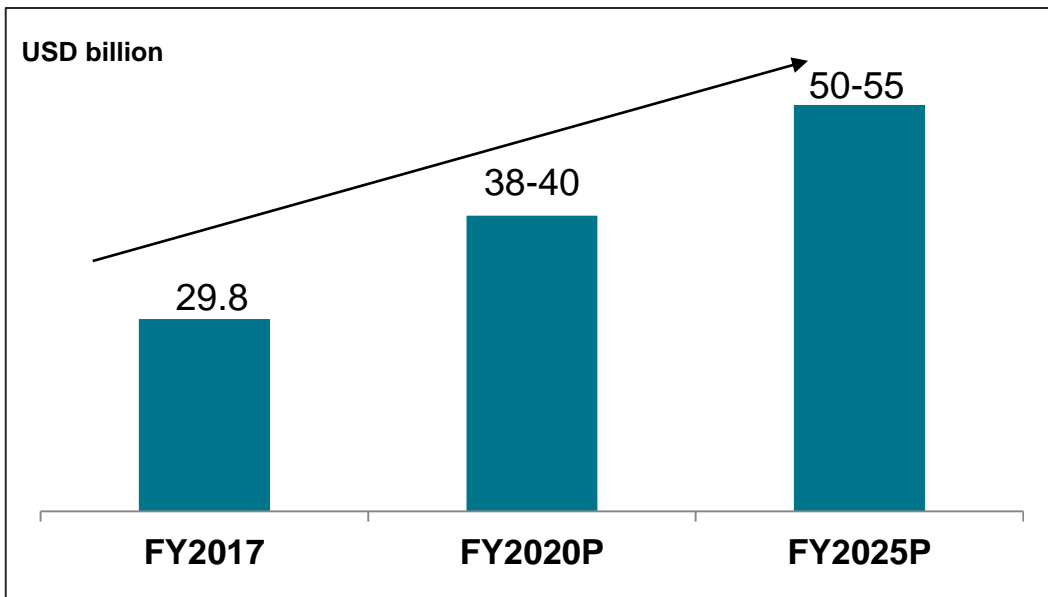
**~400**

Share in employable graduates

**~38%**

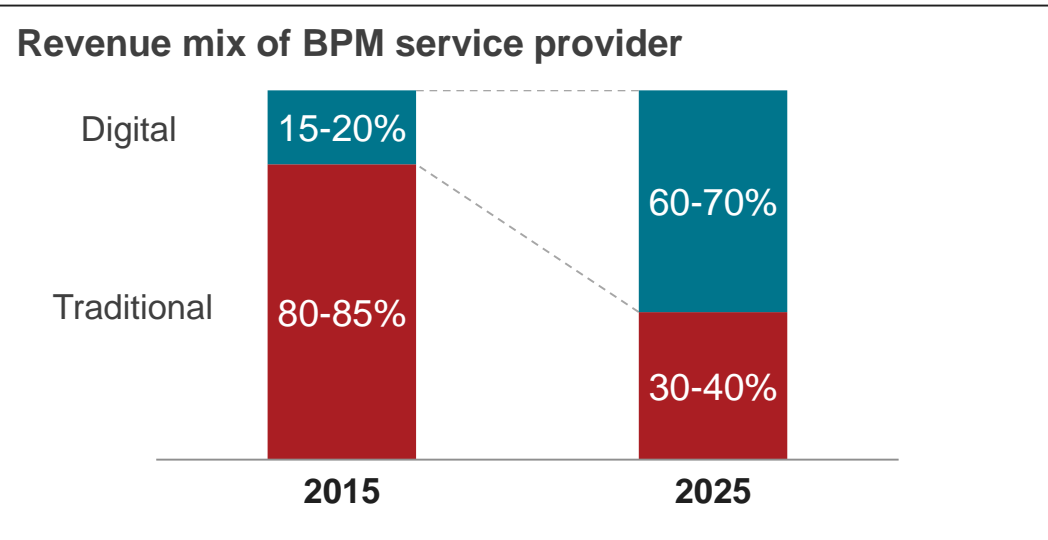
# Steady growth, industry continues to reinvent itself

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**Focused on \$ 55 Billion Goal**

**Advanced technology solutions and intelligent automation will drive majority of this growth towards to the shift to digital**



