

Europe expanding use of outsourcing

EUROPE

OUTSOURCING data and advisory firm TPI has revealed that the EMEA outsourcing rate represents over 60% for major contracts. Due to the current financial uncertainty there has been a widening of their use of existing outsourcing agreements and awarding new contracts, it says.

TPI data shows a substantial increase in EMEA, with 61.5% of the outsourcing market to date in 2008 compared with 51% a year ago. Since the start of the year 126 contracts totalling €25.5bn have been signed – up 58% on the value signed from the same point last year.

Duncan Aitchison (*above*), partner and President at TPI EMEA, believes the figures reveal the wider trend taking place amongst outsourcing. “In the last 18 months Europe has overtaken the US as the largest outsourcing architect. In Europe, there has been most interest from the UK, it is the most established and the most mature European market.”

Aitchison believes that it is not simply a case of the US slowing down its outsourcing, despite declining contract values in the US and Asia Pacific. “The US is a more mature market. There has been some quite significant penetration. Europe is complex and there is quite a long way to go.”

EMEA’s dominance within the figures were also shown through the increasing adoption of outsourcing by large European corporations. 10 of the 13 contracts valued at €800m or greater signed



so far this year were in EMEA. The average value of a contract in EMEA is growing.

Despite quoting the Nordics, Netherlands and Switzerland as fast growing, he says the east European market

has been slow to embrace outsourcing.

“Germany has been the fastest adapting and expanding of the continental territories but in the East it is slow. Predominantly, outsourcing is from buyers of large corporates. In east European countries they have to consider the structure and cost. They supply more than they buy. They offer the opportunity for getting better labour rates.”

“The single largest buyer of outsourcing is the telecommunications market. In the first six months of 2008 the telecommunications contracts have been worth €13bn. Putting this in perspective, manufacturing has been €10bn and financial services €6bn.” www.TPI.net

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This is driven by the need to cut costs by large organisations, but they also have to manage the impact of such a move. Expect deals to continue to be split into smaller parts, and the global shortage of project managers who can make it all work to also continue!

DataArt announces new recruitment scheme

RUSSIA

HIGH-END software outsourcer DataArt has a new recruitment initiative: DataArt Labs will find IT specialists and offer them roles in the company.

DataArt, with datacentres in Russia and the Ukraine, launched the project with Kharkiv National University and Kharkiv National University of Radio Electronics (KHNURE). The aim is to find young and skilled IT specialists among both students and post-graduates, and offer them roles in the company’s projects without strict time constraints. It is hoped that this will allow students to gain hands-on knowledge of the industry while clients receive discounted rates on certain projects.

Mikhail Zavilevsky, DataArt COO is aware of the opportunity for the students, and told *IT Europa* of the rewards it can generate for them. “They receive a unique opportunity to participate in all stages of a project, from market research, to software development, to client communication, without interrupting their university studies. Our key goal is to introduce innovative technologies and to implement the latest IT market trends in the university programmes, so that we can reap the benefits of the best IT talent working for DataArt.”

Zavilevsky expects each lab in the future to have 10-12 people, with another DataArt Lab with Voronezh State University to be set up.

www.dataart.com

enterprise news round-up

US-based software solutions provider **SunGard** has acquired Dublin-based consultants **Delphi Technologies** for an undisclosed sum, believed to be around €20m. As part of the deal Delphi will become part of SunGard’s European consulting business. SunGard employs over 17,900 people in 30 countries and has more than 700 consultants.

Microsoft and WISEKey have been selected by the Regional Government of Biscay for the delivery of a comprehensive e-Government Citizen Services Platform. This €17.4m project includes a “identity federation” that enables the establishment of citizen portals in a Web 2.0 environment.

comScore, specialists in measuring digital usage, reports that **iPhone** users surpass all others in mobile media usage. With more than

80% of iPhone users in France, Germany and the UK using the device to browse news and information on the mobile Web, compared to 32% of other smartphone users.

ScanSafe, the specialist in Software-as-a-Service Web Security found that en masse compromises of legitimate websites exploded in June, accounting for 66% of all the malware it blocked and contributing to a 278% increase in Web-based malware for the first half of the year.

The **Turkish** economy expanded by a surprisingly robust 6.6% in the first quarter of 2008, says the Economist Intelligence Unit. As a result, it has revised up its GDP growth forecast for this year, but still expects growth to slow gradually during the remainder of 2008 to average 4.5% this year.

The European Commission is planning to block €800m in funds for **Bulgaria** as a penalty for failing to tackle corruption and organised crime. Bulgaria’s chances of joining the Schengen area are also at risk, according to the commission’s nine-page report, due to be published next week, says the BBC. It concludes that Bulgaria “has to make the commitment to cleanse its administration and ensure that the generous support it receives from the EU actually reaches its citizens and is not siphoned off by corrupt officials, operating together with organised crime”.

A new report from **Datamonitor**, “CRM and the Move to Constituent-Centric Government”, predicts that government spending on customer relationship management (CRM) technology solutions in the US, UK, Germany and France will grow from \$2.9 billion in 2008 to \$4.4 billion in 2013.