

# IT and Outsourcing

## Module 4

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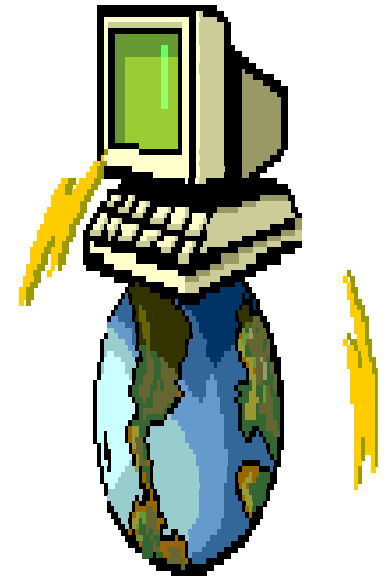
# Types of IT Jobs Being Outsourced

- Data
  - Government
  - Corporate
- Types of Jobs Outsourced
  - Domestic
  - International

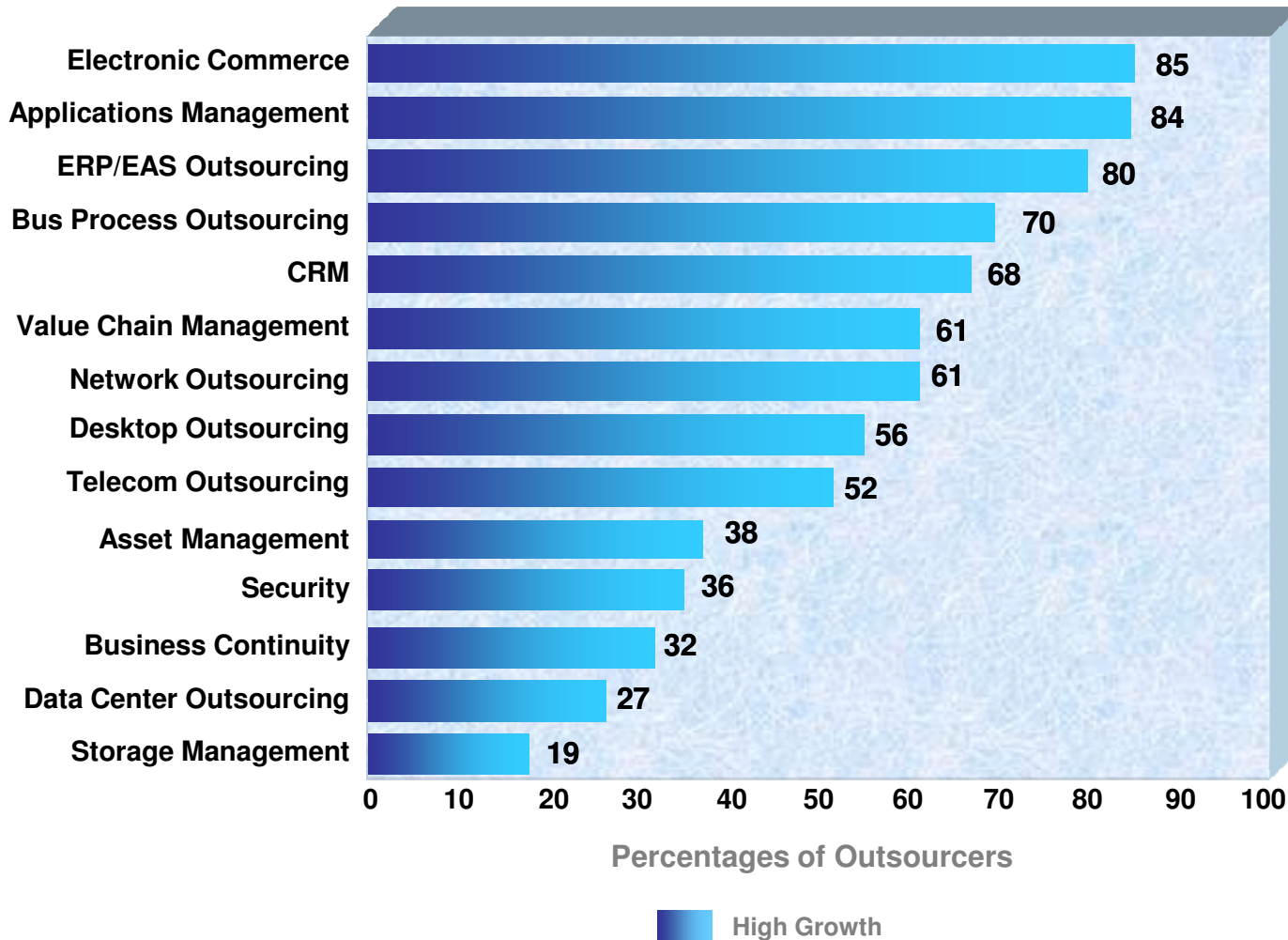


# Types of IT Jobs Being Outsourced

- International Outsourcing
  - Data Entry
  - Application Maintenance
  - System Maintenance / Management
  - Network Maintenance / Management
  - Help Desk (Technical Support)



