“Growth of Back offices and Call Centers in IT sector of Pakistan- A Case study of En Pointe Technologies”



By:

Kashif ur Rehman

211021-013

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Department of Management Sciences

Bahria Institute of Management and Computer Sciences

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Topic of Research: *"Growth of Back offices and Call Centers in IT sector of Pakistan- A Case study of En Pointe Technologies"*

Name of Student: *Kashif Ur Rehman*

Class: *BBA 6-(B)*

Approved By:

Supervisor

Internal Examiner

External Examiner

Research Coordinator

Head of Department

("A ship in port is safe, but that is not what ships are for. Sail out to sea and do new things." --Grace Hopper, Computer Pioneer)

Abstract

The reason of this scientific study is to explore new horizons in the potential growth of out sourcing in Pakistan. Against the background of the changes in the fast-paced business environment, the question comes to the fore whether Pakistan is a feasible market and a stable market to invest money in for a foreign perspective.

Working in a back office for more than 15 months has really helped in evolving this project.

The report covers the procedures and the economic aspects of setting up a call center in Pakistan. An overview of the global BPO industry is also presented.

CHAPTER.1

Introduction

Outsourcing has become a "charged' word. It is an important concept to understand because of its business applications (both for corporations and for small businesses) and because of its political implications. The following is intended as a primer on the main topics related to outsourcing. included is a balanced summary of the "off shoring debate" without a definitive conclusion.

Definition of Outsourcing

Outsourcing is the act of obtaining services from an external firm.

Business Process Outsourcing

In the corporate environment, the term “outsourcing” often refers to a particular type of outsourcing, business process outsourcing (BPO). BPO occurs when an organization turns over the management of a particular business process (such as accounting or payroll) to a third party that specializes in that process. The underlying theory is that the BPO firm can complete the process more efficiently, leaving the original firm free to concentrate on its core competency.

Roots of Outsourcing

The concept of outsourcing was first made popular by Ross Perot when we founded Electronic Data Systems (EDS) in 1962. EDS would say to a potential client, "You are good at designing and manufacturing widgets, but we are skilled with managing information technology. We will sell you the IT services that you require, and you can pay us periodically with a minimum commitment of two years." Today, EDS is a multi-billion dollar company with over 70,000 employees and is only one of many global BPO firms.

Offshore Outsourcing

Offshore outsourcing, or "off shoring", refers to outsourcing to firms in foreign countries, often to take advantage of labor arbitrage. In the past 10 years, business process outsourcing contracts have increasingly been given to firms in developing countries. Typically educated workers in developing countries, such as India or China, work for a much lower wage than do similarly educated workers in developed countries, such as Japan. Savings from the lower wage rate must exceed the increased costs of management and risk associated with offshore outsourcing for it to be economically viable.

Globalization has not only broken the traditional business boundaries across countries but also opened vast markets for companies. Enterprises are now looking to focus on a

core set of competencies that have the greatest positive impact on their business models and are seeking new ways to streamline processes, realize further cost reductions and decrease time to market. One of the main outcomes of these trends has been the rise of Business Process

Outsourcing (BPO) among leading companies to achieve significant growth and bottom line benefits. Business Process Outsourcing is the delegation of one or more business processes to an external entity that in turn owns administers and manages the outsourced process based on defined and measurable performance criteria. Such back end functions may include services such as customer support through call centers, accounting, order processing, insurance claims processing, procurement or other logistic functions.

According to the U.S. Chamber of Commerce, “Outsourcing has demonstrable and quantifiable benefits. It gives companies access to state-of-the-art technology without the overheads and risks associated with developing in-house solutions.

“Companies can save as much as 41% in hidden costs by outsourcing”

Business Process Outsourcing -

Global Scenario

Information Communication Technologies

(ICTs) are now considered as the center of economic and social transformation across the globe. The upswing in IT trends has given rise to the outsourcing of non-core business practices to the Business Service Providers (BSPs). Gartner [GAR05c] predicts that worldwide IT services revenue will grow from $569.6 Billion in 2003 to $754.8 billion in 2008.

What is a Call Center?

A call center is the focal point of customer service for most companies today. Using a variety of technologies, call centers connect the customer and the organization, in real-time, to provide customer service. Call centers take on different forms. A call center can provide pre-sales, sales and sales support or a variety of other types of service.

A **definition** of "call center"

Call (verb): to make a request or demand

Center (noun): a point, area, person or thing that is most important or pivotal in relation to an indicated activity or interest.

The definition of call center is changing in our opinion, but the core fundamentals of a customer making a call (via a phone, email, web site, IVR or fax) to a center (point, area, person or thing (e.g. IVR)) will remain constant because the customer views the call as an important or pivotal activity to themselves. Call center, contact center or customer interaction center - by whatever name you give it (we still call it a call center) - operate on near identical principals of meeting customer needs in real-time or near real-time.

Broad Problem Area/Background

It is the potential growth of call centers and Back offices in Pakistan and how they operate (Promotion Marketing and other Services used) and serve various companies that out source them for different reason.

There is very big market of call centers and BPOs in Pakistan but due to some reasons foreign investors do NOT invest their money.

The Major Weaknesses

Political instability and poor market perception are major hindrances for growth of BPO industry in Pakistan.
Over the past few years though, Pakistan has become politically much more stable than the past decades. Pakistan also enjoys an improved degree of law and order, and violent crime rates are significantly lower
than in India or Mexico. The incidents of violent crimes per 1,000 persons in Pakistan and some other countries are as follows:

U.S. 13.8
Pakistan: 14
India: 38
Mexico 49

To summarize, Pakistan is at the threshold of one of the greatest opportunities in the global BPO market. Pakistan has virtually all of the pre-requisites for success ranging from low cost to government incentives and funding. Pakistan even has competitive advantages over India. Since the industry is still in an initial stage in Pakistan, there is a large pool of good quality human resource available for work, in contrast to the situation in India where the good quality workers are highly sought after and often switch from one company to another very frequently.

The only drawback Pakistan has is the investors' perception of Pakistan.

At one time countries like Japan and India had poor images as places to invest. Advertising and public relations did not turn these situations around alone. The government took many steps to improve their economies, to develop their infrastructure and to create very tangible business climate that were pro-business. These countries also instituted attractive incentives for investors. As a result, it played a major role in changing perception of investors as well.

India has become very successful in BPO since big business groups started building IT facilities instead of coal mine shafts. The Ambanis, Tata's and Birla's did it for the Indian BPO market.

Same is true for Pakistan. The shift from traditional businesses towards an information based economy will only happen when established businesses start entering the IT and IT enabled services business segment.

Some of the other reason beings:-

Lack of Law

All international IT outsourcing contracts that ever seen have been based on the laws in the clients' countries. Even if they were not, Pakistan has been sending strong signals recently that their legal system will not adversely impact IT outsourcing. This will be important for allowing Pakistan's fledging industry to grow unimpeded.

2) Enforceability of Contracts

On inbound work, failure to perform can often result in immediate financial penalties by the clients. In the U.S., for example, penalties of $50,000 for being late with morning reports are not uncommon. These penalties are assessed in the U.S., and to contest such a penalty the call center would need to appear in U.S. court.

3) Sanctity of Client confidential information

For programs up and running, control of confidential information is an operational issue that can be controlled by facility managers and by auditors serving the client firm. A larger problem that we see at nternationalStaff.net is circumvention by call centers of our established business relationships with our existing clients. I have never seen this attempted by a firm in Pakistan. It is bound to happen at some point, but I doubt that it will ever assume the proportions that we routinely see lsewhere in the region.

4) Geopolitical Risks - Location to Terrorism

Naxtals can come to Islamabad from Andra Pradesh? Or sectarian riots from Gujarat spill across the border? The major risk to personal safety that one could face in the region is to be driving on an Indian highway at night. The source of the danger is other drivers.

