

Article Title: Outsourcing here to stay
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BANGALORE: What better proof about the acceptance of outsourcing as a business model than the India visit of John Kerry, the US presidential candidate for 2004, whose poll plank was based on his anti-outsourcing stand?

It now seems as if John Kerry has had to eat crow. **Kerry clarified his stand last week in Hyderabad, saying he was “misrepresented” by the media about his views on outsourcing.**

"I had campaigned against threat to corporate citizenship by IT companies shifting business and work to non-economic choices. I tried to create awareness on issues like loss of pensions, wealth and jobs due to such non-economic choices," said Kerry.

He further added, "Any company can make a decision that it wants. Obviously, in a competitive environment, outsourcing would happen," he said. Kerry also met with CEOs of IT companies for a "first hand understanding of business outsourcing."

Kerry's stance is a reflection of the fact that outsourcing has gone mainstream. A recent Business Week cover story delves on the future of outsourcing. "Many executives are discovering that offshoring is really about corporate growth, making better use of skilled US staff, and even job creation in the US, not just cheap wages abroad.

The labor savings from global sourcing can still be substantial. But it's peanuts compared to the enormous gains in efficiency, productivity, quality, and revenues that can be achieved by fully leveraging offshore talent," reads the article.

The strong Q3 results of the top IT Indian services majors affirm the strong outsourcing wave and with the number of value of the deals increasing, India is well on its way to challenge the "big six" global IT giants-CSC, Accenture, HP, IBM, EDS, ACS. NASSCOM expects Indian IT exports to hit the \$60 billion mark in 2010.

The recent NASSCOM-McKinsey report states that the addressable global market for offshore IT is around \$150-180 billion while the global BPO market which stands at \$11.5 billion now would increase to \$120-150 billion in a few years.

