

India as an Outsourcing Hub

India is fast emerging as a hub for outsourcing. Outsourcing simply means that some tasks that the company needs to do, instead of doing it within its own organization one "outsource" it to some other firm. "Outsourcing jobs in India started in a small way, but are going to be big". This is the latest trend in the today's world. A product is today conceived in one country, designed in other, manufactured in some other Country and sold in markets across the globe.

India is ready to emerge as a global outsourcing hub for commodity financial services. For instance a financial firm needs to do payroll accounting. Instead of doing it themselves they outsource it do an accounting firm. The idea behind it is the work will be done cheaply and the company can focus on its own specialty. It also effects a lot on Indian economy by this process thousands of jobs are being created and much of these services are export oriented job growth intensive. India is now flooded with calls to manage foreign demat commodity accounts and warehouse receipts sitting right here. What make this business bigger and better than ordinary call centers are not just the sheer volumes in commodity trading. Indian commodity BPOs will be offering high-value, complex back-office processes to foreign banks. That puts them higher up the value chain than the classic low-cost, low-end transactional services offered by the typical neighborhood BPO... There were over 400 companies operating within the Indian BPO space, including captive units (of both MNCs and Indian companies) and third-party services providers. The key enabler for this has been cheaper bandwidth leading to low telecom costs for leased lines and availability of educated English speaking workforce in India. The high level of engineering skills in India also helps companies face the growing competitive pressure to create new products and bring them to market faster, or add new features and functionality to existing ones. Even the cost benefits are enormous, for example as designers in India don't charge by the time as opposed to the charge-by-the-hour system in the developed world.

Off shoring of jobs to India which started off with call-centers and back-office jobs like accounting has today spread to include high-end product design work and even packaging and graphic designs. As manufacturers look at reducing costs and product development cycles, India is fast emerging as the new-age design board for MNCs. The result: MNCs like Whirlpool, GE, LG, Philips and Bosch are setting up research and design centers in India. With the advent of globalization, more and more jobs are being outsourced to India. The outsourcing trend has brought with it a vast number of opportunities to India. Following are the reasons why India is fast emerging as a hub in outsourcing:

First of all India Offers High-Quality Services rather than cost. Indian companies are fast scaling up to match or surpass international quality standards and are ensuring that they stay ahead through stable quality systems and continuous quality improvement. Next is the Investment Hub of India. City like Bangalore possesses much of the attraction of other cities in India for the BPO sector; talented resources, good educational institutions, a large English speaking population, and technological prowess. However, it is a proactive state government that makes constant efforts to facilitate new investments, which gives Bangalore an edge over other Indian cities. Business process outsourcing or BPO in India has evolved from its early 'sweat-shop' image to the status of a strategic differentiator in the global marketplace. BPO is the contracting of a business task to a third party service provider. Factors responsible for outsourcing success are: quality processes, scalability, and integration of global markets and seamless global delivery of work across borders through the internet. Other is Intellectual Property Outsourcing. Intellectual property (IP) refers to creations of the mind: inventions, literary and artistic works, symbols, names, images and designs used in commerce. IP plays an important role in India an increasingly broad range of areas, ranging from the internet to healthcare to nearly all aspects of science and technology, law, literature and the arts. Business Opportunities in India are much. If you are looking at reducing your software development costs? One attractive way would be to relocate some of the development work to countries like India. While there are tremendous opportunities in these countries, a clearer understanding of the tax and legal formalities could mean the difference between smooth outsourcing of work and a confusing tangle of delays and cost overruns.

About the Author

Soft Solutions, a India based SEO company provides [IT outsourcing services](#), [search engine optimization india](#) and [directory submission services](#).

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