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IT industry hopes to make the most of US slowdown

Hiring easier as unemployment depresses American salary levels

RAVI MENON
Bangalore

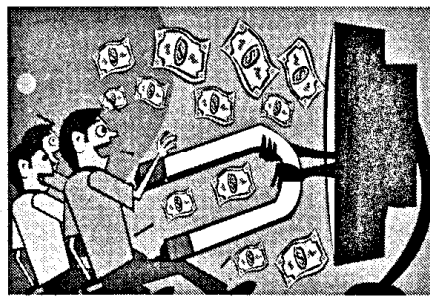
THE slow pace of economic recovery in the US market coupled with fears of a double dip recession is positively impacting salary negotiations, according to industry executives. This can help Indian IT majors gain the edge in the battle against rising salary costs, which also negatively impact the cost arbitrage equation.

"In a situation where unemployment levels are just over 10 per cent, we are getting to see US workers becoming more willing to compromise on salary demands. Many new hires are even willing to go in for deferred payment of salaries or accept stock options in lieu of salary hikes," according to Avinash Vasistha, founder CEO of outsourcing advisory Tholons.

Lower salaries are already driving cost down by 10 per cent and moving more work to low-cost locations (within the US) can cut costs by another 10-15 per cent, he said. "Onshore capabilities are required as everything can't go offshore. Cost arbitrage continues to be an important factor, where besides bringing down salary costs, companies have to service multiple clients from cheaper nearshore locations."

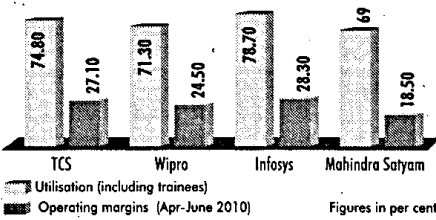
Tech salaries in the US, which slipped during the recession, have remained stable. Nandita Gujjar, senior vice-president and global head of human resources at Infosys Technologies, said that stable salaries induced by the economic slowdown helped the company make more offers in the US market. "We have been looking for talent where it exists, so it's not just about low-cost locations. We have seen 50-60 per cent acceptance rates for offers we made in the US market," she said.

Despite the outsourcing



Positive results

The utilisation rates of employees in major Indian IT firms crossed the operating margins substantially



environment being muddied by negative political considerations and alleged protectionist sentiments, it has become important for the Indian IT sector to look at local hiring even more closely. "Finding high-end skills is still a problem, but the steady salary costs for systems integration personnel, processing and BPO workers in the US is something which Indian IT companies will now be able to exploit better," said Amneet Singh, V-P for global sourcing, Everest Group.

The 5-10 per cent traction in salary negotiations, which companies can gain in the US, may not necessarily be accompanied by high turn-up rates. "Less bargaining by US workers may work out well for Indian company bottom lines, but the fact remains that many companies still find it difficult to find people with high-end skills," said Sudin Apte, principal analyst with

research firm Forrester.

Gaurav Dua of Sharekhan said that only unskilled people have a problem finding jobs in the US. Most hires in the US come with six to seven years of experience with a major part of the hiring happening in application, development and maintenance and systems integration segments. Those with higher expertise are strong negotiators and retaining them solely through salary increases is still a tough prospect, according to analysts.

A large Indian IT major recently interviewed 260 people for a key project, but issued offer letters to 140 of them. Only 95 people who were issued offer letters turned up for the job.

"Cost arbitrage is not just about salary costs. There are other components to be taken into account like domain expertise, consultancy and resolving problems at optimum cost and time. All this,

while maintaining productivity," Apte said.

According to Amneet, salary costs can't fall below 10 per cent. "Even if it is easier to get workers via deferred payments or stock options, that will not impact cost arbitrage significantly. I believe that the main advantage for the Indian IT sector is an easier hiring situation in the US, which can help counter the protectionist threat," Amneet said.

Partha Iyengar, regional research director with research firm Gartner, said that while there has been no wage inflation in the US since the recession started, the hiring environment for Indian companies in the US has been positive.

"They have had a higher profile/hype around being 'growth companies' in the US. So, I don't think recent developments have dramatically changed that environment. However, in the face of increased unemployment, there is an opportunity for Indian firms hiring in the US to make themselves more visible and project the firm from a 'marketing perspective', to demonstrate that offshore is not 'just' about job loss, but can also result in increased hiring locally," he said.

Even as onsite salaries did not see any dramatic increases in calendar year 2010, attracting the right people will still be a challenge, analysts said. "The onsite impact of salaries has been minimal. However, hiring has gone up in the US and onsite salaries are expected to start inching higher in the fourth quarter of 2011," Vasistha said.

During the June quarter, TCS got 52 per cent of its business from North America, while Wipro and Infosys derived 57 and 67.3 per cent respectively from the region.

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DU teachers stage protest at Jantar Mantar: DU teachers staged a demonstration at Jantar Mantar on Monday to urge President Pratibha Patil to take action against VC Deepak Pental for continuing in office beyond his term. Pental's term ended on August 31, though he hasn't given up the charge yet. DUTA says the VC was "occupying" the post without President's permission, who is the visitor at DU. "DUTA has urged the President to immediately take action. In fact, DUTA was shocked at the silence maintained by MHRD on such an important issue," said DUTA officials. **TNN**

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IIT council to drop absentee members

Hemali Chhapia | TNN

Mumbai: For decades, the country's premier institutes — the IITs — followed a lenient attendance policy for their board of governors, a body comprising top industrialists and academics of the country who took weighty decisions. Not any more. Now, if you call in sick or busy, be ready to be shunted out.

The issue of low or zilch attendance of heavyweights has been a matter of concern in institutes of India for long. But now if a member of the board skips three meetings, s/he will be shown the door. What's more, fewer babus will be packed into this body members will be nominated by the institutes and then appointed by the IIT council headed by the Union HRD minister.

