

Index

- Abbott, P., 65
ABN Amro Bank, 89
Accenture, 52
Africa
attractiveness as destination, 53–54
costs and salaries, 55–57
education, 58
government incentives, 56
market potential, 64
North Africa, 53–54
South Africa, 53, 77
sub-Saharan, 53
transportation, 61
AGS, 156
AIG, 3
Allery, P., 27
AmeriBank case study, 147–156
American Express, 3, 8, 93
Ante, S., 9
Apple, 2
Apte, S., 34
Aron, R., 8, 27, 31, 34, 35, 39, 205
Asia, 58, 60, 62, 65, 81. *See also*
 China
captive centers, 77, 97–99
costs and salaries, 56
transportation, 61
A.T. Kearney, 47, 65, 66–67, 91, 104,
 144
Athresh, N., 35
Atri, B., 25, 32, 201
Automotive industry, 75, 90–91
Aviva, 74
Axa, 3
Back office functions, 16
Banking
 AmeriBank case study, 147–156
 captive centers, 75, 88–90
 Bank of America, 94
 Barclays Bank, 74, 92
 Basic captive center, 17, 37
 capabilities, 207–209
 challenges, 203–207
 establishing, 33–37, 81–84,
 201–209
 evolving into divested, 147–148,
 157–159, 221–224 (*see also*
 Divested captive center)
 evolving into hybrid, 107–109,
 112–120, 209–211
 evolving into shared, 121–122,
 126–130, 138–140, 215–218
 evolving into shared-divested,
 131–132, 140–146

- Beamish, P. W., 31
Beligere, P., 33
Bendor-Samuel, P., 27
Bhalla, A., 7, 14
BHP Billiton, 98
Bierce, A., 8
Bloch, M., 37, 39
BNP Paribas, 89
Brazil
attractiveness as destination, 49, 53, 63
automotive captive centers, 91
pressure on wages, 51
BRIC (Brazil, Russia, India, China), 19, 50–53
British Airways, 2, 14
Build-operate-transfer (BOT)
model, 17, 31
Business Process Offshoring (BPO), 17, 50
- Call centers, 13, 50–51, 60
Canada, as nearshoring destination, 65
Canon, 82
Cap Gemini, 52
Capability Maturity Model Integration (CMMI), 9
Capita Group, 3
Captive centers, 1–7, 10–13, 32, 37–47. *See also* Offshoring
activity analysis, 78–80
AmeriBank case study, 147–156
basic (*see* Basic captive center)
choice of location, 73, 80–81
(*see also* Offshoring, locations)
- four-phase life cycle, 35
future of, 15–16, 228–233
per geographic region, 76–78
GlobalAirline case study, 131–146
GlobalSoftware case study, 107–120
hybrid (*see* Hybrid captive center)
industry distribution, 74–76, 77, 84–91
influencing factors, 33–36, 229–232
InfoTech case study, 165–199
ITConsulting case study, 121–130
migrated (*see* Migrated captive centers)
profitability, 35
shared (*see* Shared captive center)
terminated, 6, 44–45
trends, 5, 15–16, 71–87
as a universal solution, 14–15
as a viable alternative, 26
Carmel, E., 11, 54, 65
Case studies
AmeriBank, 147–156
ConsumerGoods, 157–164
GlobalAirline, 131–146
GlobalSoftware, 107–120
InfoTech, 165–199
ITConsulting, 121–130
CEE (Central and Eastern Europe)
attractiveness as destination, 53, 54–55, 56
business environment, 60
captive center development, 76–77, 78, 82–83
captive centers, 99–101
costs and salaries, 55, 56
education systems, 58
government incentives, 56
infrastructure, 61–62
market potential, 64
as a nearshoring destination, 53, 68

