# Articles

# India Compared to Other Outsourcing Destinations

Numerous reports and studies in recent years have proved that India is the most attractive destination when it comes to outsourcing. Recently, AT Kearney released a report on the attractiveness of different countries for outsourcing and offshoring. This report placed India at the top for outsourcing, followed by China and Malaysia.

India was ranked the most attractive outsourcing destination because of its ample availability of skilled, talented and experienced resources. India's low labor cost, high–end infrastructure, favorable tax and regulatory environment and financial structure are other factors that have made India an ideal outsourcing location.

## Outsourcing Attractiveness of Offshore Locations

Varied factors, such as, education of human resources, availability of human resources, wages, cost considerations, taxes, infrastructure costs, intellectual right security and overall political stability were taken into consideration by AT Kearney to find the attractiveness index for each outsourcing country.

Rank : 1
Outsourcing Country : India
Outsourcing Attractiveness : 7.12

Rank : 2
Outsourcing Country : China
Outsourcing Attractiveness : 5.61

Rank : 3
Outsourcing Country : Malaysia
Outsourcing Attractiveness : 5.59

Rank : 4
Outsourcing Country : Czech Republic
Outsourcing Attractiveness : 5.58

Rank : 5
Outsourcing Country : Singapore
Outsourcing Attractiveness : 5.45

Rank : 6
Outsourcing Country : Philippines
Outsourcing Attractiveness : 5.45

Rank : 7
Outsourcing Country : Brazil
Outsourcing Attractiveness : 5.44

Rank : 8

Outsourcing Country : Poland
Outsourcing Attractiveness : 5.33

Rank : 9
Outsourcing Country : Hungary
Outsourcing Attractiveness : 5.29

Rank : 10
Outsourcing Country : Thailand
Outsourcing Attractiveness : 5.20

## India Vs China for Outsourcing

China, being a leading outsourcing destination has always been a major competitor for India. However, India is ahead of China in several areas. In the following table, AT Kearney compares the two nations for their suitability for outsourcing based on parameters such as government support, education and talent pool. When compared to China, India has a large talent pool that is skilled in English and produces high quality services by using high-end infrastructure.

Parameter : Labor Pool
China : Medium
India : High

Parameter : Infrastructure
China : Medium
India : Medium

Parameter : Quality
China : Low
India : High

Parameter : Business & political environment
China : Low
India : High

Parameter : Government Support
China : Medium
India : High

Parameter : Cultural Compatibility
China : Low
India : Medium

Parameter : Education System
China : High
India : High

Parameter : Cost Advantage
China : High
India : High

Parameter : English Proficiency
China : Low

India : High

## India out beats other outsourcing countries as the most preferred offshore location

When compared to other outsourcing countries, India is the only nation that offers manifold advantages. India’s large availability of skilled resources, low cost services and ability to provide 24/7 support has made it the first outsourcing choice for many global companies. Here are the advantages of outsourcing to India:

- Indians are known to provide superior services with high quality. Research has shown that error rates in accounting were drastically reduced by 60 percent when the work was outsourced to Indian firms

- Cost savings is the biggest advantage of outsourcing to India. Organizations have been able to save about 30 to 40 percent on cost by outsourcing their business processes to India

- Indian professionals are highly qualified, talented, motivated and tech–savvy. Indians work at wages that are much lower than that in the US and Europe, thereby helping companies to cut down on the cost of labor

- Infrastructure costs in India are much lower, thus enabling companies to save on their capital

- The Indian government offers tax benefits under Section 10A and 10B of the Income tax act on various IT enabled products and services

- Almost any back–office operation can be handled by Indians, be it call centers, insurance claim processing, legal process outsourcing, payroll, data processing, human resource and training, engineering and design, accounting, administration and support, medical transcription or content development

- The 12 hour time difference between India and the US conveniently gives companies a 24–hour work environment, with little or no backlog in processing tasks

Read our well researched article on - Preferred Outsourcing Destination - India or Philippines, to know how India fares in comparison to Philippines

Outsource to India and get access to advantages that only India offers. Get in touch with us to start outsourcing to India.