IIT council, the final decision-making body common for tech schools, met three days ago and decided that it was time that each BoG is well-represented by experts from the field of science, engineering

and education, as well as have local industrialists and alumni on board. Top honchos like SRK Prasad, managing director of Krishna Industrial Corporation Limited, Mahendra Nahata, managing director of Himachal Futuristic Communication, S Viji, managing director of Brakes India, M M Murugappam, chairman of Carborundum Universal Limited, are among some of the BoG members.

BABUS TO MAKE WAY FOR EXPERTS

"Till recently, the ministry merely nominated people on our boards, as the IIT council was not active. We did not have a say on who should be on the board. Now, the chairman of each board will nominate a panel and the IIT council will finally appoint members," said an IIT director. Heads of institutes feel the move will ensure that there will be fewer government officials and more practitioners and local experts.

COMMON MEDICAL ENTRANCE TEST

SC asks States to respond within a week

ABRAHAM THOMAS ■
NEW DELHI

In the face of stiff opposition from some States on Centre's proposal to hold a common medical entrance test beginning next year, the Supreme Court has decided to fast-track the process by asking States to submit their response within a week.

This development comes barely a month after the Centre had informed the apex court of its decision to notify the common eligibility-cum-entrance test for all medical graduate and postgraduate courses. With political concerns clearly weighing down the Centre to backtrack, the court, in the interest of students, has sought response from all the States and decided to examine the objection of Tamil Nadu, which has filed a separate application challenging the Centre's decision.

The concern of the court on this issue was palpable as the apex Bench of Justices RV Raveendran and HL Gokhale wanted to know the Centre's stand on the issue. Hearing a petition filed by a student, Simran Jain, the bench asked, "Is there any consultative process going on between States?" To which the Centre responded, "We are in consultation with all States."

Interestingly, the Ministry of Health and Family Welfare, in response to a query under RTI informed that 12 States across the country had supported the Medical Council of India (MCI) proposal to hold a Single entrance test for all medical courses across the country. The RTI response by the Ministry recorded disapproval by two States — Kerala



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Secretary K Sujatha Rao where such protest by southern States was anticipated. It stated, "In all likelihood, there will be some amount of opposition to this very major and long felt reform from the private medical colleges who are minting money and have made medical education a lucrative business. Such brazen exploitation needs to be curbed without delay as doctors from such colleges are a potential threat to our society as they in many cases are only but legalised quacks."

On Friday, when the matter was heard in the court, Tamil Nadu registered its protest against the Centre for usurping its authority. The State Government's application relied on the fact that education being a concurrent subject, the prerogative of holding a common medical entrance test could not solely belong to the Centre.

To complicate things for the Centre, the MBBS doctors who have applied for PG cours-

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Tech that: Infosys puts policies on probation

Sujit John & Mini Joseph
Tejaswi | TNN

Bangalore: We've heard of people on probation. Now, it's policies on probation.

In an indication that companies are increasingly moving towards involving employees in decision making, Infosys Technologies has decided to put "policies on probation" before they are implemented. This applies specially to human resources policies.

The company will consult all employees and give them sufficient time to discuss a proposed policy. Many believe it's partly a reaction to the huge employee backlash that Infosys suffered on its HR policy called iRace introduced last year.

Nandita Gurjar, group head (HR) of Infosys, said the company believed "in an open culture". "Everyone should have a say in all the policies

that impact their career. We have created suitable platforms for our employees to post their feedback," she said.

Once the blueprint of a policy is ready, it is put up on the managers' portal and myvoice (an intranet facility) for a week for employees to assess the feasibility of the proposed policy and give feedback. A policy council then collects the feedback, debates on the inputs and a rough policy draft is applied for six months. During this period, all employees are allowed to comment and once this probation period ends, a final policy is drafted, incorporating the second level of employee feedback.

Gurjar said the company has already followed this procedure for some of its policies, including the one on compensatory offs and night shift allowance.

Analysts believe that in

industries like IT where people are the key assets, employee participation in decision-making would become increasingly important. Manish Sabharwal, chairman of staffing company TeamLease, said taking employees for a "test-drive" was a reflection of a flatter organization. "There is a clear shift from a 'mai-baap' structure to a 'taxi-cab' relationship. Companies used to be perceived as those which issued orders, now they have started believing in partnerships and participation. It works because employees consider such policies as their own policies rather than one that has been arbitrarily imposed by their employer," says Sabharwal. But he cautions that the objective should be genuine participation of employees, not mere votes and the majority should be convinced it's a worthwhile policy.

GRE OK for an Ivy League MBA

Premier B-Schools Not Insisting On GMAT

Shruti Balakrishna | TNN

Bangalore: Some premier B-schools worldwide are making things a bit easy for applicants by selectively accepting Graduate Record Examination (GRE) scores in lieu of Graduate Management Admission Test (GMAT) scores.

Although it is entirely subjective and depends on respective institutes, Educational Testing Service, which conducts the GRE exam, states on its website that more B-schools are diversifying the candidate pool for their MBA and graduate management programmes.

"The GRE General Test is accepted for admission to university masters and doctoral degree programme and a rapidly increasing number of MBA programmes. It's accepted by a fast-growing number of business schools, including some of the top-ranked in the world, such as Harvard, MIT Sloan, NYU Stern and Stanford," the site states.

CSquare Learning trains students for GMAT and its director Rashmi Gowda told TOI that over 330 B-schools globally are accepting GRE scores. "It's advantageous as students

MANAGING TALENT



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► Students can take only one test and then decide to opt for either MS or MBA

► GRE measures same skills as GMAT — verbal reasoning, quantitative reasoning, critical thinking and analytical writing

can take only one test and then decide to opt for either for MS or MBA," she said.

"Students should check which institute accepts GRE scores and for which programmes," she said by way of cautioning the students. Has this helped increase enrolment? "Not really. It will take some time for this to come by," she adds.

