



Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION



CHED MEMORANDUM ORDER (CMO)

No.: 34

Series of 2012

SUBJECT : ADDENDUM TO CMO 53, s. 2006, REVISED POLICIES, STANDARDS AND GUIDELINES FOR INFORMATION TECHNOLOGY EDUCATION (ITE) PROGRAMS PRESCRIBING SPECIALIZATION TRACK ON SERVICE MANAGEMENT FOR BUSINESS PROCESS OUTSOURCING

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In accordance with the pertinent provisions of Republic Act (RA) No. 7722, otherwise known as the "Higher Education Act of 1994" and pursuant to *Commission En Banc (CEB) Resolution No. 169-2012* dated **July 4, 2012**, taking into consideration the demands of local and international business environments to become more globally competitive, particularly in the Information Technology-Business Process Outsourcing (IT-BPO) industry, the following standards and guidelines are hereby adopted by the Commission.

**ARTICLE I
INTRODUCTION**

Section 1. Rationale and Background

The Philippine IT-BPO industry has been evolving as the "sunshine Industry" for significant reasons. Steadily growing since the early 2000's, the industry added over 100,000 jobs in 2010 and grew faster than the previous year, resulting in more than 500,000 full-time employees and more than a million indirect employees by the end of 2010. The industry also generated in \$8.9B in revenues, about 4.8% of GDP in 2010.

Supply and availability of qualified personnel, however, remains the biggest challenge facing the industry today. There is a need to focus efforts on building competency in human resource development, helping members and the industry in sourcing, and developing the talent pool for the industry.

Pursuant to the national development plan of 2011-2016, the roadmap for the BPO industry preferred by the Business Processing Association of the Philippines (BPAP), the Memorandum of Agreement (MOA) between the Commission on Higher Education and BPAP, Contact Center Association of the Philippines (CCAP), Philippines Software Industry Association (PSIA), Health Care Information Management Outsourcing Association of the Philippines (HIMOAP), Animation Council of the Philippines (ACPI), and the Game Developers Association of the Philippines (GDAP)—and representatives from

various BPAP member companies (ACCENTURE, HP, IBM, SPi GLOBAL, STREAM), as well as representatives from selected Higher Education Institutions (HEIs) and Philippine Association of Collegiate Schools of Business (PACSB), collaborated to develop a specialized track in service management focusing on the IT-BPO industry.

The specialized track in service management following the CHED policy for outcomes based education aims to prepare students, from all types of traditional courses, for a career in the IT-BPO industry by equipping them with the required competencies needed for entry-level positions and for further career development.

The Service Management Specialization Track uses an integrated approach and takes into consideration the interrelationships among the functional areas of business, notably in information and communication technology as well as sensitivity to the economic, social, technological, legal, and international environment in which business must operate. The objective of the program is not simply to impart basic business knowledge, but to instill and nurture important qualities and skills in our students that are essential for future business leadership and organizational success in the industry in a global market.

ARTICLE I AUTHORITY TO OPERATE

Section 2. Authority to Operate.

All higher education institutions with existing permit and recognition to offer the Bachelor of Science in Computer Science (BSCS), Bachelor of Science in Information Technology (BSIT) and Bachelor of Science in Information System/Management (BSIS/IM) programs need not apply for a separate authority to offer the Specialization Track in Service Management for Business Processing Outsourcing. However, the HEI shall inform the CHED on its intent to offer the Service Management tracks and its compliance with the minimum requirements for courses in General Education, Core Courses, Professional courses and Electives as prescribed in MO 53, s. 2006 for the Information Technology Education (ITE) programs.

ARTICLE III PROGRAM SPECIFICATIONS

Section 3. Specialization

The specialization track herein shall be called Service Management (SM). Higher Education Institutions (HEIs) which would like to offer the Service Management track shall adopt the "Service Management Specialization Track" (SM Specialization Track). The Service Management Specialization Track includes five major areas, namely: Business Communications, Service Culture, Principles of Systems Thinking, Fundamentals of Business Process Outsourcing 101 and 102, and the full-time Internship Program.



