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MDC to `share' the secret of its success'

THANK you for a job well done ... and now here is more for you to do. This is the case with the Multimedia Development Corporation (MDC), the private company wholly owned by the Malaysian Government, which was set up to facilitate the development of the Multimedia Super Corridor (MSC) that will help Malaysia attain developed status in 2020.

(The 2004 Budget proposal had incorporated the recommendations made by the IAP, which met for the seventh time early last month, and this is seen as confirmation that MDC's role as a one-stop shop has worked effectively in Phase One of the MSC implementation.)

What exactly is the additional role that Prime Minister Datuk Seri Dr Mahathir has in mind for the MDC?

"The Prime Minister, who is also the Finance Minister, said he would like to see MDC extend its role to be a one-stop centre for selected services to accelerate the growth of the ICT industry, and attract more ICT investments into the country," says MDC chairman Tan Sri Halim Ali.

"Dr Mahathir had said that he would like to see this success continue, and has assigned the MDC with an extended role in this one-stop shop model of operations to other service areas."

While details of this extended role are being worked out, it is understood that shared services will be among the selected services that will feature in this one-stop centre programme.

Under shared services, a single organisation provides common services for one or more companies or government agencies.

IBM, Shell, HSBC Standard Chartered and DHL are among the big boys in their field and their shared service outfits located in the MSC provide ICT services exclusively for their own operations worldwide.

Shell, for instance, has located in the MSC one of its three global IT delivery hubs under the giant oil company's "follow the sun" concept.

As Narayanan Kanan, the senior vice-president of Regulations at the MSC, says, "To effectively serve global needs, we must create a niche for ourselves.

"Within the MSC, there is a multitude of opportunities for customer relationship management which shared services companies can form strategic partnerships with.

"The MSC has a pool of 923 MSC-status companies which shared service companies can form strategic partnerships with. These companies include international names like EDS, SCS, Satyam, Infosys and Accenture."

Among the local MSC-status companies providing shared services are Scicom, Ship `n Track and Scope and they are servicing big names such as Nokia, NEC and Standard Chartered on a regional and global basis.

But what is it in for Malaysia to have all these companies providing shared services for themselves or for other companies worldwide? For a start, there is money coming into the country when foreign companies set up shop in the MSC. They invest in land, building, infrastructure and equipment which local companies can provide and these foreign companies also pay for services.

Then there are jobs for Malaysians (locals make up 85-90 per cent of total workforce of companies located in the MSC).

"Since we started, we have helped create about 4,500 new jobs," says Kanan.

"Based on this, we can predict that there will be some 60,000 new jobs

in this sector by 2008."

More than jobs are the prospects of human resources development along IT lines, like how Electronic Data Systems Corporation (EDS) is doing in Malaysia.

EDS is a prime example of what a big boy in the IT business is if you consider these statistics:

With about 138,000 employees worldwide serving more than 35,000 businesses and governments, EDS generated a total revenue of US\$21.5 billion (RM81.7 billion) in 2002, besides having contracted business worth US\$24.4 billion (RM92.7 billion) in that same year.

A gargantuan player by any standard, EDS has big plans for its operations as Emile Lee of EDS Malaysia explains:

"(In five years) we should establish an EDS presence within Cyberjaya that continues to grow and provide shared services (IT services) as a hub both for the region and globally for the benefit of our customers - wherever they may be.

"With the vision of Malaysia's 2020 economy, we are confident that Malaysia will provide a constant stream of well-qualified people with an IT focus.

"This in turn allows us to utilise that source with confidence. Our plan is to stay in line with the 2020 Vision as it supports our vision of making sure that we take local talent, train them and provide them with experience within EDS.

"This would make them marketable to other countries and parts of our organisation, thus generating a source of income to EDS Malaysia."

Aside from the money invested, job opportunities for Malaysians and financial benefits for the country, the spin-offs from developing the skills of Malaysians in this ICT direction cannot be quantified.

We are talking about developing the skills of Malaysian knowledge workers, at whatever level, and encouraging them to take off on their own.

While this is being done, Halim says that MDC still has its original role to play.

"This is to continue with the Phase Two roll-out of the MSC to the other States in the country and link Cyberjaya to other IT cities around the world.

"This is in line with the MSC Master Plan which was strategically laid out in 1996 with the action to be taken by MDC and MSC spelt out."

It must be understood here that States in Malaysia are at different levels of development and herein lies the reason why certain States may be slower than others when it comes to IT thinking and development, and allocating funds in that direction.

Basically, the idea is for States to set up hi-tech parks and locate MSC-status incubators in them.

The incubators will allow SMEs (small and medium enterprises) to develop their ideas (technology incubation), help get them intellectual protection (IP) for these ideas, and get these ideas translated into products for the market (business incubation).

This move will allow entrepreneurs to have access to an incubator nearby and to have these incubators connected to the Central Incubator, under the National Incubator Network, located in Cyberjaya.

Connecting these MSC-status incubators to the Central Incubator will allow them to collaborate and share their experiences and knowledge in their incubation, business and operations.

The idea, at the end of the day, is to spawn more technopreneurs around the country.

Three States have definite ICT plans - Kedah, Penang and Perak - and MDC is talking to other States.

"Pahang, Johor and Sarawak agencies have also approached MDC and we will be working with them to support them in their tasks of setting up incubator centres," says Halim.

The Kulim Hi-Tech Park (KHTP) in Kedah was deemed a MSC-status incubator in 2002 and it is preparing to apply for MSC cybercity status. Universiti Utara Malaysia up north has also applied to be a MSC-status incubator.

In Penang, the ICT Council has been established to steer ICT development in the country with a blueprint for ICT development completed.

With MDC's input, Usains Tech Services Incubator has been awarded MSC-status and the State authorities are continuously in touch with MDC on MSC/Cybercities Rollout issues.

In Perak, an IT Council has been set up to steer ICT development and the State is, with MDC input, preparing a blueprint for ICT development.

The Perak State Economic Development Corporation is also working for Meru Raya to be accorded MSC-status incubator. Meru Raya has been identified by Perak for potential cybercity development.

While the MSC, with the MDC steering it, is up and starting to run, the inevitable talk and comments, with Dr Mahathir scheduled to step down from public office later this month, are making their rounds.

As in other areas, there is speculation about whether there will be continued Government emphasis on or strong support for the MSC.

In many quarters, this speculation is viewed as mere coffeeshop talk by the uninformed and the ignorant.

"Datuk Seri Abdullah Badawi, the Prime Minister in waiting, has reiterated his continued support for the MSC," says Halim.

At a dialogue after opening the two-day MSC ICT Policy Summit in conjunction with the IAP's annual meeting in Cyberjaya early last month, Abdullah said there had been questions on whether his administration would continue to accord the MSC priority that it has been enjoying under Dr Mahathir's administration. The success of the MSC had exceeded all expectations, the Deputy Prime Minister commented.

"I won't deemphasise it," he said.

"Indeed, ICT is an important tool that can improve a country's competitive position in the global economy and support a broad range of development objectives."

Well, one thing for sure is you can't stop a good thing. Certainly, MSC