A few coaching centres said only some institutes accept GRE scores. "The number is slightly increasing. In some cases, GRE scores are accepted for programmes coupled

with science and management. But most still prefer GMAT scores," said Srinivas Sistla, director, Queducation.

According to ETS, the GRE General Test measures skills which have business school value. "These are the same skills measured by GMAT — verbal reasoning, quantitative reasoning, critical thinking and analytical writing. The test doesn't measure knowledge in any specific discipline. However, some questions will be presented in a business context," it stated.

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Dabbawallahs become multi-skilled

They are learning English, basic computing to improve business prospects



Prachi Pinglay

MUMBAI: Mumbai's famous tiffin carriers — popularly known as 'dabbawallahs' — are learning English and basic computing to improve their business prospects.

Dabbawallahs collect lunch boxes from the suburban homes of nearly 2,00,000 customers and deliver them to offices and factories at lunchtime.

Mumbai has about 5,000 tiffin carriers who deliver about 1,75,000 lunch boxes daily in a century-old tradition. A unique tracking system ensures that all the lunch boxes reach their rightful owners in time, recently earning a rating of 99.99 per cent for precision and accuracy from *Forbes* magazine.

The tiffin carriers have received international recognition for their supply chain management and even attended Prince Charles's wedding in 2005.

The course, designed by Yashwantrao Chavan Open University in Maharashtra,

comprises Sunday classes and easy reading material for nearly 5,000 dabbawallahs.

Raghunath Medge, president of the dabbawallahs' association — and one of the few course graduates — says that most dabbawallahs only have a few years of education.

"Even those who have studied further have done so in Marathi language. It will not only help us but also our children who will be encouraged to pursue higher studies," he said.

Gangaram Talekar, one of the most senior dabbawallahs, says the new course is to be welcomed because technological changes are tough to keep up with.

"Many customers send their addresses on text messages. If we cannot read and understand their message we have to go around asking people. Learning English and computers will save us time."

At a small but compact class in a northern suburb of Mumbai, about 20 of the 5,000 dabbawallahs have gathered for the first class.

The room has several placards of basic greetings in English, all spelt phonetically alongside translations in Marathi.

"Good morning! Namaskar!" starts Pawan Agrawal, who has done his doctorate on the tiffin supply system and is conducting the classes.

The mostly middle-aged students echo him enthusiastically as they glance through their reading material. The class continues for about an hour with students repeating and learning greetings in English.

"They have busy schedules through the week. It is important to sustain their interest in course. We will also start classes at other venues so that it is convenient for them to travel," Mr. Agrawal said.

Mr. Medge says the course will enable dabbawallahs to participate in international seminars and lectures. "We get lots of invites, but up until now someone else has had to go."

— © BBC News/Distributed by the New York Times Syndicate

BYTES FOR THOUGHT: 'Dabbawallahs', Mumbai's famous army of lunchbox deliverymen, take part in a computer class at the Dabbawallah Abhyas Kendra Study Centre, part of the Agrawal Institute of Management and Technology in Mumbai on Thursday. Courses in English and computer skills are being offered to the 5,000 or so dabbawallahs who deliver home-cooked meals to hungry office workers every day. — PHOTO: AFP

No consensus yet on IIT entrance exam

Another committee to look at issue

Special Correspondent

NEW DELHI: There appears no early end to the debate over the examination system for admission to the Indian Institutes of Technology. The 41st meeting of the Council of IITs, here on Friday, failed to arrive at a solution acceptable to all members.

Chaired by Human Resource Development Minister Kapil Sibal, the meeting set up a committee, headed by Science and Technology Secretary T. Ramasami, to take a re-look at the issue and come out with its recommendations in three months.

The decision came at the end of a spirited discussion on the interim report of the committee headed by IIT Kharagpur Director D. Acharya.

Dr. Ramasami and several others suggested that admissions be based on students' scores in the Class XII examination and a national aptitude test for all technical courses alone, with the caveat that the Class XII examination performance be assessed State-wise so that there would be no complaint of bias.

Directors of several IITs, however, insisted on an additional examination, on the lines of the Acharya committee recommendations.

Briefing journalists, Mr. Sibal noted that while there was no unanimity on the examination pattern, there was a general consensus that the present system of multiple entrance tests for admissions to various technical institutions need be changed to reduce burden on the students.

There was also unanimity that the present system of coaching classes for admission to IITs and other courses was not good for getting the right quality of students and should be done away with.

Foreigners on faculty

The four-hour meeting

• **Change system of multiple entrance tests: meeting**

• **Coaching classes should also go**

gave in-principle approval for appointment of foreigners to permanent faculty positions up to 10 per cent, and to admit foreign students, up to 25 per cent, to postgraduate courses on a supernumerary basis, without affecting the present admission norms for Indians.

Mr. Sibal said his Ministry would soon initiate discussions with the Home Ministry on the modalities of getting this decision implemented.

Medicine in IITs

The Council approved a proposal to amend the Institutes of Technology Act to enable the IITs to offer courses in medicine with the approval of the Medical Council of India. For, medicine involves many engineering techniques and there have been demands that the IITs conduct research and impart education in medicine.

Collaboration for research

It was decided to set up a permanent standing committee, under the former Director-General of the Council of Scientific and Industrial Research, R.A. Mashelkar, to foster collaboration among the IITs and between the IITs and other institutions in inter-disciplinary research.

The meeting gave the green signal for inclusion of the Chairman of the Scientific Advisory Council to the Prime Minister, and the Presidents of the Indian National Science Academy and the Indian National Academy of Engineering as members of the Council of IITs.

Fastest Net service in US coming to Chattanooga

STEVE LOHR
13 September

In the global race to see who can offer the fastest internet service, an unlikely challenger has emerged: Chattanooga, Tennessee.

