



From the Desk of the President



Michael A. Gibbons
President, GSC

Boardrooms Becoming Greener

A study published by Ernst & Young (E&Y) early this month shows an increase in the number of sustainability-focused shareholder proposals as well as growing voting support for environmental-related shareholder resolutions over the past 10 years. As a result, Board members have been urged to increase their understanding and management of their company's corporate social responsibility (CSR) strategy.

The E&Y report predicts that half of all shareholder resolutions in 2011 will focus on social and environmental issues. Additionally, they predict social or environmental issues will make up the largest portion of proposals this year, focusing on political contributions and lobbying, human rights and labor practices, sustainability and greenhouse gases, and environmental risk and toxic chemicals.

Progressive, forward-thinking companies will be best prepared to address stakeholder concerns. Ways to do this include:

- enhancing sustainability reporting to improve communication with shareholders
- providing wider disclosure of information related to social and environmental issues
- ensuring directors' skills are relevant to the main areas of stakeholder concern, including risk management related to social and environmental matters
- offering shareholders a better understanding of how directors' backgrounds and skills contribute to a corporation's sustainability strategy.

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Award-Winning Sourcing



Juee Vinayak
Chair, GSC 3S Awards

Instilling 3S, One Village at a Time....

The guest for this month's interview is Madan Padaki, winner of the GSC 3S Awards 2010 for Best in 3S Class for Community Engagement Program. The entry to the 3S Awards was called Village BPO, initiated by the Head Held High Foundation. The video brilliantly showcased the transformation of young village youth to knowledge savvy BPO employees, working from rural India.

Madan is the trustee and co-founder of the Head Held High Foundation. He is also the founder of India's foremost skills assessment company MeritTrac, winner of the NASSCOM Innovation Award and Deloitte Fast 50 India Award.

1. MeritTrac is known as India's foremost skills assessment company. What led you to capitalize on this unique opportunity?

My journey over the last 11 years as the Co-founder of MeritTrac has been characterized by intent, focus, perseverance and passion.

2000 was a year of tremendous entrepreneurial energy in India/Bangalore. Almost everyone I knew was writing a business plan or had got funded! So the intent to become an entrepreneur was very high - this propelled us to continuously look for opportunities and that's how we stumbled onto this idea of an assessments company. When we started off in 2000, an "assessments" company was an alien concept. However, the market landscape and the growth potential, specifically in the IT/BPO space was so compelling that we saw the opportunity for assessments staring at us in the face.

Then came focus – where we said that we will do only assessments and be very good at it. Every action of ours was towards building this concept and the focus helped tremendously.

We have had quite a roller-coaster ride, having faced the prospect of a shutdown a couple of times. In 2002, we were days away from running out of cash, and we have survived – largely due to the belief that we can do it. This sort of a never-say-die attitude has been instrumental in us getting to where we are today.

My co-founders and I are very passionate about what we do, and the kind of impact that we can create on the society, by being proponents of meritocracy. It is this kind of passion that has been the hallmark of every MeritTrac'er in everything we do. So with all the four ingredients in place and being summoned at every challenging situation, it is only natural that we survived, grew and created India's largest testing and assessments entity!

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Instilling 3S, One Village at a Time....

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2. As the co-founder and trustee of the Head Held High(HHH) foundation, give us an idea about the initiation, inspiration and the thought process behind setting up this unique foundation.

When you look at cities like Bangalore and Hyderabad in India, the transformation that has occurred in these cities in the last few years has been phenomenal. Once, when a group of us from Bangalore visited a village in Karnataka and interacted with villagers to know about poverty in their village, we were not even allowed to visit the really poor. Some people were so poor that their existence wasn't even acknowledged by others in the village.

The question in some of our minds was how to bring about the transformation that has occurred in places like Bangalore to the remote villages. If 2-5% of people employed in IT/ITES can help transform a city like Bangalore, why can't the same happen in the villages and help transform poverty? Hence the concept of creating a social enterprise, by enabling employment opportunities to the poorest of the poor, mostly illiterate, people started taking place.

We said that if we could train these people in a short span of time of about 6-12 months, and they can become employable, we would be able to outsource work to them into the villages – by using technology that has already reached the nook and corner of the country.

When we first conducted the Proof of Concept with eight people, the results were astonishing. They worked so well after being trained, that since we completed the Proof of Concept, they have been the inspiration for this movement. They embody the poem by Ravindranath Tagore – **"Where the mind is without fear and the head is held high."**

3. From skills assessment to village BPO's, how did your knowledge as an entrepreneur of MeritTrac translate towards the successful setting up and running of the HHH foundation?

The common thread between MeritTrac, HHH and VillageBPO is the concept of employability. At MeritTrac, I had the opportunity to measure it in very granular terms. HHH has given me a perspective of employability being fashioned out of nothingness! So my objective has been to assimilate all the learnings that we have had over the last 11 years at MeritTrac and apply it to the model that we are creating for HHH.

They say that experience is a bad teacher – it gives you the exams first and the lessons later! It is these entrepreneurial experiences, and more importantly, the lessons learnt at MeritTrac that I am bringing to HHH Foundation, so that we can avoid a whole lot of the typical "start-up" mistakes and make new ones instead!

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Instilling 3S, One Village at a Time....

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4. Give us a gist of your greatest achievements and learning's from the HHH foundation and its numerous students.