1. Massive technological shifts towards Digital
2. Increased demand for unique skills - Analytics, Domain and High-end technology
3. New Pricing models - From hybrid to outcome based
4. Increased share of unassisted work managed by software robots
5. Customer Experience becoming mission critical
6. New Business Models - Strategic acquisitions, partnerships and hive-offs
7. Dynamic shifts – New geographies, verticals, markets

### *Industry trends*

- ❑ BPM firms bucking earlier slow growth.. Many firms growing much faster
- ❑ New Global BPM deals in Q2 2017 (81 Billion USD); **highest in last 3 years**, almost all new large BPM deals either **fixed cost or hybrid**
- ❑ **Digital** becoming a **new revenue** opportunity from helping customers design and set up their centres of excellence for RPA.
- ❑ **GICs** – witnessing increased activity on digital

### *Company-specific metrics showing changing landscape:*

- ❑ ~**60%** of all new projects have some component of **digital embedded**
- ❑ More than **60% increase** in **revenue per FTE** for **analytics**
- ❑ **2000+ bots** operational for various client services
- ❑ **3X new investments** since 2014, on building new products, setting up **Digital CoEs**

## Automation for Business Impact

- RPA adoption in BPM growing at a CAGR of over 50%;
- Existing BPM buyers and BFSI customers lead RPA adoption
- Total implementation cost of RPA is about one-third of an onshore FTE
- Yields productivity of 10-30% in offshore delivery

## Customer Experience as the differentiator

- 70% Boardrooms, view CX as the most strategic performance measure
- ~25% BPM firms focusing on digital customer experience
- ~15% BPM firms focusing on building the omni-channel experience
- ~ 30% firms building chatbots, mobile apps, cloud solutions for digital enablement

