

Title:

Why Outsource Work?

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778

Summary:

The convergent economy

Converging technologies of telecommunication, information technology and media have redefined the way we do business, with electronic commerce and enterprise systems becoming a way of life. Correspondingly, there has been a sharp increase in the need for qualified software professionals to manage these functions. Demand exceeds supply, and the dearth of human resources has resulted in increased personnel costs, longer time to market and longer product development cycles.

Chances are, you won't find these highly skilled people in your own backyard. Yet you need them more than ever, now that competition is swooping down faster than business opportunities are taking off. And you realize that without them, your big dreams for a flourishing enterprise could rapidly go up in smoke. But you don't have to manage all business functions in-house. Outsourcing provides a neat solution to several of your business problems.

25 reasons why outsourcing makes business sense

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Article Body:

Why Outsource Work?

Because you don't have the time to do it yourself.

You've got a product to develop and you've got to get it into the market before your competitor does.

Because you don't have the money to do it yourself.

Your business is growing exponentially but your resources can't cope with the growth.

Because you'd rather focus on mission-critical issues.

You're not interested in frittering away time and energy on non-core functions.

Because you don't have the skills to do it yourself.

You need the best talent in the world, but it's scarce out of reach just not available in your country.

In today's globalized and networked economy, outsourcing has never been so easy or made so much business sense. The question is not "Why outsource?" but rather, "Why not?"

The convergent economy

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25 reasons why outsourcing makes business sense

When you consider the advantages of outsourcing, you'll realize there's a lot to gain by using it as an intrinsic part of your business strategy.

By outsourcing, you can:

- Reduce overheads, free up resources
- Avoid capital expenditure
- Improve efficiency
- Offload non-core functions
- Get access to specialized skills
- Save on manpower and training costs
- Reduce operating costs
- Improve speed and service
- Establish long-term, strategic relationships with world-class service providers to gain a competitive edge
- Enhance tactical and strategic advantages
- Focus on strategic thinking, process reengineering and managing trading partner relationships
- Spread your risks

Provide the best quality services, products and people

Be reliable and innovative

Provide value-added services

Increase customer satisfaction

Avoid the cost of chasing technology

Leverage the provider's extensive investments in technology, methodologies and people

Benefit from the provider's expertise in solving problems for a variety of clients with similar requirements.

Focus scarce resources on time-critical projects such as application reengineering

Obtain needed project management and implementation consulting expertise, along with access to best practices and proven methodologies

Reduce the risk of technological obsolescence and increase efficiency by consolidating and centralizing functions

Keep pace and minimize the impact of rapid changes in applications and standards

Extend the reach to more trading partners quickly and efficiently

Reduce the overall IT management burden while retaining control of strategic decision making.

The Outsourcing Institute finds, "Outsourcing is rapidly becoming an accepted management tool for redefining and re energizing the corporation. It challenges today's executives to rethink the traditional, vertically integrated firm in favor of a more flexible organization structured around core competencies and long-term, outside relationships."

Highlights:

Global giants such as IBM, Microsoft, Novell, Oracle, AT&T, Fujitsu, Motorola, Digital, Hewlett-Packard Philips, General Electric, IBM, Reebok, Fujitsu, British Aerospace, General Motors and Sears are keeping ahead of their rivals thanks to the competitive advantage conferred on them by some of the best software companies in India . You too can benefit immensely from a successful outsourcing strategy.

Several convergent forces like an exponential increase of technology in the workplace, electronic commerce, enterprise systems and a sharp increase in internet related new entities are resulting in an increased demand for software professionals. The need is further compounded by the lack of trained programmers in the developed countries, especially United States , Western Europe and Japan .

Demand exceeds supply, which has led to increased labor costs, longer product development and even longer time to market. A recent Wall Street Journal article related a greater willingness on the part of CIOs to outsource software work that is not mission critical.

Reduce your marketing and software delivery costs

Gain access to global buyer base needing software development

Manage your projects online with buyer participation

Neutral marketplace with global choices

Economies of 24 hour X 7 days a week low-cost software development with access to global consulting firms. For instance, Advanced communication technology has allowed global software teams to become commonplace. Some software companies are organizing global software teams to employ the best talent in the world.