

**NASSCOM®**

# NEWSLINE

## UPSKILLING FOR DIGITAL

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- 3 Indian IT-BPM industry embracing Digital Transformation to fuel next growth phase**
- 5 Bringing back mums to work**
- 7 Showcasing India's ER&D capabilities in Japan**
- 8 NASSCOM underscores importance of growing India-US IT collaboration**
- 10 NASSCOM pens MoU with IIC to promote innovation around IoT**

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## Editorial

### Upskilling for Digital

It became very clear at the global NASSCOM India Leadership Forum 2017, that Digital was going to be catalyst for the next phase of growth of the Indian IT-BPM sector. As most of the deliberations at the conference indicated, embracing Digital had become an imperative for individuals, organizations and nations, who in turn had to skill/upskill to leverage this giant business opportunity. Around two million people in fact, will need to be skilled in Digital technologies over the next four-five years, a fact that has been indicated in this issue of Newsline.

In line with NASSCOM's Digital initiatives, in fact, NASSCOM has tied up with Internet Industrial Consortium (IIC) of the USA to build greater innovation around the Internet of Things (IoT).

In this issue of the newsletter, we additionally focus on a critical workforce issue – bringing women back to work after they have started families. NASSCOM and Mercer's recent report talks about the eco-system that industry players need to create to facilitate 'returnships'.

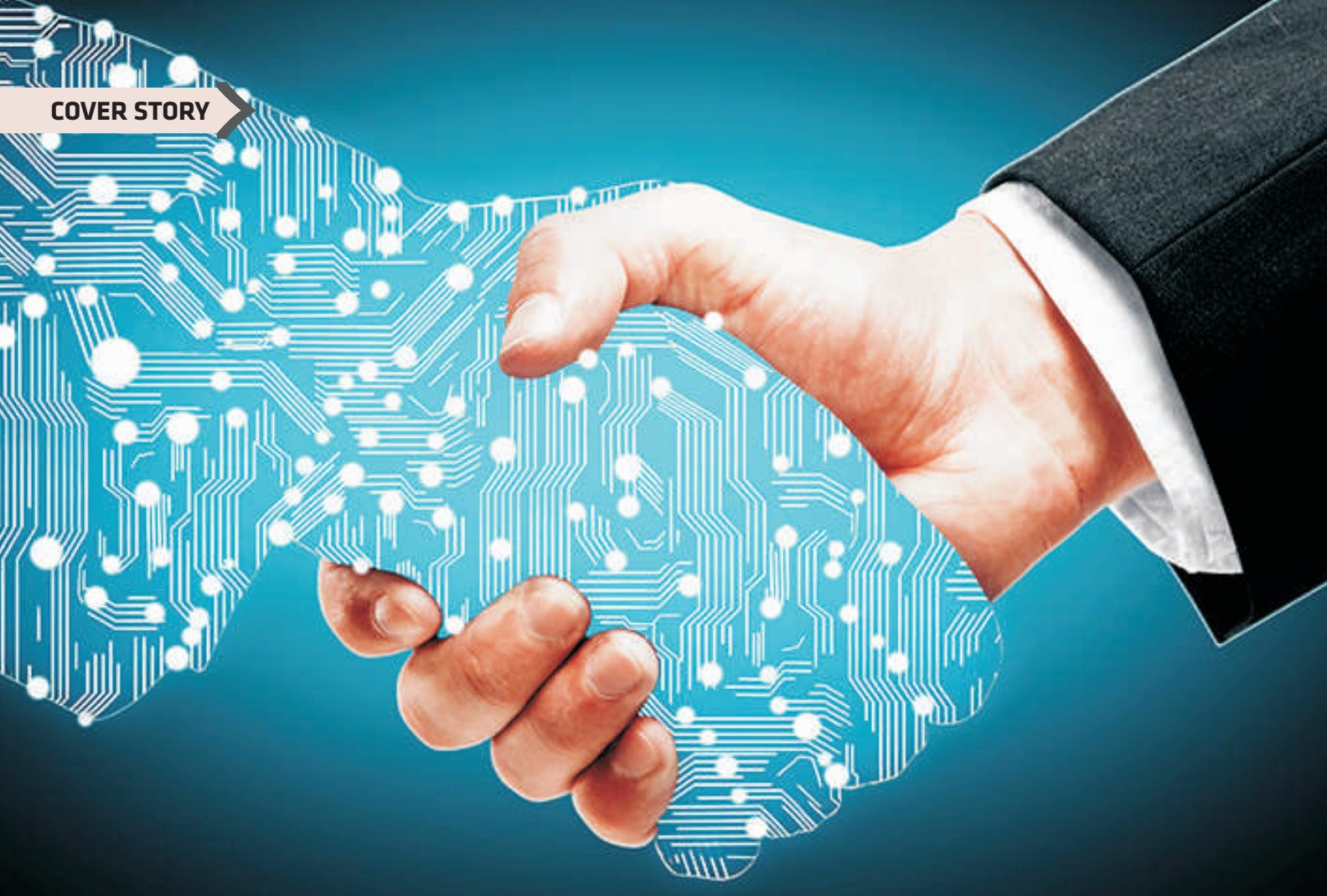
In the Global Trade Development section we bring you news about two significant seminars that NASSCOM recently held in two cities of Japan to demonstrate India's expertise in the area of Engineering Research & Development (ER&D) and how it could be leveraged by companies in that country, particularly those in the manufacturing vertical.

