

Outsourcing firm looks to ride on global growth

ServicEngineBPO, based in Dhaka, plans to take workforce to 1,000 by 2016

SUMAN SAHA

A leading outsourcing service provider, ServicEngineBPO, aims to more than double its workforce over the next two and a half years, a top official said.

The recruitment drive will create around 600 new jobs at the company's Dhaka office as it expands operations to cater to growing demand for outsourcing services.

"We want to exceed the 1,000 employee mark by 2016 from the existing 400 workforce if the present growth trend continues," ASM Mohiuddin Monem, chairman of the company, said in an interview with The Daily Star recently.

The US-Bangladesh joint venture company has registered 35-40 percent growth of revenue a year since its inception in 2006, he said.

The company checks backgrounds of customers for financial institutions and provides medical appointment assistance for US hospitals.

Interactive marketing, quality assurance, software and web development, back-office processing and digital advertising are also among the services it provides, he said.

The company's outstanding performance did not go unnoticed: It has been adjudicated as one of the Top 100 Global Outsourcing Service Providers in the world by the International Association of Outsourcing Professionals (IAOP) in 2014.

IAOP, the global standard-setting organisation and advocate for the outsourcing profession, also ranked ServicEngine as the 12th best outsourcing company in the Rising Star category.

These rankings are based on applications received and evaluated by an independent judging panel organised by the IAOP, which has more than 120,000 members and affiliates worldwide.

"This is a tribute to the exceptional service delivered by our employees. I am proud of our employees who have shown the world the talent we have in our country," said Monem.

The accolade will help the outsourcing



ASM Mohiuddin Monem



A look inside the Dhaka offices of ServicEngineBPO, a US-Bangladesh joint venture providing outsourcing services.

SERVICENGINEBPO

industry of Bangladesh to reach new heights globally as ServicEngine is the first Bangladeshi company listed among TOP 100 BPO (Business Process Outsourcing) companies, he said.

"It will benefit the entire BPO industry in Bangladesh," he said adding that the country has some 10-15 outsourcing companies which are doing well and the number is growing.

ServicEngine faced several challenges as business process outsourcing is new in Bangladesh, said Monem. "It was not a very easy ride."

The company had to compete with an Indian vendor to receive its first ever work project, he said.

The country's biggest strength for BPO industry is its large young population base, he said.

Earlier, India and the Philippines were

considered the best outsourcing destinations, but the global perception is gradually changing due to rising labour costs, he said.

Bangladesh has the potential of becoming a leading outsourcing destination due to cost competitiveness and scope for capacity development, he said.

Monem, also the deputy managing director of Abdul Monem Group, a leading diversified company that engages in construction, beverage, and ice-cream business, expects a bright future for the outsourcing industry.

Global market of BPO and IT Services stood at \$952 billion in 2013, of which \$304 billion was BPO based, according to HfS Research, an American consultancy firm.

"The country will be able to earn at least \$15 billion if it can grab only 5 percent of the global outsourcing market," he said adding that it is not too late to try as yet.

The area of BPO activities are widening

globally, said Monem, who earned his bachelor's degree in industrial engineering in 1991 and a master's in engineering management in 1994, both from Northeastern University of the US.

"When BPO started, it was concentrated on payroll and human resource management but that is changing," he said.

Monem said there will be huge demand for health care and legal process outsourcing globally. "The market is opening up especially in the health care sector due to a favourable policy of the Obama Administration in the US."

ServicEngine, which has offices both in the US and Bangladesh, provides outsourcing solution mainly to the Fortune 500 companies, he said.

The work rates charged by the company are either on a per-hour or project based, depending on the service offered, and the

applicable business model. The rates can range from \$7 to \$40 per hour.

The company that employs graduates in business studies, computer science and other IT studies pays its employees in Dhaka Tk 20,000 to Tk 200,000 a month depending on job profiles, he said.

The country registered robust growth in exports of IT and IT-enabled services in the last couple of years.

Local software and IT vendors exported services and products worth \$124.72 million in fiscal 2013-14, up 22.71 percent from the previous year, according to data from the Export Promotion Bureau.

Bangladesh Association of Software and Information Services has set a target to earn \$1 billion from such exports and create 1 million professionals in five years.

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Cars are seen charging in free parking spaces for electric cars in Oslo. Despite being one of the world's largest oil producers, Norway's electric car fleet grows at such pace that the authorities are pondering an incentive cut.

Booming electric car sales under fire in Norway

AFP, Oslo

MINISTERS in Norway -- a major and rich oil-producing country -- are under increasing public pressure to reduce perks and tax breaks for booming electric car sales.

"It's become a problem," said Erik Haugstad, a bus driver in the Oslo region who complains about the numerous electric cars clogging bus lanes, which they have the right to use in Norway.