Pakistan has a stable tax climate and a cadre of top managers who have lived and worked in the West. Other countries don't feel that Pakistan is a competitive threat yet and so have not sought to imitate Pakistan's lessons for investor stability or top management accountability.

Pakistan needs some loosening of U.S. controls on payments originating from the U.S. Payments are being held up by provisions of the USA Patriot Act, which requires clients to take special clearances before sending money to Pakistan. This is driving away some U.S clients and hurting Pakistan.

Pakistan needs to train more middle managers in U.S. business practices such as promptness, attention to quality, and an intense focus on metrics. A shortage of qualified middle managers is holding India back now too.

Pakistan's IT managers appear to have an edge on many of their Indian counterparts in regard to taking responsibility for their operations. The managers at some facilities in India have too much of a hands-off management style that can result in simple problems getting out of

control. The corporate culture of large state-owned enterprises in India is not compatible with dynamic customer-focused corporate cultures of modern globally oriented firms.

In this business, one cannot be afraid of criticism or negative feedback, justified or not. It requires a tough skin and a long-term focus. And investors who understand the need to be in the business for the long haul, not just for quick (unrealistic) profits.

People work with firms in both countries because we believe in the people of both countries. Telling stories about one country makes the entire outsourcing trend look bad and makes both countries look bad.

It’s not an easy task to own a call center, because its not only the money that matters. You need to have clients, in almost all cases from North America or UK.

Rational of the Study

The rational of the study is how can investors sitting overseas invest their money into the marketing and IT in Pakistan is it beneficial to invest money in this region and what other benefits will a foreign investor gain.

Due to the fact that Pakistan has so many things going against like Lack of Law, Enforceability of Contracts, Sanctity of Client confidential information, and Geopolitical Risks Location to Terrorism investors think twice of spending money in Pakistan.

My main objective is to clear questions we may have in our mind about call centers ad back offices in Pakistan. Secondly to create a plan today to take advantage of the huge and wonderful opportunities just waiting in the wings.

Why Off-Shore? What the Experts Say

It has been found that medium to large sized corporations employing about 5000 employees can get a cost benefit of $9.7 MM - $18.4 MM per annum by outsourcing their back offices departments. The saving can vary from 35.8% to 50.7% of the total operations cost. This saving is accrued because of (a) saving in cost due to reduced in-house back-office staff and (b) better SLA deliverables because of outsourcing.

Deloitte study discovers 7% of Global Financial Institutions plan to out source offshore.

Problem statement

This study investigates:

Can a Call center ad back office meet the requirements of a International Market. What benefits are the foreign Investors looking at other than this how can something like this benefit a local investor who invest in the local market by setting up a call center or a BPO.

What will make Pakistan the call center choice or even one of the typical call center choice locations of the world? It is the fantastic potential of well-educated, English-speaking, people-friendly citizens of Pakistan, the huge pool of those who have taken advantage of the opportunities of the Internet against many odds. The people, the Internet, VOIP long distance calling solution, and encouragement by the government can make Pakistan the call center choice, a reality.

Theoretical framework

The type of study is descriptive study therefore there was no need of a theoretical framework.

Objectives of the study

Pakistan has a rich history of a diversity of people who mirror the same qualities of its present day people: determination, courage, integrity, inventiveness and ability to adapt to change. These are some of the same qualities that USA companies are looking In helping clients reduce the cost and improve the quality of their back-office operations.”

This report provides some background on BPO and focuses on the call center industry. The objective is to create awareness among the existing/potential investors and the capital venture companies to explore this area for their business growth. It will specifically benefit the local business entities that are willing to expand their business by investment in a profitable call center venture.

A successful call center will employ persons with a minimum of good English speaking ability and good English listening comprehension; basic skills in computers and Internet such as e-mail, chat programs, and web browsing; and a polite and confident attitude toward customers. The ideal back office representative will have all of the above capabilities, but he is also motivated by something inside of himself to succeed. Other terms for this concept are motivation or self-initiative. He will pursue a good command of English written and reading comprehension, an understanding of English idioms and different types of American slang, and have a will to be persistent, caring, flexible, observant, and assumptive with each unique

customer he deals with. He will know that he is serving often well-informed customers who expect respect.

CHAPTER.2

Literature Review

Ministry of Information Technology Government of Pakistan Islamabad In August 2005 had also conducted a research on the potential growth of these BPOs and call centers growth in Pakistan.

All over the globe, organizations are harnessing the potential of Information Technology (IT) to increase productivity and to reduce overall operating costs. This upswing in IT trends has given rise to the process of outsourcing non-core business practices to Business Service Providers (BSPs). The prospective outsourcing clients around the globe, particularly the U.S,are becoming increasingly choosy. Major Business Process Outsourcing (BPO) service providers such as India, Ireland and Philippines are getting the major share of revenue. According to Gartner [GAR05a, GAR05b, GAR05c] the IT services market has grown from $569.6 billion in 2003 to $ 607.8 billion in 2004 and is expected to grow to $754.8 billion in 2008.

Business Process Outsourcing (BPO) includes but is not limited to accounting, order processing, insurance claim processing, procurement, different administrative and logistic functions and voice-based call center services.
Pakistan is at the threshold of one of the greatest opportunities in the global BPO market. Pakistan has virtually all of the pre-requisites needed for success. The government is striving to create the infrastructure required to jumpstart growth in the Business Process Outsourcing sector. In Pakistani BPO industry, although growth in the fields of medical transcription,
legal transcription, data capture and forms processing has not been substantial but in the last few years, there has been a major boom in outsourcing voice-based call center services. (Khan 2005-2006)

A $131 billion market in 2004; BPO (Business Process Outsourcing) includes customer support, purchasing, credit and collections, accounts payable, accounting, help desk support, information technology support and other administrative and support functions. (Shikoh,2005)

An Overview of the BPO and Call Center Industry in Pakistan
Information Technology is one of the fastest growing sectors in Pakistan in terms of its revenue and size. During the past few years, there has been a remarkable growth in the local IT and IT enabled Services (ITeS) industry. Specifically, IT and ITeS exports have
been quite promising during the last year. The total export proceeds for IT and IT enabled Services sector brought into the country during the Financial Year 2004-05

were USD 48.5 million, up by 48 % from the USD 32.88 million in fiscal year 2003- 04, which in turn was about 45% higher than the previous year, when exports were recorded at USD 22.62 million. Export figures for year 2001-2002 were USD 19.85 million and in 2000-2001 this number was USD 20.12 million.

These figures represent the export earnings of Pakistani IT and ITeS companies transacted through the State bank of Pakistan. There are no sources of information available to determine the value of the unreported export revenues. However, it is estimated that the unreported revenue would be about the same as the reported revenue, which puts Pakistan’s total ITeS export revenue at USD 100 million at the maximum. Although the figures for exports of IT and IT enabled services in Pakistan is still low when compared with other countries in the region, it is a fact that it is favorable relative to previous years’ figures. BPO industry has played a major role in the increase of this export figure.

In the BPO industry, although Pakistan has not attracted services such as medical.

Pakistani firms' share of the total market, however, remains relatively small. As a comparison, more than 150 thousand agents are employed in this market in India. The powerful Indian industry group NASSCOM (National Association of Software and Service Companies), estimated that India earned $3.5 billion in revenues from such work in 2004 (PSEB,2005)

Internet has catalyzed a huge, world-wide demand for IT products & services. Stories of individuals making immense wealth quickly, has caught the imagination of the masses. Limited-supply, huge-demand for IT pros has made it the hottest profession. Underdeveloped countries see it as a quick fix for their decades-old miseries. All these factors have made IT as one of the hottest investment sectors.

