

The Economic Times Online

Printed from economictimes.indiatimes.com > News By Industry > Infotech > ITeS

Now, AT&T too is on the prowl

K YATISH RAJAWAT

TIMES NEWS NETWORK [MONDAY, APRIL 19, 2004 01:13:02 AM]

MUMBAI: US telecom giant AT&T is looking at acquiring Indian call centres in a bid to reduce cost. The [US](#) company has been outsourcing to Indian business process outsourcing ([BPO](#)) and call centre companies for some time, but is now looking at a captive unit in India.

AT&T is looking at transferring its customer support, collections and help desk functions to India. The company is looking at controlling its costs in order to improve its financial performance.

AT&T [outsources](#) some of its collections and recovery business to Delhi based call centre company Global Vantage. The firm also outsources work to e-Funds' Indian unit.

Funded by Chrysalis Venture Capital, Global Vantage is seen as a possible acquisition target for AT&T.

Rakesh Kumar, president & CEO, Global Vantage, however denies any negotiations with AT&T for a possible acquisition.

He says, "We are not looking for funds at the moment and we are not being acquired."

Global Vantage was started more than two years back and is said to have 600 people at its facility in Gurgaon, near Delhi. Kumar is part of the founding team in Global Vantage.

He was involved in setting up GE's captive BPO unit GECIS in India. According to investment bankers, AT&T's plans to acquire in India is good news for several venture capital-funded call centres. Venture-funded entrepreneur-led Indian call centres are looking at exit as the industry is heading towards a consolidation phase.

The big call centre companies in the world are aggressively recruiting in India, putting pressure on salary and trained manpower for the Indian call centres. Another factor for Indian call centres looking to sell out is the acquisition by majors like Wipro and IBM of large Indian call centre firms like Spectramind and Daksh.

Recently, [IBM](#) signed a definitive agreement to acquire venture funded Indian call centre company Daksh. This was followed by Citigroup moving to acquire control of its publicly listed call centre company e-Serve International.

The decision by Daksh's founders to sell their stake to IBM has prompted several other entrepreneurs to look at the same option. The valuation by IBM has also enthused entrepreneurs and venture funds to look at a quick cash out.

Some of the firms like Epicenter, Infowavz and Tracmail are looking for cash and quick exits for some time, now. Besides these firms, there are others like vCustomer which are ramping up and have reached profitability but are still keen to exit, according to merchant bankers here.

© Bennett, Coleman and Co., Ltd. All rights reserved.