- piracy and intellectual property rights, 63–64
size of skilled labor pool, 58
Central and Eastern Europe. *See* CEE
Challenges, 4, 13–15, 35. *See also* Risk
basic captive center, 203–207
cultural, 124, 181–184, 206
divested captive center, 224–227
hybrid captive center, 211–214
integrating captive centers, 135–137
language problems, 50–51, 52, 58, 151–152
migrating captive centers, 176–199
offshoring, 29
pressure on wages, 51
shared captive center, 218–219
Chanchani, M. A., 3
Change
and employee morale, 192–194
resistance to, 124
Chevron, 98
Chile, 53, 63
China
attractiveness as destination, 49, 51–52
automotive captive centers, 91
captive center development, 78
captive centers, 95–97
information technology (IT), 8
infrastructure, 95
Citibank, 89, 100–101
Citicorp, 8
Citigroup, 2, 74, 81, 84, 89
ConsumerGoods case study, 157–164
Costa Rica, 64
Cultural differences, 124, 206
migrating captive centers, 181–184
Daksh, 87
Dani, S., 3
Dell, 3, 10, 52, 74, 98, 103
Destinations (for captive centers)
73, 76–78, 80–81. *See also* Offshoring, locations
emerging, 50–54
and market potential, 64–65
Deutsche Bank, 74
Deutsche Post World Net (DPWN), 101–102
DHL, 102
Dick-Neilsen, J., 9
Divested captive center, 17, 41–44
attracting investors, 223
capabilities, 227–228
challenges, 224–227
divesting through joint venture agreement, 162–164
divesting to BPO provider, 152–156
evolving from basic, 147, 152–159, 162–164, 221–224
evolving from shared, 131–132, 140–146
Domestic outsourcing. *See* Onshore outsourcing
Doshi, T., 154
Dubai, 50
East India Company, 7
Economic climate, 2, 50. *See also* Financial crisis; Recession
EDS, 52
Egypt, 50, 54, 56
free trade zone, 59
graduate skills, 58
perception of risk, 63
Electronics industry, 75, 85–87
Employee morale, 192–194
Erber, G., 11

- Farrell, D., 11, 54, 68–69
Filkins, D., 139
Financial crisis, 152–153. *See also* Economic Climate; Recession
Ford, 91
Friedman, T., 8
- Gasco, J., 29
Genco Supply Chain Solutions, 3
General Electric Capital International Services, 32
General Motors (GM), 84, 90
Genpact, 52, 215
Ghosh, B., 34, 35, 36
Gibson, S., 35
GlobalAirline case study, 131–146
GlobalSoftware case study, 107–120
Gold, T., 39
Gonzalez, R., 29
Goolsby, K., 3, 4
Government corruption, 59
incentives for offshoring, 28–29, 53, 56–57, 59–60, 134
policy, 81
Graf, M., 73
Griffiths, C., 28
- Hanson, A., 41
Hewlett Packard, 2, 52, 84, 87
Hitachi Data Systems, 97
Hoch, D., 100
Honda, 91
Honeywell, 100
HSBC, 74, 84, 89, 94
Hungary, 63. *See also* CEE (Central and Eastern Europe)
and ITConsulting, 123–130
Hunter, I., 29, 33
Hutchens, T., 3
- Hybrid captive center, 17, 38–40
capabilities, 214–215
challenges, 211–214
evolving from basic, 107–109, 112–120, 209–211
- IBM, 52, 74, 84, 87, 102–103
India and AmeriBank, 149–152
attractiveness as destination, 49–51, 63
automotive captive centers, 90
captive center development, 76, 78
as a center of excellence, 51
cheap labor, 28
demographic profile, 94
as dominant location, 9–11, 91–95
and GlobalAirline, 132–137
and GlobalSoftware, 108–111
government incentives, 134
history of offshoring, 7
number of captive centers, 32
pressure on wages, 51
as primary destination for banking captives, 89–90
programming resources, 9
IndiaIT, 153–154
- Information technology (IT). *See* IT (Information Technology)
- Infosys, 32, 52
InfoTech case study, 165–199
Infrastructure, 81
costs, 55–56
quality, 60–62
ING, 84
Intel, 84, 85
Intelenet Global Services, 92
Intellectual property, 30, 33, 36, 52, 63–64
Israel, 8

