

To:
cc: (bcc: NHB NASReg/NHB/SINGOV)
Subject: (Embargoed) Speech by Othman Haron Eusofe, 30 Mar 2000, 8.40 pm

Singapore Government

PRESS RELEASE

Media Division, Ministry of Information and the Arts, #36-00 PSA Building, 460 Alexandra Road,
Singapore 119963. Tel: 3757794/5

EMBARGO INSTRUCTIONS

The attached press release/speech is **EMBARGOED UNTIL AFTER DELIVERY**.
Please check against delivery.
For assistance call 3757795

SPRInter 4.0, Singapore's Press Releases on the Internet, is located at:
<http://www.gov.sg/sprinter/>

**SPEECH BY MR OTHMAN HARON EUSOFE
MINISTER OF STATE FOR MANPOWER
AT THE GRADUATION DINNER FOR THE GRADUATE CERTIFICATE
IN MANAGEMENT CONSULTANCY (GCMC)
ON 30 MARCH (THURSDAY) 2000 AT 8.40PM
AT THE SHERATON TOWERS HOTEL BALLROOMS 1 & 2**

Good evening,
Mr Garry Ng,
President of the Institute of Management Consultants (Singapore),

Ladies and Gentlemen,

1. It is my pleasure to be here this evening to officially install the Institute's Management Council for 1999/2000 and to preside at the 6th Graduation Ceremony of the Institute's Graduate Certificate in Management Consultancy. To remain relevant and competitive our organisations and companies must move quickly into a new operating environment which requires a drastic change in mindsets especially in the way they conduct their business. All of you must have read our Deputy Prime Minister and Defence Minister, Dr Tony Tan's recent speech "Moving from the Old Economy to the New Economy" in which he highlighted Prof. Lester Thurow's argument in his latest book, Creating Wealth,

that we are in the midst of a third industrial revolution which is creating a New Economy. The key challenge is to rethink or re-invent ourselves and to constantly come out with new ideas so as to compete effectively in the New Economy. If we are slow to respond and rigid in the ways we manage ourselves, we will surely fade away. While there are challenges, there are also opportunities for you as management consultants to contribute to the processes whereby our organisations and companies re-invent themselves to remain viable and to survive.

The New Economy

2 Bill Gates, the co-founder of Microsoft, calls this new environment “business at the speed of thought”. The forces of rapid technological advancements and globalisation are redefining the economic landscape resulting in the emergence of new industries and new start-up companies. In this New Economy, it is anything but “business as usual”. To create new wealth, or just to remain relevant, companies can ill-afford to have a tunnel vision. The New Economy requires every business to have a radar screen to see beyond the horizon and to seek new insights, learnings, and perspectives for success. Most importantly, talent has become central to business success and the war for talent has begun. Businesses therefore need the experience and expertise of top international talents to win.

State of the Management Consultancy Industry

3 This is the new value proposition of consultancy. Over the last few decades, management consultants have helped businesses to reposition their operations and activities in order to succeed in a competitive marketplace. Even public sector organisations such as my Ministry has engaged consultants in various areas to prepare ourselves for the New Economy. The same drivers of change have had their effect on management consultants in their own industry. The industry has become much bigger in terms of contribution to the GDP, being the single largest sector in the Manpower Industry. The Manpower 21 Blueprint defines the “Manpower Industry” as consisting of management consultants, training providers and recruitment/deployment companies. The estimated value of this industry in 1998 was S\$1.5 billion. in terms of revenue. Though lower on fixed assets as compared to the manufacturing industry, it is extremely high on intellectual capital and knowledge development. Furthermore, the range of work done by consultants has widened, leading to the growth of niche businesses such as “strategy consultants”, “process consultants” and “HR consultants”.

Preparing the Industry for the New Economy

4 While the New Economy will provide more opportunities for management consultants, to expand and grow this can only occur if the industry is willing to

reinvent itself and redefine how it does business. At the September 1999 International Council of Management Consulting Institutes (ICMCI) Council meeting in Amsterdam, the Revised Uniform Body of Knowledge for Management Consultants was adopted, together with an accompanying competency model, to ensure a common world-wide standard for management consultants. The strategic intent is to raise the professionalism of management consultants around the world. The new competency required of consultants goes beyond the execution of assignments, to the ability to anticipate changes, and to facilitate their clients' capacity to respond in a timely and effective manner to the changes and future trends.

The Management Consultant in the New Economy

5 To add and create new value, a management consultant needs certain key qualities. I am sure you would be acutely aware of these qualities which include integrity, objectivity, impartiality, an analytical mind and a high level of empathy. The management consultant needs to be able to recognise different points of view and provide the integration in order to create new knowledge. He is the facilitator in business or organisational transformation, bringing quantum changes to processes and structures. His creativity and resourcefulness to continuously search for new and different ways of attaining good results will be severely tested. Further there will be great expectations of his capability to possess and control knowledge crucial to his clients' ability to compete and survive. There is also no such thing as a local consultant. If you are not global in mindset as well as in practice, I think your ability to compete will suffer.

6. I have touched earlier on a key competency expected of management consultants namely to anticipate future trends and to help their clients work on a proper and timely response to attain success. Successful companies like Creative Technology and the DBS Group, Microsoft and AOL-Time Warner to mention a few examples succeed because they have the strong capacity to anticipate the future and make timely changes to their business paradigms enabling them to always remain ahead of their competitors. How can you sharpen your ability to anticipate future trends, opportunities and threats? I am told that many of our local management consultants are small consultancy operations. I think it would be difficult for you to succeed if you continue with the traditional model of working alone or only with a limited number of partners. The world is changing so rapidly that no single or small group of consultants will be able to anticipate the future on their own. You will have to ally your organisation to other consultants locally as well as on a global basis whose competencies may be totally different from yours

so as to provide a multi-dimensional perspective of the future challenges and opportunities. I think that the Institute should be able to promote such collaborative ventures among the members. By networking with fellow consultants locally, regionally and globally, you can, as a team, offer higher value added services to your clients. As you network, collaborate and develop strategic alliances to offer high value multi-dimensional consultancy services you will be in tune with the rigorous demands of the New Economy.

Increasing Consultant's Value through Lifelong Learning

7. Let me reiterate that the future requires management consultants to respond quickly to changes in business paradigms and techniques. To add value to their clients, consultants need to be at the forefront of business developments. As such, they need to continually learn and renew their stock of knowledge to keep pace with these developments. Hence lifelong learning is central to continued success.

8. I would like to urge the graduates to continuously develop your skills and knowledge. The shelf life of your stock of knowledge will depreciate at a tremendous pace, and therefore each of you will require a constant flow of new ideas, skills and knowledge to remain effective in your profession. Let this Graduate Certificate in Management Consultancy be the start of an exciting new journey in personal knowledge development.

9. Let me now end by congratulating the members of the new Management Council and also the graduates who have achieved the high standards required of the Graduate Certificate of Management Consulting. I look forward to all of you making a positive difference to our economy and society.

10. Thank you and have an enjoyable evening.