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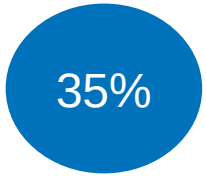
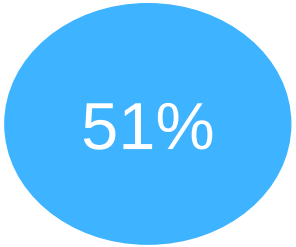
# Promoting IT Services Sector Exports & Innovation

# Services sector today accounts for

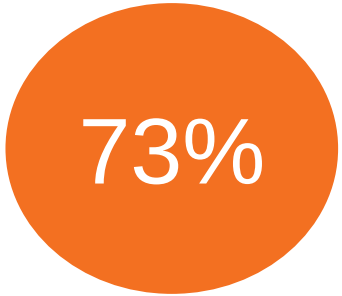



Employment In
Developed countries




GDP in
developed countries

Employment In
developing countries




GDP in
developing countries

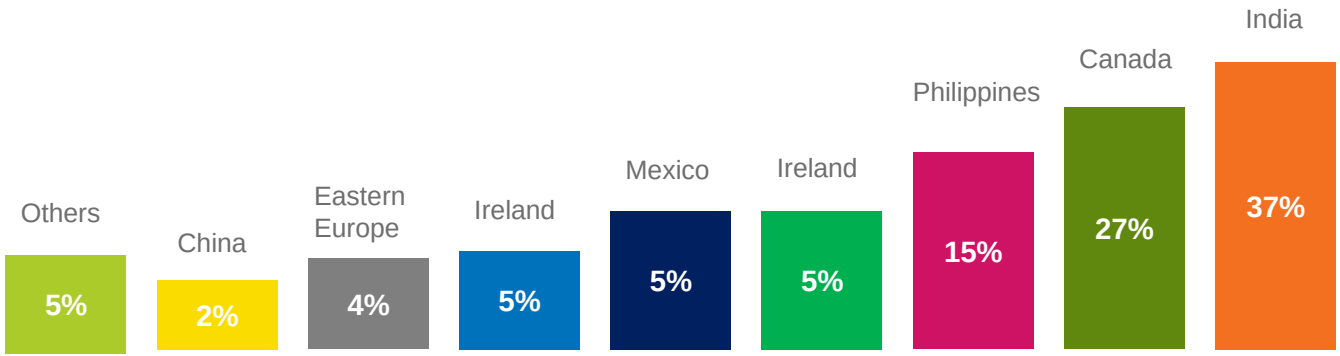
I don't think you may outsource your porridge to Toby...
Igor Aleshin
DATAART
Enjoy IT

# What is IT & ITES ?

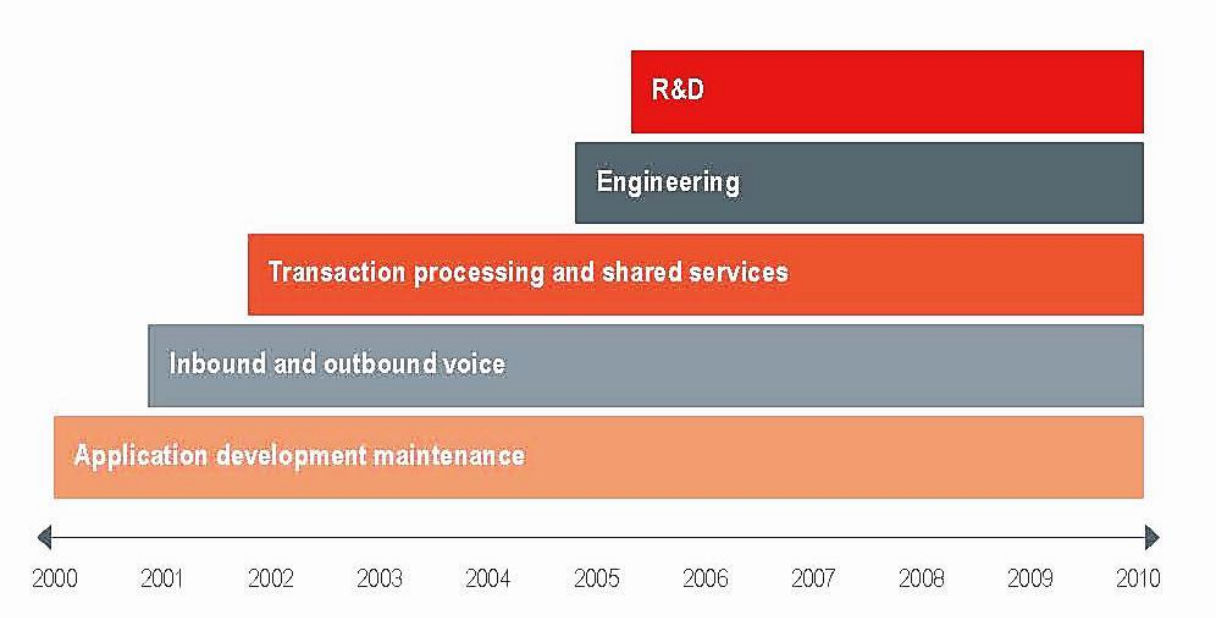
IT services typically include IT applications and engineering services, while ITES involve a wide range of services delivered over electronic networks . These are two broad segments, however, and the sophistication of the services in each varies considerably.

