

HCL-Nokia Deal to Open European Help Desk Market to Offshore Players

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The Nokia deal allows HCL to expand its help desk and desktop management footprint in Europe. HCL must face cultural, language and project scope challenges to ensure deal success and service continuity to all its clients.

NEWS ANALYSIS

Event

On 29 January 2009, mobile and communication services company Nokia signed a five-year multiregional end-to-end global help desk and desktop management outsourcing services agreement with Indian-based IT services provider, HCL Technologies. The deal covers 76 countries and 13 languages, and serves an estimated 50,000 Nokia users.

Analysis

This landmark deal positions HCL as the leading offshore provider in help desk and desktop management outsourcing in Europe. The deal also indicates the traction attained by globally delivered services and the mixed onshore, nearshore and offshore nature of the European services market. For Nokia, HCL will use its delivery centers in Poland, China and India, but has also opened a new center in Finland with potentially 100 new staff.

Issues faced by globally delivered multilingual help desk services include mutual understanding, service quality, staff turnover and first-time call resolution. This differs from issues that arise in application development/maintenance, which Indian offshore providers have focused on in English-speaking markets. Providers can perform these services offline through written communication from a low-cost country. So far, cultural and language barriers have protected European service providers from competing against offshore-based help desk services in Europe.

Nokia's help desk and desktop needs will demand substantial HCL resources, roughly doubling its help desk staff for Europe. Given Nokia's size and distributed global operations, HCL's main challenges will be to continue adequately supporting its clients while also:

- Integrating the third parties involved in delivering on-site services
- Mastering the knowledge management transfer
- Deploying enough resources to Nokia

During the transition, the transfer of knowledge and skills from the incumbent provider to HCL could also pose a challenge. HCL's ability to successfully perform this transformation to reduce costs and improve service delivery will determine deal success. If it can't achieve this, the deal may adversely affect HCL clients. Otherwise, this deal will increase HCL's market share and credibility, and trigger more intense global competition.

RECOMMENDATIONS

- **HCL clients:** Ask HCL how it will ensure continuous service delivery while meeting Nokia's needs and how clients can leverage HCL's new capabilities.
- **Enterprise helpdesk/desktop service buyers:** Consider HCL a viable, emerging service provider in Europe and watch for other offshore market players willing to expand in Europe.
- **HCL offshore competitors:** Assess HCL's approach to language, cultural and project scope challenges and use this to help shape effective strategies to enter this market in Europe.

- **HCL partner network:** Invest and deploy resources to deliver required local processes and services and understand how local market conditions fit into the deal and HCL's global delivery processes.

RECOMMENDED READING

- "European IT Outsourcing Help Desk Languages vs. Countries' Locations" — The unique composition and complexity of a multilingual Europe forces organizations that plan to outsource their help desk operations to consider service providers' help desk language capabilities and locations as key requirements. **By Claudio Da Rold and Gianluca Tramacere**
- "Help Desk Outsourcing: Offshore Issues" — Organizations are exploring taking their IT help desk services offshore, but there are issues that may affect whether this is the right decision for their end users. **By Richard Matlus**

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