In another move, aimed at improving India-US IT collaboration and trade, NASSCOM led a delegation to Washington D.C. The aim was to interact with key policy makers and convince them about the huge and beneficial contribution that Indian tech companies were making to the US economy.

There's all this and more in this issue of Newsline. We hope you enjoy going through its contents.

**Sangeeta Gupta**  
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# Indian IT-BPM industry embracing Digital Transformation to fuel next growth phase

**A**s a part of its annual exercise of evaluating the performance of Indian IT-BPM industry in the year gone by and making growth projections for the future, NASSCOM announced some key statistics related to the sector at its yearly flagship conclave, the NASSCOM India Leadership Forum 2017.

NASSCOM used the platform to focus on the achievements of the IT-BPM sector in FY17, stating that despite continuous disruptions, political upheavals and slowdown in IT-BPM global spending, the Indian tech sector grew at an estimated 8.6 percent (inconstant currency terms) to reach over USD 155 billion.

According to NASSCOM:

- IT-BPM exports from India in FY17 were expected to reach USD 118 billion
- The Indian domestic market was projected to grow by 12 percent YoY to reach INR 2,545 billion
- The industry employed over 3.86 million people, a growth of five percent over the previous fiscal and an addition of 1.7 lakh people over FY2016
- In terms of the markets, US and APAC were the fastest growing regions, (with a growth of over 7.8 percent) during the year.
- The year also saw gradual stabilization in the growth of the European market
- Retail, healthcare and Travel and Transportation were the key verticals for the Indian IT-BPM industry

## Going Digital

In NASSCOM's view however, the biggest and the most significant development during 2016-17 was the evolution of the Indian technology industry into a Digital technology sector. NASSCOM stated that the IT-BPM industry was on the transformation path to become Digital. It

**“The Digital tsunami is reshaping our industry and the priority is to reimagine businesses and unlock new opportunities. The Indian IT-BPM sector is emerging as a Digital solutions partner for global corporations and we are excited to work across stakeholders –customers, start-ups, academia and others to build this exciting future”.**

**C.P. Gurnani**

Chairman NASSCOM,  
and MD & CEO, Tech  
Mahindra



was developing its Digital capabilities and reorganizing itself to leverage this emerging and vast business opportunity. Companies were exploring new engagement models, and there was a growing need for them to restructure and focus on capacity development to address Digital opportunities.

NASSCOM pointed out that while there were some uncertainties in the short term, the initial data from global analysts on tech spending in 2018 appeared to be promising. The association has already initiated deeper interactions with all stakeholders - global customers and industry providers - to get a more reliable and clear perspective on the projections for FY18.

