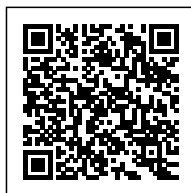


A NEW BUSINESS AND IT DRIVER - VIEIRA DE ALMEIDA & ASSOCIADOS

Posted on 19/10/2008



Category: [Uncategorized](#)



Outsourcing is an area of growing business activity and information technology emphasis across Portugal, says Fernando Resina da Silva, Head of IT at Vieira de Almeida & Associados.

La reciente creación de la Portuguese Outsourcing Association está subrayando un tema que ya es significativamente importante para las empresas en Portugal, afirma Fernando Resina da Silva, de Vda. Sin embargo, el objetivo de la asociación es no sólo promover los procesos empresariales o los aspectos tecnológicos a empresas nacionales sino también destacar los beneficios en el ámbito internacional de Portugal como destino para la subcontratación.

September saw the launch of the Portugal Outsourcing Association (POA) with a membership comprising Accenture, CapGemini, Deloitte, Glinnt, IBM, Indra, Logica, Novabase, Portugal Telecom and Reditus. These companies, between them, account for 81% of the total Portuguese outsourcing market which the POA estimates is currently worth around €561m to the national economy.

'Outsourcing business activities account for 0.34% of total Portuguese GDP but the belief is that it will increase to as much as 1% over the next seven years. The medium figure in the EU, by comparison, is currently 0.61%,' says Resina da Silva.

'Just over half of the total outsourcing activity currently undertaken in Portugal is related to business processes with the remainder focused on IT. An indication of how relevant the industry can be is demonstrated by Spain's experience, where the outsourcing sector accounts for 42% of total IT jobs.'

The aim of the POA, says Resina da Silva, is to promote best practice across the industry through shared knowledge and experience, and to promote a culture of self regulation. Fundamentally, the aim is also however to create and promote centres of expertise and to establish Portugal as a centre of reference for the industry within Europe.

'A key area of activity of the Association will be to promote the skills and technologies of the Portuguese outsourcing industry abroad, so that they are utilised not only by domestic companies but by companies in many other countries.'

Misconceptions

Nonetheless barriers do currently exist to the sector's predicted growth, says Resina da Silva, among them outdated perceptions about the industry, as well as tax restrictions and Portugal's domestic labour protection legislation, which restricts the ability of employers to hire more flexibly.

'In the past, some companies experiences have not necessarily been positive. Their expectations were not fulfilled and they saw outsourcing as a way to offload their responsibilities.'

Fundamental to the ultimate success of the industry in Portugal therefore is that it is not perceived as one associated with a reduction of jobs, he says. But one that can create significant employment and training opportunities in IT and business processes, and that the outsourcing process is considered a collaborative one by companies.

'The expansion of the industry in Portugal more in line with the European average will produce gains not only in increased levels of employment, and in the investment made in employee development and qualifications, as well as significantly enhancing business productivity.'

To date, the lead has been taken by the banking and insurance industry, he says, but companies across all sectors and at all levels increasingly appreciate the importance, and cost, of IT issues and of focusing their emphasis and business investments on core operational activities.

'The banks have had great success in outsourcing back office functions such as account opening, credit card management and cash movement handling. But the adoption of a partnering approach may enable any business to make cost and efficiency savings.'

But an awareness of the benefits presented by outsourcing and of the ability to divert management and operational energies away from peripheral or support activities, is clearly growing also well beyond Portugal's borders, says Resina da Silva.

'The high technological skill levels and language capabilities of the Portuguese workforce presents clear opportunities for companies internationally. The regulation here is common to that across the European Union, and among the Association's key goals is to promote Portugal as an alternative outsourcing destination to countries such as India or China.'