Fabulous fables of Silicon Valley VCs, entrepreneurs and possibility of early, huge returns is catalyzing the investment process. This trend is destined to continue as the large IT market is growing at a fast clip. due to the two factors: All businesses now require IT products & services to improve profitability; Internet makes it easier to address the global market.

If we are interested in making an investment, first we need to pick the right sub-sector that meets your individual needs. This presentation offers a framework that can be used to make such decisions. This framework is a vocabulary, describing objectives and constraints of investment opportunities. Elements of this vocabulary act as a committee of critics, each member trying to influence the outcome in an individualistic and selfish manner. An opportunity is selected if it satisfies most of the critics in the investor's committee to a reasonable degree, without overly upsetting the remaining ones. For further explanation, take a look at the presentation

A. H. Khan. Investing in Pakistan's IT Businesses: Opportunities & Challenges. Lahore Chamber of Commerce and Industry, Lahore, Pakistan, February 2001.

B. Table-1 shows Gartner's forecast about

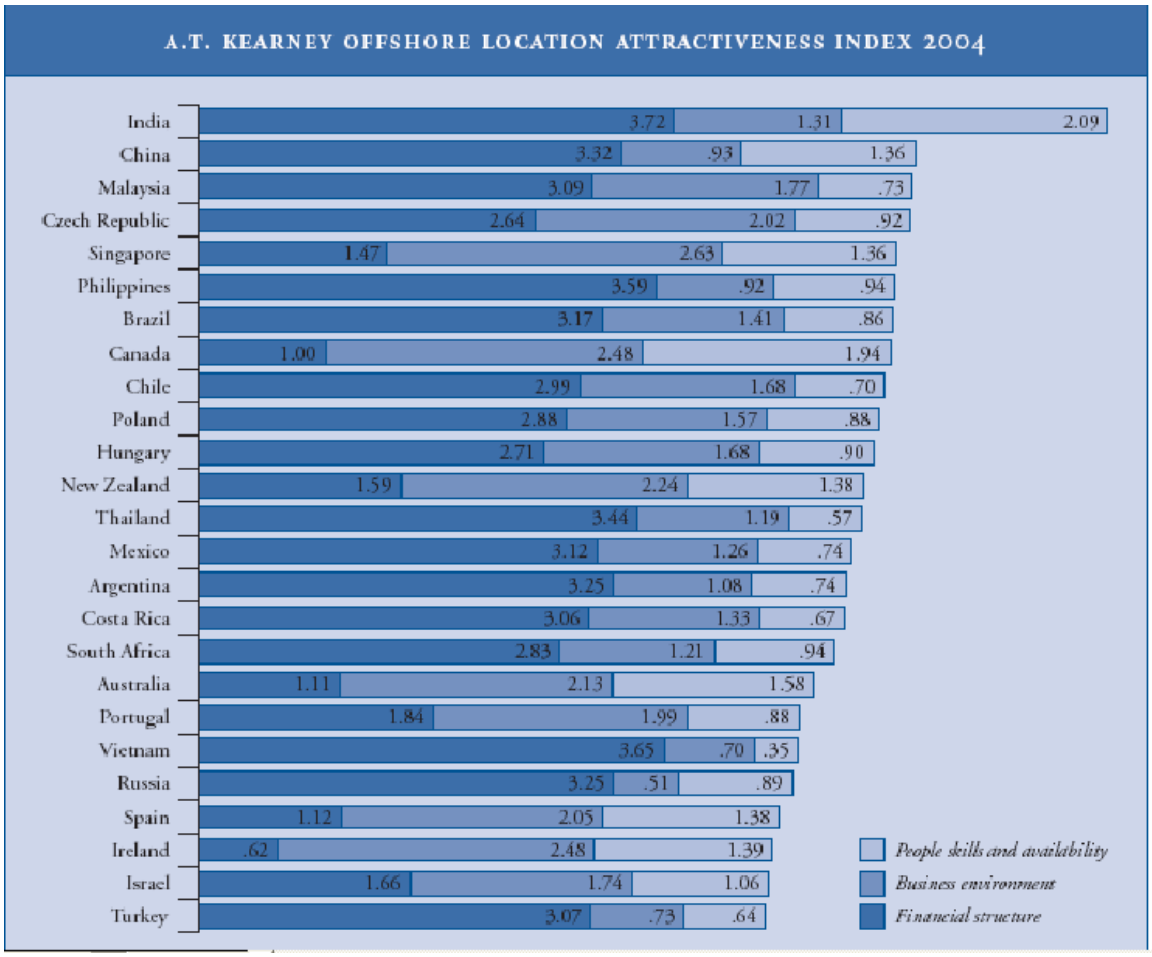
Worldwide IT Services market revenue
Growth segregated by market segment.

Table-1: Worldwide IT Services Market Revenue Growth by Segment, 2002-2008 (Millions of Dollars)

	2002	2003	2004	2005	2006	2007	2008	CAGR (%) 2003-08
Product Support	123,792	130,282	135,658	138,795	143,075	147,759	153,287	3.3
• Hardware Maintenance and Support	76,397	79,145	81,888	83,168	85,060	87,109	89,572	2.5
• Software Support	47,395	51,137	53,771	55,627	58,015	60,650	63,715	4.5
Systems integration	209,014	215,529	227,512	236,464	248,339	261,319	275,521	5.0
• Consulting	42,164	41,915	43,803	45,414	47,632	50,205	53,034	4.8
• Development and Integration	166,850	173,613	183,709	191,049	200,707	211,114	222,487	5.1
Core Outsourcing	202,766	223,802	244,084	260,459	279,874	301,858	325,986	7.8
• IT Management	125,131	138,499	150,448	159,383	170,067	182,100	195,297	7.1
• Process Management	77,634	85,303	93,636	101,076	109,807	119,758	130,689	8.9
Total	**535,572**	**569,612**	**607,254**	**635,718**	**671,288**	**710,936**	**754,794**	**5.8**

Source: Gartner Dataquest (November 2004)

Of all the IT related Services, core outsourcing (including IT management and process management) was the main source of growth in 2004 and is expected to be leading in next five years. The sum of these core-outsourcing services at $224 billion edged out systems integration services (Consulting and development integration)
At $227 billion, and the lead is expected to widen through 2008. According to IDC [IDC04], the total worldwide spending on Business Outsourcing was approximately $687 billion in 2003, which is expected to increase to $997 billion in 2008.



Source: A.T. Kearney, http://www.atkearney.com/

Note: the numbers mentioned in the above chart are index numbers. The weight distribution for three categories is 40:30:30, meaning that the financial structure is rated on a scale of 1 to 4 and business environment and people skills and ability are on a scale of 1 to 3.

Method

In order to understand the whole operation of the initial investment and what returns can be gained we will take the operations of one call center and one leading BPO in Pakistan and see how their operation is helping their foreign clients as well as the person who is investing money here in Pakistan regardless of the fact that he is a foreign investor or a local investor trying to start a business.

In order to understand this we need to categorize which call centers are in Operation Globally. .

Centers – Categorized by

Type of Operation

- **International Call Centers**

International call centers work with a etwork of offshore operations in different
countries. Round the clock working hours offer the customers the advantage of 7x24x365 availability.
The international call centers are generally
industry specific. They provide customized customer contact solutions to meet clients’ specific needs. International
call centers are supported by secure and state-of-the-art technologies server.