Our greatest achievement so far has been our ability to translate a dream into a small but tangible outcome on the ground. We now have a group of 100-odd zero-educated village youth, working from a remote village in Karnataka, on projects outsourced from across the world. Another accomplishment has been our ability to create a mechanism of training people who were completely illiterate and then translate a complex set of tasks – which are now being done by them.

Our biggest learning has been that whether people are from New York or Koppal, they have the innate ability to strive, learn and collaborate. We have learnt that the right kind of collaborations across the globe can transcend beliefs/opinions and create value for everybody.

5. What are your future plans for the HHH foundation? How would the monetary grant from the GSC 3S Awards assist in this endeavor?

Our goal is to transform 2 million people in the next 10 years. This year, we are plan to start training 500 people across a few more states and take the movement further in Karnataka as well. The other critical element is to make sure that we can provide gainful employment to all the people that we train – through the route of rural BPOs. We believe that the monetary grant from the GSC 3S Awards will assist us in scaling up our operations further.

6. How do you stay motivated in your efforts towards sustainability and social responsibility? What is your advice to budding entrepreneurs?

Creating a sustainable social enterprise is a daunting task, given the variables. However, it has been done before and it is being done now. Our advice to the budding entrepreneurs is to look at creating value that can be sustained, not only by the business, but also by society itself. I do not subscribe to the term "social enterprise" as I believe that every enterprise is a social enterprise – some more "social" than the other!

In the end, if you build something sustainable, that the world can benefit from, that would be your contribution towards a better world and a better future for our children!

For more information on the Head Held High Foundation, visit: <http://head-held-high.org/home/>

For details on MeriTrac, please visit: <http://www.meritrac.com/webpages/>



Boardrooms Becoming Greener

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E&Y states that shareholder proposals are important because they shape the corporate landscape and often frame conversations that take place in corporate boardrooms. Resolutions linked to corporate social responsibility (CSR) historically have been skewed toward social issues. But now the environment has become the fastest-growing and most prominent issue area, as more institutional investors begin questioning the potential financial impact of CSR issues on their investee companies.

The Global Sourcing Council agrees with this assessment and has been at the forefront of providing similar analysis. Last year, GSC hosted the Webinar, "Convergence of Sustainability and Mainstream Business Practices" presented by William Tanenbaum, Green Tech, Environmental Efficiency, Carbon Trading and Sustainability Chair, Technology, IP and Outsourcing Group, Kaye Scholer LLP. A recording of this webinar can be found [here on the GSC website](#).

Upcoming GSC webinars will continue to focus on educating corporate leadership on integration of 3S principles in the decisions that influence and shape the direction their companies take in the future. Check our schedule monthly to find those of interest to you.

Studies such as the [one published by E&Y](#) encourage those promoting 3S that we are indeed on the right track and that we are making a difference for the better. Keep up the good work!!!

"E&Y states that shareholder proposals are important because they shape the corporate landscape and often frame conversations that take place in corporate boardrooms."



**Marcin Nowak****Marek Suczyk****Monika
Tomczak-Gorlikowska****Marek Suczyk**

Upcoming Events

GSC Webinar: How EU Data Security Laws Affect Your Business and IT Operations in the Cloud

The GSC is pleased to announce our next webinar to be held on May 25, 2011 from 11 am – 12 noon EST. The webinar will explore the impact that European Union (EU) data security laws have on doing business in the cloud. A panel of experts will discuss the legal and technical implications of these regulations and describe the opportunities that now present themselves.

Many companies have benefited from the strong business case of outsourcing to Central and Eastern Europe. This strategy offers high levels of privacy and policy compliance, in addition to such benefits as access to a unique talent pool, IP protection and overall profitability. However, the regulatory focus on data security threatens to disrupt the business of those caught unaware, especially for organizations that have moved or will move their operations online into the cloud.

Join this webinar to learn how to process the data of global organizations safely, stay aware of what your company needs to do to maintain its competitiveness in this highly paced environment, and identify potential new business opportunities for your organization.

Panelists include current business managers and professionals in Central and Eastern Europe:

- Marcin Nowak: Eastern European operations manager for Capgemini
- Marek Suczyk: Managing Director of Kroll Ontrack Poland
- Monika Tomczak-Górlikowska: attorney specializing in EU law and data protection
- Mateusz Skowroński: representative of the City of Katowice, Poland

To register for the webinar click [here](#).



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About the GSC...

The Global Sourcing Council is focused on assisting organizations from all sectors, buyers and sellers, achieve their economic goals without sacrificing sustainability. The GSC fosters the exchange of information and a dialogue through:

- Best Practices – the GSC defines and delivers best practices celebrating the intellectual and social capital of the world in a respectful and sustainable manner
- Collaboration –the GSC delivers a wide range of events, activities and webinars to enable its members to network, meet, and share ideas, for growth and to further drive the goals of the GSC
- Education – through the delivery of events, information, and certification, the GSC aims to inform and educate its members on all aspects of sustainable outsourcing processes, issues and trends
- Thought Leadership – the GSC offers an open, unbiased discussion platform for new ideas, controversial issues and general information on socially responsible sourcing in a professional and respectful manner.

We are looking forward to hearing from you. Please contact [Wanda Lopuch](#) if you would like to participate in the work of committees or contribute your time, talent or resources in other ways.