

From GECIS to Genpact: A Captive Goes Third Party

V.N. Tyagarajan, nicknamed 'Tiger,' was in a hurry as he walked into his office in New York City. A mechanical engineer from the Indian Institute of Technology and a MBA from the Indian Institute of Management Ahmedabad, Tiger was Executive Vice President and Head of Sales, Marketing & Business Development at Genpact, a mostly Indian offshore provider of business services and technology solutions to large multinational organizations and other clients around the world. Founded in 1997 by General Electric (GE) as GE Capital International Services (GECIS) the operation had grown to revenues of \$429 million by the end of 2004, of which approximately 95% came from GE. With its roots in GE, the organization had established itself as arguably the most sophisticated and capable offshore supplier of business process services in the world. In January 2005, GE sold a majority stake in the operation in an effort to capitalize the value created and to better position the firm with non-GE clients, many of whom were reluctant to engage with the organization because they worried about potential conflicts of interest. After the divestiture, Genpact had aggressive plans to develop non-GE business and expected that its liberation would enable the firm to sign up several significant customers right away.

By July 2005, however, Genpact's senior managers were forced to reassess their business development strategy. The company had lost a number of potential clients – clients that it had expected to win – to competitors. The losses were a major disappointment to Genpact management and some were internally beginning to raise questions.

- Why wasn't Genpact able to close on key clients after making its pitch?
- Did management have the right sales strategy in place to grow new business?
- What tactics were needed as an independent company to succeed in the marketplace?

These questions weighed on Tiger as he prepared to meet with Genpact's executive team. Was the team's perception of Genpact's positioning flawed? What steps should the firm take to get back on track?

Background

Outsourcing of business processes is defined as the leveraging of technology or specialist process vendors to provide and manage an organization's business processes and applications. This generally involved third parties performing activities and functions such as payroll and call centers. Outsourcing received heightened interest in the early 2000s because of its potential economic and strategic impacts. Increasingly, companies



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