

The changing face of global business

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As published on page D1 on November 3, 2006

The global economy is growing like a snowball on a downhill trajectory - at its own rate and pace.

Peter Lindfield, co-chairman of the Balanced Viewpoint Multisourcing Strategies Summit held Wednesday at the Wu Conference Centre, said Canada has no choice but to be involved with the global economy.

The summit focused on how outsourcing is changing the global economic order and the associated risks and benefits.

Lindfield, president and CEO of Comprehendex Group, said a move toward a global economy has been happening for the past 400 years, but it's taken the Internet to make it obvious.

Lindfield said Canada and New Brunswick are well positioned for participation in a rapidly growing global market.

"We have a highly-skilled workforce that's in demand worldwide," Lindfield said.

"And we have a well-developed infrastructure to support growth in the new economy. The problem is that the rest of the world is growing faster than us."

Lindfield said key features of the global-market system are collaboration and innovation.

"That also appears to be taking place more effectively elsewhere than it is here," he said.

"If our industry is to survive, then it needs to focus on the pace of international competition and growth."

The new world order doesn't respect geographical boundaries, time zones or history.

"It is fluid in terms of demand and sources of supply," Lindfield said.

"And it operates at ever increasing speeds that can't even be measured in traditional terms.

"We don't have the option (of taking part or opting out) of the global-market system. It's the natural consequence of the integration of nations and we have no real option of returning to a less competitive day."

Lindfield said Canada must follow or face irrelevance.

"The institution of a global economy is not new," he said. "The (rapid pace of) growth of world economies produces its own trajectory of speed."

Lindfield said Canada and New Brunswick can take full advantage of the global-market system.

"We need to focus on our strengths, establish a collaborative infrastructure involving governments, universities, associations and the private sector, and we need strong leadership," he said.

Frank Hart, vice-president and general manager of EDS Canada (Electrical Data Systems of Texas), said much of the information-technology outsourcing has targeted India.

Hart said India has highly-qualified workers and low labour costs.

He said one of the aspects of a global economy is the ability to move work around the world.

"So jobs that were traditionally held by Canadians can be done in other parts of the world," he said.

Hart said since the 1980s, New Brunswick has become known as a good place to establish call centre or contact-centre jobs.

"Canada was offshore to the U.S. and many U.S. jobs came here," he said.

"We're losing those jobs to India. Now the pool of labour in India is cheaper, yet, it is highly skilled."

Hart said Canada can stem the flow of jobs to other countries

"We have to be more competitive and we have to provide a higher level of service jobs that aren't suitable for offshore destinations," he said.

Hart said the big winner in the world-market system is the consumer while the losers are workers.

Hart said the consumer benefits because high-quality goods are provided at a cheaper price. On the other hand, Hart said, workers in Canada are losing their jobs.

"There's nothing we can do to stop this," Hart said.

"We have to be a part of the global-market system and we have to be part of the trade network if we are going to have a strong economy."