OFFSHORING TO INDIA WILL REACH THE END OF ITS LIFECYCLE IN A DECADE

According to strategic advisory and research firm The Hackett Group, Offshoring IT, financial and other service jobs to India, has matured and will reach the end of its lifecycle over the next decade. The firm estimates that this trend will be over within 8 to 10 years. The study was released at the Nasscom Global In-House Centers Conclave being held in New Delhi, India. Even though that's a long way off, it should have come as welcome news for US workforce who are in need of employment. The Hackett Group had in an earlier report revealed that "close to 1.1 million jobs in corporate finance, IT, and other business functions were lost at large U.S. and European companies in 2008 and 2009 due to a combination of offshoring, productivity improvements, and lack of economic growth. Over 1.3 million additional jobs will disappear by 2014." Unfortunately, the catch is that the jobs won't be returning to America. The reason why the trend will stop is " U.S. companies' will simply run out of jobs which can be moved offshore to locations like India. The Hackett Group's report is based on data taken from 4,700 companies, located in the US and having an annual turnover of $1 billion or more. The report discovered that," by 2016, a total of 2.3 million jobs in finance, IT, procurement and human resources will have moved offshore. India is the biggest offshore market. It is extensive use of English language and other factors have positioned it well to take advantage of global IT Services market. According to the National Association of Software & Service Companies, "the Indian software industry lobby, almost half the Fortune 500 companies use Indian Software services." Companies like Tata Consulting Services, Infosys (INFY) and Wipro (WIT) are the three major offshore names in India. However, following the report, The Hackett Group's Director Martijn Geerling, has advised India, saying" "After the offshoring spike driven by the Great Recession of 2009, the well is clearly beginning to dry up. It's critical for India to develop alternative sources of demand, to maintain growth of their business services industries."

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