The association also pointed to the fact that:

- New emerging technologies were opening up multiple areas of work for the industry and would have a significant impact on existing service lines
- It was imperative for the industry to skill/reskill the talent to gear it for the Digital opportunity
- It was important to build an industry-wide collaborative model and shape a learning eco-system that was primed for the future
- Existing service lines needed to be reimaged, and newer and deeper soft-skills built up with increased autonomy, empowerment, and data enablement of frontline teams

## Fast Facts

### IT-BPM industry performance in FY2017

- Industry revenues (excluding e-commerce) stood at USD 155.5 billion (in constant currency)
- Exports grew at 8.6 percent in constant currency
- IT services reached USD 80 billion
- ER&D and Product Development revenues were over USD 29 billion
- India emerged as the world's largest BPM destination with revenues of USD 30 billion
- The domestic was expected to grow by 8.5 percent YoY to reach USD 38 billion
- The industry employee base reached 3.86 million, with the addition of 1.7 lakh jobs in FY17
- Digital accounted for 14 percent of industry revenues
- India was positioning itself as the Digital Transformation partner for global businesses

The future skills work group at NASSCOM is working in partnership with consultancy firm BCG, to create a two-pronged approach to enhance the skills eco-system around Digital.

The approach covers areas such as 'Skills versus Job-specific' Curriculum and a 'Tech-enabled Learning Eco-system'. According to NASSCOM, the skills versus job-specific curriculum will mean blended job roles of the future with a focus on skill-based learning and certification. The Tech-enabled Learning eco-system will leverage technology for building skills. The eco-system will be scalable and agile with Mobility and Analytics providing reach and efficiency. The initiative aims to skill/reskill 1.5-2 million people over the next 4-5 years. This is a unique collaborative model involving leading industry players.

# Bringing back mums to work

**NASSCOM-Mercer study outlines strategies by which women can be encouraged to return to their careers in the IT industry after starting a family**



It's yet another effort by the Indian IT-BPM industry to be a sector that leads in diversity and gender inclusivity space. Tech companies have traditionally remained ahead in the pack when it comes to providing equal opportunities to women workers and in fact encouraging their participation in the workforce. The IT industry hires the largest

number of women as compared to other verticals and most key players in the sector have embraced HR Best Practices to ensure that they remain sensitive to the needs of women employees and address their requirements.

Taking another step in this direction, NASSCOM has come out with a report in partnership with Mercer (a global HR consulting firm) that examines ways in which tech companies can build a robust ecosystem for returning mothers. Titled 'Facilitating Returnships: Providing Infrastructure to Returning Mothers', the research provides insights into international legal frameworks, prevalence and details of policies, processes and Best Practices in employer-sponsored childcare. Additionally, the study:

## Winning with women

**Research shows that companies with higher female representation in the workplace and diverse management teams have:**

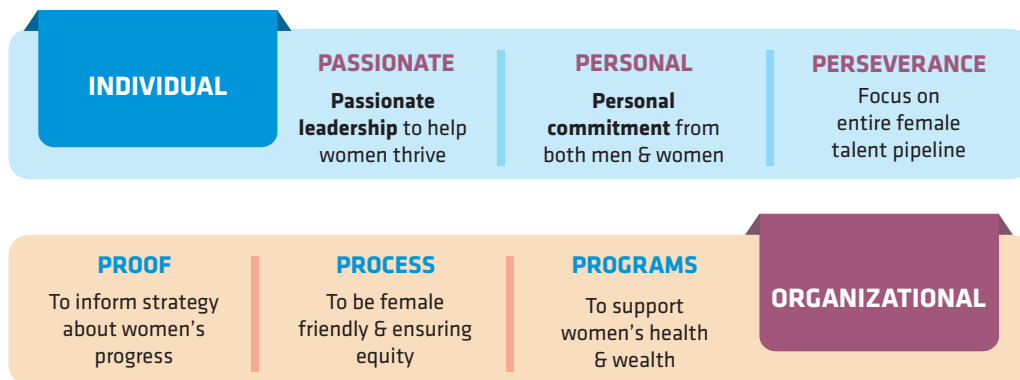
- Better financial performance than more homogenous teams
- Higher return on sales, equity and invested capital
- Higher profitability
- Higher operating results and better stock growth
- Better decision-making capabilities as they are less prone to "group think" and able to see issues from many angles
- Higher growth and shareholder value, innovation, better employee engagement and retention

