



## **KPO Service Provider in India**

Knowledge process can be defined as high added value processes chain where the achievement of objectives is highly dependent on the skills, domain knowledge and experience of the people carrying out the activity. And when this activity gets outsourced a new business activity emerges, which is generally known as Knowledge Process Outsourcing.

Developed economies are facing great shortage of skilled, trained and specialized professionals in various knowledge-intensive high-skill sectors, such as research and development, engineering design, information technology, financial risk management etc. This is the main factor fueling the rapid growth of Knowledge Process Outsourcing industry. The trust developed through BPO is now being transformed into KPO. Companies overseas are willing outsource more complex and high risk processes.

### **Offshore Knowledge Process Outsourcing (KPO)**

In the new knowledge economy, India is set to become the most preferred destination for Knowledge Process Outsourcing with its hoard of chartered accountants, doctors, engineers, lawyers and research analysts. Besides the huge talent pool other factors that attract many multinational companies to set up research and development centers in India are the favorable government regulations supporting R&D, IT facilities, cost savings and strong research infrastructure.

KPO business entities provide typical domain-based processes, advanced analytical skills and business expertise, rather than just process expertise. KPO Industry is handling more amount of high skilled work other than the BPO Industry. While KPO derives its strength from the depth of knowledge, experience and judgment factor; BPO in contrast is more about size, volume and

efficiency.

## **Cost Arbitrage**

The high-end KPO opportunities are immense for Indian firms. For instance, look at some of the figures pertaining to intellectual property research. Drafting and filing of patent applications in the US is quite expensive. A typical application costs about \$10,000 to \$15,000 to draft and file with the United States Patent and Trademark Office. Cost savings from off shoring even a portion of the patent drafting process can easily save up to 50 per cent of the cost for the end client.

Naturally, the cost savings in KPO is enormous. For example, data-mining services companies can save as much as 60 to 70 per cent on analytics and inventory management costs by off-shoring them. The cost differential between PhDs/engineers in the US and India is almost \$60,000 to \$80,000. KPO will yield more revenue than BPO when it amounts to value per unit.

## **The Knowledge Process Outsourcing services that can be outsourced to India include:**

- Intellectual property research
- Business and Market research
- Financial research and Investigations
- Financial risk management
- Integration and Management
- Medical content and services
- Writing /Content development services
- Legal services
- Data research and analytics
- Equity research
- Animation and Simulation
- Remote education
- Publishing services
- Research and Development
- Business and Technical analysis
- Biotechnology
- Clinical Research
- Engineering design
- Pharmaceuticals
- Training and Consultancy
- Network Management

- Database development

There is tremendous potential in the KPO space. Only companies that have a strong pedigree, domain expertise, clear focus on the high-end space, a proactive solution orientation and a collaborative mindset will emerge as the winners. Several global players such as McKinsey, Goldman Sachs, Reuters, IMS Health, Harris Interactive, Ipsos, Maritz, AC Nielsen, TN0S and the WPP group are already using India as a remote base.

Quite predictably, law firms such as Patent Metrix, Cantor-Colburn and Schwegman, Lundberg, and Woessner & Kluth, have already set up offices in India, and quite a few others are joining hands with Indian companies to cash in on the emerging opportunity.