



Perspective: When IT jobs disappear

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Even as the economy rebounds, information technology professionals face a new threat to their livelihoods.

The unabated migration of jobs offshore may usher in a transformation even more far-reaching than that of the post-Internet bubble era. "Offshoring" has already wiped out many IT positions and threatens to claim many more. (The number of U.S. computer jobs moving overseas will grow from about 27,000 in 2000 to more than 472,000 by 2015, according to Forrester Research estimates.)

The forces driving the offshore outsourcing movement are well chronicled and easy to understand. Economic pressures are forcing companies to reduce operating costs. Meanwhile, India, China and other developing companies offer a growing pool of educated workers at a fraction of what it costs to employ U.S.-based IT professionals.

What's more, modern communications and computing systems permit offshore development and support of functions that previously needed to be performed closer to home.

Some state governments, such as that of New Jersey, have tried to use legislation to curb the en masse transfer of jobs to other countries. Sometimes, IT-heavy unions stage demonstrations against offshoring, and individuals speak out against the job transfer phenomenon.

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However, the bottom line still remains: The offshore outsourcing of technology jobs will continue to happen, as long as the United States remains a free-market economy.

American corporations simply cannot ignore the offshore cost arbitrage if they want to remain competitive. However, there are a number of steps IT workers can take to ensure that they not only survive this offshore movement but that they also succeed in this new business climate.

This is a tough environment, where IT professionals have to make a key decision: Find a role to play on the offshore bandwagon or fight against the movement of business abroad. The survivors will be those who embrace offshore operations as yet another opportunity to expand their professional skill set and position themselves as offshore management leaders.

Offshore outsourcing can save money, but it can also be risky. Business leaders are learning that moving key U.S. functions offshore is not necessarily a slam dunk. Offshoring can often lead to lower-quality goods and services, loss of control, and cost overruns.

The cultural, communications, and time-distance gaps between offshore and U.S. operations can also strain internal operations and hurt customer support or supply chain relationships with partners. Unless this gap is bridged, offshore outsourcing will produce inconsistent results. This creates a business risk U.S. IT workers can help their companies avoid, because they understand their companies' business and customers better.

So, rather than wait for the offshoring trend to affect them, IT professionals should start positioning themselves to become offshore managers, coordinators and leaders. They should seek active involvement in offshore or hybrid (on-site/offshore) projects. This involvement can be at many levels: project planning and design, deal closure, program management, project leadership, technical design, business development and production acceptance testing.

And if active projects are not available, they should volunteer to set up a simple pilot project that can help gain valuable offshoring experience.

During the offshore learning process, IT professionals will also find it helpful to leverage specialized offshore consulting companies that can teach them the secrets of successful offshore delivery. These firms can arrange visits to offshore locations, and in certain cases, they can help co-locate U.S. IT workers offshore for a period of time to help understand the delivery, cultural, and personnel dynamics deeply.

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In addition, IT professionals should start paying attention to the offshore outsourcing marketplace with a mind-set of exploring best practices that can be leveraged both from an organizational and career point of view.

Apart from retooling, IT professionals can work proactively with their business management team on the issue of offshore outsourcing. This will reduce last-minute surprises and job losses. As part of this proactive effort, suggest compromises that can make good use of offshore resources and still give key U.S. employees a long-term role in the company.

This approach is especially compatible with offshore "insourcing." An increasing number of American companies are creating subsidiaries or so-called global delivery centers with a mix of U.S. and offshore resources. Offshore insourcing is simply a mechanism that lets companies retrain their existing employees to manage global resources rather than eliminating them in an outsourcing arrangement.

An example of a company that has used its U.S.-based technical employees proactively to set up an offshore global development center is Cambridge, Mass.-based software company St. Croix Systems. The company created its own software development center in India and staffed it with both Indian and U.S. employees, who then relocated to India for one-year assignments. By insourcing offshore, the company has saved 30 percent to 40 percent more than it would have with offshore outsourcing. It has also reinvested these additional savings into keeping its U.S. employees.

Offshore and global outsourcing is a rapidly growing reality. IT professionals can either stick their heads in the sand or step up to the challenge. The computer industry may be changing, but there still are ways to not just survive but prosper from the outsourcing wave. It's their choice.

Biography

Amit Maheshwari is the CEO of the [i-Vantage](#), a Cambridge, Mass.-based consultancy that helps enterprises manage offshore operations in India.

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