# Types of IT Jobs Being Outsourced



# Percentage Jobs Being Outsourced

IT Leading As Most Active Area  
of Outsourcing



- Around 28% of IT jobs are being outsourced
- Mainly to India
  - India has a very highly educated workforce who are willing to work for minimal wages

# Percentage Jobs Being Outsourced

- Job loss in the U.S.
  - IT jobs outsourced in the U.S.
    - San Jose: Lost 14.000+
    - San Francisco, 9.300
  - Boston, Chicago, Dallas, Seattle, Washington DC mirrored the Silacon Valley's
  - In a study conducted by High Tech Trade Association, 750,000 IT jobs were outsourced in the year 2002/03.

IT news and IT worker resources - Mozilla Firefox

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From 08/25/2005 To 08/27/2006

**Jobs Offshored** 1,906

**Jobs Lost** 1,366

**SITE SEARCH:**

**GO**

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**Specify a Date Range**

View total jobs offshored and total jobs lost during a specified period of time.

**FROM:** 8-25-05 **TO:** 08/27/2006

**Top 10 Culprits**

Company	Most Recent	Jobs Offshored	Est. jobs lost
EDS	06/27/2005	22400	7950
IBM	07/27/2005	20300	1847
Dell	07/27/2005	16050	5700
Cognizant	11/01/2004	15000	data unavailable
Siemens AG	03/02/2004	15000	data unavailable
General Electric	12/20/2004	14250	data unavailable
Convergys	04/13/2005	14000	160
Accenture	06/27/2005	13000	90
Computer Sciences Corp	06/27/2005	10800	5400
Intel	10/01/2005	10426	4126

**VIEW ALL COMPANIES**

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**Workers' Stories**

'We've accomplished a lot. We have pressured IBM into withdrawing some of its pension changes, generated congressional hearings, and held seminars educating employees on their rights.'



**Garrett Lanzy**  
IBM Advisory Software Engineer  
Endicott, New York

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Workers Independent News

WIN headlines are updated daily, visit [www.laborradio.org](http://www.laborradio.org) for more information.

# Countries Affected

## TOP 4 COUNTRIES →

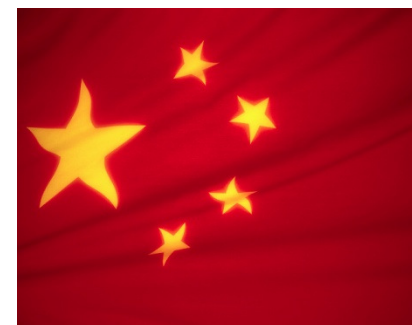
### 1. India

- Annual Salary \$9,898
- Top-Notch work
- Salaries rising 15% each year
- Nearly every major Fortune 500 Company.
  - IBM, GE, Microsoft, etc.



### 2. China

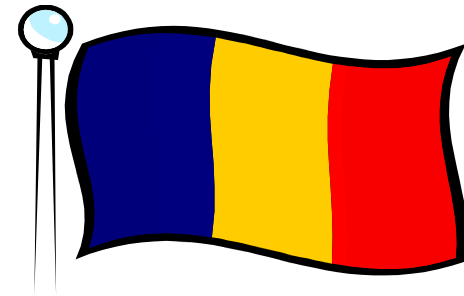
- Average Salary \$10,095
- Highly trained workers
- Big language barrier
- EX: Target & CitiGroup



# Countries Affected

## 3. Romania

- Average salary \$15,743
- EX: Oracle & Microsoft



## 4. US

- Best Tech workers, not enough of them!
- High salaries



Others include: Canada, Ireland, Russia, Brazil, Philippines, Singapore.

# Rapid Growth Projection

- Annual Growth rate estimated around 30%
- By 2008 \$21 billion saved in Labor Costs
- By 2015 3.3 million American jobs sent elsewhere



# Projection

- Microsoft will double workforce in India to 7,000 , invest \$1.7 billion there
- IBM added 10,000 new jobs in India this year with a total of 50,000 Indians employed by the end of 2006
- As talent pool in India begins to tap out jobs moved to other developing countries.



# Projection

- America has just begun to see impact of outsourcing/off shoring
- 14 million jobs sent overseas in the future
- More high tech white collar jobs being lost



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