- IT (Information Technology)
contributing to offshoring, 8
exported from Africa, 53–54
problems, 8–9
software maintenance and
development, 8
- ITConsulting case study, 121–130
- Iyer, S., 34, 35, 36
- Jester, R., 39
- Joint venture, 17, 30–31, 162–164
- J.P. Morgan Chase, 74, 89, 98
- Kaka, N., 39
- Karamouzis, F., 33
- Khan, I., 68, 69
- Killing, J.P., 31
- Kleinfeld, K., 10
- Kotlarsky, J., 12, 25, 26, 28, 31, 34,
51, 72, 80, 206
- Kwiecinski, M., 100
- Labor. *See also* Skills
availability, 11, 57–59
costs, 28, 55–57
programming staff, 9, 11
- Lacity, M., 49, 50, 52, 53
- Lampel, J., 7, 14
- Language problems, 50–51, 52, 58,
151–152
- Lehman Brothers, 89
- Levina, N., 26
- Lewin, A.Y., 13
- Llopis, J., 29
- Locations. *See* Destinations (captive
centers)
- Lottefier, V., 92
- Maheshwari, A., 36
- Market potential, of offshoring
destinations, 64–65
- Martin, R., 43
- Maskell, P., 9
- Matsushita Electric Industrial, 85
- McCue, A., 94
- McDougall, P., 9
- Menezes, J. P., 33
- Mexico, 8, 59, 63
- Microsoft, 82, 96
- Migrated captive centers, 17, 45–47,
94–95, 101–104
challenges, 176–199
InfoTech case study, 165–199
- Mishra, P., 32
- Moreira, P., 153
- Morocco
attractiveness as destination,
50–51, 54
government incentives, 59
labor costs, 55–56
market potential, 64
telecommunications, 61
- Motorola, 74, 81, 84, 85, 100, 104
- Mudambi, S. M., 73
- Mukherjee, A., 35, 36
- Murali, D., 35
- Nair, P., 206
- Narayanan, S., 37, 39
- Nearshoring, 15, 53, 65, 68–69
- NEC, 96
- North Africa, 53–54
- Offshore outsourcing, 28–30. *See
also* Offshoring; Outsourcing
- Offshoring, 7–10, 18, 27–28. *See also*
Captive centers
challenges, 29
and cheap labor, 28
costs, 29, 55–57
demand for, 28
economies of, 11–13
environment issues, 59–60 (*see also*
Infrastructure)

- Offshoring (cont.)
 joint ventures, 30–31
 and language problems, 50–51, 52,
 58, 151–152
 locations, 49–69
 outsourcing options, 9–11
 strategic approaches, 29
 and time zone differences, 53, 60,
 81
 web-enabled, 8
- Onshore outsourcing, 26–27
- Oshri, I., 10, 12, 13, 14, 25, 26, 28,
 31, 34, 51, 72, 80, 206
- Outsourcing
 challenges, 205
 definition, 18
 disadvantages of, 27
- Overby, S., 3, 39, 97, 232
- Palmisano, S. J., 7
- Panama, 8, 65
- Pedersen, T., 9
- Peeters, C., 13
- Peters, P., 100
- Petersen, B., 9
- Philippines, 8, 50, 64, 98
 cheap labor, 28
 graduate skills, 58
- Piracy, 63–64
- Preston, S., 31, 33, 34, 45
- Rajeevan, M., 33
- Recession, 3. *See also* Economic
 climate; Financial crisis
- Reinhardt, A., 51
- Resources. *See* Labor; Skills
- Risk, 81
 and country attractiveness, 62–64
 of information and knowledge
 loss, 33
 and joint ventures, 30–31
 perception of, 63
- Robert Bosch, 95, 100
- Ross, D., 41
- Rottman, J. W., 25, 31
- Royal Bank of Scotland, 89
- Royal Philips Electronics, 84
- Russia, 49, 50, 51, 78
- Rutchik, D., 3
- Santander, 74
- SAP Hosting Services, 1
- SAP, 74
- Satyam, 52
- Sayed-Ahmed, A., 11
- Service level agreements (SLAs),
 117, 127, 225
- Seth, I., 37, 39
- Sethi, A., 144
- Shah, R., 8
- Shared captive center, 18, 40–41
 capabilities, 220–221
 challenges, 218–219
 evolving from basic, 121–122,
 126–130, 138–140, 215–218
- Shared service center (SSC), 18,
 85–87
- Shell, 97
- Shivapriya, N., 10
- Siemens, 10, 74, 84, 85
- Singapore, 8, 50, 98–99
- Six Sigma, 9
- Skills. *See also* Labor
 graduate supply, 57–9
 management, 59
 skill gaps, 57
- Sourcing models, 25–36
- South Africa, 53, 77
- Spoehr, S., 8
- Standard Chartered, 2
- Steele, J., 30
- Stream Global Services, 3
- Subramanian, M., 25, 32, 33, 201
- Tata Consultancy Services (TCS),
 31, 52, 89

- Tejaswi, M., 42
Teknosoft (TKS), 31
Teleperformance, 3
Tija, P., 11
Time zone differences, 53, 60, 81
Transportation systems, 61–62
Tunisia, 64
Tyco International, 96–97
- UBS, 3
Underdeveloped markets, 230–231
Unilever, 74
Unions, 136
Uruguay, 53
- Van Acker, W., 30
Vashistha, A., 28, 68, 69, 203
Vedala, S., 33
Vendor relationships, 212–213
Vendor selection, 115–119
Venezuela, 64
Vietnam, 64
Volkswagen, 91
- Wale, K., 91
Walmart, 92
Willcocks, L., 25, 28, 49, 50, 52, 53
Williams, R., 33
Wipro, 3
WNS, 14