- **Domestic Call Centers**

A domestic call center involves an outsourcer who has call center locations around the native country for redundancy.
For cost effectiveness, the call center professionals usually take calls for two or three clients whose data is ported to the desktop via a secure connection from the
client's database into the outsourcer's Stetting Up Call

A Guide for Local Entrepreneurs and Businesspersons
database into the outsourcer's Clients are sometimes given the option of co-locating some in-house customer service agents at the call center to work in conjunction with outsourcers' agents. The advantages of domestic call centers include relative physical proximity between

outsourcer and client, the ability to co-locate and on-site troubleshooting. The domestic call centers on the other hand, involve higher cost and usually a non-dedicated staff. These call centers specialize in providing both inbound and outbound services.

Call Centers – Categorized by Size

Call Centers can be categorized into three groups based on their size. The first group includes businesses that employ a staff of 5 to 100 individuals. Generally businesses in this group are constantly under pressure to reduce operational costs in order to stay competitive with larger companies. The second group includes companies that employ over 100 individuals. This group includes Fortune 500 companies and government departments. Many of these companies currently operate in-house call centers, which may be located in offshore facilities.

Call Centers – Categorized by

Type of Services

Another way to segment the call center

Market is by types of services:

Call Centers

An inbound center is one that handles calls coming in from the outside world, most often through toll free numbers. These calls are primarily service and support calls. Inbound call centers represent a large percentage of the in-house call centers. Due to the long term nature of inbound services organizations are more inclined to establish in-house call centers to provide inbound services.

This segment yields long term benefits resulting in more stable revenue generation. Many outsourcing call centers have also ventured into this segment since this is a cost effective method to provide customers with multiple touch point support for small and medium size businesses. Since there are few regulations for inbound services it is also easier to train agents and provide a faster turn around. The services of Inbound Call Center may comprise of:

- Order Processing
- Catalog Orders
- Consumer Response
- Customer Service
- Dealer Locators
- Toll Free Response
- Help Desk
- Direct Mail Response
- Direct TV Response
- Print Media Response
- Website Response

- o Seminar Registration
- o Answering Service
- o Inquiry Handling
- o Email Management
- o Product Technical Information
- o Interactive Voice Response
- o Sales Lead Qualification
- o Technical Support
- o Trade Show Registration
- o Outbound Call Centers

Outbound market mainly consists of telemarketing programs. Although large companies provide these services in-house, Outsourcers have a large share of the market in this service area. Outbound campaigns typically are of a shorter Duration. The competition in this sector is relatively higher compared to inbound services. Many outsourcing call centers specialize in providing outbound telemarketing programs. This market segment is highly lucrative where the revenues are generated as a percentage of sales made for the client, but at the same time based on the expertise of the call center the revenues generated through this sector can fluctuate over time. The integrated call management systems in the outbound call center facilities use, systematic calls to consumers and transfer successful connections to a designated Marketing Representative (MR) who is dedicated and has been trained for the specific client application. As a call is presented to the MR, the consumer's name, address, and other available information are simultaneously presented on the MR's workstation along with a client's customized script.

Other Types of Call Centers include:

Web Enabled Call Center

A web enabled call center improves ecommerce initiatives by offering high quality customer service. Various features offered by Web enabled call centers are:

Web Pop that automatically

Provides Customer Service Representatives (CSRs) with a Pop-up screen of client's website, intranet or web script.
o Web Callback that helps the visitors of the client's website request a callback from the
CSRs by simply clicking and entering their name, telephone Information and time for call.

Web Chat that assists visitors

engaged in a live, two-way text chat directly from client's site to a trained agent. They can obtain answers to questions or resolve customer service issues without having to disconnect from the Internet or use a phone.

Web Push allows CSRs to

Assist client's website visitor to find out information through guided "browsing."

Email Management

Manages high-volume email inquiries directed to client's mailbox or produced via a Website. The incoming messages are tracked and provided an appropriate auto reply message to the customers letting them know that their email has been received.

CRM Call Center

In a CRM call center, customers communicate in multiple ways that include phone, e-mail, Web chat, personal sales representative, Voice over Internet Protocol (VoIP) and a host of others. The CRM software integrates all the forms of customer contact into a central history database where they can be retrieved or viewed together. Using CRM software, a customer issue can be tracked from the original point of contact through to resolution.
CRM call centers help companies realign their entire organization around customers.

And thus, is a strategic business initiative.
Sales, Marketing and Service as well as other groups are connected and coordinated through the CRM applications. Before a call is made to the customer, all recent activity for that customer should be reviewed. Then a sales strategy needs to be planned based upon observed opportunities.

The use of CRM software in the call center allows the assignment of a value to each customer.
With that feature, one can choose how to
interact with that customer.

Telemarketing Call Center

Telemarketing call centers specialize in developing and implementing professional inbound/outbound telemarketing, appointment setting, telesales and market research programs.

Telemarketing refers to the business or practice of marketing goods or services by telephone. It is the act of selling, promoting or soliciting a product over the
Telephone. Reliable telemarketing is an essential part of the organization's working to enhance sales and increase profits. Combining the best of personnel, processes and progressive technologies, the telemarketing call centers serve as highly reliable specialist resource for
Organizations seeking outstanding performance and results.

Phone Call Center

The phone call centers offer flexible call routing, superior IVR capacity and predictive dialing systems.
Utilizing advanced telephony and Internet technology, the Customer Service Representatives (CSRs) in the phone call centers provide accurate and timely information for the most complex inbound or outbound programs. The phone call

centers offer personalized call management by a team of professional operators who know about the client and his business.

The phone call centers provide 24/7 answering and business services that help keep the customers satisfied. This is essential as the call centers could be loosing customers because of not answering the phone when they called and also as they expect answers to questions immediately. The customers expect the call centers to work around their busy

Some of the call Centers already In Operation in Pakistan are as follows.

Appendix-A: International and Domestic Call Centers in Pakistan

International Call Centers:

Sr #	Name of Companies	City
1	M/S Ovex Technologies	Islamabad & Lahore
2	Touchstone	Islamabad
3	DPS	Islamabad
4	Voxel Communications (Pvt) Ltd	Islamabad
5	Call Central	Islamabad
6	Hello Technologies	Islamabad
7	Rapid Response	Islamabad
8	Call Buddy Ltd.	Islamabad
9	Virtual Soft	Rawalpindi
10	Quick Link Telecom	Islamabad
11	TRG (Pvt) Ltd	Lahore
12	Sequal Systems INC	Lahore
13	Vision Technologies	Lahore
14	FORETEL Corporation	Lahore
15	Sameer Enterprise	Lahore
16	Innovative (pvt) Ltd	Lahore
17	ITS Homes	Lahore
18	APEX Communication	Lahore
19	MPS Call Center	Lahore
20	Global Network Solutions	Lahore
21	Hillal Corporation (Pvt) Ltd	Karachi
22	InfiniLogic (Pvt) Ltd	Karachi
23	5C Alliance Pakistan (Pvt) Ltd	Karachi
24	Pisces	Karachi
25	English Boot House	Karachi

Sr. #	Name of Companies	City
26	Irnina technologies	Lahore
27	TransData	Lahore
28	Fiber technologies	Lahore
29	Absolute XS INC	Lahore
30	Adamsoft	Lahore
31	Customer Care	Lahore
32	Ebos (Pvt) Ltd	Lahore
33	First Marvel (Pvt) Ltd	Lahore
34	NBA Computers	Lahore
35	V-Telecom	Lahore
36	Virtual Resource Solution / Virgin Resort	Lahore
37	Alt source	Karachi
38	AMZ Access (Pvt) Ltd (formerly Go Net BPO)	Karachi
39	Vertcity (Pvt) Ltd	Karachi
40	Arwen Technologies (Pvt) Ltd (formerly Americom Technologies)	Karachi
41	Kontact Remote Services (Pvt) Ltd	Karachi
42	Uffaq Technologies (pvt) Ltd	Karachi
43	KFC	Karachi
44	LYNX	Karachi
45	Nova Leather (Pvt) Ltd	Karachi
46	Hillal Corporation (Pvt) Ltd	Karachi
47	InfiniLogic (Pvt) Ltd	Karachi
48	5C Alliance Pakistan (Pvt) Ltd	Karachi
49	Pisces	Karachi
50	English Boot House	Karachi

Reasons on why people can invest in Pakistan.