- Showcases the IT-BPM industry's readiness to support new mothers who want to return to their careers
- Focuses on the impact of childcare provision at the workplace
- Indicates that organizations in the tech sector are striving to provide a conducive environment to returning mothers, by



**“We often see women employees leaving after the birth of a child due to lack of a supportive environment, where balancing professional development and childcare becomes strenuous. Recognizing the importance of maternity policies and facilities to help mothers return to work, we have partnered with Mercer to do an in-depth study of infrastructure support needed for returning mothers within the IT-BPM industry”.**

**Ashok Pamidi**  
Senior Director,  
Diversity & Inclusion  
Initiatives, NASSCOM



extending maternity benefit leave, or through onsite crèches, shared services facilities, and flexi timings

- States that the industry is already trying to offer maternity leave benefits which are much above the Indian Statutory requirements of 12 weeks (a sign of the proactive parental support being provided by the industry)

According to NASSCOM and Mercer, and based on Mercer's 6P Model, in order to scale the number of women on their rolls, and maximize the engagement and productivity of women workers, IT-BPM organizations need to take the following steps:

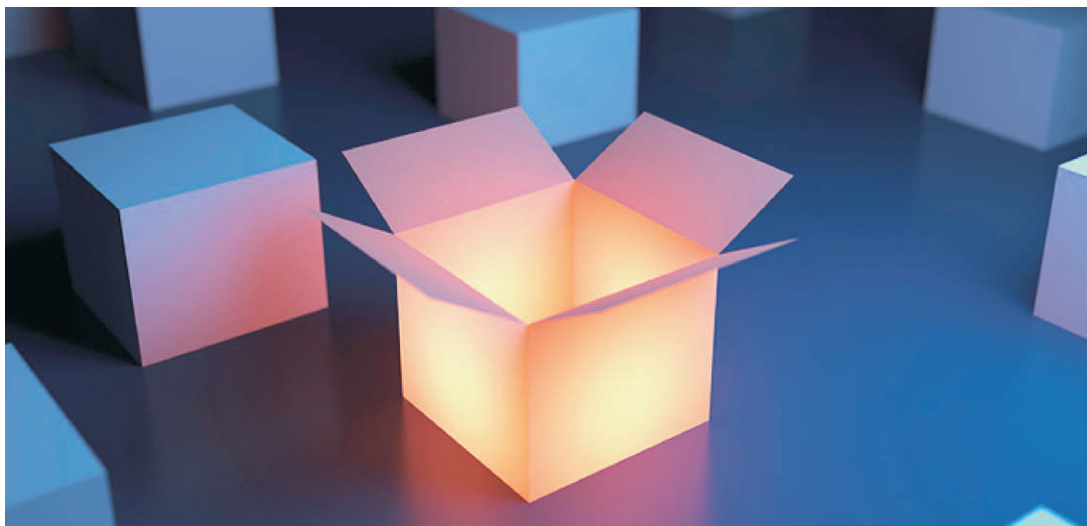
- Have leaders who are passionately committed to D&I: Companies whose leaders actively promote D&I are known to hire, promote and retain women at higher rates relative to men and have more women at the top.
- Ensure that male employees display personal commitment to D&I: Organizations where men are actively driving D&I efforts make more progress

in improving gender diversity than those where men are not engaged.

- Embrace Best Practices to build the female talent pipeline: Organizations need to focus on systematic, supporting practices to nurture women employees. This will sustain gender equality in the long term.
- Focus on Proof: Leave and Flexibility programs can either help or hurt gender diversity, depending on who uses them and how well they are managed. Women also thrive when their unique competencies are leveraged in high business impact roles.
- Adopt pay equity processes: Women are known to thrive when pay is built on a robust statistical approach and there is a focus on equity in performance evaluation and advancement opportunity.
- Introduce programs that protect the wealth and health of women: Female representation increases when organizations understand and support women's unique health and wealth management needs.



