

October 3, 2005

Inside Outsourcing™



Inside with: Walter Fang VP & CTO, Neusoft

Special points of interest:

Larry Janis' interview
with:

Walter Fang

VP & CTO
Neusoft

Neusoft Group is a leading software and solutions provider in China with sales revenues of 2.4 billion RMB in 2004 and 7800+ employees as of September 2005. Founded in 1991, Neusoft originated from Northeastern University. Over more than a decade's development, Neusoft has grown to become a comprehensive solutions provider with software technology as its core, with software & services, digital medical products and IT education & training as its main business fields. Neusoft provides customers with integrated business solutions through research, design, development, production, sales, training and services.

LJ: What are your offerings in Business Process Outsourcing?

WF: Neusoft BPO offerings currently include:

Customer service centers (Call centers) that can support the following languages: Japanese, Korean, Mandarin, Cantonese, and English

Data processing services: data entry, CAD entry, HR admin & other back office processing

Data center hosting services: IT support services, including basic housing for computing equipments and facilities, and management services (network security, monitoring)

Value added service (application maintenance, data backup and restore, etc.).

LJ: How does Neusoft distinguish its offerings in the industry?

WF: Neusoft is a leading solutions and services provider in China. Neusoft currently employs more than 7800 staffs; most of them are IT professionals. Leveraging our well trained and skilled talent pool, and the experiences accumulated during the past 14 years, Neusoft can provide a wide array of IT outsourcing and BPO services all over China. (continued on next page)

From the Editor.

Welcome to our current
issue!

Inside Outsourcing's goal is to provide you with articles of interest and with a forum for the exchange of information in this rapidly evolving industry.



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For example, Neusoft currently has more than 100 engineers with professional certifications from Cisco, Microsoft, Oracle, Sun, HP, etc. Neusoft also has a number of quality control specialists, experienced in CMM, ISO9000, ITIL, COPC, BS7799, and so forth.

Neusoft has established three IT institutes, the Neusoft Institutes of Information (NIIs), located in Dalian, Nanhai and Chengdu with 18,000 registered students. All these students will earn their Bachelor degrees in Computer Science as a major in IT, and are well trained in foreign languages to use English or Japanese as the working languages when they graduate. Some of them will serve Neusoft in the fast growing ITO and BPO areas. The NIIs also provide a wide range of short-term training programs for IT practitioners, such as custom training for a partner addressing its current specific business needs, foreign language trainings to support our international customers and call centers needs. Finally, NIIs can train people that require vendor-specific certifications like Cisco, Oracle or Microsoft, as authorized training and certification centers for these vendors.

In addition, Neusoft can provide value-added services to help customers to expand their Chinese business operations capabilities and enlarge their market share in China. Neusoft helped many foreign customers develop their business in China thanks to Neusoft extensive resources, strong brand, and China-wide sales and services network.



Finally, Neusoft has built a few software parks, which include IT Institutes, R&D centers, and services centers with the network infrastructure, and all the living and recreational facilities all in a campus setting. Our partners can lease some facilities and easily set up their own service centers in the software park, while outsource some supplemental services to Neusoft. This kind of flexibility is also unique in Neusoft offerings.

Neusoft

LJ: What innovations are your clients requesting in your service offering?

WF: As I said earlier, some of our clients require customized, flexible terms when they start to move their back office operations to China. They need support services to recruit staffs, and train the new hired staffs. Neusoft is able to provide HR recruiting services, and training services custom made for client's special training requirements. Clients can also lease some office space from Neusoft to set up their back office operations within the Neusoft software parks. These kind of flexible, innovative offerings are welcome by our clients because the services help them to establish and start up their back-office operations.



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Most clients request us to offer more differentiated services and an improved service level after Neusoft has provided services to them for certain period and has been familiar with our clients businesses and has acquired sufficient trade-specific knowledge from our clients.

LJ: What are the top three concerns a buyer has about outsourcing?

WF: The top three concerns from our clients are: operations efficiency and capability, labor costs, and service level agreement.

LJ: Do you compete against the Indian BPO providers?

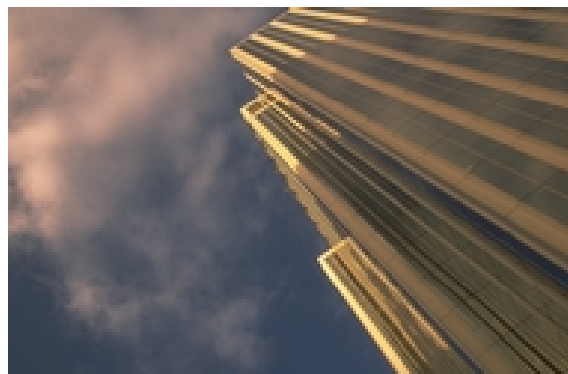
WF: Yes

LJ: How do you differentiate yourself from the Indian providers?

WF: Labor cost in India is rising quickly. China is becoming a promising alternative location for offshore ITO and BPO projects due to its large pool of people that are either IT professionals or Japanese/Korean speaking persons.

Indian companies provide services mainly to English speaking countries. Neusoft is able to serve cost-effectively North Asian countries such as Japan, Korea and quickly scale operations

China itself is huge potential market for BPO services and Neusoft is very well positioned to take advantage of this huge opportunity.



LJ: What are the hurdles to expanding your market share?

WF: BPO is still new in China. Many Chinese BPO providers lack management experience, sophisticated back office operational skills and deep trade-specific knowledge. Thanks to our international partners like HP, Neusoft is growing rapidly its capabilities in the BPO sector.



Integrated Search Solutions Group



We are a twelve-year-old retainer based executive search firm that has successfully attracted top talent in the areas of Outsourcing (IT, BPO and BPM), Consulting (Strategy & Technology) and traditional IT functions (CIO, CTO, etc). We have worked effectively with major corporations as well as effectively with venture capitalized start-ups. Executive recruiters typically pride themselves in their ability to recruit top executives, irrespective of the industry. Leaders in outsourcing tell us a different story; outsourcers value what we do because we understand their business. Executive search in outsourcing is what we do.

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ACS Names Mark King New CEO

Associated Press

10.03.2005, 09:10 AM



Affiliated Computer Services Inc., a provider of business and information technology outsourcing, on Monday named Mark King its new chief executive, replacing Jeff Rich.

The company said Rich, who has served as CEO since 1999, is leaving to pursue other business interests. King, who has been with the company since it was founded in 1988, most recently served as the company's president and chief operating officer. He will retain the title of president.

The company named group president of commercial operations Lynn Blodgett to the additional posts of executive vice president, chief operating officer and member of the board of directors.



"You can't build a reputation on what you're going to do."

Henry Ford