# Industry Size?

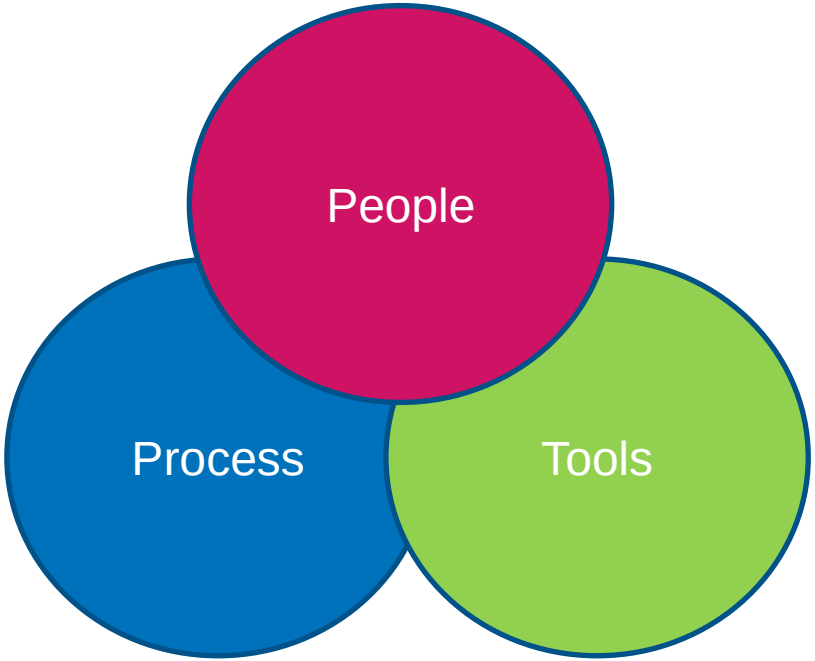
According to Gartner, global spending for IT outsourcing services will reach more than **$315.8 billion** in 2012