# Showcasing India's ER&D capabilities in Japan



As part of its Global Trade Development agenda, NASSCOM and its ER&D Council continued to build visibility and branding for the IT-BPM industry in Japan through a series of initiatives. These included seminars in two cities of Japan which displayed the prowess of Indian companies in the area of Engineering, Research and Development (ER&D), and highlighted the immeasurable benefits that Indian ER&D players could bring to Japan, particularly its manufacturing sector.

The aim was basically to change the perception that many Japanese companies had regarding Indian IT providers being suppliers of cheap human resources and enable the Indian ER&D organizations to forge G2G, B2B and A2A partnerships in Japan.

However, most importantly, the purpose was for NASSCOM to pen a historic MoU with the IoT Acceleration Consortium (ITAC) – an initiative by its equivalent in Japan, METI – and open up avenues of interactivity with other counterpart agencies. Dr. Murai, Chairman ITAC, who is considered the “Father of the Internet in Japan” and an iconic figure, signed the agreement from the Japanese side.

The MoU is expected to:

- Facilitate sharing of information related to the respective IoT industries of both countries
- Enable mutual visits of each association's members (including SMEs)
- Identify projects and fields that ITAC and NASSCOM can collaborate on

Interestingly, Japan has signed similar intents only with Germany and the US, and hence this tie-up represents a big step in the India-Japan tech trade domain.

## Hosting seminars in Osaka and Tokyo

NASSCOM's seminars in Osaka and Tokyo meanwhile, brought together Indian ER&D companies with key manufacturing and non-manufacturing firms in Japan.

These fairly large seminars created significant buzz and interest owing to their engaging content and subjects of discussion. The Internet of Things seminar in Osaka had delegates deliberate on “Realizing the software defined enterprise through Indo-Japanese collaboration”. It drew over 100 participants who represented more than 50 companies from the manufacturing vertical and 25 Indian ventures. The seminar focused on the ER&D capabilities

**NASSCOM's seminars in Osaka and Tokyo brought together Indian ER&D companies with key manufacturing and non-manufacturing firms in Japan.**

offered by Indian players and how these could be leveraged by Japanese manufacturers.

The seminar in Tokyo, conducted by NASSCOM in partnership with the Nomura Research Institute (NRI) as well as the Embassy of India was titled: "Digital IT Strategy and Potential in the Indian IT Sector: Implementing smart manufacturing with India IT resources". This too was attended by more than 100 delegates, of which around 50 were from Japanese manufacturing enterprises and 25 from the Indian IT-BPM industry.

NASSCOM surveyed more than 1,000 Japanese companies in collaboration with Nomura Research Institute (NRI) in the areas of Smart Manufacturing, IoT and Big Data to ascertain their plans, challenges, and future investments in Digitization. Around 100 manufacturing firms responded to the survey, of which more than 50 attended the seminar in Tokyo in late February, 2017. The session was addressed by the Indian



Ambassador to Japan as also the Head of IoT strategy at METI.

Enthused by NASSCOM's efforts, member companies are now keen that the ER&D Council puts up an India pavilion during CEATEC 2017, the upcoming tech show in Japan, which remains its largest ICT summit.

In order to learn more about the MoU between ITAC and NASSCOM, please log into: <http://www.meti.go.jp/press/2016/02/20170224004/20170224004.html>

## POLICY

# NASSCOM underscores importance of growing India-US IT collaboration

## Leads delegation to Washington, D.C. to engage with policy makers

**C**ommitted to improving the ICT trade climate with global governments, NASSCOM spearheaded a delegation to US to hold discussions on some of the recent policy announcements made by the Donald Trump administration. During its February, 2017 visit to Washington, D.C., NASSCOM helped educate US policy makers about the benefits of strengthening India-US IT services trade ties and growing collaboration between the tech industries of both countries.

Led by NASSCOM Chairman C.P. Gurnani and President, R. Chandrasekhar, the delegation met with key policy makers in the US Congress and the Trump Administration. The aim was to convince US decision makers about the significant contributions that the Indian IT



sector was making to the US economy and the necessity of improving US-India ICT trade.