Section 4. Program Description and General Objectives

Fundamentals of Business Processes Outsourcing 101 (SMFBPO1)

The objectives of the course are:

1. Explain the rationale behind outsourcing and identify the critical factors that affect the outsourcing industry
2. Describe the critical processes involved in the engagement, development, and maintenance of outsourcing service
3. Be aware of the types of processes that get outsourced and understand how processes are transitioned from the internal organizations to external suppliers
4. Know and understand some of the key reasons for certain countries (e.g., Philippines and India) being successful off shoring destinations
5. Be aware of the risks associated with outsourcing
6. Apply different tools and methodologies in the engagement, development, and maintenance of outsourcing services
7. Assess the impact of changes in technology, regulation, and the business environment on outsourcing operations
8. Know how to plan and manage the off shoring of business processes for competitive advantage

Fundamentals of Business Processes Outsourcing 102 (SMFBPO2)

The objectives of the course are:

1. Conceptualize organizations as compendiums of processes
2. Analyze business operations as processes and understand their value contribution to business performance
3. Improve process definition and efficiency by the application of process documentation, modeling, and quantitative analysis methods
4. Understand basic process operations management, process improvement methodologies, and core concepts of process quality
5. Recognize interdependencies of business processes across organizational boundaries
6. Identify the role and value-add of information technology to business process efficiency and management

Business Communications (SMBUSCO)

The objectives of the course are:

1. Understand business communications and its general use
2. Know the factors which affect communications
3. Know the channels and directions of communications
4. Apply learning in the actual workplace



Service Culture (SMSVCCU)

The objectives of the course are:

1. Acquire the framework of personal and social competencies that serve as the foundation of performance excellence
2. Develop analytical skills when assessing work and performance habits of a service professional
3. Acquire the basic knowledge (e.g., principles, practices) of service excellence practices in organizations and by individual service professionals
4. Integrate key learning (e.g., theoretical and practical concepts of service culture) in designing a service experience

Principles of Systems Thinking (SMSYSTH)

The objectives of the course are:

1. Increase awareness of the importance of architecting and implementing business systems that consider the organization as a whole
2. Develop analytical skills to identify issues in organizational systems and recommend system-optimization solutions
3. Acquire practical knowledge of evaluating organizational systems, modeling optimized solutions, and championing change
4. Gain familiarity in industry trends for systems hardening and certification (e.g. ISO, CMMi, P-CMM, Six Sigma, etc.)

Internship (SMINTRN)

The objectives of the course are:

1. Immerse students in real corporate environment, providing them with comprehensive hands-on training relevant to business practices in their chosen specialization, to enable readiness towards strategic job-fit and eventual employment in BPO companies
2. Produce graduates that will address the BPO industry's needs; at least 70% of Interns hired by BPO Companies
3. Perform assessment processes as a means to provide BPO industry information on pre-employment baseline competencies and skill sets of Interns

Section 5. Specific Professions, Careers, Occupations, or Trades

5.1 Entry-level jobs for voice sector

- Sales support
- Chat support
- Travel support
- Banking support
- Technical support representative (TSR)
- Customer service representative (CSR)



5.2 Entry-level jobs for non-voice sector

- Back office data entry
- Accounts payable practitioners
- Finance practitioners
- Financial accounting practitioner
- General accounting practitioner
- Travel and expense
- Payroll practitioners
- Mobility practitioners
- Customer assistance center agent
- Benefits service practitioners
- Learning practitioners
- Recruitment practitioners
- Employee Data Management Practitioner
- Medical transcriptionist

5.3 Entry-level jobs for information technology (IT)

- Entry-level programmers
- Help desk assistants
- Desktop support engineers
- Network administrators
- Business analysis (trainees)
- Healthcare associates

5.4 Entry-level jobs for support functions

- Human resource associate
- Recruitment associate
- Training associate
- Employee relations associate
- Employee engagement associate
- Administrative associate
- Quality assurance associate
- Accounting associate
- Facilities associate
- Technical support associate



**ARTICLE IV
COMPETENCY STANDARDS**

Section 6. Graduates of the Service Management (SM) Specialization Track should be able to:

- Convey ideas clearly in English, both orally and written.
- Prepare, analyze, and evaluate reports, proposals, and concept papers.
- Demonstrate the values of fairness, transparency, accountability, hard work, honesty, patience, diligence, innovativeness, risk-taking, and strong work ethics.
- Apply the principles of the different forms of communication.
- Perform high-quality work.
- Understand the concepts and principles of good interpersonal relations.
- Participate actively in business associations and comply with their policies and obligations.
- Demonstrate leadership qualities, civic-mindedness, and responsible citizenship.
- Conduct environmental scanning.
- Conduct feasibility studies and other business research and plans.
- Explain the concepts, approaches, and techniques of environmental conservation.
- Know and understand the country's national development thrusts, concerns, and socio-economic indicators.

**ARTICLE V
CURRICULUM**

Section 7. Curriculum Description

The curriculum for the Service Management (SM) Specialization Track is in addition to the existing courses offered by the colleges and universities. The Specialization track covers a balance of functional areas, which increases competencies in critical thinking, communication, service culture, and computer literacy. It broadens the knowledge and skills needed in both local and international business environment.

Section 8. Curriculum Outline

SMFBPO1	Fundamentals of Business Process Outsourcing 101	3
SMFBPO2	Fundamentals of Business Process Outsourcing 102	3
SMBUSCO	Business Communication	3
SMSVCCU	Service Culture	3
SMSYSTH	Principles of Systems Thinking	3
SMINTRN	Internship Program	6
TOTAL UNITS		21



Section 9 Courses

General education and legislated courses shall follow existing requirements of the program where the Service Management Track would be integrated. The CHED Memorandum No. 04 series 1997 (GEC-B; 51 units) is the recommended track for the Service Management track.

Section 10. Sample Program of Study (Minimum Units)

Option 1:

FLOWCHART							
FRESHMAN		SOPHOMORE		JUNIOR		SENIOR	
1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem
Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular
				SMFBPO1 (3 units)	SMFBPO2 (3 units)	SMSYSTH (3 units)	SMINTRN (6 units)
				SMBUSCO (3 units)	SMSVCCU (3 units)		

Option 2:

FLOWCHART							
FRESHMAN		SOPHOMORE		JUNIOR		SENIOR	
1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem
Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular
		SMBUSCO (3 units)	SMSVCCU (3 units)	SMFBPO1 (3 units)	SMFBPO2 (3 units)	SMINTRN (6 units)	
				SMSYSTH (3 units)			

SMBUSCO Business Communication may be credited as one of the required English subjects.

SMSVCCU Service Culture may be credited as one of the required professional subjects.

**ARTICLE VI
COURSE SPECIFICATIONS**

Section 11. The following are the course specifications for the Service Management Track

Fundamentals of Business Processes Outsourcing 101 (SMFBPO1)

The course provides students with an overview of the outsourcing industry, including the rationale for outsourcing, critical factors which affect different outsourcing industries, and the processes involved in engaging in, operating, and maintaining an outsourced service. The course also introduces different



tools and methodologies used in outsourcing operations and provides the students with opportunities to apply these tools in simulations at a computer laboratory or "Game Lab." The course enables students to recognize areas of opportunities in outsourcing, as well as to analyze and assess how changes in technology, regulation, and business environments may affect current industries. It also increases the students' awareness of the different processes critical to maintaining outsourcing engagements, such as maintaining client relationships in the context of a service culture, and the effective management of costs and resources.

Prerequisite: Business Communication, Service Culture

Credits: 3 units

Number of hours: 48 hours

Fundamentals of Business Processes Outsourcing 102 (SMFBPO2)

The course provides an introduction to fundamental business process outsourcing concepts via an understanding of the techniques for using business practices and methods to create and improve business processes. The foundational study of business processes provide a basis by which performance improvements are identified and implemented across business organizations. Business process outsourcing is introduced as a natural evolution of business process management. The student is exposed to a set of qualitative and quantitative topics aimed to enhance process-oriented thinking, in order to develop the knowledge and skills necessary to appreciate and implement programs of process reengineering, management, and excellence in organizations.

