

## Title:

The Indian Software and IT Outsourcing Industry

## Word Count:

469

## Summary:

India's software industry has over the years grown in importance in the global market that we now have. The majority of revenue generated is from their export market (i.e. selling services to offshore companies), which is in heavy competition with the USA.

## Keywords:

india, software, outsourcing

## Article Body:

India's software industry has over the years grown in importance in the global market that we now have. The majority of revenue generated is from their export market (i.e. selling services to offshore companies), which is in heavy competition with the USA.

After 9/11, many companies around the world realised the need for offshore back-up systems and this prompted a rash of investment by banks, airlines, telecommunications and IT companies.

The Indian software industry is worth approximately \$38billion, with \$31billion of that being generated from exports.

So who are the major players?

Infosys (NASDAQ - INFY), which floated on the US stock market in 1999, is an Indian IT outsourcing with no Indian clients. It's purely a player on the global stage and one that's only growing. Its shares may not be on the rise right now, but once the dollar grows back in strength their value will show and it will be time to sell.

If you're brave and enjoy a venture in to the foreign markets India's TCS (Tata Consultancy Services Ltd) is another of the major players in India's software and IT outsourcing industry. Tata may be a name familiar to many of you from Tata Holdings, which is one of India's biggest industrial groups, so you can feel very confident about this stock's value and future. Currently, TCS

(TCS.NS) is listed on India's national stock exchange.

Next up is Wipro Technologies (NYSE - WIT) a company that has over the past couple of years has snapped up various US and European companies, which is sure to have sent out a message to their Western competitors of their intent to continue moving forward. And its competitors in the West are companies which just cannot compete with India's lower wagers but higher skills level.

What can major Western software companies do to fight back? Will home grown Indian companies be buying up the major Western players as they find that they cannot compete in the long-term?

I cannot answer the second question, but a possible answer for the first is that some of the advantages established Western companies have over emerging Indian companies are the experience in managing projects efficiently and meeting deadlines and the basic infrastructure within their own company and society ensures there is less rough and more polish. It's not to say that some of India's IT companies are not on equal (or superior) footing in terms of infrastructure but the companies leading the way in terms of infrastructure are majors such as TCS, Wipro and Infosys. For smaller projects, investment in India is a gamble, as you may not know of the products doom until the eleventh hour. Western companies survival will depend up on them promoting the quality of development they have to offer and the solidity of project management from beginning to end.