Specific topics of discussion included the H-1B visa program, which faces new restrictions by some members of Congress and allies of President Trump. NASSCOM's view was that:



**“From our recent meetings, it is clear that our sector has more work to do in educating US policy makers on the mutual benefits of strong India-US trade in IT services. That said, we remain hopeful that further dialog between government and business leaders in both nations will lead to a better understanding of the H-1B visa issue and constructive reforms. We appreciated the openness of policy makers and their advisors to engage in substantive, candid discussions”.**

**R. Chandrasekhar**  
President, NASSCOM



- In some cases the mutual benefits of and the actual workings of the high-skilled visa programs were not well understood by US policy makers
- Additional restrictions on the H-1B visa system – either through a reduction in the number of visas available or drastic increase in the red tape involved – would hurt thousands of US businesses by hindering access to much needed talent
- Any new requirements aimed at protecting US workers needed to be applied to all visa sponsors to ensure a level playing field and equal protection of all workers
- Most of the existing legislative and administrative proposals would not

actually protect American workers, since the proposed restrictions would be applicable only to a small category of companies that accounted for a minority of new visas issued

- As responsible corporate citizens, Indian tech companies were complying with all applicable regulations, hiring thousands of US citizens in well-paying jobs and supporting efforts towards local hiring and skill building

## Convincing policy makers

Among the officials that the NASSCOM delegation met were Rep. Darrell Issa (R-CA) and Rep. Zoe Lofgren (D-CA), influential members of Congress who sponsored legislation on the issue. Representatives of NASSCOM member companies additionally interacted with key congressional staff and officials in the White House, the Department of Homeland Security, and the office of the US Trade Representative. The group also attended a reception at the residence of Indian Ambassador to the US, Navtej Sarna, who hosted more than 25 US state governors, CEOs of US and Indian companies, and government officials.

The goal was to identify new measures that would maximize the synergies between India and the US, create jobs in both nations and expand bilateral trade and investment.

To follow up on the issue, NASSCOM met with a US Congress delegation (including House Judiciary Committee Chairman Bob Goodlatte (R-VA)), that was on a visit to India.

## Helping US businesses become more competitive

### NASSCOM has been consistently pointing out that:

- Indian IT Services organizations are helping thousands of US businesses improve their operations, create new products and services, and gain market share
- India-based IT companies doing business in the United States are protecting and creating jobs for Americans
- There is a growing shortfall between supply and demand for computer science majors in the US workforce, especially in cutting-edge fields such as Cloud, Big Data, and Mobile computing
- Without access to high-skilled IT workers on guest visas, many US companies would be forced to choose between shifting more IT work offshore, or delaying innovation. Either approach would reduce overall employment for Americans

**Richard Soley**  
Executive Director, IIC



Following the tie-up, IIC and NASSCOM will collaborate to advance IoT and encourage innovation through the creation of a sustainable and supportive IoT eco-system.

- Create innovative applications and domain capability, which will further COE-IoT's mission of expanding and promoting the potential and transformational capabilities of IoT
- Raise awareness around IoT
- Host IoT-related events for the purpose of developing a vibrant global IoT eco-system facilitating effective and efficient adoption of IoT technologies
- Prompt conversations around IoT that will promote interoperability across industry and geographic markets
- Exchange information, regularly consult each other and hold joint seminars periodically, creating in the process an interoperable harmonizing architecture for IoT in India

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#### Other Awards & Certifications

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**DLF Epitome (Bldg#5), Gurgaon**  
The Times of India & Honeywell  
2015-16

**LEED GOLD Certification**  
**14 DLF Office Buildings in Gurgaon**  
US Green Building Council  
2014-15

**Sword of Honour & 5 Star Rating**  
**DLF Offices, Gurgaon**  
British Safety Council  
2014-15

**Best Commercial Project in NCR**  
**DLF IQ (Bldg #14), Gurgaon**  
CNBC Awaaz Real Estate Awards  
2013-14

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