

InTouch

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GLOBAL
INFOSYS

The global accountancy outsourcing company that is **In**formative, **In**novative and **In**dispensible in today's financial environment

OUTSOURCING?

.....**IGNORE IT AT YOUR PERIL**

“Desperate times require desperate measures....”, so the saying goes. The harsh reality in 2008 is that many companies are fighting an ever losing battle being hemmed in by a financial ‘pincer movement’, on two fronts. On the one hand, we’ve seen diminishing sales with growing fears of a decline in the market, leading to a more cautious spending trend by consumers, sharply contrasted against internal pressures to cut down ‘resource hungry’ overheads and growing staff bills.

The truth is that, it is now cheaper to outsource your products and labour from abroad, than to do it on your own doorstep, here in the UK.



The growth of offshore call centres and the increase in the number of UK ‘agents’ promoting outsourcing services is further backed up by the latest figures from the NOA (National Outsourcing Association).

However, a cautious word of warning to all those ‘battle weary’ captains of industry who are ready to throw caution to the wind in favour of outsourcing. The danger is that, the whole concept and culture of outsourcing (whilst still very much on the up and up), is still a new concept for the mainstream business environment in the UK, and like a marriage, relationships can be made or broken overnight, by choosing the wrong bed partner.

Regardless of the obvious ‘cons’ to outsourcing, the ‘pro’s’ will weigh heavily in favour of using a good outsourcing service to minimise staffing issues and also to increase efficiencies right across the board. A prudent business manager will need to give serious thought to the benefits surrounding

**UK WORK RELATED
STRESS LEVELS ARE ON THE
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RECORDED AT AN ALL TIME
HIGH**

outsourcing and would ignore it at his or her peril.

Increasingly, many UK companies are now in a position to offer highly competitive goods and services to match the growing consumer demand for 'quality at the right price'. How is being achieved, I hear you say..... **the answer is outsourcing!** Check out the many companies springing up, especially in the promotional goods and utility wares market, where high quality goods and products are now being offered to the public at very competitive prices.... something that simply wouldn't have happened a few years ago. The newly emerging markets of China and India are clearly 'fuelling the engine of outsourcing' and is bound to be a growing phenomena that we're all going to have to get used to as a way of life, in the days to come.

The benefits of outsourcing with GI addresses all the following operational issues:

- 1. Expensive UK staff costs and new legislation that continues to add to the staffing bill**
- 2. Staff Holidays**
- 3. Sickness, absenteeism and business 'down time'**
- 4. A fully manned UK back office (no moving and implementation costs)**
- 5. Dedicated project manager(s)**
- 6. Professional Indemnity Cover (a must!)**
- 7. Service Level Contracts**
- 8. Satisfaction Guarantee Charter (to be insisted upon)**
- 9. Regular feedback on project progress**
- 10. No restriction on office hours**
- 11. Fast response time for all projects**
- 12. Dedicated workforce**

As you will see, the benefits are pretty compelling and cannot be ignored in the face of the 'fierce business arena' in which many SME's and Corporate's are having to battle in.

Global Infosys are your ideal outsourcing partner because:

1. Our operational base is in the UK and our production facility is sited overseas in India.
2. Your main point of contact has a designated UK telephone number (not a mobile phone number in a foreign land).
3. Your GI staff reside in the UK, are based at our HQ in Harrow and are 'on call' 24/7.
4. 'Client sensitive matter' for external processing (eg accounts, statements, invoices etc) will be scanned and electronically transmitted, thus negating the need to post/courier hard copy matter off-shore. This ensures that vital documentation is accessible in the UK at all times.
5. 'Cheap is no guarantee of quality'. With the ever growing list of exotic outsourcers in the market, their offerings are both tempting and financially attractive, but 'fingers can get easily burnt' with just one bad job. Remember, 'you will only get one shot at making a first impression'.
6. You will be encouraged to compare our credentials against our competitors, ensuring a guarantee of service delivery against a written contract and a service level agreement.
7. You can be clear about our workflow/ project schedules with guaranteed delivery deadlines.
8. Client references will be given with verifiable case histories to prove our experience and authenticate the service offer.

All in all, outsourcing is here to stay and will form a growing component of UK business activity in the years to come. How healthy is your business? Are you 'doggedly battling on' or will you ignore the benefits of outsourcing

.... at your peril!

“Equipping Britain for the times ahead...”

The Chancellor **Alistair Darling** delivered his first Budget. Beginning with the wide economy, he said the British economy was growing at a faster rate than all other G7 countries. He forecast GDP growth of between 1.75%-2.75% in 2008 and between 2.25% and 2.75% in 2009. He predicted inflation would remain at around 2% in 2008 and 2009 and said he would write to the governor of the Bank of England to request this. Mr Darling said that the purpose of this year's Budget was 'stability now and in the future', and for 'equipping Britain for the times ahead', in light of the current global economic crisis. He also said that 'Britain was one of the best places in the world to do business'.

The Budget 2008 in summary:

Corporation tax - Set at 28% for the 2008/09 financial year and 21% for SME's with profits less than £300,000.

Capital allowances - general plant and machinery investment reduced from 25% to 20%. Capital allowances for longlife plant and machinery investment to be increased from 6% to 10%.

Capital Gains Tax - Abolishment of taper relief and indexation allowance. Introduction of a single rate of 18%. There is also a 10% rate on gains of up to £1 million to help smaller businesses.

