

A sign of the times

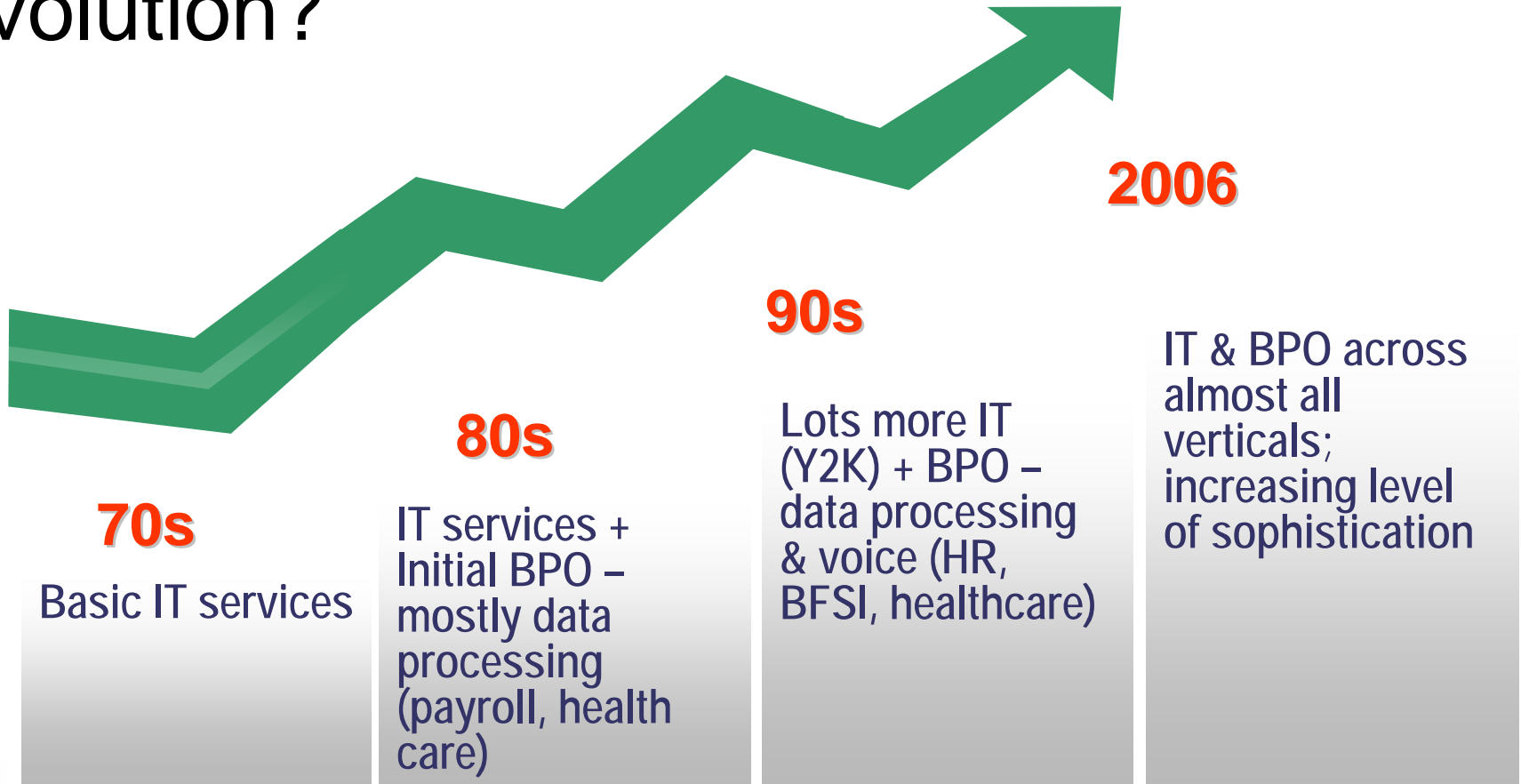


Courtesy: Jeff Koterba - Omaha World Herald

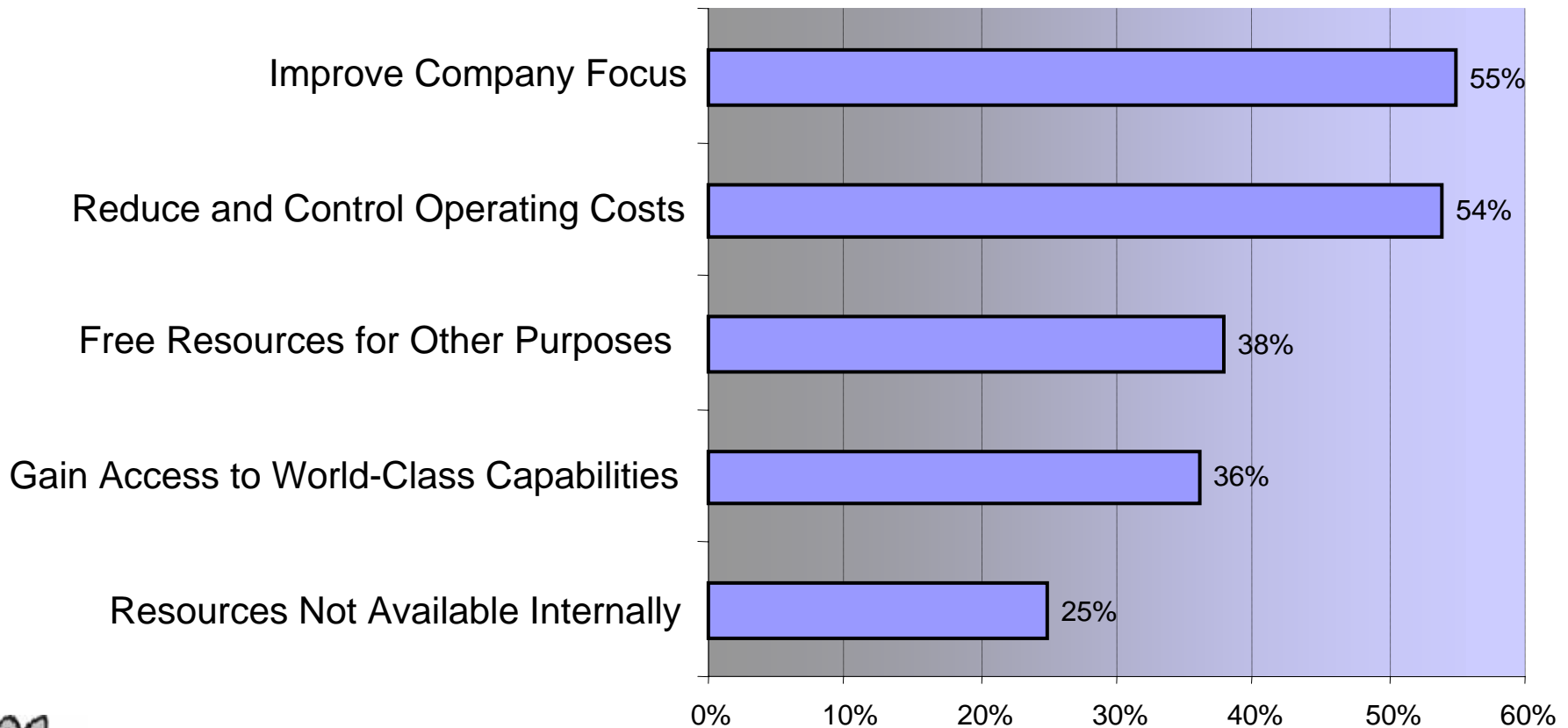
“There is nothing new under the sun”

- *Solomon said this 2,500 yrs ago & himself outsourced the material for his temple*
 - Offshore outsourcing – around for millennia
 - Agriculture - spices, cotton... > 3,000 years
 - Industry - textiles, steel, autos... > 300 years
 - Services - software, data processing... < 30 years

Offshore outsourcing: You say you want an evolution?



Top five reasons for outsourcing



Source: Based on a survey by The Outsourcing Institute, 2003

Rumors of the American white-collar worker's death...

...are greatly exaggerated

–Lou Dobbs and other alarmists off the mark

Facts 2006

Total US GDP: \$12.5 T

0.12% of US GDP is imported from India

Total services imported from India: \$15 B to 17 B

Total employment in US: 140M

Total workers in India working for US (in the IT/ BPO): 800K

Workers in India is 0.6 % of US labor force



Impact on US economy

- Better management of business cycle
 - Variablize costs
 - Reduced services inflation
 - 15 million jobs unfilled by 2015
 - Huge shortage of labor as baby-boomers retire
- Solution:
- Improved productivity
 - Immigration
 - Outsourcing



Where is my partner?