2nd Fastest GDP Growth

The economy grew 8.4% during the year ending June 2005. This growth is second only to China's 9.5%.

FDI Growth

Foreign direct investment grew by 34% in the telecom sector, 18% in financial services, and 14% in oil & gas during 2004-05.

Ease of Doing Business

World Bank's *Ease of Doing Business Index* ranked Pakistan 60th and India 116th among 155 countries. On *Ease of Starting A Business*, Pakistan stood 38th and India 90th.

High-Quality HR

A large number of CSR's in call centers possess college degrees.

Low-Cost HR

Companies here enjoy a wage-advantage of around 30% over India. The turn-over rates in call centers are less that half of those in India.

Attractive Infrastructure

Technology parks in major cities provide subsidized infrastructure and international connective

Supportive Policies

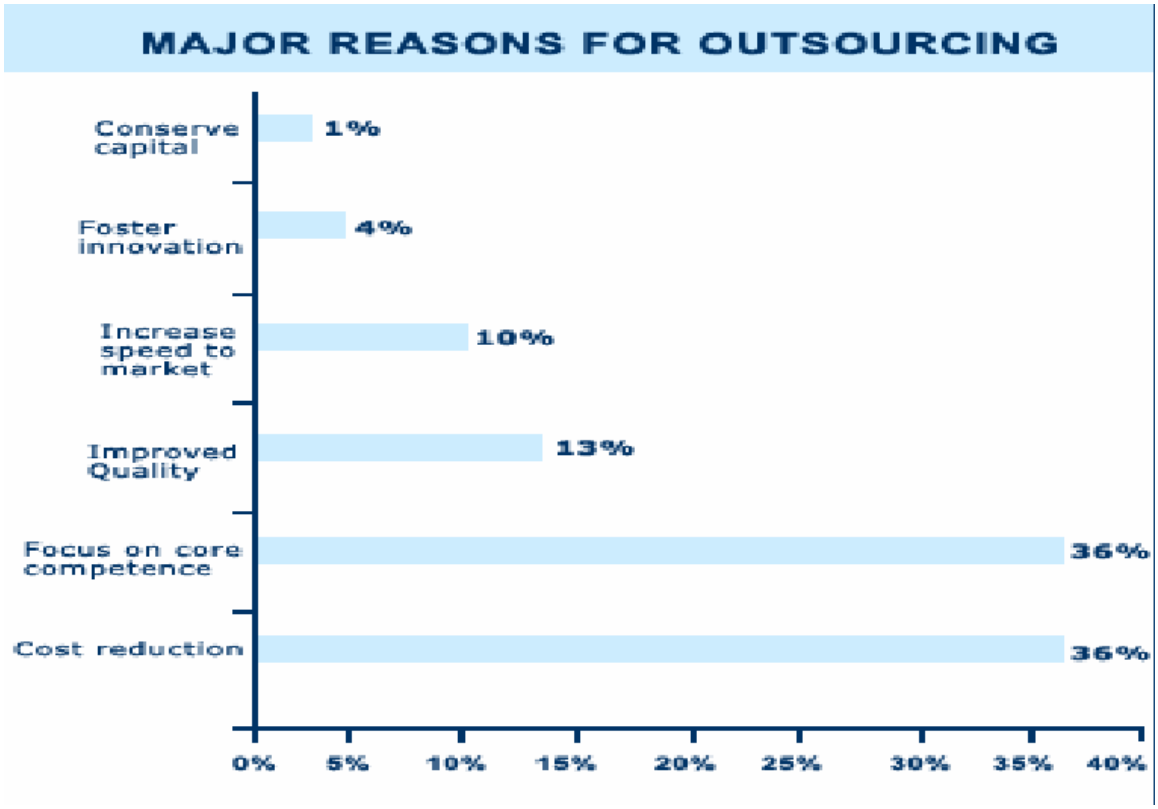
Foreign investors are allowed 100% ownership of equity in IT/ITeS companies along with 33% annual depreciation of equipment and 100% repatriation of earnings.

Neutral Accents

Accent neutralization for local speakers of English is substantially easier than all other Asian outsourcing destinations.

Western Experience

Executives at local BPO firms often have worked and received their degrees from universities in the US, which is Pakistan's largest export market.



How to Get Business.

Finding offshore customers for a BPO startup is a difficult proposition. The real challenge, however, is delivering and meeting the expectations of those customers!

First things first - how to go about finding customers? The question that you need to ask yourself is why some company should outsource work to you? You should have answers ready to at least the following questions:

- Can you give guaranteed service levels in the contract?
- Do you have a proven track record in outsourcing? Show them your customer list and testimonials. As a startup, you may not have such testimonials. In that case, you should highlight the outsourcing-related experience of your startup team.
- Which BPO sector do you specialize in? Customers prefer specialists over generalists.

we will not be able to entice steady, well-paying clients unless we have satisfactory responses to these basic questions.

Before you make a pitch to your prospective customer, try to understand how their business works and be ready to tell them the following:

- How can they **make more money** or **save more money** or **get more business** or **enhance the quality of their service** or **improve their product** by outsourcing to you?
- What processes do you have in place to assure the quality of your services?
- How are you going to manage their overall risk of outsourcing?

Here are a few more suggestions:

- Get in touch with Pakistani experts and other personal contacts situated in foreign countries.
- Register your company with PSEB, PASHA, and Web sites like offshorexperts.com and medicaltranscription.com
- Write to offshore companies in India, Philippines and other popular BPO destinations and see if they would like to develop a partnership with you.

We have an Income statement of En Pointe technologies on how they have evolved as a company by out sourcing employees In Pakistan.

En Pointe Technologies, Inc. Reports Financial Results for the Third Quarter of Fiscal 2005 – Total Net Sales for the Quarter at a Four Year High

En Pointe Technologies, Inc. (NASDAQ:ENPT), a leading national provider of business-to-business information technology products, services and solutions, announced consolidated results for its third fiscal quarter and nine months ended June 30, 2005. Total net sales in the third quarter of fiscal 2005 grew 12% to $92.6 million as compared to the $82.9 million reported for the third quarter of fiscal 2004. Net income for the third quarter of fiscal 2005 was $102,000, or $0.01 per basic and diluted share, as compared with the net income of $477,000, or $0.07 per basic and diluted share, reported in the third quarter of fiscal 2004.

Both service and product revenues continued on a path of double-digit percentage growth with service revenues increasing 11% and product revenues increasing 12% during the June 2005 quarter as compared with that of the June 2004 quarter.

For the nine months ended June 30, 2005, total net sales increased 16% to $240.9 million from $207.7 million during

the comparable period in the prior fiscal year with most of that increase continuing to come from product sales.

However, in respect to the current operating loss, it should be noted that En Pointe continues to hold an approximate 38% interest in Premier BPO (Ovex), Inc (“PBPO”), a start-up offshore business process outsourcing services provider, and as a result under FIN 46 accounts for its investment as a Variable Interest Entity by consolidating PBPO’s results with its own. The effect of consolidating PBPO’s financial results has been to mask the core earnings strength of En Pointe by absorbing $369,000 of PBPO’s operating losses in its June 2005 quarter. While the operating loss impact is mitigated, somewhat, by $155,000 of PBPO’s net loss being allocated to the “minority interest”, the net effect on En Pointe’s earnings still remained a negative $217,000. In spite of this drain on earnings, En Pointe was able to attain a bottom-line profit of $102,000, marking its eighth consecutive profitable quarter.

