



FROST & SULLIVAN

Why Outsource To Malaysia?



GLOBAL NEED FOR OUTSOURCING

In a competitive business environment, organisations around the world have to provide maximum value-add to the customer, while reducing cost and enhancing efficiency internally. To achieve this, more and more companies have resorted to realign their business strategy to focus more on their core competencies, and manage the non-core operations in a consolidated manner.

By outsourcing, companies transfer portions of work to outside firms, thereby realising higher efficiency, relevant subject matter expertise and reduced costs while channelising focus on their core competencies, rather than conducting the tasks internally. For e.g., A manufacturing company may outsource its financial and accounting process to a financial services firm who has the domain expertise, rather than having a finance team in-house.

Outsourcing can be carried out by another firm either in the same country, a distant country or a nearby country that provides significant advantages. The different models of outsourcing are:

- **Off-shoring**
Transferring portions of work to firms in foreign countries, where lower international labour rates help in providing significant cost advantages.
- **On-shoring**
Relocating a business process or service to a non-metropolitan area in the same country as the business, but where the costs of labour and operations are lower.
- **Near-shoring**
Relocating a company's business process, not as far as off-shoring (such as a distant country) and not as close as on-shoring. For e.g. America shifting their business to Mexico/South America.

Outsourcing activities may be broadly categorised as:

- **Business Process Outsourcing (BPO)**
Consolidation of internal business functions such as Supply Chain, HR, Finance & Accounting, Contact Centre etc.
- **Information Technology Outsourcing (ITO)**
Include IT related services such as IT support on hardware and application, web content management, assets management, programming of customised software products, Data Centres, Disaster Recovery, etc.
- **Knowledge Process Outsourcing (KPO)**
Include activities that are knowledge-intensive such as legal, engineering, consultancy etc.



MALAYSIA AS AN ATTRACTIVE SHARED SERVICES & OUTSOURCING (SSO) DESTINATION

MALAYSIA FAST FACTS

Population 29.7 million	Per capita income USD10,760	Inflation(CPI) 1.90%
GDP USD303.5 billion	Unemployment rate 3.20%	Gross national savings 32.7% of GNI

Source: Malaysian Investment Development Authority (MIDA)

MALAYSIA'S EXCELLENCE

The following rankings testify to Malaysia's excellence as an attractive Shared Services & Outsourcing (SSO) destination:



SAFETY

Malaysia is generally considered safe from natural calamities (volcanoes, earthquakes, storms, tsunamis etc.), internal conflicts (racial, political, regional disputes etc.) and external threats (terrorism, cross border incursion etc.).



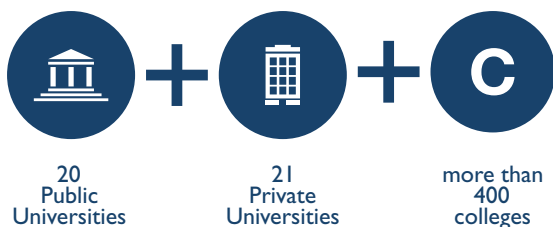
HUMAN CAPITAL

Malaysia possesses a young, educated, productive and dynamic workforce at very competitive costs compared to other countries in Asia.

- The total labour force in the country is about 13.5 million.
- The literacy rate is high (93.1%).
- Human capital is efficient at competitive costs.
- Government has taken initiatives to ensure creation of high value-add jobs and thereby enhance the GNI contribution.

HIGH PRIORITY ON EDUCATION:

In Malaysia, currently there are 20 public and 21 private universities as well as more than 400 colleges, polytechnics and industrial training institutes that offer courses leading to certificate, diploma, degree and post-graduate degree qualifications. Total enrollment in public institutions of higher learning alone is projected to reach over 350,000 per year with more than half in the science and technical disciplines.



Source: Malaysian Investment Development Authority

STRONG GOVERNMENT SUPPORT

The Malaysian government has undertaken various initiatives in the form of strategic plans, policies and incentives for industry and social development, to become a developed nation by 2020. For the SSO industry, the National Key Economic Area (NKEA), "Business Services" has an Entry Point Project (EPP) which focuses on building globally competitive outsourcers, with a target of contributing to a GNI of USD2,128.5mil and creating 43,330 high value-add jobs. The EPP is championed by Multimedia Development Corporation (MDeC) and Outsourcing Malaysia.



VISION 2020

Preservation and
Enhancement of
Unity in Diversity

I Malaysia
Concept
People First,
Performance Now

Effective delivery
of Government
Services

Government
Transformation
Programme
(GTP)
with the 6 National
Key Result Areas
(NKRA's)

New
Economic Model -
A High Income,
Inclusive and
Sustainable Nation

Economic
Transformation
Programme
(ETP)
12 National Key
Economic Areas

Smooth
Implementation
of Government's
Development
Programme

10th & 11th
Malaysia Plan
Macroeconomic
growth targets
& expenditure
allocation

COMPREHENSIVE GOVERNMENT INITIATIVES TOWARDS SSO

- Overall Government initiatives towards Vision 2020 to spur the industry growth, will have an indirect effect on the SSO industry with an increasing need for non-operative cost rationalisation.
- Two of the EPPs (EPP2 and EPP3) have significant impact in the outsourcing areas. The objectives of these EPP projects are to support local outsourcers to compete internationally and position Malaysia as a global data centre hub respectively.
- Development of economic regions – Iskandar, Northern Corridor, East Coast, Sabah Development Corridor, and Sarawak Corridor of Renewable Energy will result in more companies being established hence increasing demand for SSO.
- Enactment of Personal Data Protection Act (PDPA) to tackle cyber crime and online fraud.
- Investment in upgrading the network infrastructure and expanding accessibility to provide better broadband services for enterprises and consumers.
- Through MDeC's Multimedia Super Corridor (MSC) Malaysia initiative and through Outsourcing Malaysia, the Government is supporting the local industry players to market their services internationally.

MSC SSO INDUSTRY IN MALAYSIA

- Revenues of Malaysia's MSC SSO companies have tripled from USD1.3 billion to USD4 billion between 2007 and 2013.
- According to Outsourcing Malaysia, the outsourcing industry in Malaysia is expected to see a strong growth of 18% CAGR between 2013 and 2020.

