

# 2009 was a mixed bag. 2010 LOOKS BRIGHTER.

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Friends,

It has been a year of mixed fortunes for the Indian IT-BPO industry. January was a month when Satyam Computers was in news for financial malpractices. This led to immense introspection and debate amongst IT-BPO companies on the issue of corporate governance. It goes to the credit of the government however, which quickly constituted a new board to bring Satyam back on the rails by salvaging its customers and retaining most of the company's staff.

2009 was also the year when the IT-BPO industry, owing to the global economic slowdown, witnessed a lowering of momentum. After over two decades of expansion, the sector logged in negative QoQ growth for the first time in its history.

Matters began to look up later in the year, with a few states in India going for the assembly polls. The elections brought the UPA government back to power with strong majority, reflecting the keenness of citizens for political stability.

Another election that caused a stir in India, even though it was rolled out continents away, was the US Presidential elections, which had a path-breaking outcome. The USA elected Democrat leader, Barack Obama, ushering changes in the country's foreign policy and economic strategy. While the bailout measures initiated by the Obama Government to ease the economy were much needed, certain laws introduced by the administration raised concerns about protectionism and outsourcing even though they never directly impacted the Indian economy. The Indian IT-BPO industry is currently engaging with the US Government to create awareness about the value of the industry that contributes to the US economy.

Back home in India, one saw Indian companies working hard to improve their cost efficiency and drive customer behaviour in 2009. New business models emerged, as companies took the path of

innovation to stay tuned to customer needs and remain competitive.

And now, as we're coming to the end of the year, signs of recovery seem to be within sight.

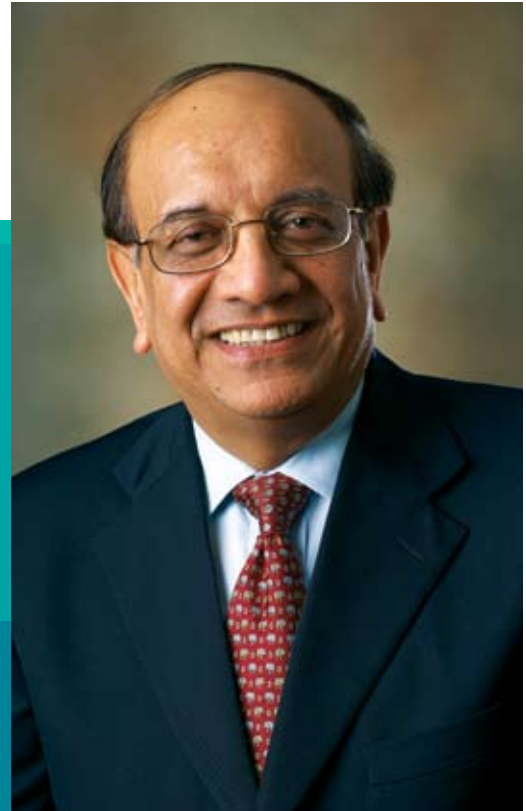
Recovery in fact, is expected to become visible earlier in India than the rest of the world. During this quarter, we are also expecting the IT-BPO industry to begin hiring.

Hiring will be accompanied by a renewed focus on employee engagement. Organisations are looking at initiatives to strengthen the bond with employees, in an effort to improve staff retention and reduce attrition. Going forward, HR issues are expected to take centre stage as companies expand their manpower base and hire more domain experts, with specialised skill sets.

In 2010, we are predicting a greater emphasis on e-governance, as many projects that are still in the pilot stage will be going live. Government departments and organisations are expected to launch several e-governance initiatives aimed at improving their interface with the citizens of the country and easing their day-to-day lives.

Budget 2010 is also just around the corner, and the industry, through NASSCOM has already drawn up its wish list for the government. Our hope is that Budget 2010 will be supportive of the IT-BPO industry and will create a regulatory climate even more conducive to business.

It will be economy and business that will hold the country together and we expect both these areas to occupy the attention of the government and the industry, going forward.



**Som Mittal**  
President, NASSCOM