



# **Human Resources Outsourcing (HRO)**

## **June 2010**

### **Wipro – Multi-process HRO (MPHRO) Profile**

# MPHRO service capability and strategy



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**Company profile:** Wipro is a global IT services company with three principal business segments: IT services segment, IT products segment, and Consumer care and Lighting segment. Wipro also offers BPO services through Wipro BPO (previously known as Wipro Spectramind)  
**Key leaders (BPO/HRO business):** Ashutosh Vaidya, Head, Wipro BPO Solutions; Puneet Chandra, Global Head, HRO; James Kerpan, North America HRO Leader; Eve Godoy, EMEA HRO Leader; Sarada Srinivas, Head, HRO Operations; Rajat Gupta, Head, HRO Solutions

**Recent MPHRO transactions:**

- Apr 2008: Wipro to design and operate HR center of a financial services company in Wroclaw

**Recent HRO-related developments/announcements:**

- Mar 2010: Wipro opens a global delivery in Curitiba, Brazil, to offer IT and BPO services to clients
- Nov 2009: Wipro opens a global delivery in Chengdu, China, to offer IT and BPO services to clients
- May 2009: Wipro launches an HRO platform in partnership with Oracle and The Hackett Group

**Current MPHRO market segment focus:**

- Buyer segment: Targets the mid-market (3,000-15,000 employees) as well as the large market segment (>15,000 employees)
- Geography: North America, South America, Europe, and Asia Pacific

**Current MPHRO technology strategy:**

- Overview: Wipro is technology agnostic and can support multiple ERP solutions. It recently launched an Oracle-based platform in partnership with The Hackett Group
- Technology models supported<sup>1</sup>:

Tie-and-run	Support/augmentation	Customized replacement/implementation	Platform-based solution
✓	✓	✓	✓

**Total HRO delivery FTEs = ~850**

Offshore (India + China + S.E. Asia)	Nearshore (Eastern Europe + Latin America)	Onshore (U.S. + Canada + Western Europe)
~650-700	~150-200	<25

**SERVICE SUITE**

Offered as MPHRO solution
  Offered on a stand-alone basis
  Not offered

Employee relations	Performance mgmt.	Regulatory and compliance	Global mobility	Learning	Recruitment and selection	Compensation	Benefits	Payroll	HRIS	Contact center
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<sup>1</sup> Refer to glossary of key terms for a description of technology models

## Major MPHRO clients:

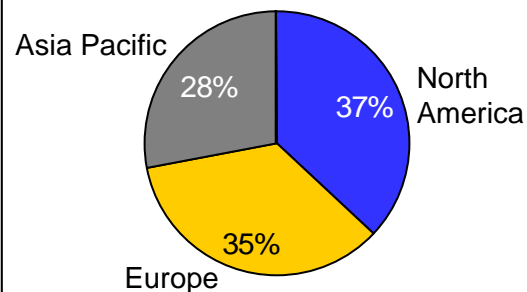
Financial services company

## Recent publicly announced MPHRO engagements:

Buyer	Year	Brief contract description
Financial services company	2008	Wipro is assisting it in transforming its HR structure by designing and operating a new HR center to handle the needs of the buyer's 45,000 employees

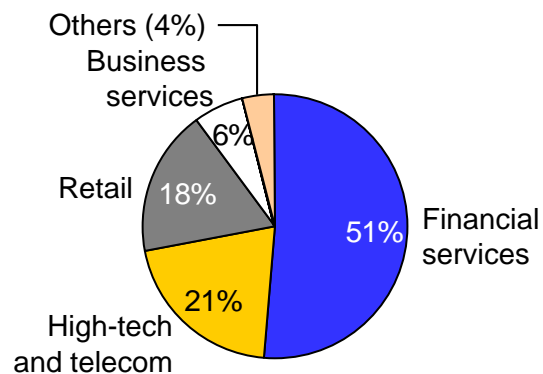
### MPHRO revenue (ACV) geography mix

100% = US\$15 million



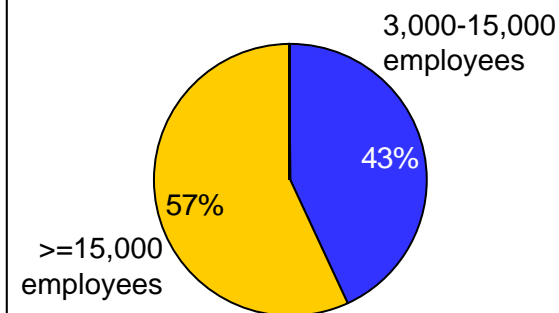
### MPHRO revenue (ACV) industry mix

100% = US\$15 million



### MPHRO buyer size mix

100% = 7 deals



Source: Everest Research Institute (2010)