No. of MSC SSO Companies	300
Revenue (for MSC Companies)	USD4 billion
High Value Jobs created	72,730

Source: Multimedia Development Corporation Malaysia (MDeC) - Year 2013

AREAS OF FOCUS

Malaysia has channelised its focus in the SSO sector in the following sectors, as they include high value export-oriented sectors:

1. Banking, Financial Services and Insurance
2. Information and Communication Technology
3. Energy, Chemical and Resources
4. Logistics and Transportation
5. Pharmaceutical and Healthcare

BILL OF GUARANTEES (BOG) - FOR MSC-STATUS COMPANIES

The Government of Malaysia commits the following Bill of Guarantees to companies granted MSC Malaysia Status

BILL OF GUARANTEES

~ for MSC Malaysia-Status Companies ~

<ol style="list-style-type: none"> 1. A World of Privileges Provide world-class physical infrastructure 2. Knowledge Worker Unrestricted employment of foreign knowledge workers 3. Ownership Freedom of ownership 4. Capital & Borrowings Freedom to source for borrowings and capital globally 5. Financial Incentives No income tax up to 10 years or investment tax allowance up to 5 years 	<ol style="list-style-type: none"> 6. IP Protection Intellectual property protection and cyberlaws 7. Censorship No internet censorship 8. Telco Tariff Globally competitive telecommunication tariffs 9. Infrastructure Tenders Tender MSC infrastructure contracts to web-shapers 10. One-Stop Agency MDeC as the one-stop agency
---	---

SERVICES OFFERED BY MALAYSIAN PROVIDERS

Sectors	Services Offered	
BPO Services	Finance & Accounting Financial Research and Management Taxation support Human Resources Management Customer Relationship Management	Supply Chain Management Strategic Sourcing & Procurement Business Intelligence and Analytics Enterprise Resource Management
IT Outsourcing	Data Centre Hosting Services Managed Services Disaster Recovery/ Business Continuity Application Management Services Software Development	Big data Cloud computing Mobility Technology and Consulting Services
Knowledge Process Outsourcing	Legal Process Outsourcing (LPO) Engineering Services Outsourcing (ESO)	Financial Research Outsourcing (FRO) Analytics/ Business/ Market Research

COST COMPETITIVENESS

The services provided in Malaysia are of high standards, with the added benefit of being a cost competitive location. However, it is not the only factor that enables decision makers to outsource their work to off-shore destinations. Quality, stability and transparency too play a vital role.

Although Malaysia is not the most cost effective destination, it is competitive - providing high quality service at competitive prices. This is highlighted by the fact that the IMD World Competitiveness Ranking, that looks into factors that set sustainable economic prosperity, has ranked Malaysia 15th in the world, whereas China, Philippines and India are ranked 23, 42 and 44 respectively.

**Manpower costs are a major consideration in the services industry –
Case in point: IT Manager salary (average)**

Australia (USD92,873), China (USD66,291), Hong Kong (USD92,070), Japan (USD101,505),
Singapore (USD75,134) South Korea (USD71,418), Thailand (USD36,644),
The UK (USD88,998) and The US (USD85,600)
In Malaysia, the average is USD35,249.

KEY SUCCESS FACTORS FOR MALAYSIA'S SSO INDUSTRY

Various factors have enabled the growth of the SSO sector and these factors will continue to boost the growth of the sector further.



POSITIVE BUSINESS ENVIRONMENT

Has been able to attract thousands of MNCs into the country and is ranked 6th in Ease of Doing Business Rankings.



STRONG REFERENCES

Home to over 300 SSO multinational companies and local companies that have demonstrated strong capabilities in BPO and ITO sectors.



LOCATION ADVANTAGE

Malaysia has a strategic location, and is free from disasters in South East Asia which makes it a preferred destination for off-shore outsourcing, like data centres and other time critical activities.



STABILITY

Malaysia has a strong and stable government which has been very supportive towards the promotion of the outsourcing industry in the country.



BROADBAND

High Speed Broadband (HSBB) has been adopted by offices and residences with speeds up to 1 Gbps.



IP PROTECTION

Malaysia has enacted strict IP protection laws and is a member of the World Intellectual Property Organisation (WIPO) and a signatory to the Paris Convention and Berne Convention that governs IP rights.



EXCELLENT PHYSICAL INFRASTRUCTURE AND UTILITIES

Good connectivity in terms of quality of roads, supply of electricity, ports and developed industrial parks which are fully equipped to cater to industrial development.



MULTILINGUAL COMPETENCY

Malaysia is a cosmopolitan country with a strong and natural base to provide support in Mandarin, Cantonese, Hindi, Tamil, Japanese, Korean and other languages. The industry is known to provide support in 40 international languages!



GOVERNMENT SUPPORT

Government support through initiatives by Multimedia Development Corporation (MDeC) such as Bill of Guarantee, and other industry development initiatives under EPPs promote domestic as well as global demand of outsourcing services.



LESSER TAX RATE

Taxation is less complex and is lower than the Philippines and India.



TALENT POOL

Malaysia is blessed with a young, talented, energetic and dynamic workforce that is ready to take on the challenges the SSO sector has to offer.

POSITIVE QUOTES ON MALAYSIA'S SSO INDUSTRY

INDUSTRY EXPERTS

"On the back of strong government support, a skilled talent pool, sectoral expertise, first world infrastructure, and ease of travel, there has been an influx of MNCs setting up their back offices in the country in recent years. The Malaysian IT-BPO industry is estimated to have grown at a CAGR of 15 percent in the last five years." - **Ritika Dhingra, Knowledge Associate and Shyan Mukerjee, Vice President, Everest Group**

"Specific to SSOs, targeted support infrastructure and catalytic Government approved organisations such as Multimedia Development Corporation (MDeC) are available to maximise new and existing SSOs set up in Malaysia" - **PricewaterhouseCoopers(PwC)**

"Companies such BASF have chosen to locate their FSSC in Malaysia because it offers a steady supply of talent that is fluent in many Asian languages and is technically strong..., in addition to a reliable infrastructure, ease of travel into the country and competitive costs, mean Malaysia has managed to retain its third spot (after India and China) in AT Kearney's ranking of the world's top 50 global services locations." - **Chartered Institute of Management Accountants (CIMA)**

CLIENTS

"With only a few months into operation, **SnT** has already met all the service level agreements. Their willingness to go the extra mile and understand the Robinson business has shortened the learning time." - **Mr. Shia Yew Peck, General Manager, Finance & Administration, Robinson & Co. Singapore Pte Ltd**

"As suppliers to clients with stringent demands, we are indeed pleased that **dJava Factory** had the capabilities and was in a capacity to assist us. dJava Factory now plays an integral role in Arctic Group's expansion. Not only did we find a reliable supplier to work with, we have found a trustworthy and dependable partner to growth with." - **Mr. Jan-Ove Högberg, Chief Operation Officer, Arctic Group**

"We are happy with the results of our engagement with **SigMax-e**. The SigMax-e team has contributed many ideas in developing the solution and has stuck to the SLA's, as we fine-tuned the process and deliverables. Not only is their quality of work excellent, but their responsiveness too, is world class." - **Mr. Anwar Alli Jumaboy, Director of Operations, Tune Hotels**

CASE STUDIES OF OUTSOURCING SERVICE PROVIDERS



Company Name	Year of Inception	Location	Top Services Offered
Business Information Technology (M) Sdn. Bhd.	1995	Malaysia	Network Solutions: <i>Integration Services, Software Services, Outsourcing Services</i>

Problem Statement

The enormous task of overlooking the armed forces of Malaysia naturally meant that connectivity between camps needs to be easy, quick and efficient. Hence, MINDEF Malaysia needed a reliable WAN network across its military establishments nationwide to increase connectivity and communication.

Solution Provided

As a network-centric IT solutions provider, BIT was chosen to manage the project in partnership with Telekom Malaysia (TM). BIT was responsible for the effective rollout and deployment of the requisite infrastructure and equipment, as well as support and maintenance of the end-to-end WAN implementation across all the camps. It also helped set up the Network Operation Centre (NOC) for remote 24x7 monitoring of MINDEF Malaysia's network performance and security aspects. Through BIT's high quality support and maintenance services, BIT has been providing a reliable WAN network for MINDEF Malaysia with an uptime of over 99%.