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, from time to time, En Pointe Technologies, or its representatives, have made or may make forward-looking statements, orally or in writing. The words "estimate," "project," "potential," "intended," "expect," "anticipate," "believe" and similar expressions or words are intended to identify forward-looking

statements. Such forward-looking statements may be included in, but are not limited to, various filings made by En Pointe with the Securities and Exchange Commission, press releases or oral statements made with the approval of an authorized executive officer of the Company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions. Reference is hereby made to En Pointe 's Annual Report on Form 10-K for the fiscal year ended September 30, 2004 for information regarding those factors and conditions. Among the important factors that could cause actual results to differ materially from management's projections, estimates and expectations include, but are not limited to: changing economic influences in the industry; dependence on key personnel; actions of manufacturers and suppliers; and availability of adequate financing.

En Pointe Technologies, Inc.

Condensed Consolidated Balance Sheets

(in thousands)

	June 30, 2005	September 2004
ASSETS:	(Unaudited)	
Current assets:		
Cash	$ 14,240	$ 16,072
Restricted cash	71	71
Accounts receivable, net	52,382	31,571
Inventories, net	8,154	7,105
Prepaid expenses and other current assets	1,064	578
Total current assets	75,911	55,397
Property and equipment, net of accumulated depreciation and amortization	2,672	5,346
Other assets	906	689
Total assets	$ 79,489	$ 61,432
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable, trade	$ 19,544	$ 13,971
Borrowings under line of credit	32,412	18,309
Accrued liabilities	3,969	4,087
Other current liabilities	3,561	1,151
Total current liabilities	59,486	37,518
Long term liability	385	5,628
Total liabilities	59,871	43,146
Minority interest	992	308
Total stockholders' equity	18,626	17,978
Total liabilities and stockholders' equity	$ 79,489	$ 61,432

En Pointe Technologies, Inc.

Condensed Consolidated Statements of Operations

(Unaudited)
(in thousands, except per share data)

	Three months ended June 30,		Nine months ended June 30,	
	2005	2004	2005	2004
Net sales:				
Product	$ 80,450	$ 71,968	$ 205,107	$ 174,996
Service	12,142	10,895	35,815	32,743
Total net sales	92,592	82,863	240,922	207,739
Cost of sales:				
Product	74,416	66,612	189,407	162,362
Service	9,098	6,779	25,568	18,922
Total cost of sales	83,514	73,391	214,975	181,284
Gross profit:				
Product	6,034	5,356	15,700	12,634
Service	3,044	4,116	10,247	13,821
Total gross profit	9,078	9,472	25,947	26,455
Selling and marketing expenses	6,591	5,794	18,872	16,972
General and administrative expenses	2,661	3,010	7,367	8,095
Operating (loss) income	(174)	668	(292)	1,388
Interest (income) expense, net	(76)	211	23	628
Other income, net	(46)	(91)	(530)	(245)
(Loss) income before income taxes and minority interest	(52)	548	215	1,005
Provision for income taxes	1	71	25	101
Income before minority interest	(53)	477	190	904
Minority interest in affiliate loss	155	--	304	19
Net income	$ 102	$ 477	$ 494	$ 923
Net income per share:				
Basic	$ 0.01	$ 0.07	$ 0.07	$ 0.14
Diluted	$ 0.01	$ 0.07	$ 0.07	$ 0.13
Weighted average shares outstanding:				

Basic	6,867	6,792	6,841	6,729
Diluted	7,124	6,907	7,101	6,855

Sample:

A Incorporate Project of En client Technologies.

A Cost Analysis of a project

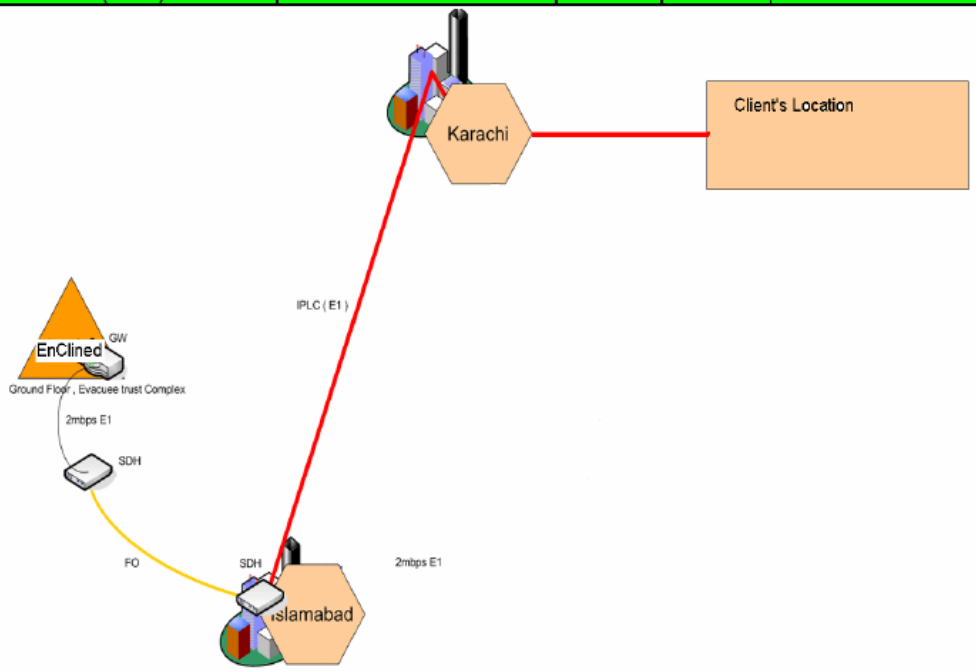
In order to understand how this works we have a full feasible report of a potential call center.

Initial Investment

Initial Investment				
Name	**Unit**	**Cost per unit**	**Qty**	**Total Cost**
Office rent	3 months	255000	3	765000
Furniture	(total)	542500	1	542500
IT equipment	(total)	7070200	1	7070200
Misc.	Total	332800	1	332800
Total				8710500

IT Requirements

Name	Vendor	Unit	Unit cost	Total cost
Data Link (IPLC)	PTCL	1	270000	270000



Turn Over

This is the most important part of any organization as they are all working for same common goal that is profit.

Profit ad company's financial position is shown through following.

- Income Sheet
- Balance Sheet
- Profit Graph

They are few tables included to summarize calculations like

- Payroll Calculations
- Revenue Calculation

Projected Income Statement for One Year (from 31st January 2006 to 31st December 2006)