# Key MPHRO delivery locations



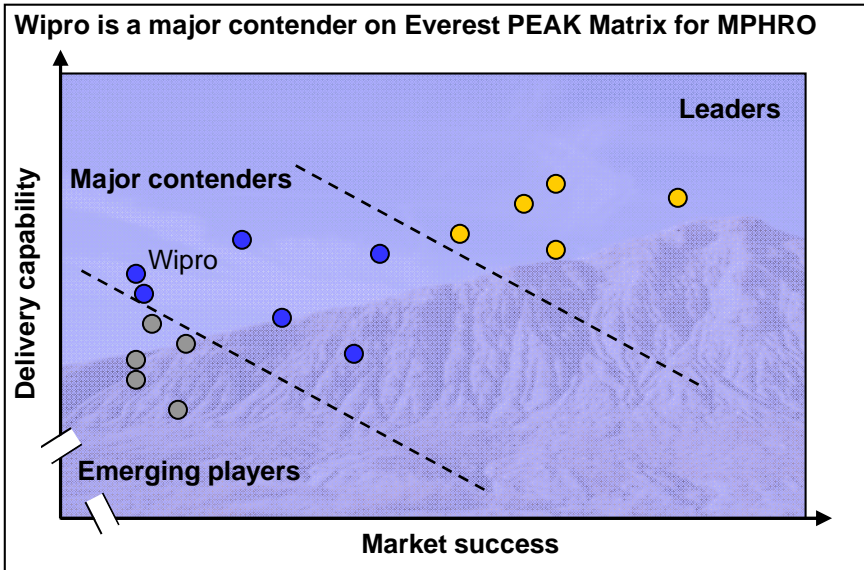
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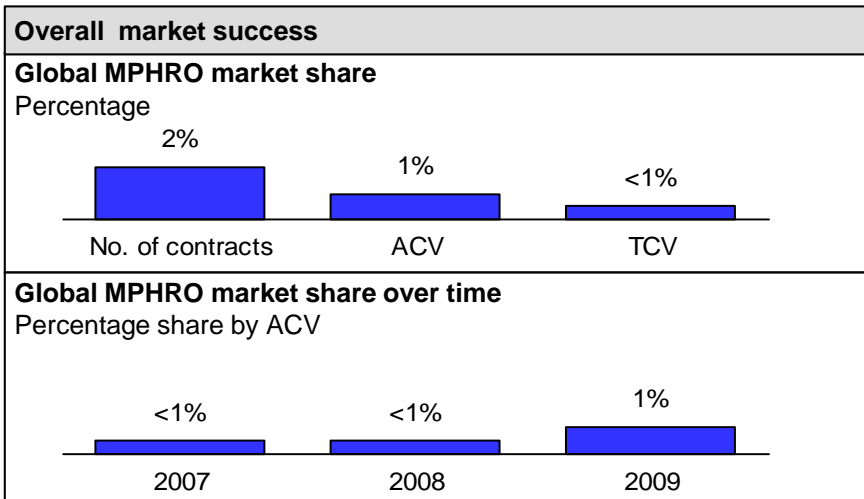
# Everest assessment



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Delivery capability assessment		
Assessment dimension	Rating	Remarks
Scale	☐	Medium scale primarily based on limited number of contracts and ACV
Scope	☐	Medium-high functional and industry coverage
Technology capability	●	High IT capability and HR technology investment
Delivery footprint	●	Global delivery footprint. Recently entered an emerging market – China. It has a strong offshoring capability
<b>Overall</b>	☐	



**Overall remarks:**

- Wipro offers a range of HR services and leverages its strong offshore presence to deliver cost savings to clients. Its strong IT capability further provides an edge to its HRO capability
- While Wipro continues to find success in the market, it is yet to sign a deal on its HRO platform launched last year
- Everest identified Wipro as a star performer in the 2009 MPHRO market based on its market success and capability enhancements

Source: Everest Research Institute (2010)

# Glossary of key terms



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<b>Term</b>	<b>Definition</b>
<b>ACV</b>	Annualized Contract Value (ACV) is calculated by dividing the Total Contract Value (TCV) by the term of the contract
<b>BPO</b>	Business Process Outsourcing (BPO) refers to the purchase of one or more processes or functions from a company in the business of providing such services at large or as a third-party provider
<b>Buyer</b>	The company/entity that purchases outsourcing services from a supplier of such services
<b>Customized implementation/replacement</b>	Supplier replaces existing HRIS with a customized technology solution. While technology ownership resides with buyer, supplier provides the implementation as well as ongoing support
<b>Emerging players</b>	Emerging players are the third set of suppliers rated by Everest, according to Everest Research Institute's proprietary scoring methodology, moderate experience and delivery capability in multi-process HRO
<b>FTEs</b>	Full-time employees on the rolls of the company
<b>Leaders</b>	Leaders are the highest-rated suppliers, according to Everest Research Institute's proprietary scoring methodology, having top quartile performance across market success and capability
<b>Major contenders</b>	Major contenders are the second-highest rated suppliers, according to Everest Research Institute's proprietary scoring methodology, having 2nd or 3rd quartile performance across market success and capability
<b>Platform BPO</b>	Supplier replaces existing HRIS with a pre-configured, hosted, and standardized solution as part of HRO initiative. Both technology ownership and maintenance reside with the supplier
<b>TCV</b>	Total contract value (TCV) is the potential revenue associated with the contract and estimated at the commencement of the contract
<b>Technology support/augmentation</b>	Supplier maintains buyer-owned existing HRIS in place. Supplier may also provide proprietary tools that serve as "add-ons" to the existing HRIS to offer value add services (e.g., workflow tools, ESS/MSS)
<b>Tie-and-run</b>	Supplier leverages existing HRIS to provide process outsourcing services. Buyer owns as well as maintains the HRIS in place

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