Income-shifting legislation - Postponement income shifting legislation until 2009.

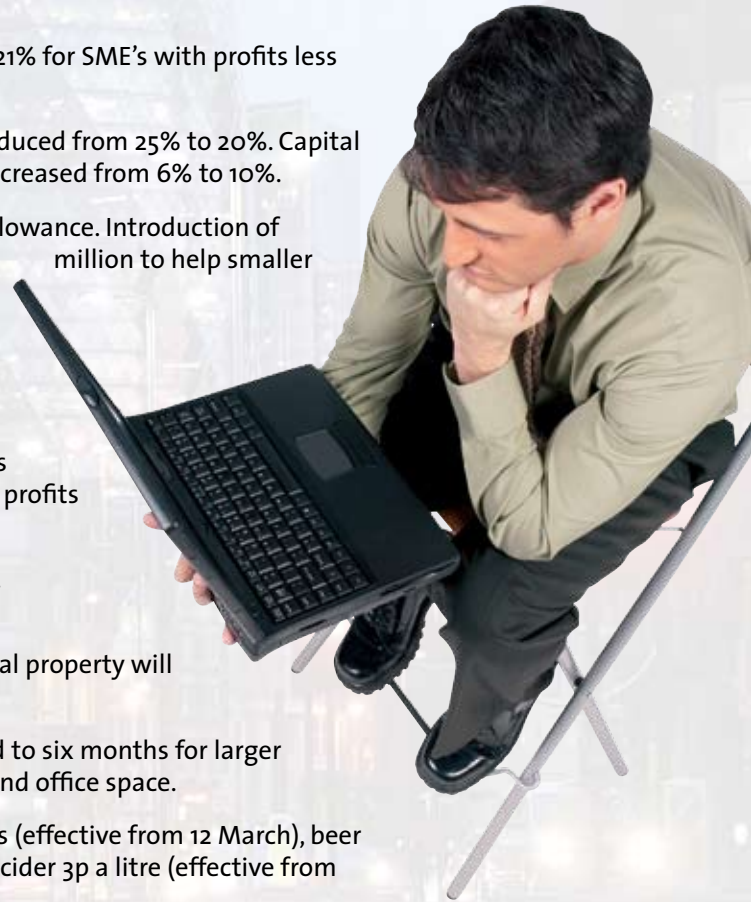
Tax & National Insurance - Limits for the different classes of NI Contributions (NICs) to rise in line with inflation. Lower profits limit for Class 4 NICs (self-employed) up to £5,435 and the upper profits limit for Class 4 NICs rising to £40,040.

VAT registration threshold - Increased from £64,000 to £67,000. Deregistration threshold from £62,000 to £65,000.

Stamp duty - Stamp Duty Land Tax lease duty rule for commercial property will increase from £600 to £1,000.

Stamp duty - Tax relief on empty commercial property restricted to six months for larger business accommodation and to three months for empty shop and office space.

Duty on tobacco - An extra 11p added to a packet of 20 cigarettes (effective from 12 March), beer will be up by 4p a pint, wine 14p a bottle, spirits 55p a bottle and cider 3p a litre (effective from 16 March).



UK Law firms look to outsource legal services

Leading London law firms are reforming their decades-old system of hourly charges under pressure from clients complaining of high fees at a time of soaring legal industry profits. Top firms told the Financial Times that they were increasingly offering alternatives to hourly rates and making more use of cost-cutting business practices, such as **putting services offshore**. Tim Jones, head of the London office of Freshfields Bruckhaus Deringer, said that, although hourly billing still had a “fairly central role in most people’s thinking”, firms were increasingly offering clients deals such as fixed fees or rates tied to the success of transactions.



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Oversight of Outsourcing Business

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Shailesh has over 20 years combined experience as a Chartered accountant as well as extensive experience in corporate practice. He fully understands the requirements and concerns of users of outsourced services as well as the issues involved in the provision of outsourcing services. He says, *"The key to any successful partnership is to build a long term relationship of confidence achieved by consistent quality, timeliness and accessibility"*

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The India Phenomenon

It's a reality!

The outsourcing industry in India has been gaining momentum over the last couple of years and it has been estimated that IT outsourcing alone is estimated to reach about \$55 billion dollars by 2008. India has been described as *'a myriad of challenges and opportunities'*.

In order to attract new business, Indian companies are offering services in new areas such as **Human Resources, Finance and Accounting, Payroll, Research, Writing, CRM** etc. The growing pool of foreign businesses investing in India, undergirds the notion that India is truly becoming a *'modern phenomenon'* in the heady world of commerce and industry. Increasingly, American and European companies are taking full advantage of the lower costs and the limitless 'talent pool' now available in India, to further reduce operating costs on material and manpower hungry resources.

This trend is set to increase during 2008 and is expected to peak in the next two to three years. Prudent business managers will have already picked up on the signs that the current 'Euro business' arena is fast becoming a difficult environment to operate in. Outsourcing provides a significant increase in profits, productivity, quality of service, business value, business performance and much more. It is not insignificant that a whole raft of key, 'global corporates' like IBM, Sodexo Alliance, Accenture, Hewlett Packard and Capgemini (just to name a few), have outsourced from India and have grown their business culture on an outsource dependent environment. This 'new operating model' is set to become a 'business norm' with an ever growing trail of key players following suite.