About the Customer

The Ministry of Defence in Malaysia (MINDEF Malaysia) overlooks the armed forces in the country. Its role is to defend the sovereignty and strategic interests of Malaysia from all forms of threat. It is also responsible for assisting civilian authorities to overcome all international threats, preserve public order, assist in natural disasters and participate in national development programs.

MINDEF Malaysia comprises of 3 branches namely the Royal Malaysian Navy, Malaysian Army and the Royal Malaysian Air Force. It has a total strength of 118,000 personnel and 51,600 reserves.

BIZSURIA

Company Name	Employees	Location	Top Services Offered
Biz Suria Management (M) Sdn. Bhd.	216	Headquarters: Kuala Lumpur (Malaysia) Branches: Johor Bahru, Pulau Pinang, Perak (Malaysia)	Debt Collection Services: Debt Recovery, Debt Mediation & Collection, Debt Repayment, Helpdesk Management
Year of Inception	1995		

Problem Statement

DiGi was burdened by the increasingly large number of defaulters on its postpaid plans. It needed an efficient way to handle the collection of pending payments (debt) from users in addition to its small in-house team of collectors.

Solution Provided

Biz Suria, a full-suite debt collection service provider, helped to streamline DiGi's debt collection process by meeting its target recovery rates and achieving significant time and cost efficiencies. A team of 17 employees from Biz Suria handled the entire debt collection process for DiGi that included contact centre set up, sending out SMS and friendly call reminders to debtors, use of advanced collection systems, professional follow-up calls and visits for soliciting payment promises, guiding customers on the payment process and helping DiGi with legal escalation procedures wherever necessary. The progress of each claim is sent to DiGi through a monthly or weekly report as due diligence. Biz Suria also provided DiGi with data analysis with insights such as the top reasons for delays in payments.

About the Customer

DiGi Telecommunications Sdn. Bhd. (DiGi) is Malaysia's third largest mobile operator. In 1995, DiGi became the first Telco in Malaysia to launch and operate a fully digital cellular network. At present, it has approximately 10.4 million mobile subscriptions in Malaysia. It provides a variety of mobile communication services such as voice prepaid and postpaid plans, SMS, data plans and services, international roaming, international calling card and WAP services.

"DiGi has had a long and successful relationship with Biz Suria for debt collection and reporting services. Biz Suria is equipped with advanced collection system, experienced workforce in collection and performs regular review of collection techniques and has expertise in handling all types of debts. Its expertise has been vital to DiGi's debt collection success."

Mr. Azmat Amom
Head of Debt Management
DiGi Telecommunications Sdn. Bhd.



Company Name	Employees	Top Services Offered
Brandt International Sdn. Bhd.	470 in Malaysia, 3500 in Indonesia	HR Outsourcing & Human Performance Improvements Managed Services, CRM Outsourcing, Back-End Processing
Year of Inception	Location	Outsourcing, Financial & Accounting
2004	Malaysia, Singapore, Indonesia & Philippines	Outsourcing, Customer Relationship Management, Business Transformation
		Advisory services, Business Process Redesign

Problem Statement

As MSIG Malaysia is a pioneer and leader in Bancassurance distribution which has been fast expanding, there was a need to ensure it offers a focused, consistent service excellence and enhanced customer experience for its Bancassurance partners and customers. A transformation of its current service delivery and operations to realise the enhanced customer experience is important, which will, in the long run, help sustain its operational and service excellence and create a branded customer experience for its customers. The selection criteria for the vendor were based on expertise in CRM & customer experience, contact centre operations excellence, HR & people management capabilities, and the ability to understand its business and value-add to facilitate positive business outcomes.

Solution Provided

The engagement between MSIG Malaysia and Brandt commenced in 2012. Brandt conducted a business discovery and set up the Bancassurance contact centre within MSIG Malaysia's office by recruiting, training and managing a team of five best fit resources to perform tasks such as inquiry and request handling, call back services and complaint management. Brandt also helped to develop the Request for Proposal, select and manage the CRM vendor for MSIG Malaysia. Additionally, it handles outbound data validation & updating, conservation and anti-churn management. It also offers data profiling and generates insights as part of its value-added services to MSIG Malaysia.

About the Customer

MSIG Insurance (Malaysia) Bhd is a subsidiary of Mitsui Sumitomo Insurance Company Ltd. It is one of the largest general insurers in Malaysia with a nationwide network of 20 branches.

"We are impressed with the Project Management and Consultancy value that Brandt included into the business proposition from people, process and technology – beyond just the typical nuts & bolts of setting up a "Customer Contact Centre". Plus the ability to source the right people and train them to speed to the expectations of the service levels agreed demonstrates the strength of Brandt's resourcefulness."

Ms. Jennifer Hsu, Executive Vice President
Bancassurance Marketing & Project Management
MSIG Insurance Malaysia

cuscapⁱ

Company Name	Employees	Location	Top Services Offered
Cuscapi Berhad	350+	Direct Offices: Kuala Lumpur, Singapore, Bangkok, Jakarta, Beijing, Shanghai, Suzhou, Guangzhou, Manila	F&B Business Management Solutions: Revenue Enhancement Services, Operational Efficiency Enhancement Services and Customer Enrichment Services
Year of Inception	1978		

Problem Statement

Krispy Kreme, Philippines strives to meet the growing demand for faster and improved service turnaround time. It was looking for a fast and accurate POS system with dual display features. It needed a POS system that could integrate with back office applications, and connect directly to the headquarters for capturing consolidated sales data throughout all stores. It also needed an inventory module per store to check on variances, stock allocation and order projection.

Solution Provided

Cuscapi became the ideal vendor for Krispy Kreme, Philippines because of its complete F&B ecosystem services that come with integrated solutions. Cuscapi provided the customer with supply and maintenance of POS hardware and Transight software for all the latter's F&B brands in Philippines. The Transight POS solution was customised to meet the customer's needs for dual display, fast operation and an effective inventory module. Beyond the hardware, the POS solution from Cuscapi enabled integration with the headquarters and back office outlets which in turn expedited delivery management, as well as loyalty and customer survey.

About the Customer

Krispy Kreme, Philippines is a subsidiary of Krispy Kreme Doughnuts, Inc. Founded on July 13, 1937, Krispy Kreme Doughnuts, Inc. is an international retailer of premium-quality confectionaries, including its signature doughnuts.

In Philippines, the company was founded in 2005 and is a part of Max's Group of Companies. Today, it is one of the country's leading doughnut companies.

"We are very happy with the F&B solutions and services from Cuscapi. They have provided us a complete solution package. The integration of the POS with the HQ system and inventory module helped a lot in generating the session summary report by store and sales consolidated data to give Krispy Kreme an accurate projection."

Mr. Lerry Sanggalang
IT Director
Max's Restaurants Philippines

dJavaFactory

think java . think dJava

Company Name

dJava Factory

Employees

70

Top Services Offered

Software Development Services, Application Audit, Consultancy Services, Project Rescue Services (Java platform)

Year of Inception

2007

Location

Kuala Lumpur (Malaysia)

Problem Statement

The Arctic Group had earlier outsourced some of its services to Thailand which had more attractive rates but faced communication-related issues. It prefers Malaysia vendors due to higher English speaking proficiency and better skills. It required the development and maintenance of modules for The Arctic Group's Integrated Tariff Environment (ITE) solutions. This web-based system is used by customs administration authorities in European Union countries that require strict adherence to guidelines.

