

East, west, make use of the best

BUSINESS PERSONALITY

John Sherracks talks to

Peter Ginty

Peter Ginty's eyebrows rise slightly when asked if he agrees with a recent estimate by Deloitte that the globe's mature financial services centres will lose around two million jobs to developing countries such as India and China over the next five years. However, his quizzical look relates to the timescale of the predicted exodus rather than the volume. An international expert in operational management, Mr Ginty is in no doubt that the movement of back-office processing posts from the west to the east will ultimately run into many millions.

Mr Ginty, who is heading up the Isle of Man International Business School's newly created consulting arm, has first-hand experience of offshoring — the management-led migration of jobs to low-cost centres. During his time in the United States, he advised some companies on relocating manufacturing operations south of the border into Mexico.

He sees the outsourcing of administration by global players as an inevitable consequence of technological advances and the logical progression of a cost-cutting initiative that started with manufacturing.

'It's definitely going to happen, the only question is how long it's going to take to happen,' says Mr Ginty, pointing out that boards of directors are typically slow to react in taking advantage of technology.

China can already lay claim to being the 'factory of the world' and service companies are increasingly waking up to the competitive edge of locating operations in centres where salaries are a fraction of those being demanded in the likes of Dublin and New York.

'If you go back 30 years, a company used to do everything. Unilever, for example, once had its own plantations; they owned the source of supply and did all the manufacturing, distribution and selling themselves. Companies now recognise it doesn't make sense and are focusing on their core competencies. Microsoft is a good example. It used to do its own manufacturing and distribution — now it just writes code and does marketing.'

It is now commonplace for companies to use consultants to manage the process of outsourcing. And, the outsourcing chain itself is evolving; whereas India was once the final low-cost destination for outsourcing, it in turn is now outsourcing to even cheaper providers in China. Mr Ginty says that while he can sympathise with the emotion-fuelled criticism levelled at companies moving operations abroad, he counters that uncompetitive businesses will ultimately be forced to shed jobs and may even be forced to shut down.

The only defence the developed world can adopt is to focus on creating high-value-added jobs.

'The trick is to stay one step ahead, so that the people who were in call centres, for example, are retrained and redeployed into more skilled, high-

er-value-added jobs,' says Mr Ginty.

Having obtained a degree in operational management, Mr Ginty started his working life at Rover's Longbridge plant before joining Unilever in 1986. In 1989 he took a year out to complete an MBA at the Manchester Business School.

On completion he was recruited by management consultants WCI Group.

In 1995, he realised a long-standing ambition when he moved to the States to set up WCI Group North America in Seattle. Its primary client for the first two years was Microsoft. Mr Ginty had done supply chain consulting work for the software giant's Dublin operation.

In 2000 he left WCI to set up his own consultancy — Perfectnow — based in San Diego. 'I had always wanted to experience living in a sunny climate,' explains Mr Ginty, who had his first taste of America touring the vast country for eight weeks as a student.

Despite his love of many aspects of the American way of life, Mr Ginty opted to return to Britain when he and his wife Pauline decided to start a family (their son Leighton is now five months old). 'American kids have something like a third less teaching hours than British kids ... [and] it's my perception that there are more negative influences at schools [in America].'

As a self-confessed sportaholic, Mr Ginty also missed rugby and soccer during his seven years in the US. Skiing and sailing compensated for the

loss but not totally. He tried unsuccessfully to adopt American football, baseball or basketball.

'The first baseball game I went to lasted for five hours. An American football game I went to lasted four hours but there was only about an hour of real action — and three hours' worth of time out.

'We used to watch the Seattle SuperSonics play [basketball] and they actually have time out to run the TV ads,' he recalls, struggling to pinpoint exactly what it is that makes being British so special for him. Almost as an afterthought, Mr Ginty, a keen hiker, cites Britain's ancient right of way laws as a key attraction.

The Gintys have kept their house in San Diego and it will remain a prime holiday destination. As Mr Ginty says: 'I see myself as half British/half American.'

On returning to Britain the Gintys opted to live in the Isle of Man and have bought a house in Port Erin. Mr Ginty is a full-time lecturer in operations and strategy management, while continuing to work on consulting projects for Microsoft.

IBS Consulting, which he has been instrumental in setting up, will offer consulting services to public and private sector organisations in the island. Given Mr Ginty's experience in working with companies to improve customer service and cut operating costs — his list of past and present clients includes Rolls Royce, Pfizer and Eli Lilly — it was an attractive proposition for the International Business School.