The city-owned utility, EPB, plans to announce on Monday that by the end of this year it will offer ultra-high-speed internet service of up to one gigabit a second. That is 200 times faster than the average broadband speed in America.

Only Hong Kong and a few other cities in the world offer such lightning-fast service, and analysts say Chattanooga will be the first in the United States to do so. "This makes Chattanooga — a midsized city in the South — one of the leading cities in the world in its digital capabilities," said Roy Littlefield, the city's mayor.

There is one caveat: the highest-speed service will cost \$350 a month, a price that may appeal to some businesses but few households, even though the service will be offered to all

the 170,000 homes and businesses EPB serves.

"We don't know how to price a gig," said Harold DePriest, chief executive of EPB. "We're experimenting. We'll learn."

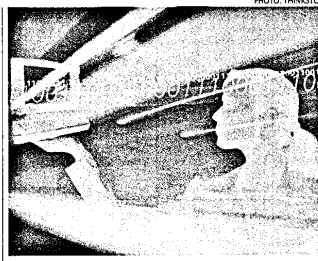
Chattanooga's effort is the byproduct of an aggressive high-tech economic development plan in recent years, helped along by funds from the federal economic stimulus program. But it comes at a time of increasing debate among communities, countries and corporations about how best to pursue the next generation of broadband, a technology seen as the gateway to a new wave of internet-based products and services.

The Obama administration presented its broadband strategy earlier this year and set the goal of bringing broadband to 100 million American homes at download speeds of at least 100 megabits a second — a tenth of Chattanooga's top speed — by 2020. The United States, according to studies, is a laggard among developed nations in broadband adoption and service speeds.

Eric E Schmidt, Google's chief executive, and other leaders in technology and government point to the trailing broadband performance as a danger to American competitiveness that threatens to saddle the nation with an "innovation deficit" compared with other countries.

To help close the gap, Google pledged this year to supply service at one gigabit a second to up to 500,000 people in the United States. The company says that 1,100 communities have applied, and Google will make its selection — one community, or a few — this year.

In announcing the programme, Google offered a glimpse of the benefits of ultra-high-speed internet service. "Imagine sitting in a rural health clinic, streaming three-dimensional medical imaging over the web and discussing a unique condition with a specialist in New York," its statement said. "Or downloading a high-definition, full-length feature film in less than five minutes. Or collaborating with classmates around the world,



while watching live 3-D video of a university lecture."

Such visions of new high-speed services in health care, entertainment, education and business are behind the ambitious national programmes under way in countries like Australia and South Korea. Already a leader in high-speed broadband, Korea plans to offer one-gigabit-per-second service nationally by 2012.

Higher-speed internet service, experts agree, is an important national goal, but it

PHOTO: THINKSTOCK

for 15 megabits, \$65 for 25 and \$140 for 50. And the vast majority of Verizon's fibre optic internet customers, analysts say, choose the 15-megabit, \$50-a-month service.

The demand for one-gigabit-per-second service could be minuscule, experts say. "I can't imagine a for-profit company doing what they are doing in Chattanooga, because it's so far ahead of where the market is," said Robert D Atkinson, president of the Information Technology and Innovation Foundation, a nonpartisan research group.

Even DePriest of EPB does not expect brisk demand for the one-gigabit service anytime soon. So why offer it? "The simple answer is because we can," he said.

And, DePriest said, it can be done at minimal additional expense, once fibre optic cable is strung to homes and businesses, and the electronics for ultra-high-speed internet — more than 100 megabits per second — are in place.

The overriding consideration is that this is a real tool for economic

development for our community," DePriest said. "It is the basis for creating the products and services of the Internet of the future. And it's in Chattanooga today."

The utility started stringing fibre optics to homes about two years ago, and began offering high-speed broadband a year ago. It supplies 30-megabit-per-second service for \$58 a month, 50 megabits for \$71 a month, and 100 megabits for \$140 a month (as of Monday, down from \$175).

That service is now offered to 100,000 of the utility's 170,000 customers, and will be available to all of them by the end of the year. At present, 15,000 customers subscribe to at least one fibre optic service — television, internet access or phone service. And 12,000 subscribe to the internet service, a strong sign-up rate in the first year, DePriest says.

The high-speed internet service is piggybacked on top of the utility's smart-grid network, which was the reason for stringing the fibre optic cable to homes in the first place. Smart grids are advanced electrical networks

that can improve energy efficiency, enable variable pricing based on the time of day, and reduce disruptions. They require digital networks for two-way communications, and computerised meters in homes.

EPB had already begun a smart-grid programme before the Obama administration included billions for grants for smart-grid projects in the economic stimulus programme in 2009. But the Chattanooga utility did win a \$111 million grant from the Energy Department, accelerating its smart-grid plan. The federal funds did not go to subsidise the high-speed internet service, DePriest said.

The customers for the fastest offering may be few, but Dr James Busch will most likely be one of them. He is one of 10 radiologists in a practice that reads and interprets medical images from 14 hospitals and clinics in Tennessee and Georgia. Those data-heavy medical images are shuttled over the internet.

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FINISHING SCHOOLS

TalentBridge—training students for the job market

BY DEEPTI CHAUDHARY
deepti.c@livemint.com

BANGALORE

When Gauravendra N. Shukla and three former colleagues met some years ago to brainstorm business ideas, they set one condition: The ideas should centre around bridging gaps between the metros and smaller cities or towns.

"We realized that one of the biggest gaps was in education in terms of the experience and exposure that a student gets in Mumbai, compared with a tier II or III city," Shukla says.

Shukla is a co founder and CEO of TalentBridge Technologies Pvt. Ltd, which last week got a ₹2 crore investment from Mumbai Angels, a network of angel investors or rich individuals who back a venture that's just getting off the ground.