Solution Provided

Eventually, The Arctic Group engaged dJava as its preferred vendor for developing and maintaining a web-based customs solutions of The Arctic Group. As a result of this engagement, The Arctic Group received high quality products developed on time and well-maintained. It also achieved cost efficiencies of up to 65% for the Group. The Arctic Group has also become an ardent advocate of dJava's capability and reliability in Sweden. It has become a partner in the growth plans of dJava and bought 20% shareholding in the company.

About the Customer

The Arctic Group is a Sweden-based company and a leading provider of IT solutions for immigration and customs department and consultancy services for telecom operators and public sector companies. It has been a supplier of IT consultancy services to Swedish Customs over the last 20 years. It also has extensive experiences of working with other customs administrations in almost 20 countries across Europe, Africa, South America and Asia.

"As suppliers to clients with stringent demands, we are indeed pleased that dJava Factory had the capabilities and was in a capacity to assist us. dJava Factory now plays an integral role in Arctic Group's expansion. Not only did we find a reliable supplier to work with, we have found a trustworthy and dependable partner to grow with."

Mr Jan-Ove Högberg
Chief Operation Officer
Arctic Group



Company Name	Employees	Location	Top Services Offered
Free Net Business Solutions Sdn. Bhd.	50	3 centres in Cyberjaya (Malaysia) and 1 centre in Kuala Lumpur (Malaysia)	IT Outsourcing Services: <i>IT Solutions Services, Managed Services, Data Centre Services, Service Desk Services, Network Services, Business Continuity Services</i>
Year of Inception			
1998			

Problem Statement

EForce's clients belong to the fast-paced stock broking and trading industry where every second counts and security of its servers and networks is expected. As such, there was a vital need to grow and maintain its uptime availability and security of its servers and networks without the added investment to expand its team.

Solution Provided

FREENET was signed on as an outsourcing partner over ten years ago and has been EForce's reliable IT solutions service provider. FREENET provided EForce with end-to-end IT solutions that consisted of data centre services, network and managed services, and consulting for disaster recovery services. In short, through this engagement, EForce has been able to reduce the total cost of IT infrastructure ownership. It also received reliable, secure and uninterrupted network access to its critical servers. More than that, FREENET has consistently met the SLA of 99.99% uptime availability especially during the peak trading time of the day. Application response time has also increased by 20% and incident resolution time increased by 50%. As a result of such efficiency, there was 100% successful compliance of audit process by various government parties.

About the Customer

Excel Force MSC Berhad (EForce) is a leading provider of financial services business solutions in Malaysia. Its principal activities are the development, provision and maintenance of computer software applications solutions for the financial services industry. Over the past decade, EForce has made a name for itself as Malaysia's first IT company to provide a total, comprehensive and market-proven business solutions for the stock broking industry from front office to back office. Besides Malaysia, its market presence has expanded to Thailand, Singapore and Vietnam.

"FREENET is more than a service provider; it is a business partner to Excel Force for the past 10 years. Its core competency is aligning technology with business objectives together with a team of responsive and responsible staff committed to the delivery of services to us."

Mr Gan
Executive Director
Excel Force MSC Berhad



Company Name	Year of Inception	Employees	Top Services Offered
iTalent Management Sdn. Bhd.	2008	105	Human Resource Outsourcing Services: Recruitment & Selection, Training, Resource Management, Compensation Management, Work Force Planning & Consulting
		Location	
		Malaysia	

Problem Statement

Increased competition in the retail electronics market has caused Sony Malaysia to realise the need for highly skilled and impactful retail sales personnel at its storefront. However, the management did not want to increase its payroll costs by recruiting more sales personnel.

Solution Provided

For the past two years, iTalent has been a reliable HR outsourcing partner to Sony through recruiting skilled retail sales personnel for its multi-brand retail outlets. Through the engagement of iTalent's services, Sony had seen a reduction in its internal headcount whilst the headcount of its skilled sales personnel had increased. Naturally, this means better sales performance, increase in Sony's market share in the outlets and reduced turnover rate (of up to half). Through its consulting-based approach, iTalent has helped to recruit 80 skilled Sony sales personnel for retail outlets across the country. Beyond recruiting, iTalent also conducts specially-designed training programs for Sony's sales force. This is done through The Retail Empowerment Academy of iTalent and has resulted in higher conversion of sales and career developments.

About the Customer

Sony (Malaysia) Sdn. Bhd. is a subsidiary of Sony Corporation, a leading manufacturer of electronic products which is headquartered in Japan. Sony Malaysia has around 250 employees who specialise in marketing, sales and services of a wide range of electronic products for the domestic Malaysian market. In Malaysia, it has over 500 Sony authorised dealers and 2 direct stores known as Sony Stores.

"iTalent is a very reliable outsourcing partner. They have not only managed to maintain levels of efficiency but exceeded expectations. We are extremely happy with the way iTalent has helped to recruit and build the retail sales force, provide training and retain resources."

Mr. Cheong Hooi Soon
 Department Head for Business Planning & Operation
 Sony (Malaysia) Sdn. Bhd.

iTAc

Company Name	Employees	Top Services Offered
iTAc Resources Sdn. Bhd.	300+	Outsourcing: <i>System Development, Integration, Enhancement & Support, Managed Services and Technology & Consulting Services</i>
Year of Inception	Location	
1997	Malaysia	

Problem Statement

With advances in computing technology, COBOL as a programming language and mainframes have lost their limelight. The mainframe technology with its impeccable security, high availability and fault tolerance nature still remains as one of the major application backbones for Scope International that handles voluminous transactional data and follows a 24 x 7 nature of business. The supply and demand gap led to severe resourcing challenges for Scope International in its early years of establishment. It was unable to find the right resources for its mainframe and web based applications to meet the growing demand of services from the bank.

About the Customer

Scope International (M) Sdn. Bhd., is the Standard Chartered Group's wholly owned Global Technology & Operations Hub.

Scope International has more than 4,000 employees working across its three pillars of service namely software development, backend processing (consumer banking and wholesale banking operations) and contact centre.

Solution Provided

iTAc was chosen as a vendor by Scope International considering its experience in the financial services industry, track record in terms of financial stability, and proven SLAs and cost of service. To meet Scope International's requirement of niche skill sets in mainframe and web based applications, iTAc had initiated a fresh graduate training program to attract local talent. As part of this program, resources are trained for a period of 3 months by iTAc and then moved onsite to Scope International's office locations to work with client managers on efficiently developing, maintaining and supporting the mainframe applications. To motivate the resources, they are well compensated, even during the training program.





Company Name	Location	Top Services Offered
Kannal Solutions Sdn. Bhd.	Offices: <i>Kelana Jaya, Bangsar South (Malaysia)</i> Global Presence: <i>Philippines, Indonesia, Singapore</i>	Business Process Outsourcing, Human Resources Outsourcing, Knowledge Process Outsourcing, Information Technology Outsourcing
Year of Inception 2006		

Problem Statement

With an ever-expanding customer base throughout the country, the turnaround time for almost a month to replace a vacant headcount in its customer service department was not a desirable situation for Astro. Besides that, Astro required an appropriate talent database that has sufficient CRM (Customer Relationship Management) knowledge to deal with the outbound and inbound nature of the job.

