India as a flourishing Software Development Center

Software development today is inseparable from companies that have a presence at a global level. Software development has also emerged with changing technology and today is a major sector of the world economy. Software development industry has been dominated by the European and American companies for decades. However, we know that technological advancements can do wonders for a country and today the dominating European and American countries have their competitors in terms of software development in countries like India, China and the Philippines. The development of India as a favourable market for software development can be attributed to the revolution in information technology which shaped India as one of the main contributors to the world software industry. Today, the Indian software development market focuses on both customized software development and also on outsourcing software development.

Reasons that make India a favoured Software Development Center

There are several reasons as to why India has today emerged as one of the main countries for software development. The strategic location, the booming economy and the high education standards can be considered as the main factors which have helped India consolidate its position in the world software industry. Below are explained a few factors which have helped India emerge as one of the most sought after software development centers for customized software development as well as for outsourcing software development.

- **Education system:** The Indian education is the one which blends technical knowledge and communication skills in the best possible manner. It is this education system which produces the most talented software development programmers today. These programmers have the requisite skills to meet all types of software development needs of the various companies requiring software for their operations.

- **Availability of the best resources at competitive prices:** The Indian software industry is the one which has the most talented programmers who offer their services at the most competent prices. The price at which the Indian software industry offers to develop software is very less as compared to what many companies spend on software development when they go in for in-house operations and development.

- **Favourable government policies:** The Indian Government has developed policies which favour FDI in the IT sector. This has made India one of the most sought after places for the companies looking for outsourcing their software development tasks. In addition, the IT infrastructure of India has improved tremendously.
One of the main reasons for the emergence of India as a Software Development Center is the fact that there are a number of small companies which cater to the needs of the clients. These companies offer quality work at the most reasonable prices and even hire the best professionals to meet the specifications of their clients in the right manner. These companies with their expert manpower are able to understand the business requirements of their clients and are also able to deliver the best and the most effective business solutions to them. Also the companies also offer technical assistance and operational assistance to the clients after they deliver the software product. The best thing about the software companies in India is the fact that they are able to provide the required solutions for a wide range of industries including travel, education, medicine etc.

The Indian software industry is bound to grow significantly in the coming years as the industry is diffusing geographically. Also there are a few alternatives to India in the sense that the workforce, skills and availability of legal and commercial systems which are similar to the West make India one of the best destinations where software can be developed in the desired manner.

**Reasons why US firms look at the Indian software industry for software development:**

The growth of the Indian software industry has affected many companies across the world. Of the various nations, the software firms in the US are the ones which have gained greatly from the Indian software industry. The main factors which attract the US firms to the Indian software development companies is the availability of talent and the low costs of software development in India.

The following can be cited as the main reasons as to why the US firms will continue investing in Indian software development market:

- Lower costs of software development and deployment
- Flexibility in low end software services like maintenance, porting and enhancement
- Cost savings of 30% to 50% in offshore software development
- India software firms house the best talent

In addition to the above, the Indian software development firms do not pose any serious threat for competition to the US software firms which means that the US firms are not affected in any manner by the development of software in India rather the Indian software industry complements the US software industry.

Also most US software firms claim that they cannot find enough software professionals in the US and so need to outsource their projects to Indian firms which hire the best and the most talented of people in the industry. Also there are a large number of US firms who do not want to indulge their in-house staff into development and want to free the staff members to focus on more creative tasks.

From the perspective of the US software industry and economy, the Indian software industry is complementary to the US industry. Indian software firms provide essential maintenance and development services to US firms, enabling US firms to use their scarce in-house IT staff for designing and developing new types of applications. In doing so, Indian firms often act as subcontractors to many established US software firms. In addition, many US firms rely on Indian programmers and have significant India based operations. Many US firms are likely to increase their business involvement in India through outsourcing, directly setting up subsidiaries, and establishing Software Development Center. The rise of the Indian software industry has provided substantial benefits to US firms, both users and developers of software. US firms benefit because Indian software
firms compete fiercely among themselves for contracts and the US firms are able to get the services of the best Indian firms.

Is India a better option for software development as compared to China?

China, we know, is far ahead in terms of the software industry as compared to India. However, there are several factors which make India a more viable option for the development of software and software outsourcing especially for the US firms. These include better skill set possessed by the software professionals in India and the lower risks associated with software development and outsourcing in India.

When we talk of India as a potential software market and development center for US firms, there are several advantages that India has over China. The wage rates across India are almost similar across the different cities; which is not the case in China where the wage rates vary widely across the various software development hubs. Also the investment required for human resource readiness and IT services business process models is lower in India as compared to China which makes India a favourable location for software development. China has a population where a very few people know good and fluent English. India has an advantage here where a large percentage of the Indian population has strong communication skills. This also means that the US firms need to invest more when it comes to low English speaking capability in China as compared to India where this extra cost can be totally eliminated.

So, India as a potential Software Development Center can grow substantially over the next few years and can even overtake China in terms of the market share that it holds in the world software industry and the type of business solutions it provides to the US firms.

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