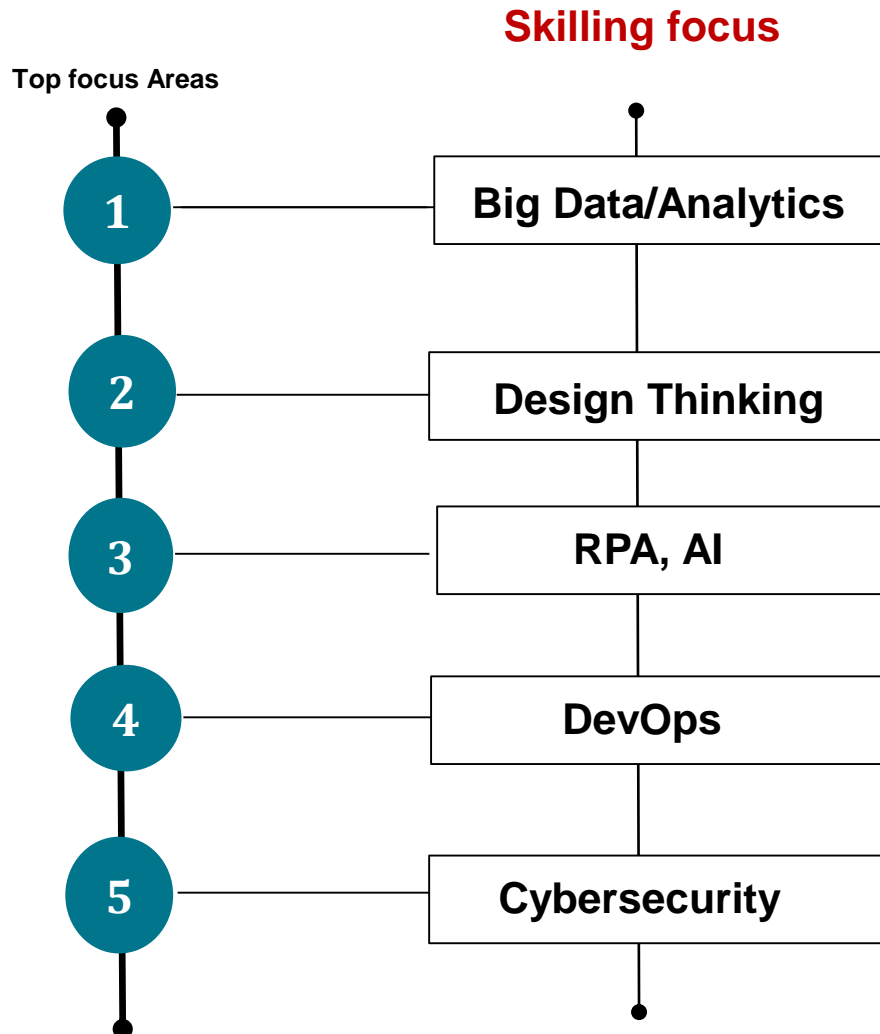
Source: NASSCOM

## Analytics for outcomes

- 600+ analytics firms; ~400 start-ups; >1.3 lakh analytic professionals - India - analytics hub
- 50-60% BPM firms integrating analytics with operations management
- Demand for cloud-based (SaaS) and predictive analytics solutions driving growth
- AI, deep learning solutions getting embedded

## Platforms, Co-Creation and CoEs

- 100+ Digital CoEs, RPA CoE and Domain CoEs
- Co-creation for end to end customer journey and standardised operating model
- Platforms across domains, collaboration with other platform providers
- Solution accelerators and chatbots



## India Emerging as Digital Skills Hub

**72%** of Employees in Digital Services Global Sourcing Market\*

**~50%** of Employees in Analytics Global Sourcing Market\*

\*Source: Everest

- ❑ **Advanced Analytics**
  - ❑ **Robotic Process Automation**
  - ❑ **AI and Machine Learning**
  - ❑ **Virtual and Augmented Reality**
  - ❑ **Chatbots**
  - ❑ **Digital Assistance-Voice search**
- ✓ **USD 200+ bn** analytics and big data spending market by 2020
  - ✓ **USD 5+ bn** RPA market by 2020
  - ✓ To expand the scope of BPM/ BPaaS revenues by **2-3X<sup>1</sup> by 2020**
  - ✓ Worldwide spending to reach **\$215 bn by 2021, >18X growth<sup>2</sup>**
  - ✓ To **power 85%** of all customer service interactions by 2020
  - ✓ Expected to reach **1.8 billion by 2021** from current 500 million



## Capitalize



Right positioning India as the destination of choice for global firms to deliver transformation value & BPM Industry as a world class industry of choice for aspiring professionals



Data Science is emerging as the next growth trajectory for the BPM industry to capitalize on and provide high value services

Enhance DS & AI capabilities through CoE to provide its members the competitive edge



New-age skills and talent would be required over the next 2-5 years with the impact of RPA, automation, AI, digital etc

Existing workforce in the BPM industry will need to reskill themselves to position themselves to be relevant for future work

**Watch-out for...**

**NASSCOM®**

**Customer Service Excellence Award 2017**

Excellence in Service Makes All the Difference!

October 12-13, Bangalore



# 2017 NASSCOM Customer Service Awards in Perspective



115

Submissions from 54 firms accounting for >45% of industry revenues



## Technology focus

Digital Customer Experience 24%

RPA 17%

Automation, Machine Learning & VR 15%

Optimisation 14%

Data Analytics & Visualization 9%

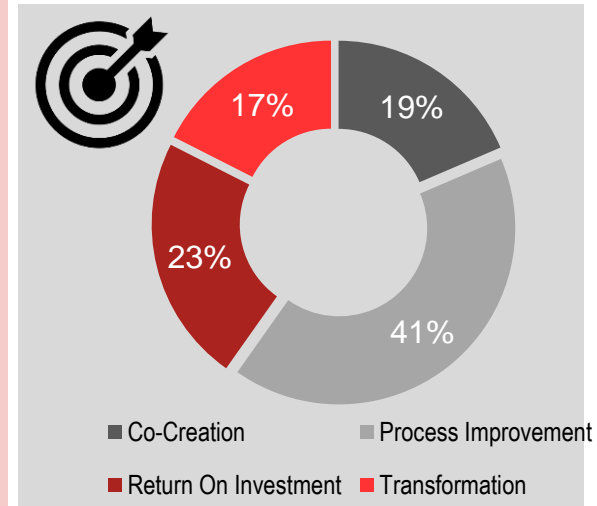
Omni Channel 9%

Cloud Solution 4%

Mobile App 4%

Chat Bot 3%

IoT 1%



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**Thank You**