	January	February	March	April	May	June	July
Revenue	1710000	1710000	1710000	3420000	3420000	3420000	5130000
Direct Cost	360000	360000	360000	810000	810000	810000	1350000
Gross Margin	1350000	1350000	1350000	2610000	2610000	2610000	3780000
Gross margin %	79%	79%	79%	76%	76%	76%	74%
Operating Expenses							
Sales and Marketing Expenses							
Adverting	35000	35000	35000	35000	25000	50000	30000
Travel Expense		-	-	-	-	-	-
Misc.		-	-	-	-	-	-
General and Administrative Expenses							
Payroll expense	127000	127000	127000	127000	127000	127000	127000
Employee's Welfare				-	-	-	
Depreciation	56600	56600	56600	56600	56600	56600	56600
Insurance	35000	35000	35000	35000	35000	35000	35000
Rent	184000	184000	184000	184000	184000	184000	184000
Write off deferred cost	1825	1825	1825	1825	1825	1825	1825
Office Supplies	15000	15000	15000	20000	20000	20000	25000
Utilities	55000	40000	45000	65000	62000	81000	70000
Data link rent	120000	120000	120000	120000	120000	120000	120000
Satelite Expense	570000	570000	570000	570000	570000	570000	570000
Misc.	5000	5000	5000	7500	5500	6000	8000
Total operating expense	**Rs 1,204,425.00**	**Rs 1,189,425.00**	**Rs 1,194,425.00**	**Rs 1,221,925.00**	**Rs 1,206,925.00**	**Rs 1,251,425.00**	**Rs 1,227,425.00**
Operating Income	Rs 145,575.00	Rs 160,575.00	Rs 155,575.00	Rs 1,388,075.00	Rs 1,403,075.00	Rs 1,358,575.00	Rs 2,552,575.00
Operating Income %	9%	9%	9%	41%	41%	40%	50%
Other Income	-	-	-	-	-	-	-
Other Expense (Bank interest)	40000	40000	40000	40000	40000	40000	40000
Income before Tax	Rs 105,575.00	Rs 120,575.00	Rs 115,575.00	Rs 1,348,075.00	Rs 1,363,075.00	Rs 1,318,575.00	Rs 2,512,575.00
Tax	-	-	-	-	-	-	-
Net Income	Rs 105,575.00	Rs 120,575.00	Rs 115,575.00	Rs 1,348,075.00	Rs 1,363,075.00	Rs 1,318,575.00	Rs 2,512,575.00
Net Income %	6.17%	7.05%	6.76%	39.42%	39.86%	38.55%	48.98%

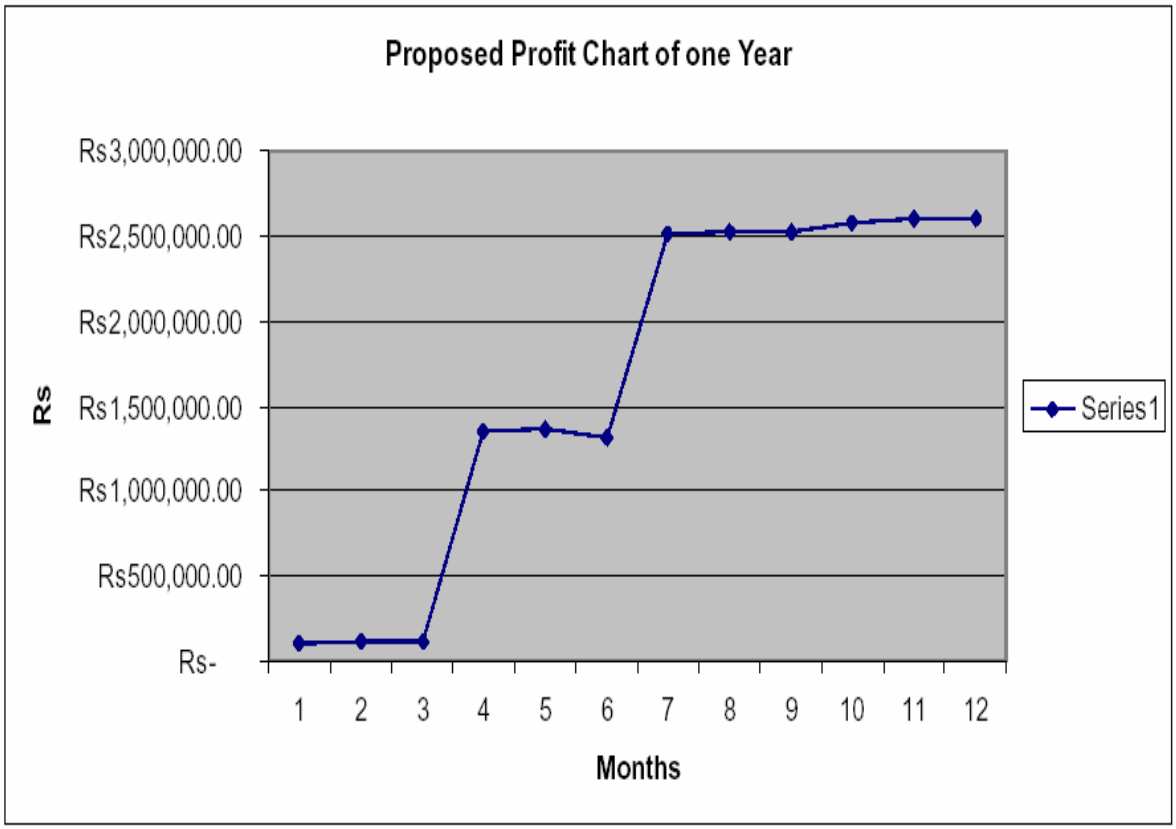
August	September	October	November	December
5130000	5130000	5205000	5238000	5238000
1350000	1350000	1385000	1402000	1402000
3780000	3780000	3820000	3836000	3836000
74%	74%	73%	73%	73%
25000	25000	25000	20000	20000
-	-	-	-	-
-	-	-	-	-
127000	127000	127000	127000	127000
56600	56600	56600	56600	56600
35000	35000	35000	35000	35000
184000	184000	184000	184000	184000
1825	1825	1825	1825	1825
25000	25000	15000	15000	15000
68000	60000	59000	55000	63000
120000	120000	120000	120000	120000
570000	570000	570000	570000	570000
5000	6000	6500	7000	8000
Rs 1,217,425.00	**Rs 1,210,425.00**	**Rs 1,199,925.00**	**Rs 1,191,425.00**	**Rs 1,200,425.00**
Rs 2,562,575.00	Rs 2,569,575.00	Rs 2,620,075.00	Rs 2,644,575.00	Rs 2,635,575.00
50%	50%	50%	50%	50%
-	-	-	-	-
40000	40000	40000	40000	40000
Rs 2,522,575.00	Rs 2,529,575.00	Rs 2,580,075.00	Rs 2,604,575.00	Rs 2,595,575.00
-	-	-	-	-
Rs 2,522,575.00	Rs 2,529,575.00	Rs 2,580,075.00	Rs 2,604,575.00	Rs 2,595,575.00

Payroll

	Trainee	Permanent	Sr CSR	Supervisor	Operational Manager	sweeper	office boy	Guard	Asst Admin	Network eng	IT Manager
January	30					3500	9000	4000	20000	20000	35000
February	30					3500	9000	4000	20000	20000	35000
March	30					3500	9000	4000	20000	20000	35000
1 Qtr End											
April	30	30				3500	9000	4000	20000	20000	35000
May	30	30				3500	9000	4000	20000	20000	35000
June	30	30				3500	9000	4000	20000	20000	35000
2 Qtr End											
July	30	30	30			3500	9000	4000	20000	20000	35000
August	30	30	30			3500	9000	4000	20000	20000	35000
September	30	30	30			3500	9000	4000	20000	20000	35000
3 Qtr End											
October	30	30	25	5		3500	9000	4000	20000	20000	35000
November	30	30	24	5	1	3500	9000	4000	20000	20000	35000
December	30	30	24	5	1	3500	9000	4000	20000	20000	35000
4 Qtr end											

Admin/Finance manager	pay of Trainer	Pay of a Trainee	Pay of Permanent	Pay of Sr CSR	Pay of Supervisor	Pay of operational Manager	Amount due
40000		360000					491500
40000		360000					491500
40000		360000					491500
40000		360000	450000				941500
40000		360000	450000				941500
40000		360000	450000				941500
40000		360000	450000	540000			1481500
40000		360000	450000	540000			1481500
40000		360000	450000	540000			1481500
40000		360000	450000	450000	75000		1466500
40000		360000	450000	432000	75000	60000	1508500
40000		360000	450000	432000	75000	60000	1508500

Profit Graph



As we can see for the first 3 months we don't raise any revenue but after that there is an abrupt increase in the profit due to the income received from our clients.