Solution Provided

In 2011, Astro decided to outsource the recruitment and selection process of its customer service professionals to Kannal Outsourcing. Kannal Outsourcing handled the issue using a formulated recruitment process outsourcing approach. It provided Astro with an end-to-end recruitment and selection of resources solution, which included recruiting and supplying candidates with appropriate skill sets for the job, as well as equipping them with basic pre-job training. Kannal Outsourcing successfully fulfilled the required headcount request in only 2 weeks, which was twice as fast as the earlier replacement turnaround time. Astro's attrition rate was greatly reduced from 15% to 5% per annum, as a result of the right selection of candidates who remained on the job for the full term of their issued contracts.

About the Customer

Astro is the brand name of the Malaysian direct satellite (DBS) Pay TV service. It is operated by Astro Television Network System Sdn. Bhd., a wholly-owned subsidiary of Astro Malaysia Holdings Berhad. Astro Malaysia Holdings Berhad is a leading integrated consumer media entertainment group in Malaysia and South East Asia with operations in Pay-TV, Radio, Publications and Digital Media. Astro has a customer base of over 3.5 million residential customers or approximately 52% penetration of Malaysian households.

"Kannal Outsourcing perfectly fits into the 5 factors of our business operations which are Speed, Dependability, Flexibility, Quality and Cost and our processes have benefited greatly from their input."

Mr. Jeyakumar Letchmanan
Assistant Vice President
Upsell Customer Division
Astro



Company Name	Employees	Location	Top Services Offered
KEDA Sdn. Bhd.	80	Headquarters: Kuala Lumpur (Malaysia)	Human Capital Management Solutions
Year of Inception		Global Presence: Singapore, Hong Kong	
1990			

Problem Statement

As a global airline with growing international routes and operations in different countries within APAC, AirAsia needed to efficiently manage its silo Human Capital Management (HCM) systems. It was facing frequent integration issues among the HCM systems located in various regions. In 2011, it decided to move all its systems to a single PeopleSoft platform to solve this issue and was looking for an outsourcing vendor experienced in PeopleSoft HCM solutions.

Solution Provided

KEDA was AirAsia’s chosen vendor due to its deep industry experience in providing PeopleSoft services in the region. Since 2011, KEDA has been the provider of consulting, implementation, training and support services for all the PeopleSoft-based HCM systems of AirAsia. Malaysia was the first country for this regional roll out. Since then, KEDA has successfully completed implementation in Malaysia, with Thailand under Phase 1, while Indonesia and the Philippines are under Phase 2. Future plans include rolling out the same implementation to India. The result of engaging KEDA’s HCM solutions has increased the efficiencies of AirAsia’s HCM systems. Thus, its operations became more cost effective and it also experienced a smoother management of the systems in different regions globally.

About the Customer

AirAsia is an award-winning Malaysian low-cost airline headquartered in Kuala Lumpur. It has been named the World’s Best Low-cost Airline at the World Airline Awards for six years running. The AirAsia Group operates scheduled domestic and international flights to 88 destinations across the globe. Its related entities include AirAsia X, Indonesia AirAsia, Thai AirAsia, Philippines AirAsia and AirAsia India.

“We are very happy with the service and commitment level of KEDA Sdn. Bhd. Along with high quality of services, they also shared best practices from similar projects with previous clients in the region. They have also provided out-of-scope services at some occasions to accommodate the client’s environment.”

Mr. Yeoh Sai Yew
Group Rewards, People Department
AirAsia Asean Inc

Mesiniaga alliances

Company Name

Mesiniaga Alliances Sdn. Bhd.

Employees

120

Top Services Offered

IT Services, IT Advisory

Year of Inception

2010

Location

Pan Malaysia Presence

Problem Statement

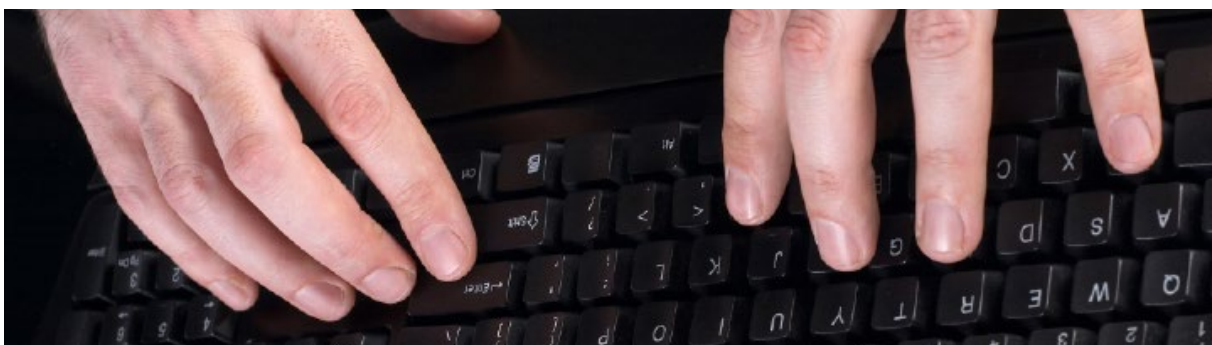
With growing business operations, the IT arm of Multimedia Development Corporation (MDeC) felt the necessity to relocate and expand its existing data centre. Its contract with the incumbent IT outsourcer was coming to an end and MDeC wanted to partner with a new vendor. So they opened a tender during the end of 2011, inviting companies to participate in their IT Managed Services outsourcing project with the focus on data centre relocation.

Solution Provided

- End-to-End IT Outsourcing - Constituted the entire technology management transition including the data centre servers, approximately 100 virtualisation instances, more than 10 major applications and internet working for the entire MDeC office.
- Asset Management Service - Identification and tagging, preventive management, recovery of faulty devices and license counting. They also assisted in LAN cabling improvements, tagging and clean up.
- Disaster Recovery - ALLIANCES successfully migrated the existing Disaster Recovery facility of MDeC to a data centre in Kuala Lumpur to provide higher networking reliability and capability

About the Customer

Multimedia Development Corporation (MDeC) was incorporated in 1996 to strategically advise the Malaysian Government on legislation, policies and standards for ICT and multimedia operations as well as to oversee the development of the Malaysian Multimedia Super Corridor (now MSC Malaysia). MSC Malaysia became the platform to nurture the growth of Malaysian Small and Medium Enterprises (SMEs) in the IT industry whilst attracting participation from global ICT companies to invest and develop cutting-edge digital and creative solutions in Malaysia.





Company Name	Location	Top Services Offered
MyBiz Solutions Sdn. Bhd.	Malaysia	Total Spend Management Solutions

Problem Statement

Maybank needed to tighten its control over its annual procurement spend by consolidating different procurement systems into a single procurement portal. This means standardised business processes across its business subsidiaries and network of branches across the region. The bank realises the importance to automate the enforcement of governance and compliance across all business units. It wanted to gain detailed visibility into what each operations and branch were spending on, in order to gain total control of its cost eventually.

