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## Headlines

### RP as Prime Business Process Outsourcing Destination

By Agnes M. Abrau

The Philippines is poised to become an attractive outsourcing site in the world counting India as its close competitor in Asia. India being the "king of outsourcing", industry leaders cited the rise of the number of business process outsourcing (BPOs) companies in the country and the high demand for employment in the sector. In 2005, the Philippines' Department of Labor took pride in the country's productive workforce who possesses the necessary skills in customer service and English proficiency to match world standards.

Mitch Locsin, executive director of Business Process Association of the Philippines, said that at present there are 266,000 Filipinos employed in several BPOs across the country, adding that in the whole BPO industry, the Philippines ranks third, India on top and China in second. He also said that the country enjoys a 40 to 45 percent growth in the BPO industry in the Philippines. Based on this growth path, it is expected that the employment numbers in this sector will reach 800,000 by 2010, Locsin said.

The industry leaders also said the Philippines BPO sector placed second to India in terms of cost. In 2005, the Department of Labor recorded the employment of 132,000 workers in the first half of the said year.

"The BPO industry is doing quite well. 2007 will be a year to reckon with. There will be more value-added services. The trick is to work closely with the government and the academe," Locsin told members of the media during a press briefing held Feb. 19.

Business Process Outsourcing (BPO) is the leveraging of technology or specialist process vendors to provide and manage an organization's critical and/or non-critical enterprise processes and applications. The most common examples of BPO are call centers, human resources, accounting and payroll outsourcing. Business process outsourcing may involve the use of offshore resources.

In line with this, the Canadian Chamber of Commerce of the Philippines (CCCCP) spearheads the first 2007 ICT Awards night on March 1 at the Ballroom 2 and 3 of Renaissance Makati City Hotel, Manila. The awards night, said CCCC Executive Director Sean Georget, is set to highlight and promote the success of the Information and Communications Technology (ICT) industry in the Philippines.

Bullish about the BPO industry, Georget also told the media that the chamber is promoting the Philippines as the BPO destination of choice in the international market.

"What we're doing here is to recognize outstanding performers in the industry, to promote the Philippines as BPO outsourcing venue. We're branding the Philippines as the choice of BPO destination. We need to market the Philippines internationally," said Georget, adding that Filipinos can do an extraordinary job in the area of customer service.

Moreover, the ICT Awards night also recognizes the contributions by organizations and individuals within the Information and Communication Technology community. The awards also provide a medium to promote the work and achievements of category winners and finalists to the broader Philippine business community and to provide a launching pad for marketing the Philippines a destination of choice for multinational companies.

Believing that the Philippines would achieve this target, Georget said it's a win-win situation for the Canadian Chamber to organize this first-ever recognition night.

"If we win, it's a win-win situation. It brings up the ICT industry. By promoting the Philippines as a BPO destination, it creates a bigger pie in the international community," Georget said.

Locsin, for his part, added: "We will have to make sure that the Philippines is foremost in their (international market) minds. The Philippines is the destination of choice for their outsourcing." He added that the Philippines is "moving up the value chain". Recognizing India being the leader in the field, the Philippines is not far behind. "India is four to five years ahead of us," he explained. On the telecommunications infrastructure, Locsin said the Philippines is "up there". In 2004, the country ranked fourth in the infrastructure aspect. A closer collaboration, however, is needed among the industry players, the government and the academe to achieve this goal, Locsin said.

Locsin's robust projections are echoed by Richard Mills, 1st vice president of the Canadian Chamber of

Commerce of the Philippines as well as Belen Bonifacio, managing director of Cebu Educational Development Foundation Information Technology. The three, along with Board of Investments Executive Director Celeste B. Ilagan, Don Felbaum, head of the ICT Committee of the American Chamber of Commerce of the Philippines, European Chamber of Commerce of the Philippines Executive Director Henry Schumacher and Sean Georget of CCCP serve as the ICT 2007 board of judges.

#### **BPO's role**

BPO also refers to the rearrangement of entire business functions to some other service providers, mainly in low cost locations. The service provider may be either self-owned or a third party. This relocation or contracting out of business processes to an outside provider is mainly to achieve increased shareholder value.

Some of the general services provided by the BPOs are receivables and payables, inventory management, order processing, budget analysis, cash flow analysis, reconciliation, data entry, payroll processing, QuickBooks accounting, financial statement preparation and accounting services. Some of the web based services include live online sales and order entry, E-commerce transaction support, Live online enquiry handling, Web Design/Development, among others.

BPO may include both IT management and business operations. Business operations include relocating functions such as payroll, accounting, billing or even real estate management to a third party. Invariably all these business processes depend on IT but they are separate from hard-core IT operations like data center activities or network administration. An important facet of business process outsourcing is its ability to free corporate executives from some of their day-to-day process management responsibilities and duties.

#### **2007 ICT Awards**

According to CCCP statement, this year's ICT Awards on March 1 will focus on the international community and aims to bring together senior professionals from the Philippines and Asia to highlight Philippine competitiveness at the global level in the ICT sector.

In early 2005, the CCCP established and created the ICT Committee as a result of its regular monthly event known as the ICT Leaders Forum, which has become prominent within the international community in the Philippines and the Asia Pacific region. The forum gathers together senior decision makers in the ICT sector to listen to industry leaders and to provide participants an opportunity for networking and discussion. It attracts more than 100 key industry professionals from the Philippines and the Asia Pacific region per event. It also has received strong media coverage provided by local and international publications.

Eight awards will be given out. These are BPO Company of the Year, Best New BPO Locator of the Year, Best Mid-sized BPO Company of the Year, BPO Employer of the Year, Fastest Growing BPO company of the Year, Most Innovative BPO Company of the Year, ICT Individual Contributor of the Year and the ICT Individual Contributor of the Year award (public and private).

The awards night will feature Jim Dvorkin, chief technology officer of Five9 and Eric Alberto, senior vice president of PLDT/Smart as keynote speakers. Dvorkin will talk about "Technology Revolutionizing the Call Center Industry." It is supported by the country's multinational companies such as PLDT Business Solutions, Five9, BlackBerry, Colliers International, Nortel, Business Mirror, Renaissance Makati City Hotel Manila, Sommelier and Yes Payments.

#### **Awards Criteria**

Judges and the general public can provide nominations. Three to five finalists for each category as well as the winners are voted on and chosen by the Awards Judging Board.

Any company involved in providing Business Process Outsourcing (BPO) services to offshore client organizations from the Philippines during the year 2006 can be considered for the award. The company may provide services to internal clients (as a captive BPO) or to external clients (as a non-captive BPO). The services provided may include voice or non-voice.

The judging criteria include size and growth in revenue and employees, size, quality and diversity of international clients (internal or external), depth and breadth of competencies as demonstrated through industry recognition, relevant certifications, and investment in the development of people, processes and technologies; management capabilities as reflected in the experience and accomplishments of the business's top leaders and its investment in management systems that ensure outsourcing success; involvement in Corporate Social Responsibility initiatives; strong evidence of actively supporting the international ICT industry in the Philippines.

For more information about the 2007 ICT Awards night, log on to [www.ict-awards.org](http://www.ict-awards.org)

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