SOFTWARE INDUSTRY

THAILAND 'HAS OUTSOURCING POTENTIAL'

Experts say local developers possess necessary skills, creativity and quality

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THE NATION

Despite the global economic downturn, locally based software outsourcing specialists say Thailand has the potential to export and serve international markets because the country has an information-technology workforce capable of developing software to international standards.

The advice comes from the executives of two industry leaders: Alphametrics, which moved it business from England to Thailand 11 years ago, and the InStep Group, which develops software for the Japanese market.

Alphametrics president Francis Cripps said his company was an international financial software-solutions provider that moved from England with the aim of setting up a research and development operation in Thailand and exporting to world markets.

The firm works in the economic, banking and financial sectors, offering consultancy, software systems and implementation and support services.

"Before the business moved to Thailand it had been operating in England since 1984 as software and consulting company specialising in financial and business applications," Cripps said.

The company also provides FXAT, a treasury system, DART Reporting, e-Office and e-Office solutions.

Cripps said Alphametrics had implemented treasury systems in banks, such as Bank of Tokyo-Mitsubishi UFJ and 20 of its branches around the world, including Bank of Tokyo-Mitsubishi UFJ (Thailand), and Bank of Yokohama.
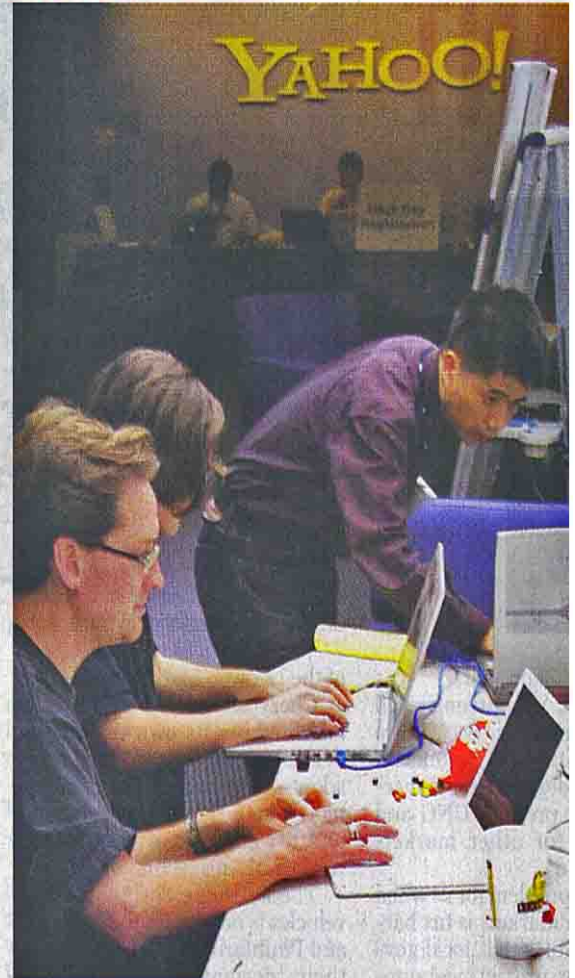
Moreover, Alphametrics also develops and provides tailor-made software solutions according to customer requirements, in fields such as asset management, derivatives, Internet trading and Web budgeting. It has qualified teams of systems experts providing round-the-clock support to sites all over the world, from call centres in Thailand, Japan and the UK, where it has a representative sales office.

Cripps said Thai software developers had the potential, creativity and quality to develop software as a team and provide outsourcing services to both international and domestic customers.

"Thailand has the opportunity to promote [its services] and develop software for international markets. However, I believe the government should play an important role in promoting the use software in this country as well, so as to create confidence in the local market and develop standard contacts between businesses and software developers," he said.
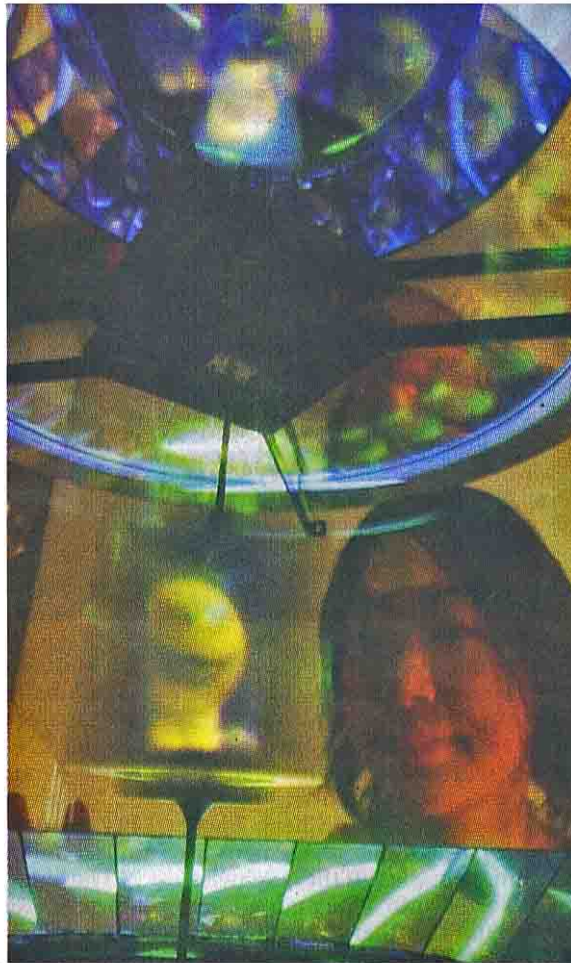
InStep Group's president Wiwat Wongwarawipat said the economic downturn had not prevented his company from distributing, providing and outsourcing software to global markets, especially Japan, where his company has been doing business for nine years.

"We provide and develop business application software, implement enterprise solutions and provide professional IT services according to our customers' requirements. Even in these economic conditions, we have been able to run our business in both domestic and international markets," Wiwat said.

InStep Group has six subsidiary companies with a total of 250 staff to provide products and services both

domestically and internationally, with about half its business coming from each.

"We try to use new innovations and technology to develop our products and services, bringing higher productivity to our business and creating greater efficiency for our customers and their businesses," he said.

Wiwat said Thai software developers had the potential to generate revenue from overseas markets because they were able to achieve international standards and quality at affordable cost. Thailand also has infrastructure and supporting industries, such as the hard-disk and automobile industries.

"I think Thailand has big potential for outsourcing software and IT services to international markets and the industry needs government support to enable it to participate and compete in global markets," he said. "At the same time, local software companies have an important role to play in improving ICT skills among university students, not only to provide a workforce to support

industry development, but also to maintain Thailand's advantage of a relatively low-cost workforce compared to those in other countries, such as the US and EU."

The National Electronics and Computer Technology Centre (Nectec) said the IT sourcing market in Thailand would be worth Bt4.9 billion by the end of the year, up 24 per cent from last year.

Factors impacting market growth have come mainly from the domestic and international economic crises. Businesses and organisations have adopted a cautious approach to spending for IT. They also have the alternative of reducing their IT-management costs by opting for IT outsourcing, rather than IT sourcing, because this can cut IT investments up to 30 per cent and reduce long-term investments.

Nectec says even though IT sourcing provides efficient applications and solutions to support the demands of a business, IT outsourcing services can enable a business to increase its productivity and create competitiveness.