Solution Provided

Together with Maybank's strategic procurement team, MyBiz was engaged to transform procurement for the Maybank Group through a Group-wide eProcurement system. The Maybank eProcurement Portal was launched in 2010. Within seven months, eProcurement went live nationwide. Maybank now transacts in excess of 4,000 electronic purchase orders per month with full control over all purchasing processes. The entire procurement transaction lifecycle is paperless. In less than eight months, MyBiz had implemented Procure-to-Pay, eBidding and Contract Management modules successfully and met all project objectives. Most spectacularly, the project generated a return on investment (ROI) to cover the entire costs of the project one year later.

About the Customer

Maybank, a trade name for Malayan Banking Berhad, is the largest bank and financial group in Malaysia with significant banking operations in Singapore, Indonesia and the Philippines. The bank has large interests in Islamic banking through Maybank Islamic Berhad and insurance via its Etiqa subsidiary. Maybank is the largest bank in Malaysia with 431 domestic branches. It is also the largest listed company on the Malaysian Stock Exchange, Bursa Malaysia, with a market capitalisation of RM77.6 billion (USD25.4 billion) as at 31 December 2012.



Company Name	Employees	Location	Top Services Offered
Scicom Berhad	3100	Service Delivery Centres:	Contact Centre Operations, Outsource & In-source Operations, Training, Consulting, Quality Management & Certification Services.
Year of Inception 1997		Malaysia (2 locations), Indonesia & Sri Lanka	

Problem Statement

The client was facing challenges of increasing costs in its contact centre and wanted to convert it from being a cost centre to a revenue centre by reducing costs and maximising the return on investment (ROI) through outsourcing and near-shoring. There was also the need to continuously improve service delivery to the customers and ensure continuous process improvement in customer experience.

Solution Provided

Scicom has been in partnership with the client since 2005. A team of close to 1000 people is engaged in the contact centre operations. It has developed an outbound campaign action plan with focus on lead management strategies, and also provides telesales services and 1st and 2nd level technical support for mobile, broadband, VOIP and internet TV. It has helped in redefining the training curriculum (with improved and customised training programs) and quality management methodologies for a universal agent environment to save people costs while maintaining quality services.

About the Customer

The client is one of Asia's largest telecommunications group.

“Scicom has consistently achieved all the target KPIs and exceeded our expectations in terms of quality of service. The partnership has helped to evolve our contact centre from a cost centre to revenue centre”.

Director Customer Care
Client



SigMax-e

Company Name	Year of Inception	Location	Top Services Offered
SigMax-e Services Sdn. Bhd.	2002	Cyberjaya (Malaysia)	Performance Management Solutions: <i>Business Process Outsourcing, Business Support Services</i>
	Employees 25		

Problem Statement

The four-member in-house team of Tune Hotels was faced with the gargantuan task of handling high volume monthly e-mails from customer feedback. It was receiving close to 1,800 e-mails every month through the 12 hotels under the Tune Hotels umbrella then. Customer feedback has always been Tune Hotels' priority, so it needed to find a way to provide tailor-designed responses to every customer without increasing its internal headcount. Tune Hotels also wanted to obtain additional information of its guests and needed an analysis of customer feedback on the hotel services.

Solution Provided

SigMax-e solved Tune Hotels' problem by providing a host of performance management solutions such as sending tailor-designed responses, data mining and data entry for booking. SigMax-e managed to establish a turnaround time for replying customer feedback of 4 days. Phase 2 of the project included data mining services on the huge database of customer responses (approximately 11,000 responses) in order to provide insights that the hotel needed. Through the analysis, Tune Hotels could strategise their future focus plans in terms of market segment to focus on, how to reposition campaigns and the marketing channels to use. SigMax-e also provided data entry service for Tune Hotels' online booking system. All in all, SigMax-e helped to streamline the feedback response process to end-customers while positively impacting revenue growth and helping to strategise future plans.

About the Customer

Tune Hotels is part of the Tune Group, the private investment group of AirAsia Founder and Group CEO, Tan Sri Tony Fernandes. Tune Hotels is a limited service hotel chain operated by Tune Hotels Regional Services Sdn. Bhd. that claims to provide a '5-star sleeping experience at a 1-star price'. The leading innovative budget hotel chain follows a pay-as-you-use concept of add-on services. Tune Hotels is currently present in Malaysia, Indonesia, Philippines, United Kingdom (UK), Thailand, Australia and India.

Source: <http://www.tunehotels.com/>

"We are very happy with the results of our engagement with SigMax-e. The SigMax-e team has contributed many ideas in developing the solution and have stuck to the SLA's, as we fine-tuned the process and deliverables. Not only is their quality of work excellent, but their responsiveness too, is world class."



Company Name	Employees	Location	Top Services Offered
SnT Global Sdn. Bhd.	400	Headquarters: Kuala Lumpur (Malaysia) Regional Presence: Singapore, Thailand, China	Total Logistic Services: Lead Logistics Management & Managed Services, Professional Services & Consulting

Problem Statement

In 2012, Robinsons was looking out for other credible logistics partners to outsource its warehousing and delivery services in the region as its contract with the previous vendor was nearing renewal. The new vendor must have the expertise and experience of warehouse and transportation management, ability to understand Robinsons' business and provide seamless integration of processes and value added supply chain services.

Solution Provided

SnT was selected as Robinsons' logistic outsourcing partner. Its scope of work included warehouse and transportation management, logistical consulting, provision of manpower, vendor and information management. Beyond the physical flow of its work, SnT enables end-to-end integration of the warehousing and delivery services to Robinsons' existing business processes through its eLogistics platform called "HeLP". Robinsons appreciates SnT's commitment to meeting timelines. SnT's experienced team has effectively managed the seamless execution of fulfilment from warehouse to

shops. SnT has been very proactive and responsive to Robinsons' sales cycles by mobilising additional resources during the peak sales period. SnT is the primary contact for all logistical matters of Robinsons in the region. Moving forward, it aims to work on further reducing the operating costs of Robinsons.

About the Customer

Robinson & Co. Limited is a retail company which has department stores in Singapore and Malaysia. The company owns the Robinsons department store, John Little in Singapore and has franchise outlets of Marks and Spencer in both countries. It is now part of the UAE-based Al-Futtaim Group. The company has grown into one of Singapore and Malaysia's most renowned department stores. Robinsons celebrated its 150th anniversary in 2008.

"With only a few months into operation, SnT has already met all the service level agreements. Their willingness to go the extra mile and understand the Robinson business has shortened the learning time."

Mr. Shia Yew Peck
General Manager
Finance & Administration
Robinson & Co. Singapore Pte. Ltd.



Company Name	Employees	Location	Top Services Offered
Strateq Data Centre Sdn. Bhd.	600+ (in Malaysia) 100+ overseas	Data Centres: 2 in Malaysia, 1 in Singapore Presence: Malaysia, Singapore, Philippines, Thailand, China & HK	Enterprise Business Solutions, IT Infrastructure (Data Centres, Cloud)
Year of Inception	1983		

Problem Statement

The customer faced an outage situation when its server room caught fire and its business operations at its primary data centre came to a halt. The customer’s Business Continuity Plan (BCP) was nearing completion but it did not have a Disaster Recovery (DR) partner in Malaysia. The challenge was to find the right data centre and business continuity service provider who could respond quickly with 200 seat capacity.

