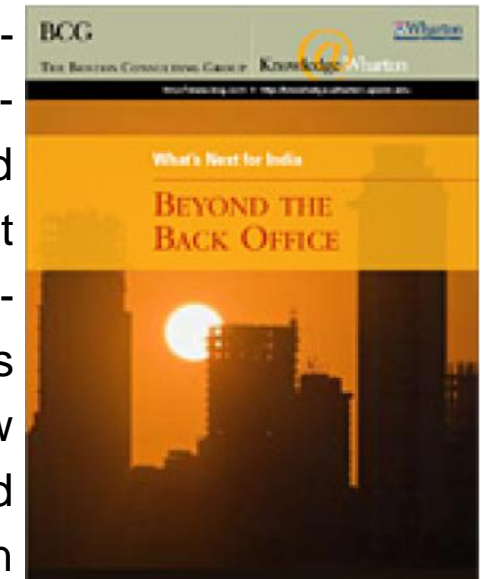


The "Spot Market" for Research

Ravi Aron, a senior fellow at Wharton's Mack Center for Technological Innovation, stated that third illustration of high-end KPO work is Pipal Research of Chicago, which was founded five years ago. The company employs about 100 analysts, with most of them based in New Delhi. Until recently, the bulk of its assignments came from equity research, fixed-income asset research and asset pricing-related work. A year ago, it carved out a division called PipalAnswers that functions like a "quasi spot- market for knowledge." These are essentially one-off assignments tailored to service occasional requirements of clients, unlike Office Tiger, which has dedicated long-term client relationships. PipalAnswers is the brainchild of Sanjeev Arora, Pipal Research's vice president of products and operations based in Chicago. His new product offers speedy research on tightly focused client requirements such as snapshot insights of rival companies' ad spends and public relations. Arora cites one client who "needed information in three days. We picked up the information over the Internet, analyzed it and gave a quote within a few hours, which they approved online." Arora says that while PipalAnswers' research work is carried out primarily in India, it certainly helps to maintain a U.S. base. "Within the first few days of launching our service, we fielded a project on pet foods," he says. Branded pet foods makes for a tiny industry group in India. "Someone in India may not even fathom how crucial that is for American customers. Having a strong presence here allowed us to understand the market." To be able to muster the information resources across a range of industry domains, Pipal spends between \$75,000 and \$100,000 on a variety of databases. "You can't just Google everything," says Manoj Jain, Pipal Research's founder and CEO. Pipal's fees range from \$20 to \$100 an hour for its specialist research support products. The company also markets a Web-based proprietary "knowledge management tool" which client companies can use to absorb information across different divisions, functions and locations of their organizations, and retain it in a searchable repository. Jain says this allows clients to raise their "people power" from mere experience to one of apprenticeship. Those ambitious ideas must have encouraged Firstsource Solutions (formerly ICICI One-Source), a large outsourcing services provider in Mumbai that in 2004 bought 51% of Pipal Research (the remainder is with Pipal's management). "They operate on the extreme high end of even the research space," says Ananda Mukerji, CEO of Firstsource Solutions. "We saw their business as an attractive area of outsourcing with a lot of potential." Firstsource Solutions is India's fifth largest outsourcing services company with more than 9,000 employees, and posted \$124 million in revenue in its latest financial year ending March 2006.



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