The cars are also exempt from urban toll payments or fees at public parking spaces, where they can recharge batteries without cost.

But above all, they are exempt from Norway's sky high sales taxes and VAT. Norway brought in the generous incentives to cut back on greenhouse gas emissions from traffic, which accounts for 10 percent of total emissions in the Nordic nation.

The policy has been so successful that 32,000 electric cars are now on the road -- by far the highest rate per capita in the world, in a country with a 5.1 million population.

"I'm a bus driver and I want to transport my passengers as quickly as possible. So, I'd like electric cars to leave the bus lanes, where they're getting in my way," Haugstad said.

These delays have a cost for society. Time lost by thousands of our passengers in traffic is far greater than that gained by a few dozen

electric car drivers."

He said the cars can create a vicious circle -- tired of being stuck in traffic, bus users could be tempted to buy an electric car themselves, worsening the congestion problem.

Electric cars already represent 85 percent of traffic in bus lanes during rush hour, according to a study by the Norwegian Public Roads Administration on a busy stretch of road outside Oslo.

"It's a subject we discuss very often with colleagues during lunch break. Many of them are far more aggressive and don't measure their words as much as me," Haugstad said.

No decision has been made so far, but it looks increasingly likely that authorities will take action to unclog congested areas -- especially during rush hour.

In the meantime, electric car sales keep growing. From the popular Leaf by Japan's Nissan to high-end US-made Tesla S, they have accounted for 13 percent of new car sales since the beginning of 2014, far ahead of the rest of the world.

In March, the Tesla became the highest selling car in a single month in Norway's history, despite its relatively high price.

Although a basic model costs about 60,000 euros (\$79,000), it still sounds like a bargain considering that a price including taxes would be roughly double.

The popularity of electric cars has

caught the authorities off guard, as they expected to keep the incentives in place until 2017, or until they number 50,000.

At the current pace, that figure could be reached in the beginning of 2015, forcing the government to rethink its costly policy.

The tax exemptions alone account for up to 4 billion kroner (500 million euros, \$650 million), according to the state's own estimates.

"We might make lowering adjustments in the future," Prime Minister Erna Solberg recently told Norwegian newspaper VG.

"But I can promise drivers that there will still be fiscal advantages to driving an electric car."

The commitment is important, because 48 percent of electric car owners say their main reason for buying them was to save money.

According to a survey by the Norwegian Electric Vehicle Association, only 27 percent said it was for environmental reasons and 12 percent to gain time in their rides.

"It's too early to remove the fiscal incentives. The market isn't competitive enough yet" compared to that of fossil-fuel-driven cars, said Christina Bu, general secretary of the association.

"If the tax and VAT exemption ends, the market could collapse and it would be hard for Norway to reach its climate goals. We must increase the number of electric cars, not reduce it."

New Apple iPhone to have "mobile wallet" function

REUTERS

Apple Inc plans to enable its next iPhone to become a mobile wallet by allowing owners to securely make mobile payments in a store with the touch of a finger, Bloomberg said on Sunday, citing a person familiar with the situation.

The agreement includes participation by Visa Inc., MasterCard Inc. and American Express Co. and will be announced Sept. 9 along with the unveiling of the next iPhone, according to the source, who Bloomberg said asked not to be identified because the talks are private.

The new iPhone will simplify mobile payment by including a special communication chip, along with a fingerprint recognition reader that debuted on the most recent iPhone, the source said.

Officials could not immediately be reached at Apple, Visa, Mastercard and American Express.

Britain's top fund manager to sell HSBC shares on 'fine inflation' fears

BBC NEWS

ONE of the UK's most high-profile fund managers, has said he has decided to sell his holding in HSBC, because he is worried about "fine inflation".

Neil Woodford said the size of fines in the banking sector seemed to be rising.

"Fines are increasingly being sized on a bank's ability to pay, rather than on the extent of the transgression," he said.

HSBC was fined £1.14bn by US authorities in 2012, for failing to prevent money laundering.

There have been a number of sizable settlements between banks and US regulators. Last month, Bank of America agreed to pay a record \$16.7bn (£10bn) to US authorities for its role in selling toxic mortgages in the run-up to the financial crisis.

But Neil Woodford said he was particularly worried about potential fines that HSBC could face.

"I am worried that the ongoing

investigation into the historic manipulation of Libor and foreign exchange markets could expose HSBC to significant financial penalties," he said in a blog on his company website.

"Not only are these potentially serious offences in the eyes of the regulator, but HSBC is very able to pay a substantial fine."

"A substantial fine could hamper HSBC's ability to grow its dividend," he added.

