

# IT Outsourcing Post-Pandemic

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Ever since the Covid-19 pandemic struck, every sector has been witnessing some changing trends. The IT sector also has undergone massive changes with the introduction of practices like remote working. While IT outsourcing has been around for quite a while, the world witnessed a decisive rise in the demand for outsourced services. This upward trend is due to most of the brick-and-mortar activities moving online.

## **IT outsourcing trends before the pandemic**

Outsourcing has been prevalent in the IT industry for a long time. Over the past decade, a growing number of companies have been expanding their in-house team to reduce their dependency on IT suppliers. This was for many reasons, including keeping external staff in sync with the company's in-house culture. Moreover, outsourced services had started becoming more expensive, and in turn, less alluring.

## **How did outsourcing trends change during the pandemic?**

The growth rate for IT services had started to decline compared to the past. However, the pandemic was a turning point for companies offering outsourced services. Initially, it seemed to make the situation even worse for these firms. But, this trend reversed quickly with a sharp increase in the demand for outsourcing.

## **What led to the changing trends during the pandemic?**

As mentioned above, the situation worsened for outsourcing service providers at the beginning of the pandemic. This is because businesses faced severe operational constraints due to the pandemic, with various challenges in the continuity of operations. However, the businesses soon realized that cutting off the IT suppliers to curtail expenses would cripple them more. This was when they started expanding their ties with the outsourcing firms.

Several factors have contributed to the boost of the IT outsourcing trends:

### **Digital transition**

With restrictions being imposed due to the pandemic, businesses had to adapt to remote working without any choice. But, this digital transition came with several challenges, especially for companies that always prioritized productivity through physical presence. The businesses that were already practicing remote work quickly got ahead. The ones that failed to follow the transition had to turn to their IT suppliers for help.

### **IT Outsourcing helps overcome obstacles in the transition**

The pandemic has forced companies to practice social distancing and make remote working compulsory for the majority workforce. This situation has led to disruption in work processes. To cope with this situation, they had to turn to IT outsourcing partners to resolve any operational issues with IT-based solutions.

### **System up gradation boosted IT outsourcing**

Remote working also calls for varied technologies, infrastructure, and support systems. For large companies to arrange such infrastructure on short notice from within the organization was quite not possible. Many of the issues are new to the companies but have been solved by the IT outsourcing firms. With their experience, competence, and specialized tech, outsourcing agencies have quickly helped businesses make up for this shortcoming.

In conclusion, all these factors have caused positive outsourcing trends, thereby boosting the demand for it. Considering the expanding relations between IT companies and their suppliers, these trends are now likely to stay for some time. Especially since the chance of another wave of the pandemic does not seem to fade anytime soon.