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# Inside Outsourcing™



## Inside with: John A. Cutrone, President North America for Firstsource

**Larry Janis'**  
**interview with:**  
**John A. Cutrone**

Firstsource is among India's top three pure play BPO companies. Firstsource provides business process management to Fortune 500 and FTSE 100 companies in the Banking & Financial Services (credit cards, insurance, retail banking, collections and mortgage companies), Telecom & Media (fixed line, mobile, broadband and narrowband service providers) and Healthcare (payor companies) industries.

The company offers a broad range of services to its focus industries from Banking and Financial Services (credit evaluation, accounts set-up, customer service and account maintenance, dispute resolution, mortgage origination and servicing, insurance policy issuance and administration, payment processing, collections, research and analytics) to Telecommunications and Media (customer acquisition, provisioning and fulfillment support, customer service, billing support, dispute resolution, churn management and collections) and Healthcare (mail and document management services, claims processing, claims pricing, claims adjudication and healthcare provider database maintenance).

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.

**LJ:** *You have been in the Outsourcing Industry for several years in different capacities. What changes have you seen in the industry?*

**JC:** The industry has evolved greatly. When I was at PwC, companies struggled with improving service while keeping cost intact. Today companies have specialist business process management experts who are offering enormous options, both in terms of strategic gains and tactical gains. Let me explain what I mean by that. Moving work offshore to reduce cost could be a good tactical measure but transformation and continuous improvement can give long-term strategic gains. Every Firstsource solution can proceed to transformation. With the right client approach, we invest into their business and provide them with solution where we do not only think about the specific work we are doing, we also step back to put ourselves in our clients shoes to be sure we are solutioning and delivering to support our clients and our client's customers. (continues on next page)



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There are many more suppliers now, which is great for the industry in general. Competition forces all us to create better and more risk adverse solutions. The market benefits as our capabilities mature and evolve.

Quality and excellence is a new dimension. I have seen many BPO situations where the delivery out of the gate is a disaster. At Firstsource, our lead executive for Process Excellence is a direct report to the CEO that means that focus on quality is the key foundational element of everything we do. Needless to say, this a very refreshing.

**LJ:** *You recently move from a very large provider of services, IBM to an Indian Offshore provider. How would you describe the differences in the two organizations?*

**JC:** I have been involved in BPO since 1996, first with a start up named Intellisource, then PwC, then IBM and now Firstsource. Firstsource is a global firm with our headquarters in India. We currently have twenty-four delivery centers - six in the US, one in Buenos Aires, two in the UK, one opening in Manila during July and the balance in India. BPO is our only business and the result is that all of our clients receive senior management attention.



Firstsource is a very user friendly business partner. I still consider myself a new member of the team and as I visit our clients, I am pleasantly surprised to hear that Firstsource is the favorite supplier and that our level of service and flexibility is second to none. This is the DNA of our business approach. We currently have 14,000 employees and we are going rapidly. Firstsource became a public company, listing on the Indian stock exchanges in February. The market reaction was very exciting as we were fifty times over subscribed. We will use our capital to invest into infrastructure and for additional acquisitions. Going forward we aim to compete with anyone, with a more flexible approach.

**LJ:** *Is the selling of BPO services different from traditional ITO sales? If so, would you give us some insights?*

ITO is very mature both on the supply side and demand side. BPO is young and we are developing new and better solutions every day. We now see many of the larger providers beginning to merge ITO and BPO in order eliminate duplication of selling costs. The reality is that the combination of data center and hosting with BPO does not create much in the way of incremental synergy.

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The synergy play comes through process redesign that would naturally include revisions to the application to create a more efficient business process.

To illustrate this, Firstsource has entered into a strategic relationship with Metavante Corp. Metavante has actually taken a 20% ownership position into Firstsource. They provide software, technology, and IT outsourcing services to banks. By joining together, Firstsource and Metavante now have a 1+1=3 total solution for people, process, technology, cost, service levels, quality and continuous improvement. This is very different from selling ITO, the sale is to the CEO and CFO and involves a strategic decision on how the company will run operate in the future.

**LJ:** *In the sales process at Firstsource, are the third party advisory firms (TPI, Equaterra, etc) parts of the process?*

**JC:** Our clients really like working with us. In many of our larger clients, we have started small and grown as they see the type of relationship we are able to have. Going forward, we are looking to maintain the formula that has gotten us to where we now are and while being open to opportunities that would typically come from a TPA. We will compete where we know we can create value and where we know we can win.



**LJ:** *What are the differentiators in how Firstsource approaches an outsourcing deal?*

**JC:** As I mentioned earlier, quality and being a great business partner are on the top of our list. Focus is very important to us and we work in three industry verticals namely Financial Services, Health Care, and Telecom. We have a strong banking BPO business. We also own a collection agency. For collections, we have the unique ability to deliver collections services both onshore and offshore providing our clients the right balance of performance, compliance, and cost. This is a great way to begin an approach to a bank or card issuer. Our Firstsource / Metavante solution is also key as Metavante already has existing relationships with over 1000 banks. We have a very strong position here.

Our position in Healthcare is equally as strong as we have both the onshore and offshore capability to provide transformational BPO services for enrollment, claims processing, claims adjudication and customer service. Last December we acquired a 300-person company named Med Plans. We have now have the ability to make a client approach or to react to a RFP with a complete solution. Our customers love us and we are winning new work and expanding all the time. *(continues on next page)*



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## Integrated Search Solutions Group



We are a fourteen-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, Consulting and Technology tell us a different story; they value what we do because we understand their business.

### **Office Locations:**

New York  
Florida  
London  
Italy

Phone: 516-767-3030  
email: [janis@issg.net](mailto:janis@issg.net)  
[www.issg.net](http://www.issg.net)  
Members of: HROA, SBPOA,

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Firstsource manages very complex work for clients. Part of the reason is that we have started small, grown and they have challenged us with work that is more complicated. We have actually taken over Telco operations and rebadged several hundred key employees to Firstsource. We can take a creative approach a Telco with a very different solution resulting in new ways to create value.

### ***LJ: What makes you successful?***

**JC:** Focus and simplicity are my keys for success.

Once the parameters are set, I have always been successful with an end game target that allows me to back into a strategy to win, supported by a strong team who can execute.



***“Cross country skiing is great if you live in a small country”. -- Steven Wright***