



# THE MANAGEMENT CONSULTANT

June 2009

MICA (P) 118/04/2009

## Highlights for this Edition

- Look out for IMC Members Evening!
- IMC Singapore Launches Free Consultancy for SMEs in need
- Calling all Members! Join us IMC Consulting Group as a Partner Consultant or Marketing Agent
- PMCs are awarded one-year complimentary IMC membership
- Happenings @ ICMCI
- Article of the Month: Effective Outsourcing
- Upcoming Events

## Message from President, IMC Singapore

Dear Members,



We have re-launched the IMC quarterly newsletter as "The Management Consultant", to provide members with up-to-date information of the Institute's happenings and as part of our value-add to members. The revamped newsletter also aims to update members on happenings at ICMCI. We will also include articles on management consultancy that members can benefit from.

With the newsletter, we hope to foster a closer bond among members and we hope members can also come forward to contribute articles which will benefit other members.

Dr Teo Cheng Swee

## Featuring "Member of the Month"

### Mr Seet Seng Pun

Mr Seet Seng Pun co-founded Ansoff Associates (Asia) Pte Ltd with Igor Ansoff after working with Igor & his teams in US and Europe. Seng Pun has consulted large "blue-chip" public-listed organizations and SMEs. He specializes in strategic management, corporate planning and business development. He also has extensive experience helping companies in executing acquisitions and joint ventures.





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### Don't Miss the Monthly IMC Members' Evening!

Since April, the Institute has conducted a series of Members' Evenings, where speakers are invited to share on a specified topic. The Members' Evening serves as an excellent platform for members to network amid a casual and relaxed setting. Members are also free to invite their management consultant friends to join us for the Members' Evenings, as we seek to build a vibrant management consultancy community.

The May Members' evening on 26 May was conducted jointly with the Practising Management Consultant (PMC) Certification Board. The event was held at the Swissotel Merchant Court. About 100 turned up for the event where Mr Yap Pao- Jui, Head of Business Excellence at SPRING Singapore shared on the benefits of PMC Certification. Mr Philip Kee, IMC Vice President also touched on the value of joining IMC as a member.

The next IMC Members' Evening will be held on 16 June, where we have invited SPRING Singapore to share on their grant schemes and latest enhancements to the funding programmes. Do contact the Secretariat to register your place!





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### IMC Singapore Launches Free Consultancy for SMEs in need



On 23 March 2009, the Institute announced that through its members, it is offering free one-hour diagnostic consultancy services to businesses facing distress as a result of the economic downturn. Representatives from the press, including the Business Times and Straits Times, attended the media conference that was held at the Institute's office at Horne Road.

Business owners can contact the Institute to arrange for a one-hour meeting with members who are experienced management consultants. During the one-hour meeting, the consultant will try to diagnose the problems that the business is facing and suggest possible solutions. The meeting is free-of-charge for the business owner.

This initiative is the Institute's response to the fact that many businesses in Singapore are facing problems in many areas due to the economic uncertainty. As the body for management consultants in Singapore, it is the corporate social responsibility of IMC to try to help businesses with the problems they are facing. During the SARS crisis in 2003, IMC also introduced a similar initiative and helped many businesses with free consultancy advice from its members.

To date, about 20 companies had been assisted through the initiative.



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### Calling all Members! Join us IMC Consulting Group as a Partner Consultant or Marketing Agent

- Partner-Consultant of IMC – Allows IMC Members to tap on the IMC branding to secure bigger and international jobs. With the initiative, IMC Consulting Group aims to become “a consortium of management consultants” to offer services to clients, not only in Singapore but also in the global consulting market.
- Marketing Agent Scheme - Allows IMC members to cross sell fellow members’ products and/or services. Very attractive fee structures (ranging 10% - 25%) are in place, for members to participate this Scheme.

Please contact the IMC Secretariat to get a copy of the Agreements for the above schemes.

