

The Six Latest Software Development Outsourcing Trends

by Satya K Vivek | October 21, 2022



With the outbreak of the pandemic, the world stopped for a while but eventually regained its velocity and vector. Even though things are not back to normal, it is huge positive compared to mid-2020. The level of innovations in the IT world has been very significant during Covid and has inspired many firms to rethink their workflow.

Most industries that leverage Information technologies for their business, have opted for outsourcing and the trend is here to stay for a long time. The speed and accuracy required to develop software along with the fast pace of technology changes are often forcing enterprises to tap into talent where it is available. This is accelerating the global software outsourcing engagements.

Let us dive deeper into the latest software development outsourcing trends:

Artificial Intelligence and the Internet of Things are advancing faster:

Whether it's a smart camera at the door or a smart speaker in the home, firms across all industries are investing more in AI-based applications. Nearly 91% of top companies are investing in AI and establishing tech partnerships with vendors offering AI development services. AI-powered chatbots and IoT are already substituting human interactions while providing clients with advanced insights and recommendations.

The demand for cloud-based service:

The software development outsourcing trend has a clear shift towards cloud-based or related services. This is due to benefits like enhanced scalability, speed of work, security, and lower cost. With the increasing volume of data, companies are relying heavily on cloud technologies and platforms. The trend clearly indicates the increase in companies shifting towards cloud-native development models. As a result, today companies can build and deploy software quickly that can be accessed from anywhere in the world and significantly lowers their infrastructure management expenses. The in-house teams can focus on business-critical activities while outsourced partner teams manages their day-to-day cloud operations.

Demand for global blockchain service:

Right from managing micro transactions to developing smart contracts, global blockchain services are becoming one of the leading IT outsourcing trends. Distributed ledger technology is becoming popular for its ability to improve security & transparency and offer innovative money-raising solutions for start-up companies. Therefore, as the demand for efficient blockchain services are increasing so is the need for skilled specialists. That is why many industries are seeking to outsource to companies with a well-experienced team of blockchain experts.

The growing demand for cybersecurity:

With the increasing number of cybercrimes, data protection is the need of the hour. Companies are investing heavily to become compliant with GDPR (General Data Protection Regulation) and other regulatory standards on data security. They are outsourcing cybersecurity services to eliminate any kinds of security concerns, protect their business data and meet compliance standards like GDPR. Cybersecurity mesh architecture and privacy-enhancing computation are two major cybersecurity trends to explore in the future. These technologies preserve users' confidentiality and privacy by enabling secured sharing and analysis of data. Cyber security mesh architecture, for instance, prevent hackers from exploiting different parts of a given network.

The growing need for remote working:

An increasing number of industries are adopting the new norms of remote working. They are recruiting remote personnel to enhance efficiency and productivity. Most IT services and operations are now being conducted remotely by individuals or other firms. The

outsourcing firms are mastering the capacity, stability, and compliance requirement to serve clients' needs remotely.

The popularity of robotic process automation:

Robotic process automation (RPA) refers to the use of software and web applications to automate complex business operations. Companies are leveraging software development outsourcing to improve customer support, inventory management, payroll processing, etc. RPA is closely associated with the development of machine learning. The outbreak of COVID-19 has accelerated the global adoption of RPA and is now considered as one of the most important software outsourcing trends.

Wrapping up!

For companies to stay ahead of the competition, outsourcing of software development is a crucial tool to leverage. Due to lack of resources and manpower with deep expertise in the latest technologies, companies are consciously choosing outsourcing to stay competitive in the rapidly changing information technology space.