

Singapore more open towards outsourcing: poll

Survey also shows IT leaders here to be more bullish on cloud computing

By **ONG BOON KIAT**

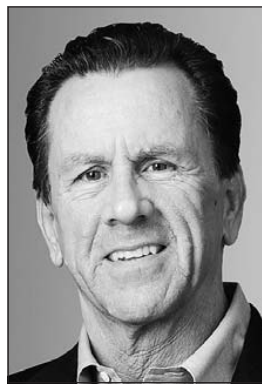
SINGAPORE is more aggressive than the UK and US when it comes to tapping outsourcing, with firms here spending a larger slice of their IT budgets in farming out their work, compared to firms in those powerhouse economies, a survey commissioned by IT outsourcing services provider Savvis has found.

The survey of 314 IT chiefs from Singapore, the UK and US also showed Singapore IT leaders to be more bullish on cloud computing, while two-thirds of all IT leaders are under pressure to do more with reduced budgets.

Savvis, which has a global headcount of 2,200 and operates a data centre in Singapore, found that firms here spent an average 27 per cent of their total IT budget on outsourcing some or all of their IT infrastructure, compared to 17 and 22 per cent by UK and US firms respectively.

Twenty-four per cent of Singapore respondents – against 9 and 36 per cent for the UK and the US respectively – said that increasing the percentage of IT budgets allocated to IT infrastructure outsourcing will help them slash costs in 2009.

But the cost-cutting measure most favoured by Singapore respondents is infrastructure consolidation, with 56 per cent giving it the nod. The overall top money-saving measure



Mr Riley: *'Infrastructure outsourcing can be an attractive proposition.'*

is reducing infrastructure costs, picked by 52 per cent of all respondents.

Thomas Riley, international managing director, Savvis International, said: "In these times of constrained credit, IT infrastructure outsourcing can be an attractive proposition. There is no capital expenditure as you have no equipment to buy.

"Essentially you're buying IT as a service on a subscription basis. It seems that many heads of IT in Singapore understand this and are more open to working with suppliers to drive efficiencies."

He said that two major bugbears of outsourcing, retaining control of the outsourced operations and heightened security risks, can be overcome with the proper tools and judicious selection of outsourcing vendors.

"Visibility of the infrastructure can be provided through tools and portals, which is often more visible than what you would get in-house. Companies therefore need to weigh-up the

risk of doing nothing versus doing something."

He added: "Because threats to IT security grow daily, companies need to identify credible suppliers that can help to minimise their exposure to common threats, identify vulnerabilities and provide 24/7 monitoring, management and response."

The Savvis study also showed Singapore's IT leaders bullish on cloud computing. Eighty-three per cent of respondents here feel that cloud computing will "play an important role in the future of IT in helping companies gain efficiencies and reduce cost".

This was against 65 and 72 per cent from the UK and US respectively.

Cloud computing is an increasingly popular paradigm where computing tasks are assigned to resources that can be accessed over a network, like the Internet. Google's Gmail is commonly associated with this concept.

In Singapore, the government has been setting up cloud computing testbeds and is driving the related concept of grid computing with its National Grid project.

Savvis' survey included chief information officers, chief technology officers, IT directors and heads of IT of global businesses based in Singapore, the UK and US.

The research was conducted between January and February 2009 by Vanson Bourne, a research-based technology marketing consultant.

The study concluded that "in a downturn, IT leaders are more focused on operational issues rather than on strategy".