Solution Provided

Strateq provided 120 seats within 24 hours and the remaining 80 seats within 4 days, enabling the customer to get back to business quickly. The solution also included, server infrastructure, redundant network, 30 Mbps connection with dual redundancy, phones, air conditioned rooms, 24X7 access and security and a support team to help with the end-to-end set up and deployment.

About the Customer

The customer is a market-leading global information services company focused on professionals with annual revenues of USD4.7 billion for 2012 and approximately 19,000 employees worldwide. It offers Information services and Software as a Service (SaaS) solutions for accounting and legal professionals.

“What really sets Strateq apart from others is their excellent customer service. We are especially grateful for their support to quickly turnaround an offsite IT disaster recovery site with 200 seats for our people to get up and running from systems and applications to desk space and internet connectivity.”

Chief Information Officer
B2B Multinational (Client)





Company Name	Employees	Top Services Offered
Synergycentric Sdn. Bhd.	92	Data Centre Services, System Integration, Hosted Software Delivery, Outsourcing Services, End-to-end Consulting Services
Year of Inception	Location	
2007	Selangor (Malaysia)	

Problem Statement

Initially, BERNAS had a large, dedicated IT department but decided to streamline its IT operation costs by outsourcing its ICT services and business requirements. It needed an outsourcing partner that is able to respond to changing market needs, and provide cost effective solutions and services. BERNAS was also looking for solution to its application performance issues during peak paddy seasons, slow network response time and the lack of an organised, effective IT system.

Solution Provided

In 2010, BERNAS outsourced its complete ICT infrastructure management to Synergycentric. The contract included day-to-day IT management, data centre services and migration, IT network and disaster recovery and security services. In short, Synergycentric provided the end-to-end ICT infrastructure managed services to BERNAS which helped BERNAS in creating a better operational environment. The result is successful data centre migration and services, improved bandwidth, faster resolution of issues, enhanced application performance and personnel cost savings.

About the Customer

Padiberas Nasional Berhad (BERNAS) takes over the role of Lembaga Padi dan Beras Negara (LPN) as the custodian of Malaysia's paddy and rice industry when the latter was privatised in January 1996. It is listed on the Main Market of Bursa Malaysia. BERNAS and its group of companies are involved in the procurement and processing of paddy, as well as the importation, warehousing, distribution and marketing of rice in Malaysia. To increase its presence along the entire industry supply chain, the BERNAS group of companies are now involved in seed and farming activities, international rice joint ventures, as well as complementary rice businesses.

"As a unique company in Malaysia, we needed a company that can provide solutions unique to us as well and Synergycentric has successfully met this requirement. It was instrumental in our successful data centre set up and migration. The team was extremely flexible and able to accommodate our time table. It had no problem dealing with our requirements regarding configuration and cabling and was able to quickly solve problems we had not even anticipated. Synergycentric was a key factor in our migration being successful."

Mr. Zulkifli Zainal
Head of IT Governance Unit
BERNAS

TELECONTINENT

Company Name	Employees	Location	Top Services Offered
Telecontinent Sdn. Bhd.	150	Kuala Lumpur (Malaysia)	Contact Centre Solutions: <i>Telesales & Telemarketing, Service Management, Revenue Assurance, Customer Relationship Management</i>
Year of Inception			
2011			

Problem Statement

As one of the region's bestselling monthly magazines, Reader's Digest Asia has a huge subscriber base. As the subscription base grows, it began to have problems with its payment collections. It did not want to invest in setting up an internal team, so it was looking for an outsourcing vendor who would take charge of its payment collection. Besides that, it also wanted a vendor who could manage its global outbound telemarketing services, customer satisfaction surveys and provide valuable insights from the surveys.

Solution Provided

Reader's Digest Asia found all these in Telecontinent's offerings of contact centre services. Telecontinent performed outbound telemarketing and payment collection, as well as conducted satisfaction surveys including analyses of the surveys for Reader's Digest Asia. As a result, Reader's Digest Asia experienced a more efficient and enhanced customer service management, 25%-35% improvements of payment collection in less than 2 years, and significant reduction in the turnaround time for customer satisfaction surveys. Through Telecontinent's analysis of these surveys, Reader's Digest Asia received insights from data analytics and business intelligence for higher marketing effectiveness.

About the Customer

Reader's Digest Asia is a subsidiary of the Reader's Digest family, a multi-brand and multi-platform media and direct marketing company. Reader's Digest reaches 145 million customers worldwide through a combination of print, digital and DRTV product offerings. The portfolio of products include books, music, video, advertising, merchandise jewellery, beauty products and 86 separate magazines, with offices in 45 countries and customers in 79 countries representing 30 trusted brands.

"We engaged Telecontinent on 3 separate projects of Outbound Telemarketing, Collection Efforts and Customer Satisfaction Survey. We are pleased with Telecontinent's performance as it has managed to deliver to our expectation in all the projects. From our collaboration, we view Telecontinent as a dynamic and professional organisation with sound knowledge and expertise which help companies improve customer service management."

Ms. Ting Ser Ing
Customer Relationship and Operations
Manager
Reader's Digest Asia



Company Name	Employees	Top Services Offered
VADS Berhad	4838	Business Process Outsourcing: Contact Service Outsourcing, Knowledge Process Outsourcing, Back Office Outsourcing, Human Capital Outsourcing, Facilities & Technology Outsourcing
Year of Inception	Location	
1991	For BPO: 12 delivery sites in Malaysia and 2 sites in Indonesia	

Problem Statement

PosLaju needed an outsourcing partner to handle its call centre services which would support its newly-introduced On-Demand pickup facility in 2011. Due to the high set up cost in recruitment and contact centre infrastructure, PosLaju decided to outsource the contact centre to a BPO provider.

Solution Provided

The PosLaju Contact Centre was launched in July 2011 with VADS providing trained agents with the soft skills, product knowledge, contact centre centric processes and supported by contact centre technology and facilities. More than that, VADS had set up the PosLaju Contact Centre 2 weeks ahead of schedule. Today, the contact centre is handling an average of 41,000 calls per month without PosLaju investing on OPEX and CAPEX. The result of this engagement is the increase of PosLaju's customer base by 26%, SLA of 99.59% and customer satisfaction of 100%. VADS also expanded PosLaju's online interaction channels to social media such as Facebook and has become the face of PosLaju to their customers.

About the Customer

PosLaju is one of the oldest courier companies in Malaysia. In 1988, it began with providing door-to-door courier delivery services for domestic and international destinations. Its international EMS delivers to over 200 international destinations. Such a wide network coverage spans across over 1,000 outlets offering PosLaju services. It has a team of 2,500 people dedicated for its courier service. With 30% market share in the courier market, it is the undisputed leading courier and express mail service provider in Malaysia.

"VADS understands our business needs very well and works like they are part of the PosLaju family. They have the right technology and capabilities for providing world-class contact centre operations. They are the face of PosLaju to the customer."

Mr. Nor Azizan Tarja

COO

PosLaju



Company Name

Vision Technology Consulting Sdn. Bhd.

