

## **Business & Operational Process Outsourcing: 12 Nov 04**

Business & operational process outsourcing have been in the limelight for the past several months. Many companies in Singapore have outsourced key activities including the more traditional IT infrastructure services. In recent months, besides SIA, the Singapore Government has indicated that it will let private companies operate big projects such as water plants and a sport hub. The 6 identified projects is estimated to worth some S\$1.3 B (US\$760 M). As part of the Public Private Partnership (PPP) Scheme, more government non-core projects worth S\$50M each could be outsourced to the private sector.

Given Singapore's excellent infrastructure, political stability, high economical growth, transparent governance and coupled with a highly educated workforce, it is logically an attractive location for regional sourcing functions. However, the recent AT Kearney Offshore Location Attractiveness Index 2004 put the island at the 5 position, 2 notches below Malaysia which came in third. Topping the list is the obvious candidate India followed by China.

Notwithstanding the ranking, outsourcing activities will continue to be a main stream focus of both private and public sectors in the near and medium term. It is understandable that workers in Singapore are apprehensive about the impending changes. How should they prepare for these rapid changes that are taking place?

Mr Zainul Abidin Rasheed, Minister of State for Foreign Affairs and North-East CDC Mayor summed it up all "In today's global market place, Singapore workers are competing with workforces around the world. Workers therefore need to continually upgrade their skills and re-train to stay employable and competitive in an environment of economic restructuring, corporate downsizing, technological advancements and outsourcing. In short, be realistic, continue to work hard, stay competitive and stay relevant."

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