



# CLIENTSIDE

*Intelligence for Global Business* NEWS

## 2003 *letters to* SEPTEMBER *the editor*

### *vendors speak*

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#### **The ultimate cost of denial:**

I would like to direct the attention of CSN readers, particularly clients, to the most recent issue of CIO Magazine. The feature title on the cover reads, "The Ultimate Cost of Offshore Outsourcing." The entire issue seems to be devoted to a one-sided argument: the authors strive to prove that offshore outsourcing is the ultimate evil of the software industry. It is argued that offshore outsourcing is bad for the future, bad for the workforce, and actually more costly than profitable. The stand against offshore outsourcing seems to be a common sentiment now in the US. For example, one website for a fictitious company, PPI, is devoted to the subject of employing primates as software programmers ([www.newtechusa.com/PPI/main.asp](http://www.newtechusa.com/PPI/main.asp)). The website has caused a huge and welcome laughter, but also has received press attention around the world. The Russian press commented on the news as "US Is Fed Up With Russian Programmers."

Personally, I think the website is funny—and maybe even applicable to the localization industry. For example, one joke on the website, "Visual Basic 6.0™ was the preferred IDE for the majority of experiment primate

subjects" would also work as the following newslines for our industry: "with cost pressures decreasing quality standards, Translation Memory is especially useful, as it allows primates to key in repetitions without extra editing."

Seriously, though, I believe this sentiment against offshore outsourcing is sheer heresy. Should it be widely adopted, it may prove very costly to US IT competitiveness, in particular, and to the US economy, in general.

IT has always outsourced, and the localization industry has always outsourced offshore. The way our industry should develop, the way clients should move, is actually quite the opposite of the arguments presented in CIO Magazine: instead of centralizing localization as a business process in their departments, companies should outsource their localization business processes to established, yet lean and agile, offshore localization companies.

The ultimate costs of denying offshore outsourcing are: lost opportunity, higher fixed cost, slower processes, and ultimately loss of competitive advantage.