



**Office of the Government Chief Information Officer**  
The Government of the Hong Kong Special Administrative Region



# **3rd BPO & IT Outsourcing Summit**

## **IT Outsourcing: Opportunities and Strategies**

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*“Outsourcing” is one of the 10 Forces  
that are flattening the World*

*Source: “The World is Flat” by  
Mr. Thomas Friedman*



# Agenda

- Trends
- Opportunities
- Strategies





# Trends

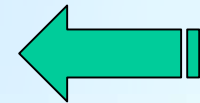
- **Evolution**
- **Globalization**
- **Standardization**





# Evolution

- **Project by Project Approach**
  - Different activities along the System Development Life Cycle and their combinations
- **Wholesale Approach**
  - Departmental Outsourcing
  - Business Process Outsourcing





# Globalization

- **Near-shore Outsourcing**
  - **Off-shore Outsourcing**
  - **Compound Annual Growth Rate in IT services market**
    - Asia Pacific : 9.3%
    - Global : 6.4%
- (Source : Gartner Group)





## Standardization

- **Hardware Commoditization**
- **Software as a Service**
- **Utility Computing**





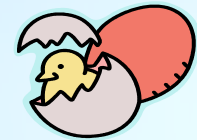
# Opportunities and Strategies

- What opportunities will these developments offer us ?
- What strategies should be adopted to harness these opportunities ?



## Evolution

- New types of service to be outsourced as a result of technology development
- Evolution of a New type of Outsourcing arrangement for Hosting Services being considered by government





# Globalization



- **CEPA (Closer Economic Partnership Arrangement)**
- **EGCI (Hong Kong/Guangdong Expert Group on Co-operation in Informatisation)**
- **Strategic Partnership between Cyberport and Shenzhen Hi-Tech Industrial Park**
- **The Eleventh Five-Year Plan**



## Standardization

- Adoption of international/industry standards
- Interoperability Framework
- Opportunities facilitated:
  - **Government Infrastructure and Sourcing Strategy (GISS)**
  - Private sector participation of **One-Stop Portal (GovHK – [www.gov.hk](http://www.gov.hk))**





# New Digital 21 Strategy

## Five Action Areas :

- Facilitating a Digital Economy
- Promoting Advanced Technology and Innovation
- Developing Hong Kong as a Hub for Technological Cooperation and Trade
- Enabling the Next Generation of Public Services
- Building an Inclusive, Knowledge-based Society

Consultation : by 18 December 2006

*Thank You*