He is quite familiar with the gap he talks about. Shukla grew up in Pasighat, a small town in Arunachal Pradesh, a North-East state. When he completed schooling in 1991, the town had just one book store and his

Some experts say that while finishing and preparatory centres are a viable business, scaling up will be a challenge

school lacked dedicated teachers for some key subjects, he says. There were no preparatory centres for competitive exams either.

"We decided that our approach would be towards enhancing the employability of students," he says. "The plan was to create a framework to make students corporate-ready."

Shukla says graduates from small cities and towns usually lack confidence because they can't speak English well. Among the first few questions most interviewers ask potential hires is to talk about themselves. "Students are so ill-pre-

pared about it that they can't go beyond two sentences," says Shukla.

"There are a lot of companies that only take people from finishing schools. They definitely have an edge," says James T.J., lead consultant, CareerNet Technologies Pvt. Ltd, a talent acquisition and human resource consultancy.

For small firms that do not have the bandwidth for an in-house training team, finishing schools such as TalentBridge come in handy, he added.

TalentBridge, founded in August 2008 and headquartered in Bhubaneswar, a small city in Chhatisgarh, aims to bridge the industry-academia gap in two steps. It collaborates with industries and colleges to help raise the level of soft skills for students at these institutes. It also helps companies find employees specifically trained and mentored to meet their requirements.

TalentBridge offers courses running for one to 10 months with an emphasis on areas such as public speaking, group



Market savvy: TalentBridge's Gauravendra Shukla. The company has MoUs with 27 firms to consider its students while hiring freshers.

discussions, analytical skills, negotiation skills, business etiquette, and writing emails and resumes. Its fees range from ₹7,000-12,000. "We assure that 20-30% (of the) students enrolled will get jobs or job access... No one assures that," says Shukla.

TalentBridge has memorandums of understanding (MoUs)

with 27 companies requiring them to consider its students while hiring freshers. These firms include IBM India Pvt. Ltd, Grainger Industrial Supply India Pvt. Ltd, Odyssey India Ltd, Halliburton Offshore Services Inc. and Omnitel InfoSolutions Ltd.

In 2009, its first full year, 12 of TalentBridge's 450 students

found jobs. This year, 35 of its students have been placed so far.

Education is a huge business opportunity in India, says Ashwin Mittal, a member of Mumbai Angels who will be joining the board of TalentBridge. The issue is that while millions of students graduate every year "they are not employable", he added.

TalentBridge has centres in Bhubaneswar and Raipur and is preparing to enter Bhopal, Indore and Jabalpur in three months, all tier II or III cities. The firm has identified 88 small cities and towns it wants to be in by the end of fiscal 2012.

Some experts say that while finishing and preparatory centres are a viable business, scaling up will be a challenge. "The student has to be placed, the hiring company has to be happy enough to come back. It is not a simple problem to address," says Sanjay Anandaram, an angel investor and founding partner of JumpStart-Ur Venture Fund. "Serious horsepower is required to overcome competition," he adds.

"If it has to become (the) NIIT of prep schools, a company needs exceptional management, operational efficiency and capital infusion."



Biswajit Dhar
is director general at
Research and Information
System for Developing
Countries, New Delhi.

The outsourcing spectre returns

Before US protectionism over visas haunts the world, India should strongly argue against it at international forums

The familiar election-time rant of protecting US jobs is back, as that country heads for congressional mid-term elections in November. The most recent series of concerns about jobs came last week, when President Barack Obama announced withdrawing tax breaks that "encourage companies to create jobs and profits in other countries". Striking a very nationalistic note, Obama declared "a more generous, permanent extension of the tax credit that goes to companies for all the research and innovation they do right here in...the United States of America". And, in yet another move that should enhance the level of discomfort among foreign firms, he announced his intent to propose that "all American businesses should be allowed to write off all the investment they do in 2011" which, in his view, would encourage US businesses to "start putting their profits to work" in the home country.

President Obama's intent to "protect" US jobs comes even as a new controversy rages over the ban on outsourcing services imposed by governor of Ohio state Ted Strickland in early August. An executive order that Strickland issued prohibits the use of any funds within the control of an executive agency to purchase services that will be provided outside the US. Besides the impending loss of business, this order will surely raise hackles for the major beneficiaries of offshoring activities: There could be longer-term implications, considering Ohio's state administration has gone on a virtual tirade against offshoring services.

The executive order points out that the purchase of offshore services has unacceptable business consequences—because offshore service providers could pose unac-

ceptable data security, and thus expose US firms to privacy and identity theft risk. The order alludes to pervasive service delivery problems with offshore providers, including dissatisfaction with the quality of their services; it adds that it is difficult and expensive to detect illegal activity and contract violations and to pursue legal recourse for poor performance or data security violations. It's actually hard to believe that Strickland put this ban into effect; ironically, at the beginning of the year, he was offering millions of dollars of tax breaks to persuade Tata Consultancy Services to invest in his state.

The first of this latest set of measures to protect US jobs was the hike in fees for a class of visas that includes H-1 and L-1 non-immigrant visas, which generated senator Charles Schumer's now infamous "chop shop" remark about outsourcing companies such as Infosys; the US has imposed these fees since June for raising revenue to increase security on the US-Mexico border. For Indian firms that have been at the forefront of providing services to the US economy through the temporary movement of professionals, this hike in visa fees is yet another impediment in the series of market access barriers that they have had to contend with since the economic downturn.

The pitch for introducing restrictions on inflows of non-immigrant workers in the US was set in 2009 when senators Dick Durbin and Chuck Grassley proposed to introduce the H-1B and L-1 Visa Reform Act, 2009. This was a narrowly tailored bipartisan legislation that sought to amend the US Immigration and Nationality Act to prevent "abuse and fraud" and to "protect American workers". The target of the legislation: the 65,000



visas that the US issues to highly skilled non-immigrant workers. Before the onset of the current crisis in 2007, the US Citizenship and Immigration Services received 150,000 petitions for H-1B visas within the first two days of its opening applications.

