

Outsourcing companies evolve into significant employers in their own right

2008 is expected to be the year when the outsourcing function or process in a business becomes as standardized as other corporate functions, such as accounting or human resources. The outsourcing function has been an integral part of global business, with a variety of different firms offloading their contact centre operations and payroll to third party providers. However, outsourcing has never been recognised as a corporate function and profession in its own right; until now, as the function become a “mature” practice and gains more leverage in many business circles.

New trends in the economy and in consumer choice have added a layer of complexity to the decision making process regarding whether and what to outsource - a massive change from the past when the decision to outsource was mostly based on cost cutting measures. While this means new considerations for companies, it also introduces greater benefits, particularly in this day and age when becoming a global company isn't so much an option as it is an imperative.

The International Association of Outsourcing Professionals (IAOP) have predicted that due to a backlash against some companies for previous outsourcing decisions, we will see many companies viewing social responsibility as equally as important as being globally competitive. The IAOP isn't predicting yet, however, that the new corporate title of Chief Outsourcing Officer will be introduced, but it's quite clear that outsourcing is being seen as a legitimate and important profession, with the global outsourcing industry now worth \$6trillion - a number that many expect to rise as recruitment of new talent intensifies.

In the UK, outsourcing of [public sector services](#) has seen many companies competing for huge government outsourced contracts, including contracts worth £500 million each that have been put out to tender by the Home Office for the government's identity card scheme, making them among the most expensive contracts ever awarded by the UK government. With the contracts running up to ten years, a high level of interest is expected from many outsourcing companies and IT services giants across the world such as EDS, IBM and Fujitsu Services.

As outsourcing companies evolve into significant employers in their own right, mostly due to the competition to hire the best talent, outsourcing has become less of a cost cutting measure, as management costs are increasing. However, this competition between firms to employ the finest professionals that they can has led to an increased selection of service providers being available to companies, with foreign companies now seen as being on the same par as top U.S and European companies - a trend expected to continue for the foreseeable future, with many India based companies rising into the top 10 outsourcing ranks.

About the Author

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