



Zinnov Report Predicts 23% Growth in the R&D Offshoring Market by 2012

Zinnov, a leading Management Consulting, today released their much awaited report titled the 'Strategic Guide to R&D Captive Landscape in India, 2008.' The released report encompasses the details and insights of the current scenario of Indian product engineering offshoring market and forecasts a growth of 23% in the same by 2012.

The Woodlands, TX, February 12, 2008 --(PR.com)-- The Zinnov Study also shows that there are close to 600 captive centers spread across five major IT cities (Bangalore, Pune, NCR, Hyderabad, Chennai) in India today. Of these, while majority of them (312) are based in Bangalore, Pune and NCR follow closely with a count of 96 and 87 captives respectively. The R&D Offshoring market today is segmented into three horizontals primarily, Software Product development (53%), Engineering Services (21%) and Embedded Systems (26%) which amounts to a total of 5.83 Billion USD.

Talking about the report Mr. Pari Natarajan, Chief Executive Officer, Zinnov said, "The majority of growth in captives in India today has been observed due to expansion plans of the large captive centers, which are further expanding their operations. While the entry of Software Product Development Captives had slowed down in 2007, it is expected that in the months to come technical support offshoring will grow in India."

Segregating the subject further and talking about the available talent pool, the report notes that India produces around 600,000 fresh engineering graduates per annum and reflects an optimistic growth rate of 14.1% by 2012. Reflecting the present landscape, it denotes that a good number of over 100,000 professionals with specific skill-sets of product development reside in Bangalore and the NCR region alone. However, captives continue to face an average attrition rate of 13%, instigated by growing demand of experienced professionals in specialized domains.

"Despite the depressed economic conditions and a marked slowdown in the growth rate of the industry at this point and time, the long term potential of the industry is robust. We believe that the powerful forces like the potential market for local products, willingness of MNC product companies to invest in India start-ups, high economic growth of the middle class population and risk taking abilities will continue to drive growth. Furthermore, since India has now gained familiarity and experience with offshoring, simultaneously increasing the breadth of service lines, some significant high-potential industries like Manufacturing, High-tech Telecom, Retail and IT & ITES, would bring in sheer volumes," he added.

To discuss this subject further, Zinnov is hosting a one of its kind conference titled 'R&D Offshoring 2008', on March 13-14, 2008 in Bangalore. The event would run into several individual tracks that would help understand the India Opportunity, Top Management Challenges, Human Capital, Productivity and Innovation, Cost Escalation and Organization Structure best suited. It would see a congregation of the country's leading names, decision makers and influencers across the value-chain.

About Zinnov

Founded in 2002, Zinnov - meaning Zeal in innovation - is a leading management consulting company



providing services in the area of offshore advisory, market expansion, data analytics and HR consulting to Fortune 1000 companies. They work collectively with clients to tackle prevailing organizational challenges by analyzing the changing dynamics, improving performance, and building institutional capability. The services delivered to their clients through advanced reasoning and analytical techniques, provides solutions that help in integrating organizational vision, business definition & processes.

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