But the situation changed dramatically after US lawmakers started tightening regulations in 2009. The invidious protectionism had a chilling effect on H-1B petitions. The quota for 2010 could not be completed even in December 2009; in 2010, the total number applications being considered for the grant of H-1B visas is less than 37,000.

What should be India's response to this situation? The increase in visa fees has prompted many to suggest that India should file a complaint at the World Trade Organization (WTO) with a view to seeking redressal through its dispute settlement process. Several analysts have argued that strengthening regulations pertaining to non-immigrant workers, which would result in raising market ac-

cess barriers, would violate the commitments made by the US under the WTO's General Agreement on Trade in Services. However, it needs to be pointed out that litigating at WTO, besides surrounded by uncertainties regarding the outcomes, has implications for Indian industry because the cases can drag on for several years. Most of the firms in India's sector, in particular those that are involved in the outsourcing business, are of modest size, and therefore do not have the capacity to stomach legal bills for a long time.

It is, therefore, imperative that India uses forums such as the Group of Twenty (G-20) to strongly argue that major economies desist from taking measures which risk the global economy's fragile recovery. Indeed, G-20 countries have repeatedly expressed their commitment to keep their markets open. Any move to the contrary, made by the largest economic power, threatens to unravel this consensus.

Comments are welcome at theirview@livemint.com

Economic Times ND14/09/2010 P-7

Wipro, Infosys see cautious, short-term spending on IT

Reuters
TIANJIN, CHINA

TWO leading Indian IT outsourcing companies said customers were still spending on technology but the mood remained cautious and short-term as firms wait to see how the global recovery plays out.

"Demand continues to be okay," S. Gopalakrishnan, chief executive of Infosys Technologies, India's No.2 IT outsourcing firm, said on Monday in an interview on the sidelines of the World Economic Forum in China. "What is challenging is that companies are willing to commit for the short term but not the long term or the medium term. Because of that it becomes challenging to do medium- to long-term planning."

Martha Bejar, president of global sales and operations at Wipro, India's No.3 IT outsourcing firm, said IT budgets were flat to slightly higher as customers focus on projects to bring long-term changes to their operations. "Folks are cautious in the way that they're spending," she said in a sepa-



rate interview. "Customers are spending a lot more time making decisions ... but we're not seeing cancellations or delays."

The current environment represents an improvement from the depths of the global downturn, analysts said. "The earlier scenario was that everyone was expecting huge cuts in IT spending. That is behind us now," said K.K. Mital, head of portfolio management services at Globe Capital at New Delhi. "Though spending is cautious, it is happening."

Strong demand for outsourcing helped Wipro, which develops software applications, integrates IT systems and manages

call centres, to post a strong June quarter despite a softening in Europe's revenue contribution, which dropped to 25.4% from 26.3% in the previous quarter.

At Infosys, European customers' share of overall revenue has dipped to 20% from 28% two years ago. Over the medium term, Infosys would like to bring the United States and European markets into balance, with each contributing about 40% of total revenue, Gopalakrishnan said. "We hope to bring (the European contribution) up, but it will take time because Europe is recovering slower," he said. "It will probably take a couple of years to get it back."

China has proven a surprisingly tough nut to crack for the likes of Infosys, Wipro and other IT outsourcing firms, which once had big hopes for the fast-growing market. Analysts blamed the failure of those aspirations to materialise on slower-than-expected development of the domestic market and the reluctance of customers to buy outsourced software systems made in China, notorious for its intellectual property theft.

Asian Age , ND 14-Sep-10 p-11

Secure access: Indian companies play safe with the smart card

SANGEETHA CHENGAPPA

BENGALURU

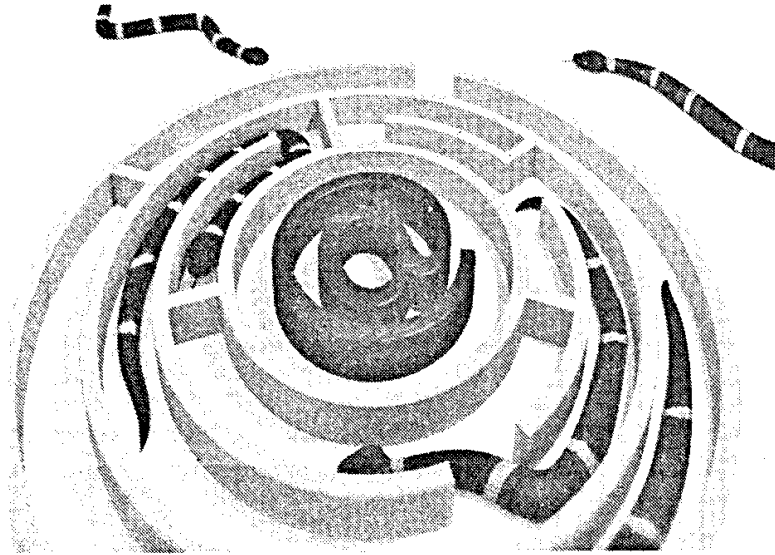
Sept. 13: As security concerns gain ground at the workplace, Indian companies are increasingly replacing the ubiquitous photo ID cards or badges that employees use to gain entry with smart cards that enable authentication of identity.

Smart cards can hold information and security features such as biometric data (fingerprints, iris scans and digital signature) and are steadily becoming the standard access-control method.

"Pure physical access control cards are being phased out. Indian companies are migrating to contactless smart cards that not only enable physical access control but can also be used for canteen services, library management, bus-pass monitoring, and e-cash services like payments in restaurants and retail stores within their campuses," says Ranjit Nambiar, director of sales for South Asia at HID Global, the Indian arm of HID Global, a provider of secure identity solutions.

