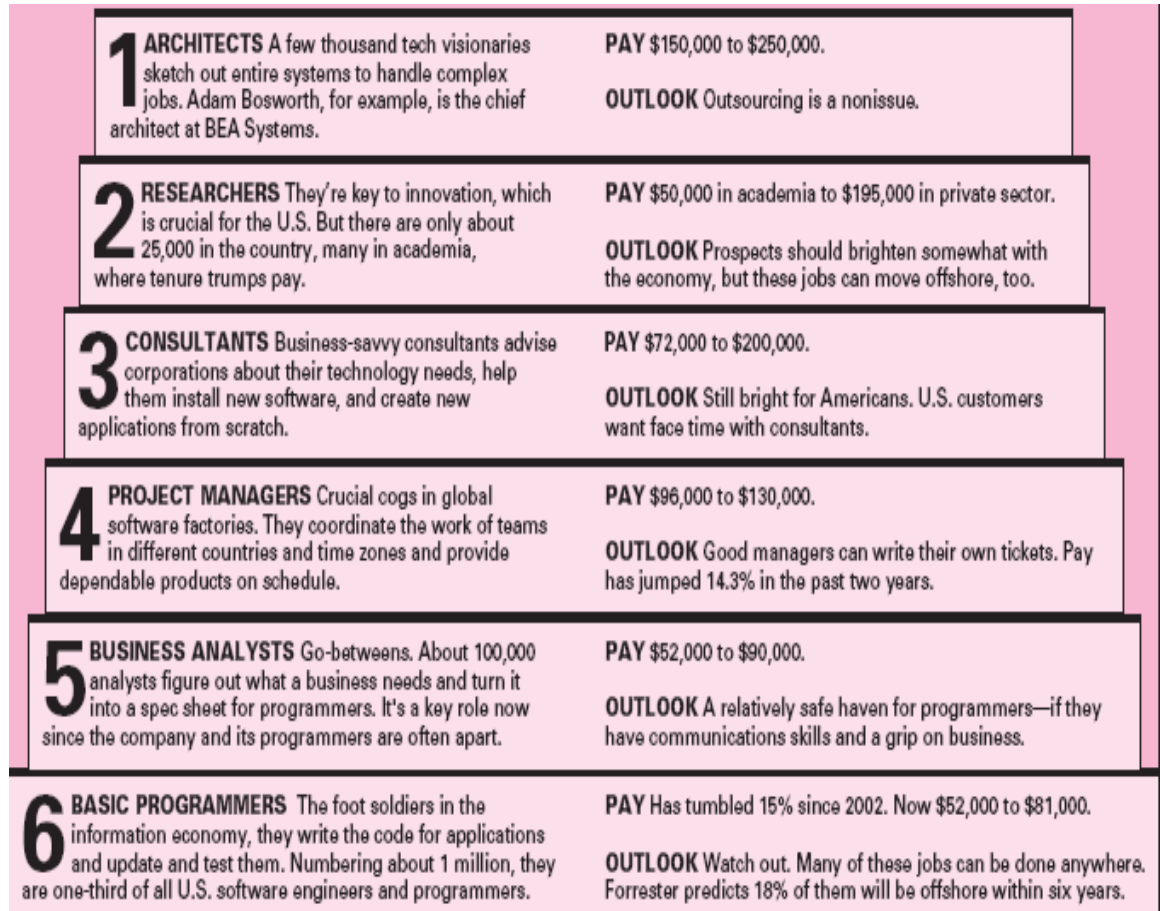


America and The Software Outsourcing Pyramid

Presented below is an interesting pyramid from Forrester Research, Foote Partners, Kennedy Information Inc., that appeared in *BusinessWeek* way back in 2005 that identifies the breakdown of software jobs and their prospects. It is interesting to note that the analysis still holds good and we are still debating – more so during 2008 election period, instead of accepting reality-



America and The Software Outsourcing Pyramid

For many of America's millions of software programmers, it is paradise lost. Just a few years back, they held the keys to the Information Age. Their profession not only lavished many with stock options and six-figure salaries but also gave them the means to start companies that could change the world—the next Microsoft, Netscape, or Google. Now, these veterans of Silicon Valley and Boston's Route 128 exchange heart-rending job-loss stories on Web sites. Suddenly, the programmers share the fate of millions of industrial workers, in textiles, autos, and steel, whose jobs have marched to Mexico and China.

Politicians are jumping on the issue in the election season. And it will probably rage on for years, affecting everything from global trade to elementary-school math and science curriculums.

This time, though, there's no guarantee that the next earth-shaking innovations will pop up in America. India, for example, has approximately 365 Million people in 0-14 Age Group and 727 Million people in 15-64 years Age Group, Approximately 517 Million People in Workforce, Approximately 200 Million People in Service Sector Alone. The population has access to high-speed Internet, a world-class universities, and venture-capital industry that's has evolved in metro's such as Bangalore, Bombay, Delhi, Madras, Calcutta and more. What's more, the country is luring back entrepreneurs and technologists who lived in Silicon Valley and other parts of United States during the bubble years and the recent economic downturn. Many came home to India after the crash and have planted the seeds of California's startup culture throughout the subcontinent. What's to stop them from mixing the same magic that Andreessen conjured a decade ago when he co-founded Netscape? It's clear that in a networked world, U.S. leadership in innovation will find itself under siege.

Reference:

Hodgetts, R. Luthans, F. Doh, J. International Management. The McGraw-Hill Companies,