Prerequisite: Business Communication, Service Culture, Fundamentals of Business Process Outsourcing 101 (BPO 101)

Credits: 3 units

Number of hours: 48 hours

Business Communication (SMBUSCO)

The course builds the students' understanding of, and basic competencies in, effective communication in the workplace. It introduces students to key concepts of business communication, methods, and techniques for its efficacy and its impact on organizational success. Actual business applications and scenarios are used to illustrate the fundamentals of effective business communication.

Prerequisite: None

Credits: 3 units

Number of hours: 48

Service Culture (SMSVCCU)

The course builds the students' personal and social competencies (values and attitudes) necessary to executing and delivering excellent service in any professional endeavor. It introduces students to various service companies and industries and key concepts in being a customer-centric organization. It enables students to practice practical customer service skills and to manage a project.

Prerequisite: Business Communication

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Credits: 3 units
Number of hours: 48 hours

Principles of Systems Thinking (SMSYSTH)

The course aims to prepare the student for the twenty-first century workplace by building their foundations in systems thinking, enabling them to examine business systems, identify the interdependencies of specific systems within an organization, and recommend suggestions to improve systems performance within organizations. It introduces students to concepts in systems architecture and systems optimization, with the intent of developing the students' analytical skills in identifying and resolving issues in business systems.

Prerequisite: Business Communication, Service Culture
Credits: 3 units
Number of hours: 48 hours

Internship (SMINTRN)

Internship engages students in their last year of study in real industry practices that will prepare them for their eventual jobs and careers in their chosen fields of expertise. Students are required to work full-time for an industry partner, rendering a minimum of 600 hours.

Prerequisite: Business Communication, Service Culture, Principles of Systems Thinking, Fundamentals of BPO 101, Fundamentals of BPO 102
Credits: 6 units
Number of hours: 600 hours

ARTICLE VII FACULTY

Section 17. The faculty members should possess the educational qualifications, professional experience, and teaching ability for the successful conduct of a school's program(s).

- 17.1 Industry practitioners will be allowed to teach with a designated faculty member (excluding the masteral degree program).
- 17.2 BPAP should provide opportunities for faculty development to enable faculty members to keep up with developments and techniques in their field, improve their teaching skills and course materials, continue their professional growth, and contribute to research and other scholarly pursuits.

ARTICLE VIII CURRICULUM AND INSTRUCTIONAL STANDARDS

Section 19. The curriculum for the Service Management Specialization Track should be consistent with the school's philosophy, and mission and vision statement.



Section 20. All undergraduate courses should have prescribed textbooks, which should be selected in the basis of acceptable criteria, preferably by an independent textbook board or committee. The intelligent use of other instructional aids and resources should be encouraged.

Section 21. Access to computers and CD materials as well as the Internet should be provided to faculty members and students.

Section 22. Preferably, the maximum class size for each subject under the Service Management (SM) Specialization Track should be forty (40); except in the Business Communication subject, which must have a maximum class size of twenty-five (25).

**ARTICLE IX
ADMISSION, RETENTION, RESIDENCE, AND GRADUATION REQUIREMENT**

Section 23. Admission, retention, and graduation requirements will be governed by the institution's policy on the program.

Section 24. As a general rule, transfers of students shall be governed by the institutional policy on residence and transfer.

Section 25. For students who go on leave, re-admission to the program will be subject to the school's re-admission policies.

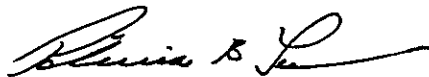
**ARTICLE X
REPEALING CLAUSE**

Section 26. All pertinent rules and regulations of parts thereof that are inconsistent with the provisions of this policy are hereby repealed or modified accordingly.

**ARTICLE X1
EFFETIVITY CLAUSE**

Section 27. These policies and standards for the Service Management (SM) Specialization Track for Business Process Outsourcing on ITE Programs shall be effective after publication in the Official Gazette or in a newspaper of general circulation.

Quezon City, Philippines, August 17, 2012.


PATRICIA B. LICUANAN, Ph.D.
Chairperson