Only two years ago, some 70 per cent of HID's customers in India still used legacy access control cards. Since then, however, many of them have switched over to smart cards, although many of them still haven't integrated onto these cards the full range of applications that Mr. Nambiar says is possible.

It's still early times,



though. Till now, Indian companies have tended to use physical access control cards mostly to monitor time and attendance and to allow limited access to areas within the office. On the other hand, MNCs, which were the early adopters of the technology, have moved on to using cards that allow their employees access to all their facilities within the country and sometimes even those across the globe, says Ramesh Jayaraman, managing director of ADT India.

Such single-card, single-level identity and access management solutions are what chief information officers are increasingly looking for. "Multiple levels of security controls are expensive to implement. CIOs are

looking for rationalised security controls that require fewer steps and investments. Hence, firms are moving towards converged physical and logical security access solutions, wherein one smart card will get you access into the workplace and into the company's network from your PC," says Sameer Shelke, co-founder-COO of information risk management services company Aujas.

Indian IT giants Wipro and Infosys, for instance, have invested in contactless RFID-based converged smart cards that are embedded with biometric templates. "We are currently working toward deploying a single contactless smart card at Wipro that can take care

of both short-range and long-range radio frequency communications and ensure that multiple applications can be addressed," said Pradeep Unni, senior technical consultant, Wipro Technologies.

Unni has a rationale for why he wants even long-range RF on the smart card. In an emergency, he says, hundreds of employees rushing towards an exit may not have the time to queue up at the door and exit in an orderly fashion after the smart card reader has authenticated each one using short-range RF.

In such a situation, the long-range RF will help quicken the job and the doors would open automatically to let them out.

"Indian firms are migrating to smart cards that enable not only access control but can also be used for library and e-cash purposes.

Additionally, the same card could be used to give employees's vehicles entry into the campus or to let staff borrow books from the company library, or even pay for a meal at the cafeteria, Mr. Unni noted.

Unsurprisingly, technology firms and public sector units are among the early adopters of the smart card technology. "Some 15 million units of non-converged smart cards are currently being sold in India annually. The move towards converged smart cards, with larger memory and higher security has begun, especially at IT companies and large PSUs," said Ashok Chandak, senior director of sales and marketing at NXP Semiconductors.

But the time may be up for even the smart cards. The government's national Unique ID project has raised the interesting possibility that the UID number, stored on a person's mobile phone, could become the primary access control device for most organisations, says Shakti Leekha, a long-time safety and security professional.

Asian Age , ND 14-Sep-10 p-11

Click to buy as you watch the catwalk

STEPHANIE CLIFFORD

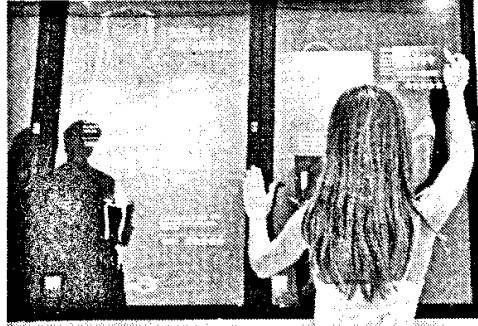
NEW YORK

Sept. 13: It used to be that designers showed clothes at Fashion Week to court the influential few, mainly the buyers and fashion editors who determined what styles would be hot in retail stores a season away. But now they are starting to sidestep the middleman. Web technology, and a desire to entice luxury shoppers who are suddenly spending again, are spurring designers to fling open the tent flaps to their runway shows and appeal directly to shoppers.

Call it public-access high fashion.

In this fall's women's runway shows, which started Thursday with New York Fashion Week and continue throughout the next month in London, Paris and Milan, shoppers at their keyboards will have a front-row seat.

Gucci will allow anyone to sign up to watch its show online, and will let viewers share live Webcam videos as though they were playing



Stores are featuring collections on touch screens.

with YouTube. Alexander Wang is projecting video of its show on a "moving billboard" in Manhattan, and Betsey Johnson is showing live Web versions of the show and the backstage frenzy before it.

And in the most aggressive outreach, Burberry, the British design house, will not only stream its women's runway show live from London, but also will allow anyone with a computer and a credit card to order the merchandise as models

strut in it.

"It's giving the consumer even more inside access than the buyer in the front row," said James Gardner, founder and chief executive of Createthe Group, which is working on the runway live streams for Marc Jacobs and Burberry. "They're able to put the product in their shopping bag, pay with their credit card and check out before the buyer is even finished watching the show and goes to the showroom the next day."

Burberry's strategy represents a huge change from the past, when a literal golden ticket was the only way to see its show. The anointed — buyers from Barneys, editors from Vogue, actresses like Claire Danes — were sent an engraved antique brass entry card. This time, in addition to the online access, 1,500 people will be invited to Burberry stores worldwide, where they will watch the show on high-definition screens and be able to order merchandise immediately via an iPad app.

"Technology is the enabler," said Christopher Bailey, chief creative officer at Burberry. "This gives them an opportunity to feel that energy and feel the attitude of what you're working on. I find it incredibly liberating." In the last few years, fashion has gradually opened itself up to ordinary shoppers. Bloggers have sidled into shows alongside fashion editors, the TV show "Project Runway" has made design seem doable, and Fashion's Night Out has

brought designers into stores to meet shoppers.

But never before have Fashion Week designers so aggressively appealed directly to consumers with their shows, in large part because technology makes it so easy but also because economic conditions make this round of runway shows so important.

The luxury shoppers that Fashion Week designers go after all but disappeared during the recession, not only because rich consumers' investments plummeted but also because it was unseemly to buy expensive items in a sober time.

Now, though, they appear to be buying again. Hermès International said last month that its profit rose 55.2 percent in the first half compared with a year earlier. Tiffany & Company said its second-quarter profit rose 19 percent, and the luxury conglomerate LVMH Moët Hennessy Louis Vuitton said in July that first-half profit rose 53 percent.

