

## **Global Outsourcing Market: Key Research Findings 2016**

### **◆ Research Outline**

**Yano Research Institute has conducted a study on global outsourcing market with the following conditions:**

1. Research period: December 2015 to February 2016
2. Research target: Global outsourcing market players including, SIers, system maintenance and support service providers, data centers, BPO businesses, etc.)
3. Research methodologies: Face-to-face interviews by the expert researchers, interviews via telephone/emails, and literature research

#### **What is the Global Outsourcing Market?**

The global outsourcing in this research indicates the following services: system development and integration; system management and operation/data center; and BPO (Business Process Outsourcing). The market size is calculated based on the sales of the businesses.

#### **What are Offshore Services for Japanese Market?**

The offshore services for the domestic Japanese market are included as one of the global outsourcing service categories, indicating system integration services and BPO services provided for Japanese market and to be adopted in the overseas offices of such Japanese companies. Size of the offshore services for domestic market is calculated based on the total outsourcing expenses, earmarked by the outsourcing companies, of both internal expenses using their own overseas bases and external expenses using the resources of other companies.

### **◆ Key Findings**

#### **■ Global Outsourcing Market for FY2019 Projected to Achieve US\$ 1,238,344 Million**

Due to the needs of risk aversion from fluctuation of the exchange rates and to cope with business globalization, growing number of companies has come to develop their business overseas and to integrate foreign companies through M&A, accelerating globalization of the company activities. This tendency drives the companies to develop and integrate information systems throughout the enterprise group, aiming to globally improve efficiency of management and enhance the corporate governance. In order to achieve these goals, it is indispensable for companies to prepare BCP (Business Continuity Plan)/DR (Disaster Recovery) as a condition incorporated into a contract, making increasing demands for system operation and data center services.

Each of global outsourcing service providers have established their service delivery centers at various countries to ensure their services to be delivered throughout the world. CAGR of the global outsourcing market from FY2014 to FY2019 is likely to be 5.1%, with the market size expected to reach US\$1,238,344 million by FY2019.

■ **Offshore Services Market for Japanese Companies Projected to Attain US\$ 1,678 Million**

Adoption of system integration/development services and/or BPO services at offshore bases by the Japanese outsourcing service providers and users has been expanding. Although some domestic outsourcing service providers reshore the business to Japan, many of such enterprises have started using overseas resources to suppress labor cost. CAGR of the offshore services market for Japanese companies from FY2014 to FY2019, based on the expenses from businesses, is likely to be 3.6%, with the market size expected to reach US\$ 1,678 million by FY2019.

◆ **Report format:**

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Price: 150,000 yen (The consumption tax shall be additionally charged for the sales in Japan.)

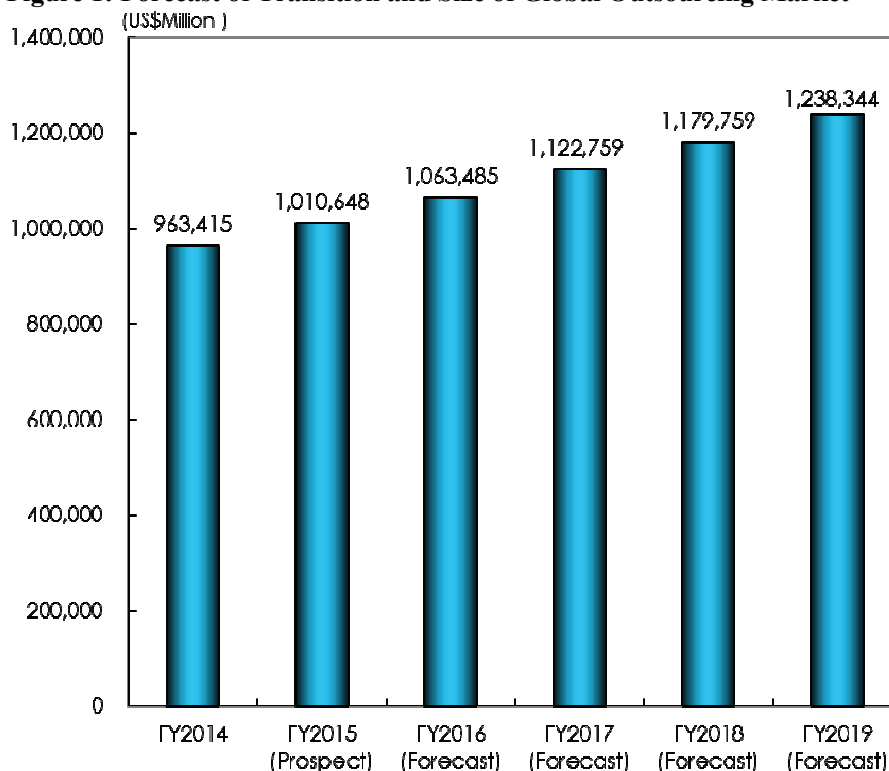
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■ **Figure 1: Forecast of Transition and Size of Global Outsourcing Market**

