



Survey Shows Offshore Outsourcing Is Growing

Offshore application management is highest-growth service among outsourcing vendors as companies look to cut costs.

By Techweb News, InformationWeek

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Offshore application management is the highest-growth service among outsourcing vendors, a survey released Thursday showed.

Companies' focus on lowering costs has fueled the use of offshore outsourcing for applications, but also for IT infrastructure management and other services, according to market researcher Gartner Dataquest.

In a November 2002 survey of 36 outsourcing vendors, Dataquest found that low-wage countries, such as India, were attracting the highest attention with application services.

However, the research firm also found at least 14 "megadeals" worth \$28.4 billion, compared with nine in 2001 valued at \$15.1 billion.

In addition, there were four deals pending that were worth \$15.3 billion. IBM had won half of the 14 deals, according to Gartner Dataquest.

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