### PMCs are awarded one-year complimentary IMC membership



During the IMC/PMC Members’ Evening on 26 May 2009, Mr George Huang, who is a Member of IMC’s Board of Governors and Chairman of the PMC Certification Board, announced that all certified PMCs will be awarded a complimentary one-year IMC membership. PMCs who are already IMC members will receive an additional year of IMC membership, free-of-charge.

As the number of PMCs being certified is expected to hit 120-150 by the end of 2009, IMC can expect a significant growth in our membership. This will bode well for IMC’s status as the representative body for management consultants in Singapore.

To sign up as a PMC, you can visit [www.pmccertboard.org.sg](http://www.pmccertboard.org.sg)



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## Happenings @ ICMCI



### Revamped ICMCI Website

ICMCI has revamped its website. The new website is now easier to navigate and has a modern business-like look and feel. Do visit the ICMCI website at [www.icmci.org](http://www.icmci.org)!

### Asia-Pacific Hub Meeting of ICMCI & China Management Consulting Summit



The Asia-Pacific Hub Meeting of ICMCI & China Management Consulting Summit is going to be held on 24th - 26th June in Chongqing, China.

Chongqing is selected to host this event, as it is the first experimental area for the “Integrated Development Strategy of China Urban and Rural Area”. There would be numerous enterprises, investors, governmental organizations and management consulting firms that will attend the conferences. One Chinese Vice premier will be invited to take part in the conference and provide insights on some of the policies introduced. The organisers believe the event will bring business opportunities to participants including Asia-Pacific Hub members. In addition, China-based and foreign management consultants will celebrate the 2009 International Consultants Day together.

To register, and for more information, please visit [www.icmci.org](http://www.icmci.org).



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### Members' Article Section

#### Effective Outsourcing by Wayne Soo

Managing Partner

H W SOO & Co, Certified Public Accountants

Email: hw.soo@pacific.net.sg



#### *What is Outsourcing?*

Outsourcing is simply looking for external service providers to sub-contract one or more of an organisation's non-core business processes or activities, in order to restructure and reduce operating costs while freeing up management time to focus on its core competencies.

Outsourcing may not be new concept, but it is gaining popularity today. An increasing number of companies are opting for outsourcing; and an increasing number of functions are being outsourced.

Traditionally, an in-house team of professionals carries the core human resource activities within an organisation. Specialist advice is then sought on an ad-hoc basis from outside the organisation.

#### *How Much and What to Outsource?*

However, increasingly organisations are examining their outsourcing/in-house policies, and depending on their strategic direction, their philosophy, their risk and cost profile, their size and the degree to which they wish to devolve people management responsibilities; management will then decide on the degree of outsourcing.

Outsourcing would probably be suitable for an organisation that plans to focus strongly on its core businesses and competencies, is comfortable with partnering external service providers to enable the sharing and management of risk, and has a high degree of devolvement of people management responsibilities.

On the other hand, retaining in-house expertise would probably suit an organisation that is highly risk-averse, preferring to retain control of even non-core activities; the HR function is highly centralised and controlled; and it is prepared to incur higher transaction and employment costs just so that such HR expertise are available within the organisation.

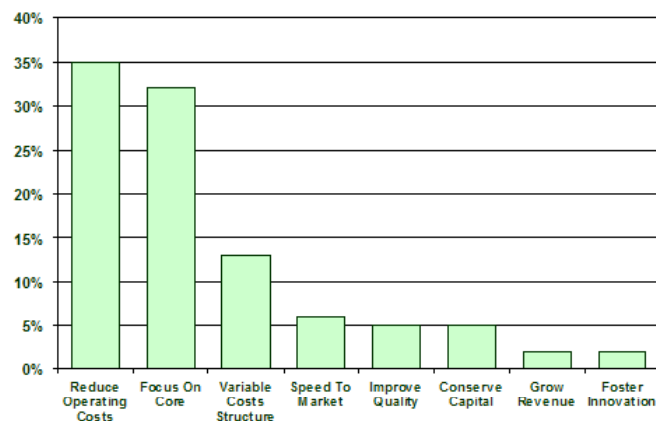


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Some of the HR functions that can be outsourced include:

- Payroll
- Employee Benefits administration
- HR management eg employee handbook, hiring process, etc)
- Regulatory compliance
- Employee's Compensation Insurance

### ***What are the Benefits of Outsourcing?***



The diagram above shows the various benefits of outsourcing, with 35% of survey respondents citing operating costs reduction while focusing on core businesses/competencies a close second. Fostering innovation only accounts for 2% of respondents.