Revenue Calculation

Revenue Calculation

	Trainee	Permanent	Sr CSR	Supervisor	Operational		Total revenue
	$950 = RS. 57000	$1000 = Rs 60000	$1050 = 63000	$1200	$1500		
January	1710000						1710000
February	1710000						1710000
March	1710000						1710000
1 Qtr End							
April	1710000	1800000					3510000
May	1710000	1800000					3510000
June	1710000	1800000					3510000
2 Qtr End							
July	1710000	1800000	1890000				5400000
August	1710000	1800000	1890000				5400000
September	1710000	1800000	1890000				5400000
3 Qtr End							
October	1710000	1800000	1575000	360000			5445000
November	1710000	1800000	1575000	360000	90000		5535000
December	1710000	1800000	1575000	360000	90000		5535000
4 Qtr end							

Working Note: 950 is the dollar amount that we are charging to our client per agent.
This amount will go up to $1200 for Supervisor and then $1500 for an operational manager as per agreement.

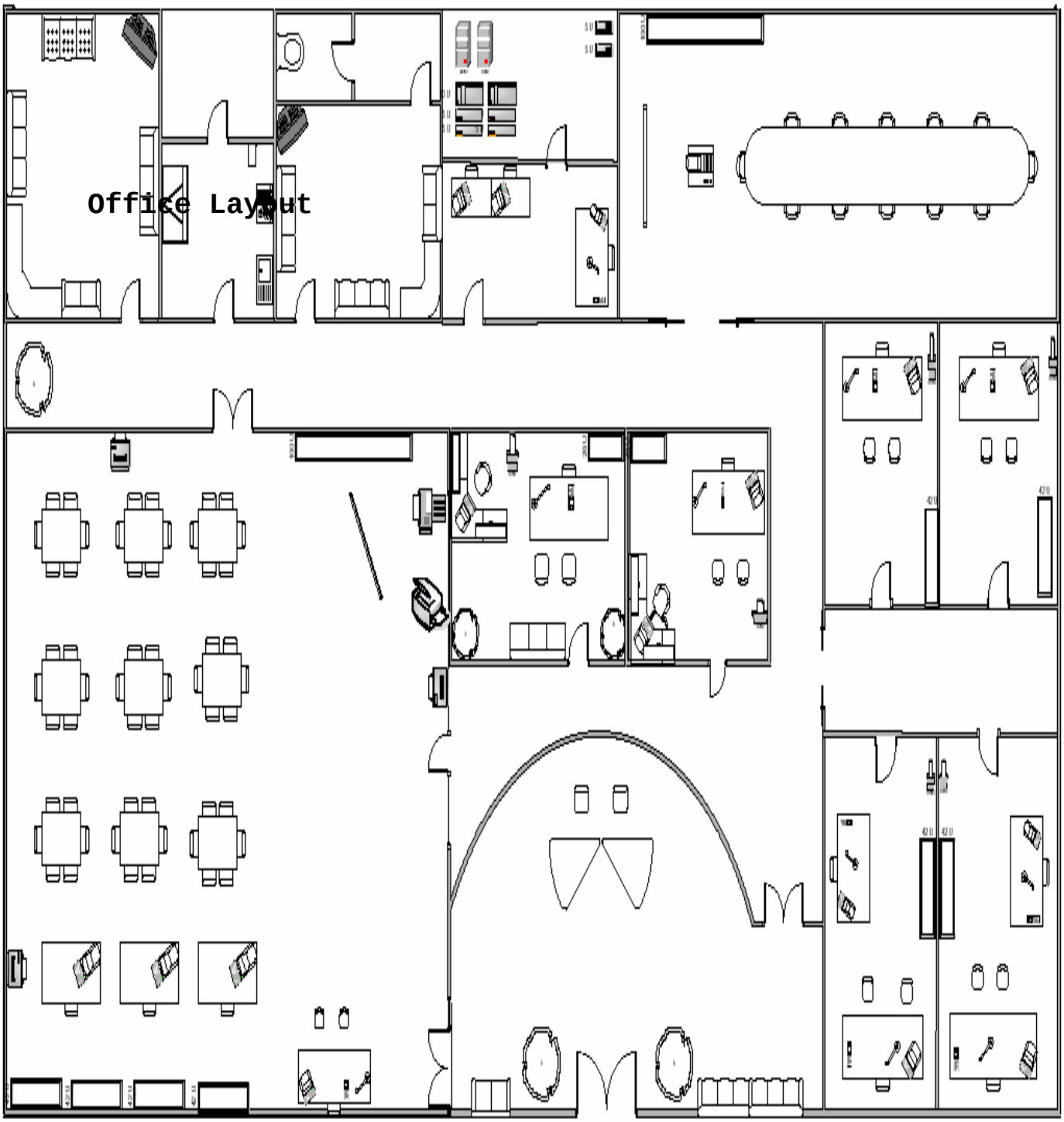
Note: We are assuming rate of $ as Rs. 60 for One $			

Balance Sheet

EnClined Technologies

Projected Balance Sheet as at 31st December 2006

		January		February	March	April
Assets						
	Short term assets					
	Cash		601334	713668	821002	1173836
	Long term Assets					
	miscellaneous		332800	332800	332800	332800
	Other assets		141000	141000	141000	141000
	Furniture		777000	777000	777000	777000
	Equipment		7190200	7190200	7190200	8177200
	deferred cost		1095000	1093175	1091350	1089525
	write off		1825	1825	1825	1825
	transferred to next month		1093175	1091350	1089525	1087700
	Total Assets		10135509	10246018	10351527	11689536
Liabilities						
	Short term liabilities					
	bank interest		40000	40000	40000	40000
	accumulated depreciation		56600	113200	169800	226400
	Long term Liabilities		4000000	3933334	3866668	3800002
	monthly installment		66666	66666	66666	66666
	Total long term liabilities		3933334	3866668	3800002	3733336
	Total Liabilities		4029934	4019868	4009802	3999736
Capital						
	Owner's Equity		6000000	6105575	6226150	6341725
	Net Profit	Rs	105,575.00	120575	115575	1348075


Office Layout

Results and Discussion

The Growth of En Pointe Technologies Shows how the company has evolved over the past couple of years into one of the biggest reseller In USA for computer accessories and software development.

Also looking at the reports and financial statements of the Back Office that we have created its obvious that it is a very profitable and beneficial business.

Going forward BPO is growing on a large scale all over the world, Bunnies man, who are taking this opportunity are not only enjoying profits but they are also looking forward for their company growth.

On the other side, companies like Ovex are also getting more and more profits. The above feasibility is one client for which business will operate at night. Think of getting another client whose operations can be done in day time. So with almost same investment we can DOUBLE our profits.

Conclusion And Recommendations

IT professionals trained in a variety of disciplines from abroad and locally are applying their innovative ideas to maximize the benefit obtained from the information revolution. More and more international companies are seeking solutions from Pakistani professionals to remain competitive in the global economy.

A well developed infrastructure, availability of skilled labor, software technology parks at nominal cost, and significant government incentives provide a conducive environment for the development of the IT and ITeS industry. Pakistan offers a large supply of low-cost labour and state of the art technology infrastructure for establishing world-class call centers.

Companies in Pakistan are developing hardware and software at much lower cost than our competitors. Pakistani trained professional call center agents are techno-literate individual’s and undergo special language training courses to ensure that callers don’t feel that they are talking to someone in another part of the world. Pakistan now has many companies providing transcription services to clients locally as well as globally. Specialized training programs in this sector have provided the industry with a large pool of data entry operators providing low cost, quality services. The most important reason why Pakistan is a potential market for outsourcing is a Simple one.

It costs less, far less, to do business in Pakistan, than anywhere else.

To summarize, the main motivation factors include:

1. Government Support
2. Availability of Better Infrastructure & HR
3. Low Operating Cost

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