

## Silent revival: Medical Transcription back into the ramp-up game

ValueNotes, May 2006

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***“Significant growth is envisaged for this industry in the near future; mostly centered around Medical Transcription Service Organizations (MTSOs)”, says Arun Jethmalani, CEO of ValueNotes.***

Medical transcription outsourcing grabbed a lot of media attention in India during 1995 - 97, well before ‘BPO’ became a household term. People were excited about the huge opportunity that India had hit upon. But the industry witnessed a rough patch around 2000.

Today, the US\$195 million strong industry is up again, and silently supplying to the US\$12 billion medical transcription industry in the US. There has been a systematic ramp-up and a steady flow of business.

With high costs and manpower constraints in the US, MTSOs with proven offshore capabilities will be in an advantageous position in future. This group is rapidly acquiring offshore capabilities in India. According to analyst Neeraja Kandala, *“the industry will witness greater consolidation, with large American MTSOs eyeing the smaller Indian offshore vendors”*.

As per a recently released report **“The US Medical Transcription Industry: Perspective on Outsourcing and Offshoring”**, by ValueNotes, medical transcription offshoring from India currently generates US\$195 million in revenues; and is expected to reach US\$647 million by 2010.

ValueNotes estimates the current employment among India-based medical transcription vendors to be approximately 18,000 and expects this to grow to 52,000 by 2010.

Vendors can be classified primarily into three groups:

- Indian units of large US players – Typically comprise American companies who have successfully set up their transcription centers in India. The large players include CBay, Spheris, Spryance, Acusis and Heartland. These large players account for almost 70 percent of Indian medical transcription offshoring revenues.
- Mid-sized players - There are a number of medium sized players (< 500 employees) in India. Most of them work as franchisees or vendors of the larger players and have limited marketing presence in the US.
- Smaller players – There are a large number of such small players with <50 employees. These players are subcontractors to the other two groups and suffer from unreliable revenue flows.

The report provides an overview of the buyer scenario and an in-depth analysis of the Indian vendor space along with profiles of major industry players. It is based on secondary data as well as extensive interviews with key people at various medical transcription outsourcing companies in India.

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### *About ValueNotes*

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### *About ValueNotes Outsourcing Practice*

The ValueNotes Outsourcing Practice is one of the largest information providers on the outsourcing industry. Our Outsourcing Practice uses a comprehensive, analytical framework providing fresh insights into the fast emerging and yet, complex outsourcing space. We extensively track the outsourcing space in-depth through a regular analysis of news and events and continuous primary research and contact with the industry.

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