Outsourcers claim that it is possible to save up to 30% of costs, compared to doing the task in-house. Such cost savings typically comes from the economies of scale, high level of expertise and cheaper resources available to outsourcers. With cross-process management, it will also increase the efficiency of service provided. Effective strategic formulation and implementation are also made easier when companies can now focus on what they do best.

Being specialists, external systems and hardware are also more reliable as preventive maintenance is routinely done. Problems relating to obsolete technology and infrastructure should not arise. An organisation can almost overnight add specialised capabilities without additional capital investment, thus also eliminating the need to recruit and train qualified employees in a tight labour market.



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When the going gets tough, outsourced capabilities avoid the messy retrenchments of fixed staffing numbers. And where E-learning is concerned, it adds flexibility to the workforce in enhancing their skills without interrupting their work schedules substantially.

### ***The Stumbling Blocks of Outsourcing***

There are several reasons why organisations did not reap the promised rewards of outsourcing. The first reason is that the organisation is still a centrally controlled monster. This will not do. Companies can reap the benefits of outsourcing only if the service provider is given sufficient autonomy. Constant interference results in inefficiencies and loss of productive time.

Secondly, many failed to set quality expectations to measure the performance of the supplier, before entering into an outsourcing contract. Thus the expectation gap persists. A third reason might be that the contractual terms agreed are not favourable to the organisation, thus difficult to enforce in a breach situation.

An organisation can also be faulted with unrealistic timing expectations. Outsourced functions need time to settle down and produce results. Meanwhile, the time saved in supervising or providing this service in-house can best be used to brainstorm and implement business strategies.

### ***Selecting the Right Outsourcing Partner***

Organisations should conduct due diligence before choosing the outsourcing partner. Considerations in selecting the right one includes:

Recommendations from trustworthy sources

The past track record of the service provider. Where this is none, then the experience of management team matters

Resources available - to service, support, and provide reliable services

Disaster recovery systems – preventive and maintenance processes must be in place

Quality systems certifications – desirable, though not essential

Value for money range of services

High degree of security and control



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### Upcoming Events (June to September 2009)

Date / Time	Event	Location
16 Jun 09 6.45pm	IMC Members' Evening	Room P3-03 (Podium Block), SPRING Singapore Building 2 Bukit Merah Central Singapore 159835
18 Jun 09 5.30pm	IMC Council Meeting (All IMC Members are welcome to attend as observers)	IMC Office at 44 Horne Road Singapore 209067
24-26 Jun 09	ICMCI Asia-Hub Meeting	Chongqing, China
16 Jul 09 5.30pm	IMC Council Meeting (All IMC Members are welcome to attend as observers)	IMC Office at 44 Horne Road Singapore 209067
20 Aug 09 5.30pm	IMC Council Meeting (All IMC Members are welcome to attend as observers)	IMC Office at 44 Horne Road Singapore 209067
17 Sep 09 5.30pm	IMC Council Meeting (All IMC Members are welcome to attend as observers)	IMC Office at 44 Horne Road Singapore 209067

### Spot the Typo!

A mystery prize will be awarded to Members who can spot the most typographical errors in this issue of "The Management Consultant". Please email your answers to the IMC Secretariat.

### Coming up in the next issue.....

Management Consultancy Classics that are still relevant today....Don't miss it!

### The Management Consultant - Editorial Team

Christopher Low (Chairman), Albert Kong, Goh Kim Seng and Wayne Soo