# Evolution of Offshoring



# Key factors




**Culture**
**Organization**
**Competence**

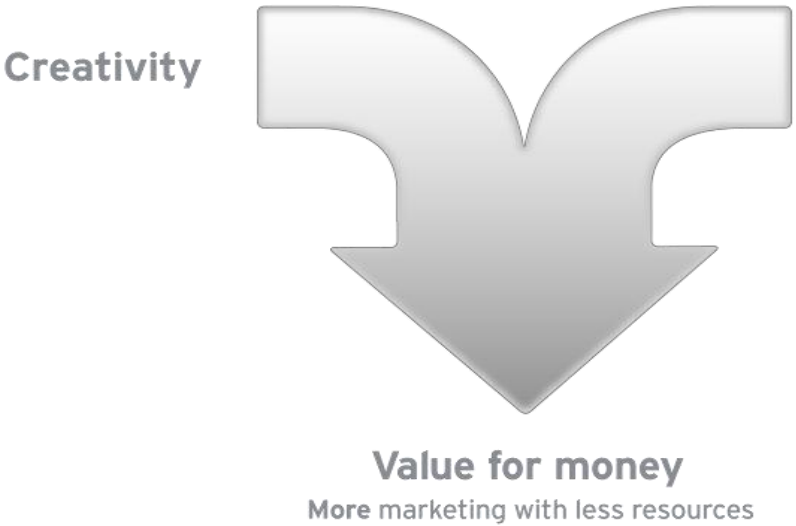
**How?**
**When?**
**Where?**

**Systems**
**Infrastructure**

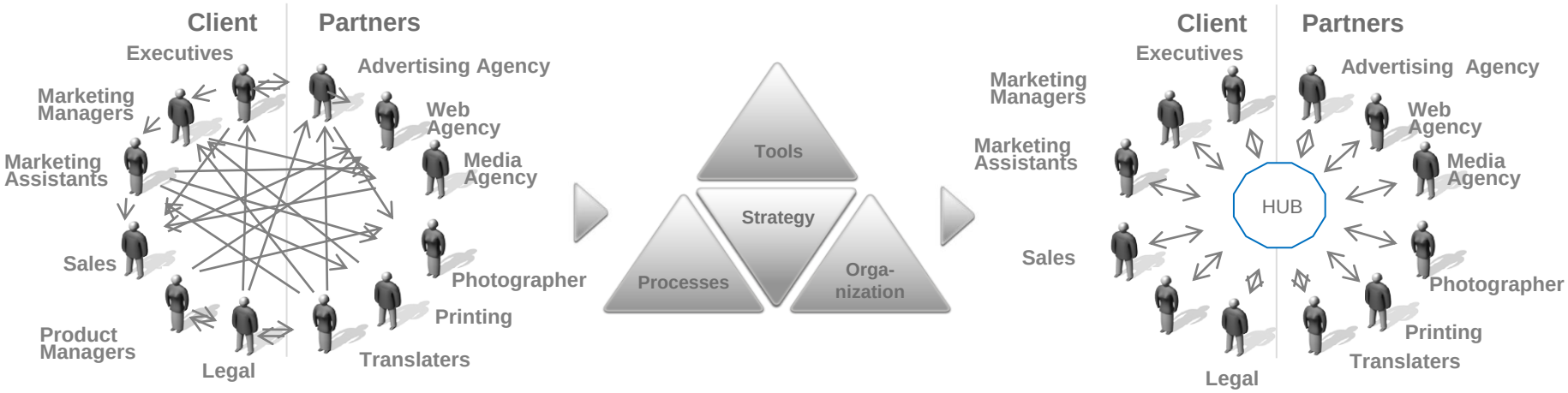
**Labor conditions tend to be the primary indicator of an offshore location's maturity, whether it is pioneering, emerging, established or saturated.**

# Advertising industry is evolving …

Global advertising agencies are adapting outsourcing model by adapting automated workflow infrastructure to service large international clients requiring complex, high volume output in multi-language versions.




- **Reduce and control operating costs**
- **Shorten time to market**
- **Standardization across multiple markets**
- **Handle incremental workload**

