

JFK is a \$50 Billion Opportunity for The Indian IT Service Providers

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Recently we published the first edition of the Top 100 global services enterprises. In that [study](#), we define the scope and structure of services and provide a list of the top 100 services enterprises across the globe based on revenue. From this research, we have identified three geographies JFK (Japan, France, and South Korea) that are relatively underpenetrated by the Indian providers and present a \$50 Billion potential opportunity.

JFK Opportunity

The below table shows the distribution of the top 100 global services enterprises by their HQs. The top seven countries are the US, France, India, Japan, UK, Germany, and South Korea.

Exhibit 1: Distribution of Top 100 Service Companies Across Countries

Country	No. of Top 100 Companies Having HQ	Total Services Revenue (\$B)
United States	51	275
France	10	56
India	8	61
Japan	7	76
United Kingdom	6	67

Germany	5	19
South Korea	3	14
Austria	1	2
Belgium	1	2
Brazil	1	1
Canada	1	12
China	1	1
Finland	1	2
Ireland	1	44
Luxembourg	1	2
Netherlands	1	11
Spain	1	4
Sweden	1	1
Vietnam	1	1

Source: EIIRTrend

The focus of Indian IT service providers have been the US and UK, and lately Germany. Incidentally, the last three large deal signed by Indian IT service providers with Vanguard, Deutsche Bank, and Prudential are from these three countries

The United States has always been the top choice. The United Kingdom has been the Europe HQ for many of the Indian service providers, and they also have a strong relationship with many of the German OEMs and Banks over the years.

So leaving the home country of Indian providers along with some of the prominent markets like the US, U.K, and Germany, the remaining top three markets can fuel the next phase of growth for them.

Overall, JFK countries house 20% of the top 100 enterprises and include 98 of the Fortune 500 companies. In many cases, these top 20 providers from JFK geographies cater to the domestic market, so we believe Indian providers have an opportunity to tap this market. We estimate JFK is an overall \$50B opportunity for the Indian providers, including business consulting, design/interactive, IT, BPO, and engineering.

How to Crack Opportunities In JFK Countries?

Throughout our research, we understood that culture (which translates to language and local vendor preference, among others) is the biggest barrier for the providers to penetrate these geographies. As the competition and speed of technology advancement increases, the requirement of capability overpowers the cultural aspect, increasing the need for diverse technology partners. We have analyzed some of the aspects of the JFK countries, as described in Exhibit 2.

Exhibit 2: Analysis of JFK countries

Country	Why unexplored	Opportunities	Ways to explore	How does the future look like
France	<ul style="list-style-type: none"> • Typical reliance on local vendors • Demand for specialized skills along with the local presence 	Key industries: Industrial, automotive, aerospace	<ul style="list-style-type: none"> • Start with a PoC to showcase the capability • Target particular business function or technical opportunity to kickstart the discussion • Acquire an entity that has a local client footprint 	Digital will enable more outsourcing opportunities for Indian providers. There will be small deals related to engineering (digital PLM, IoT, Industry 4.0) and the scope of mid-sized IT deals. Technology consulting can also be part of some IT deals. Being part of the core R&D or strategic projects is also a good opportunity to scale the engagement in future
Japan	<ul style="list-style-type: none"> • Keiretsu culture, the language barrier • In many cases, large enterprises have their services arm • Preference for local firms for large and strategic projects 	Key industries: Industrial, electronics/hi-tech, semiconductor, automotive, shipping, retail	<ul style="list-style-type: none"> • Start engagement with subsidiaries in other countries which can be leveraged • Co-innovation with clients • Collaboration with the local entity 	
South Korea	<ul style="list-style-type: none"> • In many cases, large enterprises have their services arm • Preference for local firms for large and strategic projects 	Key industries: Industrial, electronics/hi-tech, semiconductor, shipping, retail, telecom	<ul style="list-style-type: none"> • Start engagement with subsidiaries in other countries which can be leveraged later • Collaboration with the local entity 	

Source: EIIRTrend

Bottom Line: These three geographies present a \$50 B opportunity, particularly in the engineering, and IT services areas

The JFK countries include 90+ FORTUNE 500 companies and have a major operations base in their respective home countries. But for several years, these have been relatively less penetrated geographies for the Indian providers. Digital has opened up the opportunities for the enterprises to explore services partners outside the obvious ones as the breadth and depth of skill requirements increase. So, the time has come for the Indian providers to strategize this opportunity.

About the Author



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Pareekh Jain is Founder and Lead Analyst of EIIRTrend and Pareekh Consulting.

EIIRTrend.com is a neutral platform to discover emerging engineering, IoT, Industry 4.0 and R&D (EIIR) trends across 12 industry verticals. Pareekh Consulting is a focused analyst and advisory firm for EIIR.

A seasoned EIIR professional, Pareekh has seen the EIIR industry from four perspectives: service provider, sourcing advisor, enterprise buyer, and industry analyst.

He is regularly quoted in the media on engineering services, IoT, and outsourcing trends, including Harvard Business Review (HBR), NDTV, Times of India, Economic Times, Business Standard, Hindu, Business Line, Livemint, Financial Express, Rediff, Voice of America, and Business Insider.

Pareekh is a thought leader, having authored various publications on topics related to EIIR outsourcing. He loves business fiction writing in his free time, and has authored a novel, *Who Is That Lady?*

Pareekh received his MBA from the Indian Institute of Management (IIM), Bangalore and his Bachelor of Technology degree from the Indian Institute of Technology (IIT) Delhi.

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