Employees

73

Top Services Offered

Customer Experience Solutions:
Managed Contract Services,
Project Implementation, Development
Services, Apps Outsourcing

Year of Inception

2003

Location

Selangor (Malaysia)

Problem Statement

In 2005, TM embarked on its Customer Relationship Management (CRM) transformation journey. It decided to migrate all its silo order fulfilment systems to Oracle Siebel CRM order and service fulfilment system. This was to reduce delay in customer response time as well as operational costs. After this major move, TM was faced with the lack of skilled staff to carry out the design, development, deployment and support of the new system.

Solution Provided

VTC came into the picture as the provider of end-to-end Oracle Siebel CRM solutions for TM. It provided services of implementation, including requirements analysis, design, project management, customisation and configuration, application integration, migration and upgrades, gap analysis, testing and deployment of the new Oracle Siebel based solution. As a certified Oracle partner, VTC has delivered the following results for TM; such as lower operation and support costs, enhanced adoption of the CRM systems and reduction in repeat customer queries and complaint calls.

About the Customer

Telekom Malaysia Berhad (TM), is the largest integrated solutions provider in Malaysia, and one of Asia's leading communications companies. Established as the Telecommunications Department of Malaya in 1946, it was privatised in 1987, and listed on Bursa Malaysia in 1990. Subsequent growth led to a demerger in 2008 of TM's mobile and fixed services, allowing the company to focus more intently on its core businesses of Internet and multimedia, data and fixed-line services. It was recognised as the 'Best Broadband Service Provider of the Year' in Malaysia at the Frost & Sullivan Malaysia Excellence Awards 2011.

"VTC has lived up to the expectations. The engagement has helped to reduce operations costs and IT support costs significantly. The consulting-based approach, professional team with the right people and expertise has made the partnership with VTC a very good experience to date."

Mr. Christopher Raman
Senior Manager
Telekom Malaysia

CONCLUSION

The outsourcing services industry in Malaysia has seen rapid growth and will continue to do so over the next few years. With the ASEAN Economic Community (AEC) expected to be set up in 2015, the local outsourcing players with their competitive services are expected to expand their footprint in the region; and the added cost pressures in developed economies such as America, Europe and Australia will contribute to the growth of the industry in Malaysia.

The SSO industry has seen a rapid growth over the last few years and is on the upward trend. There exists a large untapped market for outsourced services, as the global market is expected to grow up to USD479 billion in the year 2016 at 8.5% CAGR.

The Malaysian SSO industry has evolved as a strong contender in the region and has posted strong growth over the last 3 years. Some companies have initiated differentiated services, catering to newer services such as Business Intelligence, Big Data, Cloud, Enterprise Resource Management, etc.

The demand for outsourcing services will gain greater momentum going forward, as there are increasing numbers of companies that are focusing on outsourcing their non-core business activities. Malaysia is well poised with its *first-class infrastructure with competitive costs* model as a key destination for outsource activities.

The key features of the local industry are highlighted below

- **Competitive services – matured ITO and BPO services.** ITO and BPO services have matured in Malaysia over the last 5 years and are at par with global providers. Local SSO service providers are serving industry verticals such as manufacturing, financial services, retail, oil & gas and construction. Some service providers have started to compete against global providers like IBM, HP, KPMG and Accenture on large projects.
- **Providers expanding their footprints.** Many local market participants such as Basis Bay, Silverlake, VADS, Scicom, Cuscapi, AIMS etc. have their network of offices in South East Asia. In this region, many enterprises are switching to outsource their complex business processes and IT services to the experienced outsourcing service providers. The enterprises are choosing Malaysian companies, who have demonstrated expertise and with local offices in their home country.
- **Broad industry expertise.** Malaysian service providers have over the years built up their technical and vertical expertise. Some companies provide end-to-end industry services, for instance, Strateq in oil & gas with industry experiences in BPO and IT outsourcing services, Sunway Integrated Outsourcing in construction industry with experiences predominantly in IT outsourcing, HR, ERM, and CRM outsourcing services, while Silverlake focuses on financial services with IT outsourcing, financial management, HR and CRM services.
- **Mature Shared Services:** As a key destination for consolidating non-core competency, Malaysia has evolved strongly as a shared services hub. Additionally, for companies who wish to set up their shared services hub, the local industry can provide the necessary start-up assistance, such as recruitment of suitably qualified resources to run the shared services centre, local legal advisory etc.

While the industry is evolving, newer types of services are finding popularity among service providers as well as their customers. Legal process, engineering services, analytics, design, and others are gaining momentum. Opportunities exist in Malaysia for potential investors with relevant expertise to add value to the overall ecosystem and set up offices in the country.

Industry development agencies such as Multimedia Development Corporation (MDeC) and Outsourcing Malaysia together with the other government agencies have been providing the necessary support for foreign companies to set up offices in Malaysia as well as provide the necessary assistance to find the right partners for their Shared Services and Outsourcing activities.





The Multimedia Development Corporation (MDeC) was incorporated in 1996 to strategically advise the Malaysian Government on legislation, policies and standards for ICT and multimedia operations as well as to oversee the development of the Malaysian Multimedia Super Corridor (now MSC Malaysia). MSC Malaysia became the platform to nurture the growth of Malaysian Small and Medium Enterprises (SMEs) in the IT industry whilst attracting participation from global ICT companies to invest and develop cutting-edge digital and creative solutions in Malaysia.

In 2011, 15 years after the introduction and successful implementation of MSC Malaysia, Multimedia Development Corporation (MDeC)'s mandate was broadened by the Prime Minister to include driving Malaysia's transition towards a developed digital economy by 2020 through Digital Malaysia. Following this, in 2012, Digital Malaysia was official unveiled as the national transformation programme to achieve this aim.

Founded on three strategic thrusts, Digital Malaysia is a natural progression to harness the building blocks already laid by MSC Malaysia. It will drive wealth creation, stimulate efficiency and enhance quality-of-life by harnessing and building upon Malaysia's varied ICT initiatives, resulting in a nation that connects and empowers government, businesses and citizens through a vibrant and demand-focused digital ecosystem.

F R O S T S U L L I V A N

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community. Is your organisation prepared for the next profound wave of industry convergence, disruptive technologies, increasing competitive intensity, Mega Trends, breakthrough best practices, changing customer dynamics and emerging economies? Contact Us: Start the Discussion








Multimedia Development Corporation (MDeC) Sdn. Bhd (389346-D)

2360 Persiaran APEC
63000 Cyberjaya
Selangor Darul Ehsan, Malaysia

Tel. +603 8315 3000
Toll Free No. 1-800-88-8338
Fax. +603 8315 3115

 cllc@mdec.com.my
 www.facebook.com/mscmalaysia
 www.twitter.com/mscmalaysia




www.mscmalaysia.my

F R O S T  S U L L I V A N

Frost & Sullivan

Suite C-11-02, Plaza Mont' Kiara,
2 Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur, Malaysia

Tel. +60 3 6204 5800
Fax. +60 3 6201 7402

 apacfrost@frost.com
 <https://www.facebook.com/FrostandSullivan>
 <https://twitter.com/FrostSullivanAP>

www.frost.com