



The Virtual Office: BPO Industry and beyond

● 'SMEs stand a unique opportunity to extrapolate themselves by the use of technology and out source technology'

Concepts like virtual office are changing the way we operate today. Industries like BPO has peddled the growth in this sphere and today lot of companies depend on out sourcing models to improve productivity and reduce costs.

The Small and medium Enterprises (SME) stands a unique opportunity to extrapolate themselves by the use of technology and out source technology available today. Dr. Tariq Marikar, CIO and Director Solution Delivery Suntel Ltd, talks about important techno trends which benefits Sri Lankan Businesses

How do you see the transformation of BPO industry in the future and how can Sri Lanka benefit from this?

BPO industry offered huge opportunities for countries like India where recorded earnings are around \$12.5 billion in 2005 and double digit growth rates predicted. By end 2010, the size of the Knowledge Processing Industry (KPO) industry would be worth \$17 billion globally, out of which India would almost \$12 billion. These are few key statistics which would amaze us at the outset. The late 90's and early 2000's, offered high growth prospects for the BPO industry. This also made possible for BPO's to climb the ladder and venture into KPO industry. This opened perfect opportunities for countries like India and us. With less costly human capital compared to the developed world it was the perfect match for companies who looked at improving bottom line. In Sri Lanka you find quite a few companies who are progressing well in this line.

But with the economic meltdown companies looked at pulling back BPO operations in house, especially in the US. This was due to financial incentives offered back home. However the growth era has not receded. On the other hand concepts like crowd sourcing

are becoming popular. Crowd sourcing is where you source people over the net to meet peaks in your work requests.

For an example if you intend to run a promotion, to meet unprecedented number of people may call to your in house call centre will not be able to cope. Essentially, there will be a lot of dissatisfaction. On the other hand hiring a BPO for this specific project would be costly. The easiest is to hire man hours from the inter-



net. Of course you are talking about having good IT infrastructure and people who are capable. But this is a concept to look out for.

With the talented work force in Sri Lanka BPO's are here to stay. However, increasingly, the industry should move up the ladder to KPO based applications and add value for better margins.

Internet has played a key role in how we do business. Concepts like Hosted applications, crowd sourcing has enabled virtual offices through the cloud. Can you explain?

The market is very competitive. Every company is on the look out to reduce costs. Research has found out that, 30% of costs can be outsourced without interruptions to the core business.

Hosted applications, crowd sourcing will lead us to "future office" or "virtual office" where

specialized partners will do infra-structures management. Most of the hardware elements and most certainly software applications will be managed by infrastructure providers. Lot of automation would set into a business. This is the world trend. Countries like us should be geared to take advantage of the situation by developing the infrastructure, harnessing talented of people.

In a country like Sri Lanka, where a large base of SME (Small and Medium size entrepreneurs) are present, it would be prudent to use as many automated applications, which could be wanted usage basis, which would not tie up the limited resources. Technology today allows this. As a telecom provider specializing in the business sector, we have many applications, which are geared to the SME sector. These allow companies to keep costs down without affecting public perception of their business and their brand. Virtual Offices have also allowed small start-ups to appear as competitive, as big business houses and use the same technology at lesser costs.

In Virtual Office, what is the role of a Telco service provider? if you can elaborate on this?

The telecom partner has a major role to play in a virtual office environment. Telco's specialize on setting up infrastructure relating to voice data and video services. Also many investments are brought in to facilitate communication which individual companies would not be able to invest in. In the case of our company we have set up a world class IDC facility with accreditation of ISO 27001:2005 for managed services. We host applications such as automated answering services which we call Auto Receptionist, Unified Threat Management Systems (UTM) such as firewall, SPAM filtering, Virus guards,

Intrusion prevention systems, intrusion detection systems built into one solution. Apart from this disaster recovery mechanism's are in place where clients do not need to invest on hardware. Call centre solutions with ready made infrastructure for running hotlines or DR set ups, are available with us.

The key differentiate for the business is whether you want to be the master of all your non core activities such as managing your communications, IT applications or simply concentrate on the core business and out task day to day operational matters.

How this will benefit to business community?