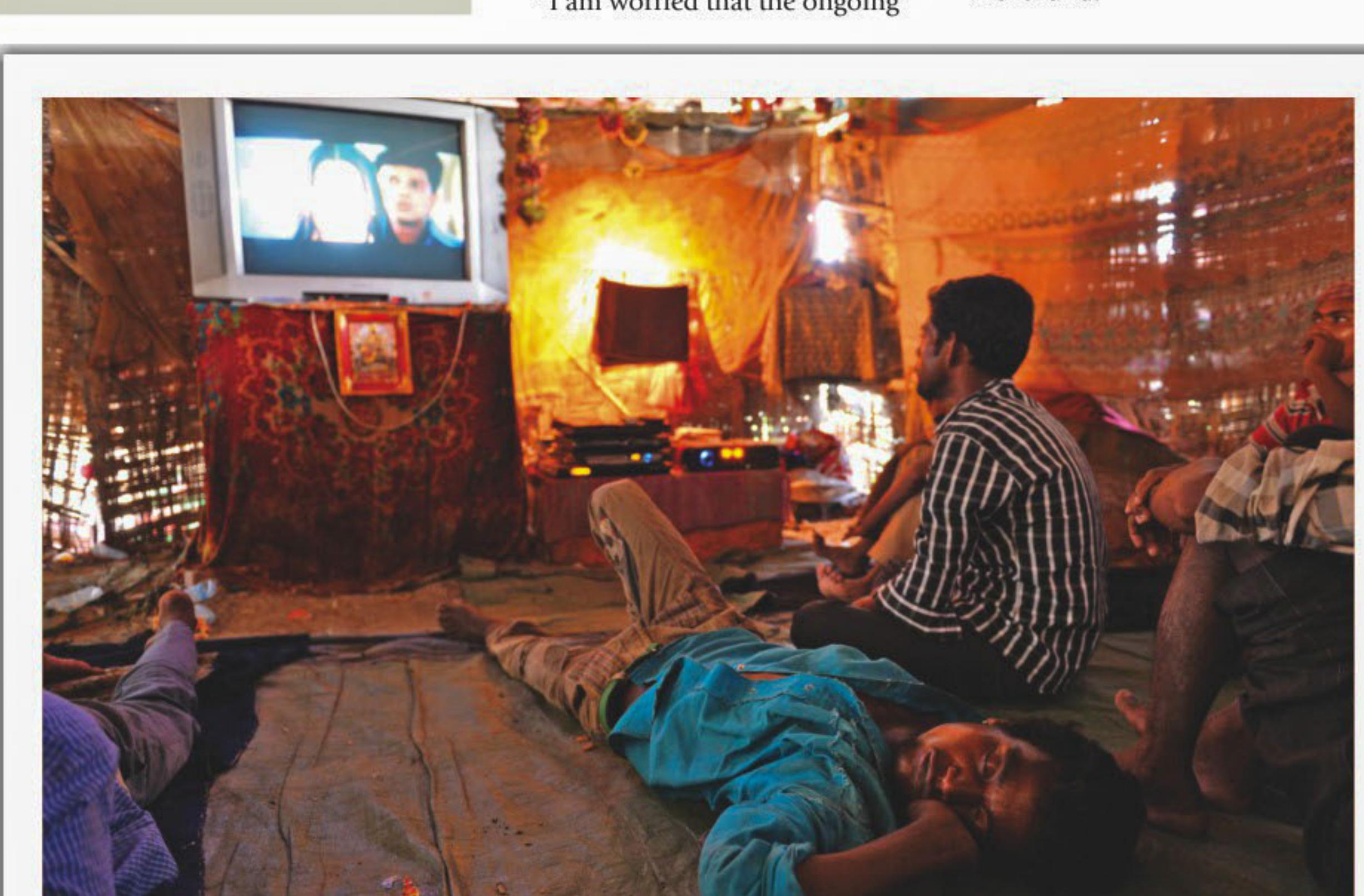
His fund - CF Woodford Equity Income - bought the holding in HSBC in June this year, and held it for just two months before selling it.

He also held shares in HSBC through the St James Place investment platform.

In total, both holdings were worth £159m, and represented about 0.1% of HSBC's market capitalisation.

HSBC made no comment in response.

Neil Woodford made his reputation with Invesco Perpetual, but left last year to launch his own investment fund.



An Indian resident sleeps as others watch a Bollywood movie at a temporary cinema theatre in New Delhi. For 10 rupee, cycle-rickshaw pullers, labourers and the homeless can watch Hindi Bollywood movies in a temporarily-constructed cinema under a bridge near the banks of the Yamuna river. For some four to five months of the year, lower water levels in the river mean the makeshift theatre can open for business.