



## Offshore Management of IT Infrastructure Hot, Traditional Outsourcing Still Dominates Market, According to Everest Annual Report

Everest's IT Infrastructure Outsourcing (ITO) Annual Report Provides In-Depth Analysis of Fundamental Changes in Infrastructure Outsourcing Market

### Press release

**DALLAS, April 17, 2008** – Remote Infrastructure Management Outsourcing (RIMO) continues to be the darling model of the sluggish Infrastructure Outsourcing (IO) market, according to the [Everest Research Institute's IT Infrastructure Outsourcing \(ITO\) Annual Report](#). Despite the overall IO market's slow growth, predicted to crawl at a 4 percent (CAGR) growth pace over the next five years, RIMO adoption is growing at approximately 60 percent annually and is predicted to reach US\$8.6 billion by 2010.

Although RIMO's adoption rate is soaring, RIMO only comprises one percent of the overall IO market with the slow-growing traditional solutions making up 75 percent of all infrastructure outsourcing arrangements.

"Despite RIMO's growing popularity, IMS (Infrastructure Managed Services) and traditional IO solutions may still be the better choices for some organizations," said [Ross Tisnovsky](#), Vice President, Everest Research Institute. "The emergence of different delivery models have brought new realities into the marketplace and shifted value creation from asset-based play to innovation and labor-driven benefits. As new models of IO emerge, buyers will now be able to choose between models that help them align with their sourcing mandates and risk appetite."

The Institute's in-depth annual report analyzes the IO market across five dimensions: (1) Infrastructure Outsourcing market overview and delivery models; (2) asset ownership dynamics, including adoption of "asset-light" model; (3) catalysts, forces and adoption scenarios for Remote Management Infrastructure Outsourcing (RIMO); (4) role of infrastructure and governance tools; and (5) optimal locations for RIMO service delivery.

#### Other key insights of the study include:

- **Asset-light outsourcing arrangements offer benefits to buyers and suppliers.** Buyers gain the benefits of better alignment of suppliers' incentives with their goals. Suppliers view it as a solution to their ongoing struggle to make the economics of asset-based outsourcing workable.
- **Suppliers and tool vendors continue to invest in development of infrastructure tools.** Buyers view infrastructure management tools as necessities, but they are more likely to consider governance

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**tools as competitive differentiators.**

- Infrastructure management tools have seen continued investments by tool vendors and outsourcing suppliers, but there are no clear winners.
- The governance tools ecosystem is comprised primarily of smaller suppliers and likely to witness the integration to provide more robust solutions.
- **Remote Infrastructure Management Outsourcing (RIMO), is growing at approximately 60 percent annually and is predicted to reach US\$8.6 billion by 2010.** An emerging Infrastructure Outsourcing (IO) model, RIMO delivers services from offshore locations, including management and service of computer networks, servers and helpdesk. RIMO's rapid growth is driven by buyers who want enhanced flexibility in IT asset ownership arrangements, increased control over IT service delivery, and labor savings, among other benefits.
- **As RIMO adoption continues to gain momentum, the Institute has analyzed 144 countries and short-listed 84 cities in 20 countries that are suitable as RIMO centers to serve this demand.**
  - For North American clients, Mexico and Brazil are clear leaders with 25 cities that are likely to have relevant resource pool.
  - For Western European clients, Russia, Turkey, and Poland lead the list with 18 cities that fit remote management center requirements.

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## About Everest Research Institute

[Everest Research Institute](#) serves as a central source of independent and objective strategic intelligence, analysis, and actionable insight for leading corporations, service providers, and investors in the global outsourcing and offshoring marketplace. The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's distinguished [Board of Advisors](#), [senior executives](#) and thought leaders oversee the Institute's research agenda to ensure that it fully supports the business needs of corporations, service providers, and investors.

Everest Research Institute members receive access to unparalleled analytical and advisory services, including access to [Everest analysts](#), in-depth [reports](#) on major outsourcing and offshoring topics, [whitepapers](#) on market-shaping events, and [webinars](#) designed to provide insight and information about important market trends. The Institute's wealth of knowledge and experience provides members with unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

[Everest Group](#) is a global operational strategy consulting firm with offices in such leading business centers as Dallas; Gurgaon, India; London; Amsterdam; New York; Toronto and Melbourne. An industry leader since 1991 when we created the sourcing consulting category, Everest Group has earned a worldwide reputation for ongoing innovation as we help clients achieve maximum value from their operations, which includes sourcing strategy and implementation. Everest created the Everest Research Institute as the central source of industry information. Please visit [www.everestgrp.com](http://www.everestgrp.com) and [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com) for more information.

To read more about the findings of the *IT Infrastructure Outsourcing (ITO) Annual Report*, an extract of the report is available at [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com). To purchase the report or receive more information about other research services, please e-mail [info@everestresearchinstitute.com](mailto:info@everestresearchinstitute.com) or call +1-214-451-3110.

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