

Opportunities await region in ICT, say experts

Technology Share of U.S. outsourcing available, summit told

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Pam Nelson/telegraph journal

Peter Lindfield, president and CEO of Comprehendex Group was a guest speaker at the Multisourcing Strategies Summit held at the Wu Centre in Fredericton on Wednesday. Reflected in window is Frank Hart, vice-president and general manager of EDS Canada, another guest speaker at the conference.

FREDERICTON - Atlantic Canada is poised to grab a growing share of the U.S. offshore outsourcing business in the information, communications and technology sector, say experts.

The potential gains come as global offshore outsourcing leader India is experiencing rising wages, high employee turnover and a looming shortage of skilled workers.

Outsourcing is the business practice of contracting out work to a third party that can offer lower cost or increased quality over what can be done within the company.

"What we're experiencing is a dramatic shift in how business is moving around the world," said Alaisdar Graham, vice-president of CGI's Atlantic Global Delivery Center.

Opened two years ago, the centre has offices in Nova Scotia and Prince Edward Island. It provides ICT outsourcing services to companies throughout the world.

One of Canada's largest ICT companies, CGI employs 25,000 people worldwide and has \$3.5 billion in annual revenue.

"We've all seen the fight that's going on for the IT dollar in the United States," Graham said Wednesday. "If you could imagine a great big arrow going over to India, I think that arrow is starting to shrink and where, a few years ago, you would have a small arrow coming out of the U.S. to Atlantic Canada, that arrow is really starting to grow."

Graham said outsourcing work is also starting to flow to Atlantic Canada from Europe as well.

"I believe the glass is not just half full, I believe the glass is full and overflowing in terms of the opportunities that we all have today."

India attracts more than US\$100 billion of the roughly \$650 billion in American outsourcing annually. Canada attracts just over \$13 billion worth of such business.

Graham was among the experts discussing the challenges and opportunities facing Atlantic Canada in an increasingly global economy as part of the Balanced Viewpoint 2006 Summit on Multisourcing Challenges at the University of New Brunswick Fredericton on Wednesday.

Graham noted that while the Canadian ICT sector is growing by roughly four per cent a year, CGI's operations in Atlantic Canada have grown by four per cent a month in the past year.

"We're finding it easy at this time to attract and retain people into our business," he said. "We've recently grown by 100 people in 100 days for one client."

While Atlantic Canada boasts a high rate of employee loyalty and a large pool of skilled labour, one challenge to growing its outsourcing business will be ensuring there are enough skilled professionals to meet future demand.

"Right now I see the ability to grow," he said. "I see a point in the future where that may be suspect, but if we all sit down together with the educational community, I'm sure that's going to be overcome."

Peter Lindfield, president and CEO of Comprehendex Group, said he believes Atlantic Canada can succeed in a globally competitive marketplace - if it's willing to make sacrifices.

"We're going to have to develop a mindset of relentless competition," he said. "We need to be seen as relentless competitors to the north, not the nice guys to the north."

Lindfield was co-chairman of the summit along with UNB president John McLaughlin.

Atlantic Canada needs to focus on areas where it can succeed in a global economy. There is also a need to increase the speed of private and public sector decisions when it comes to developing and launching new business opportunities, said Lindfield.

As well, firms in Atlantic Canada will have to exceed global quality standards for products and services, he said.

Greg Gulyas, vice-president of business development, outsourcing sales and global services with IBM, said Atlantic Canada, and in particular New Brunswick, has positioned itself well in the past few decades as the global economy has evolved.

Investments in digital networks and broadband Internet access have helped the region attract the call centre industry as well as other ICT businesses.

"You should be commended for your efforts, no doubt about it, but the world is changing once again and due to the increased competition and global presence "... it's time again to look beyond the way things have been done in the past," he said.

"I believe the summit here [Wednesday] is about a lot more than call centres and it's a lot more than competing against India."

Gulyas said Atlantic Canada must examine both the opportunities to attract outsourcing, as well as the potential for its companies to benefit by sending some of their work to other regions of the world.

"It's is a two-way street, not just a one-way street," he said.