<p><u><i>Clear leader</i></u></p> <p>India</p>	<p><u><i>Coming up</i></u></p> <table> <tr> <td>Belarus</td> <td>Lithuania</td> </tr> <tr> <td>Brazil</td> <td>New Zealand</td> </tr> <tr> <td>Caribbean</td> <td>Singapore</td> </tr> <tr> <td>Egypt</td> <td>Ukraine</td> </tr> <tr> <td>Estonia</td> <td>Venezuela</td> </tr> <tr> <td>Latvia</td> <td></td> </tr> </table>	Belarus	Lithuania	Brazil	New Zealand	Caribbean	Singapore	Egypt	Ukraine	Estonia	Venezuela	Latvia													
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<p><u><i>Other options today</i></u></p> <table> <tr> <td>Canada</td> <td>Mexico</td> </tr> <tr> <td>China</td> <td>Northern Ireland</td> </tr> <tr> <td>Czech Republic</td> <td>Philippines</td> </tr> <tr> <td>Hungary</td> <td>Poland</td> </tr> <tr> <td>Ireland</td> <td>Russia</td> </tr> <tr> <td>Israel</td> <td>South Africa</td> </tr> </table>	Canada	Mexico	China	Northern Ireland	Czech Republic	Philippines	Hungary	Poland	Ireland	Russia	Israel	South Africa	<p><u><i>Beginners</i></u></p> <table> <tr> <td>Bangladesh</td> <td>Nepal</td> </tr> <tr> <td>Cuba</td> <td>Senegal</td> </tr> <tr> <td>Ghana</td> <td>Sri Lanka</td> </tr> <tr> <td>Korea</td> <td>Taiwan</td> </tr> <tr> <td>Malaysia</td> <td>Thailand</td> </tr> <tr> <td>Mauritius</td> <td>Vietnam</td> </tr> </table>	Bangladesh	Nepal	Cuba	Senegal	Ghana	Sri Lanka	Korea	Taiwan	Malaysia	Thailand	Mauritius	Vietnam
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