— NYT

Tribune ND 14-Sep-10

P-12

Preparing to 'bell' the CAT

NEERAJ BAGGA

SANDAL Deep Singh's passion to overcome complications and odds in life through studies forced the Progressive Educational Society (PES), Amritsar, to sit up and take notice to eventually stretch the number of Super 50 to 51.

Hailing from a nondescript Burj Masta village of Faridkot district, Sandal had to cover 8 km daily till the completion of matriculation this year from Government Senior Secondary School, Aryan Wala village.

Sandal's brilliant performance in Class X, despite underprivileged background was enough for the chairman of the society, Vice-Chancellor, Guru Nanak Dev University, Prof. A.S. Brar, to accommodate the 15-year-old.

His case is not an isolated one in Super 51. Instead, majority of the students enrolled for preparing to "bell" the CAT (Common Admission Test) for various reputed engineering institutions located across the country has the same story to tell.

Harman Kaur of Chak Madrasa village in Muktsar district had resigned to her fate as she had taken admission in the nearest senior secondary school in an adjoining village which offered only humanities stream for the students of the 10 +1 and +2 classes.

She recalled that one day, an official from the office of the district administration knocked at their door, as her family did not have any telephone connection, to ask her to appear in the interview at Amritsar. In the absence of a telephone connection, it was the only means of communication left for the organisers of Super 50 to contact this successful candidate of the entrance test.

Brainchild of Prof A.S. Brar, a 14-member Progressive Educational Society (PES) was formed with prominent functionaries and academician as its members like principal, finance and education secretaries and honorary sec-



Progressive Educational Society is coaching rural students for prestigious engineering entrance examinations

retary of Khalsa College Governing Council Rajinder Mohan Singh Chhina and others to materialise the plan.

For Brar, it is no less than a dream come true as born and brought up in a nondescript village in Faridkot district, he had to paddle nearly 14 km to receive education. "I invariably desired to pay back to society which helped me achieve heights in my career".

Therefore, the PES offers the package to those students who belong to rural area of Punjab. The PES is coaching the students at Khalsa College Public School, while their residential arrangement has been made at the adjoining Khalsa College's hostels.

The PES, with a financial support of Rs 1.4 crore from the state government, conducted a state-level test to select the genuine candidates. Now, the successful candidates-28 boys and 23 girls-are being offered free boarding, lodging, books, study material and other requisite facilities. They are studying in the ten plus one class on the CBSE pattern in the same school. They come from almost all the districts of the state.

Under the active supervision of Sarbjit Kaur Brar, Principal, Khalsa College Public School, the ambitious project is inching towards greater objective of imparting quality education. Interest-

ingly, Sarbjit Kaur, a Ph.D in Chemistry who had been a research associate at IIT, Delhi, is the wife of Prof. A.S. Brar.

"Initially, there were teething problems in settling down of the students, as many of them had never gone out of their houses and some had never travelled by train," said Sarbjit Kaur. Naturally, there was homesickness. She took upon herself to counsel the students and to provide a parental touch by visiting them in their rooms and classrooms. During her frequent interactions with the students, she realised that individual contact with students and their counseling were important in making them mentally strong and psychologically prepare for putting their best to crack one of the most toughest entrance examinations in the country.

Hence, she came up with a concept of teacher guardian programme as per which each teacher was given the responsibility of nine students. Apart from regular teaching, these teachers took on the mantle of parenting and counselling the students to develop their frame of mind to face the challenges while not allowing them to lose their focus.

Before this, the major task was to enrol creditable teachers to raise the

academic level of the students to compete for all-India engineering tests. She said after painstaking efforts, they zeroed in on physics, chemistry and maths teachers. Another challenge was of fine-tuning students' English as most of them had their education in Punjabi medium. Thus, a remedial class in English was introduced. Many of the students, especially girls, would have dropped out of schools or ended up in adopting other streams in village schools but for the PES, they see light at the end of the tunnel.

ADMISSION DEADLINE

From now, more information on Admission Deadline will be available online. Please visit *The Tribune* website at: www.tribuneindia.com and click on "Education" in the "Weekly Specials" section to get details.

— Pervin Malhotra,

www.careerguidanceindia.com

IITs to offer medical courses

NEW DELHI, Sept 10:

Expanding its sphere of activities, the Indian Institutes of Technology would now offer courses in medicine.

They would also allow foreign nationals on permanent faculty positions and students from abroad at the post graduate level.

Decisions to this effect were taken at a meeting of IIT council presided by HRD Minister Kapil Sibal here today.

The Government decided to seek the approval of the Medical Council of India for the medicine course, Sibal told reporters.

The IIT council meeting decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the medicine programme as IITs were already involved in evolving a large number of engineering techniques and research in the field of medicine, he added.

"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI under the Act will have to be taken," Sibal said.

He, however, said no MCI approval would be required where IITs engage with interdisciplinary research for the advancement of learning and dissemination of knowledge not

leading to a degree or qualification for the practice of medicine.

For this exercise, it has been decided to set up a permanent standing committee under R A Mashelkar, former head of Council for Scientific and Industrial Research.

The council also decided to enable IITs to recruit foreign faculties which should not be more than 10 per cent of the total faculty strength.

"In principle, we agreed that IITs are entitled to recruiting foreign faculties", Sibal said adding they will set up a mechanism with the Home Ministry to ensure there is no "hiccup in the process and there is easy exit and entry of people" as faculties.

Some other issues like bringing amendments to the Indian Citizenship Act will also have to be looked into, he said.

IITs have contended that the presence of foreign faculty in their campuses would expose students to globally distinguished professors besides lending a true international flavour in campuses and reducing brain drain.

Sibal said the meeting also agreed in principle to admit up to 25 per cent foreign students at the post graduate level on a "supernumerary basis without affecting the present admission norms for Indian students". (PTI)