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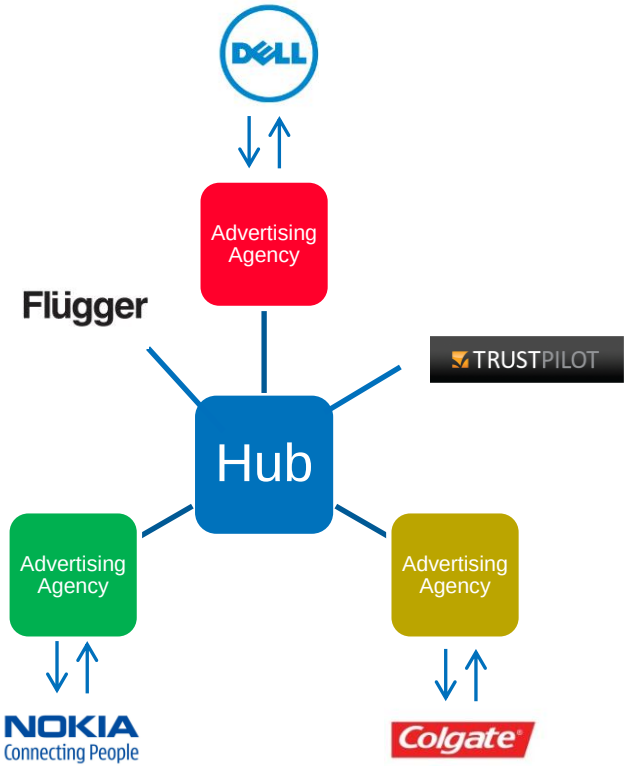
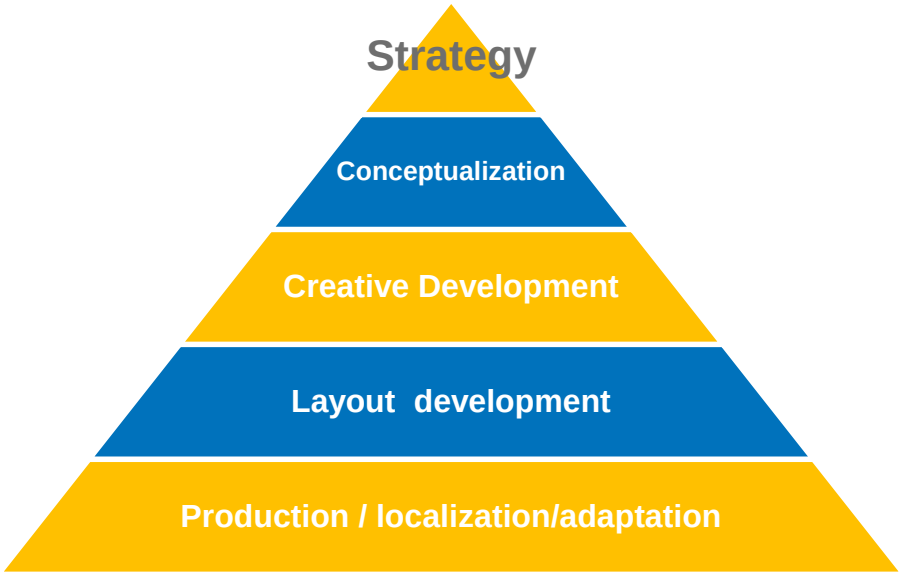
# graphicpeople Offshoring Model

GraphicPeople specializes in delivering flexible solutions to clients requiring high volume and complex, multi lingual adaptation of both offline and online production.

Plays a crucial role as a cost efficient production hub, ensuring a significant cost reduction for the clients.

lean centralized setup with 24/7 delivery capability ensures effective and agile collaboration across multiple time zones






# How we adapt ?

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**Technological innovation does not guarantee business success.**

**New product development efforts should be coupled with a business model defining their ’go to market’ and ’capturing value’ strategies.**

# Diagnosing export problems is easy - Delivering solutions is more complex

Challenges faced by offshoring companies in developing nations include -

- Talent Pool
- Cost
- Infrastructure
- Country Risk
- Business and Living Environment
- Industry Maturity

## Trade Promotion Organizations can help in -

- Market access
- Skill development
- Infrastructure

Donor financing can initially be useful, demonstrating the potential returns from and promoting best practices. But such support should be temporary and followed by sufficient domestic resources.

# Conclusion

The offshore landscape will continue to shift as investment conditions in legacy and emerging locations evolve.

The fluid nature of investment conditions and the speed at which the locations move through the maturity cycle, will require consistent monitoring in order to understand the implications of these trends and to realign the value horizon for a given location.

The follow-the-herd mentality seen in the global marketplace will dictate that companies create strategies to remain competitive in selected locations.

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# Thank you