The key benefit is that you have minimal start up costs. The cost of hardware alone would be very high. Having employees in the permanent cadre at the start up requires fixed commitments. Maintenance on hardware related assets is another. Constant upgrades and scalability of services is also a concern. However by investing on shared hardware in an IDC environment saves lot of start up costs. Software services available on a rental model would also bring the costs down. The ability for CAPEX to be made OPEX is a key advantage for the business.

On the other hand software companies can also provide software on a rental model by hosting in a secure environment such as an IDC. This may result in a company to break even sooner. For an example at Suntel, we have hosted automated answering services, IP PABX services, Call centre applications, Unified Threat Management (UTM) services. Infect we intend to display these solutions at the INFOTEL 2010 exhibition. So in essence it is all about improving the bottom line. Given the current economic woes there is no better time adopting this.

From high security to highly entertaining

● GOH organizes York Street by Night

By Maiké Winters

When you thought that there was nothing to do at night around York Street in Fort, you were probably right. But things have changed, since the Grand Oriental Hotel started organizing 'York Street by Night', a street festival every Friday and Saturday night.

The GOH transforms 200 meters of York Street every weekend into a carnival-like scene. There is a DJ playing, there are six food stalls and a beer counter. So, there is enough food and drinks to entertain yourself on a Friday or Saturday night from 7pm till midnight. You can even bring your kids, as there is a playground for them as well.

General Manager Nihal Jayawardena: "We organise this street carnival every week to improve the night

life here. We are based in the middle of the city and we want to keep it alive." It will also serve as a boost to the tourism industry, giving people who visit Colombo a nice night out.

York Street by Night started two weeks ago and has been a huge success so far. "We expected about 100 people to show up, but we had around 800 people walking around." There are already plans to make the event even bigger. "Street dancers and magicians will be part of the entertainment soon", Nihal said.

While you are walking around eating kottu, rotti, hoppers or a hot dog, you can also participate in the raffle. After three months the winners will be drawn, and somebody will be the lucky winner of a free ticket to Dubai with Mihini Lanka.



Wheat prices push food costs to 13-month high

Food inflation rose to the highest level in more than a year in August as the effects of sharp price rises in some global commodities including wheat and sugar filtered through.

The latest British Retail Consortium/Nielsen shop price index showed a rise in annual food inflation to 3.8pc last month, from 2.5pc in July, which was the highest level since July 2009.

Wheat prices have risen by 60pc over the past 12 months, which has a direct impact on foods that contain it, but also on the cost of animal feed.

The report said that there are also growing concerns about international meat prices - at a 20-year high - given the rapid inflation in the cost of livestock feed. Lower meat stocks in major producing countries such as Argentina, Australia and the US, would also add to price pressures, it said.

However, Stephen Robertson, director general of the BRC, said current food inflation levels should not be overstated.

"We're nowhere near the return of the double-digit food inflation of two years ago. Despite its recent increase, wheat is over a third cheaper than its peak in 2008, while oil prices are virtually half of what they were back then."

"In response, retailers are offering more deals. Milk and bread are particularly competitive battlegrounds. A third of groceries are now on promotion and customers are shopping around."

Overall shop price inflation grew more modestly in August to 1.7pc from 1.5pc as non-food inflation slowed to 0.5pc from 1pc. Non-food retailers resorted to pro-

motions to drive sales.

The report said shop price inflation should remain low in the coming months as retailers continue to discount prices amid a weak consumer spending environment.

The Bank of England's Monetary Policy Committee will weigh up the twin threats of high inflation and weak growth as it begins its two-day policy meeting



today. The MPC is expected to leave interest rates on hold at 0.5pc when it announces its decision at noon on Thursday, despite an inflation rate which is currently running at 3.1pc and expected to remain above the 2pc target until the end of next year.

A jobs survey published by the Recruitment and Employment Confederation and KMPG found that both permanent and temporary work placements rose at the weakest rate for 10 months in August as demand for staff slowed.

"We are concerned about the UK jobs market. Growth is rapidly slowing as public sector job freezes start to bite and private sector employers' confidence remains fragile," said Kevin Green, chief executive of the REC.

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