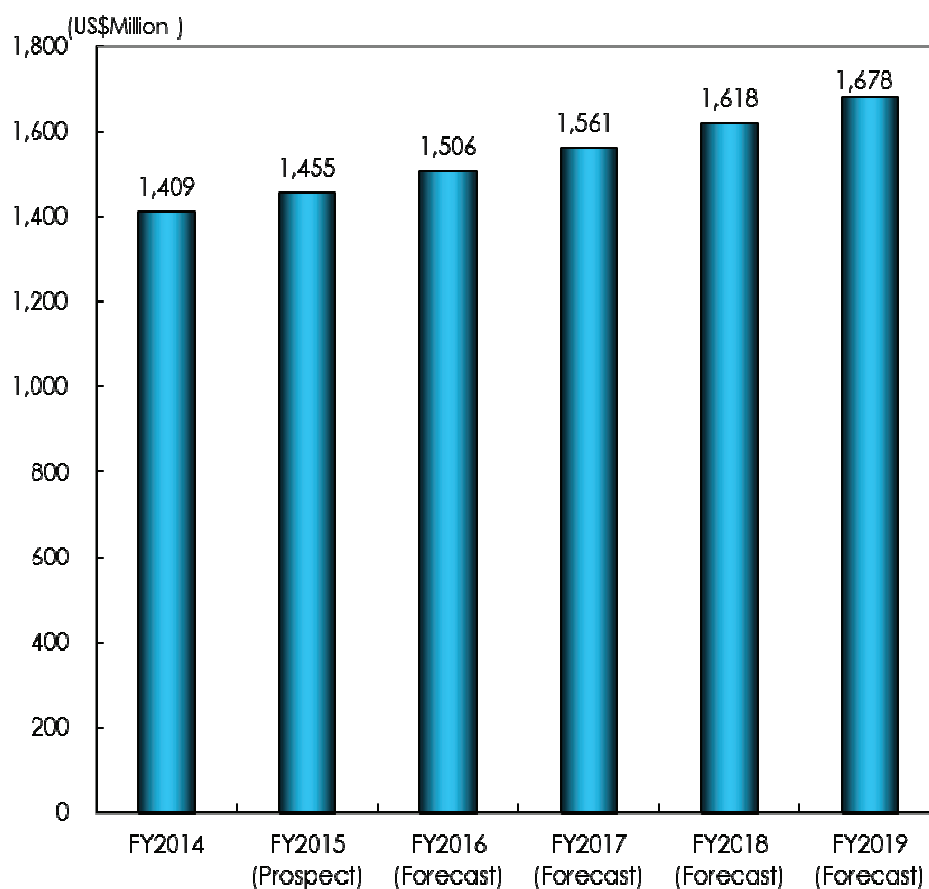


Notes:

Forecast by Yano Research Institute

1. The market size is based on the sales of the businesses.
2. The figures for FY2015 indicate prospect, and the figures for FY2016 and beyond indicate forecast.
3. The global outsourcing in this research indicates the following services: system development and integration; system management and operation/data center services; and BPO (Business Process Outsourcing). The market size is calculated based on the sales of the businesses.

■ **Figure 2: Forecast of Transition and Size of Offshore Service Market for Japan**



Notes:

Forecast by Yano Research Institute

4. The figures are based on the expenses of businesses.
5. The offshore services for the domestic Japanese market are included as one of the global outsourcing service categories, indicating system integration services and BPO services provided for Japanese market and to be adopted in the overseas offices of such Japanese companies. Size of the offshore services for domestic market is calculated based on the total outsourcing expenses, earmarked by the outsourcing companies, of both internal expenses using their own overseas bases and external expenses using resources of other companies.