

Enterprise

Portal to India

i-Vantage's 'insourcing' approach to offshore operations in India enables companies to eliminate the middleman

Boston Business Journal - December 12, 2003

by [Sean McFadden](#)

Journal Staff

CAMBRIDGE -- When it comes to offshoring your operations -- something on the mind of many cost-conscious companies these days -- why hand it over to a third party when you can do it yourself?

That's the premise behind i-Vantage Inc., Amit Maheshwari's 3-year-old Cambridge-based consultancy, which has helped 12 companies nationally -- including Deerfield, Ill.-based Baxter Healthcare Corp. and Madison, Wis.-based Automotive Directions Inc. -- establish their own offices in India.

Using i-Vantage's "insourcing" approach, companies are assisted in setting up and managing their own operations offshore to fulfill certain business processes, rather than outsourcing this responsibility to a third party.

The cost for insourcing, says Maheshwari, is 30 percent to 40 percent less than the traditional outsourcing model and gives the customer greater control of their intellectual property and the foreign operation itself, since the office is wholly owned by the customer.

Under the insourcing model, Maheshwari's customers pay around \$250,000 (not including salaries for Indian employees; count on about \$60,000 to \$70,000 more for that) for incubation and setup of their operations in India, followed by ongoing management of the center. Customer contracts generally run for about two years, with an option for renewal after that period.

While i-Vantage also provides traditional offshore outsourcing -- software development and maintenance, technical support and customer service -- the insourcing model, says Maheshwari, constitutes 60 percent of its global revenue.

That model has enabled i-Vantage to make a dent -- to the tune of \$1 million, its revenue for 2002 -- in the estimated \$10 billion to \$12 billion market for offshore services.

Over a three-year period, says Maheshwari, the company has managed to sustain 200 percent growth, without incurring significant debt, and expects to increase revenue to \$1.7 million for 2003.

His staff includes three employees in Cambridge, five in Chicago, one in the United Kingdom and 60 in India.

The 29-year-old's plans for growing the business next year include generating between \$3 million and \$5 million -- from "venture capitalists or corporations that would like to expand into offshore insourcing services through partial stock purchase," he says -- to facilitate the company's sales and marketing efforts in the United States and Europe and to further expand its operations in India.

The concept of insourcing is an idea whose time has come, says Zareen Karani Araoz, president of Managing Across Cultures, a Winchester-based consulting firm that helps U.S. and European executives do business with or enter India.

<http://boston.bizjournals.com/boston/stories/2003/12/15/smallb1.html>