Short notes on BPO

**Definition:** Business Process Outsourcing (BPO) can be defined as the transfer of an organization's entire non-core but critical business process/function to an external vendor who uses an IT-based service delivery. By doing so, Business Process Outsourcing helps an organization concentrate on its core competencies, improve efficiency, reduce cost and improve shareholders' value.

According to Gartner definition, Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns administrators and manages the selected process based on defined and measurable performance criteria.

1. **Learn to avoid typical pitfalls and ensure success.** Learn how to:
   - determine core competencies that should be kept in-house rather than outsourced
   - align outsourcing with overall corporate strategy
   - use outsourcing to support transformation strategies such as restructuring and TQM
   - evaluate, compare, and select vendors
   - develop targeted RFPs (requests for proposals), negotiate win-win contracts, monitor how vendors perform, and evaluate financial savings
   - handle "re competition" as contracts end.

2. **Outsource? Yes! If**
   - you want to reduce operating expenses;
   - you want to keep your staff levels to a minimum;
   - an external service provider can do the work more cost efficiently than you can in-house;
   - you do not have expertise in this area;
   - you want to keep this function confidential;
   - you have uneven workloads throughout the year and want a variable cost structure;
   - you operate in a shift work situation;
   - you are expanding rapidly but the growth may not be permanent;
   - you want to free up your management time and concentrate on your core competencies.

3. Now, BPOs are moving from voice-based channels to e-channels such as e-mail and web chat. With complete process and procedure outsourcing, BPOs require a knowledge database and uniformity of information across all centers. "BPO's Next Level It is interesting to note that according to a study by the United States-based Forrester Research, the current annual value of legal outsourcing which is worth $80 million could go up to $4 billion and can fetch 79,000 jobs in India by 2015. CRM outsourcing providers alone have a $30 billion market opportunity.

4. **Improving productivity:** Cost savings can be significant, but for real success improved productivity is needed. Companies need to set broader productivity goals for the outsourced function, which affects the following: Skills: Offshore employees with at least a college degree are often more highly educated than onshore ones
   - Management quality: Because management quality can be higher offshore, companies can be more aggressive with their SLAs and performance targets for the vendor.
   - Efficiency: BPO can also provide the impetus to improve business processes. One global high-tech company uses an offshore facility to manage the data quality and completeness of its marketing, sales, and customer service data; to have best-in-class CRM data quality and high levels of CRM user satisfaction and efficiency
   - Enhancing revenue: Even more intriguing is that companies are leveraging BPO to identify emerging revenue opportunities. e.g. conducting a revenue audit. Some BPO providers offer secondary research services (e.g., preparing company profiles, generating insights on target customers) to improve sales effectiveness and efficiency.

5. **Why BPO India?** Robust communication infrastructure, a large English-speaking workforce, low labor costs, appropriate time-zone difference with the West and the brand equity built by the software services sector are compelling reasons for choosing BPO India as the major BPO destination. Availability of highly qualified skill pool and faster adoption of well-defined business processes leads to higher productivity gains without compromising on quality. Customers across verticals like Insurance, Banking, Pharmaceuticals, Telecom, Automotive and Airlines seem to be the early adopters of BPO India.

6. **Nasscom launched the National Skills Registry on 18-1-06**
   This will be a centralised database of information about the employees' professional and educational background. The registry, which will be managed by National Securities Depository Ltd (NSDL), has been specially designed to ensure authenticity of data through independent verification and biometric identification of individual," The registration process.
IT and BPO aspirants and existing industry employees can register themselves either online or through three empanelled points of sale. There is a validation history associated with each section that will reflect the details of validation.

This would be charged at Rs 250, with an annual membership charge of Rs 50 to keep the access alive. NSDL has further empanelled seven background checking agencies, including Advantage Quest, KPMG, Finserv, Pres Enterprises, Top Securities, and Onicra Credit Rating, to run the required verification checks.

IT and BPO employees can approach any of these agencies and ask them to run verification checks for which the charges would be Rs 1,500-2,000; "The privacy of employees would be maintained, as only the employee can authorise potential employer to view his or her information.

7.(14-2-06) BPOs like Genpact, Accenture and vCustomer are visiting campuses of top B-schools and recruiting management professionals for high-end work like analytics, research and legal processes. Also, niche BPOs like Hurix Technologies and Aranca, a Mumbai-based BPO specialising in financial research, have started visiting campuses of top-notch B-schools. Genpact is hiring 1,000 people per month on an average, of which 100-150 are picked up from the campuses. An entry-level employee without any experience can expect to be paid Rs 5,50,000 per annum, plus the joining bonus of Rs 1,50,000, while a candidate with 1-2 years experience will be paid Rs 8 lakh per annum plus joining bonus.

8. (From globiconnect.com, 24-2-06),BPOs set up training academies - BPO firms have set up training academies to provide opportunities to potential resources with leadership skills within the organization. Companies like Tecnovate, Intelnet Global Services, Perot Systems and Lason India have formed their own training academies. Captive BPOs move to target third-party business - As per NASSCOM officials, nearly 65% of the about $7 billion BPO revenues come from captive players. But now Captive Business Process Outsourcing firms are looking to target third party business.

India: World's back-office in Publishing - The global market for outsourcing of content and all other services in publishing industry is estimated at around $2.5 billion. With more than 15,000 publishers and more than 75,000 books in 30 languages, India holds huge potential for publishing. The outsourced publishing business in India is estimated at Rs. 1,500 crore. “Now, BPOs are moving from voice-based channels to e-channels such as e-mail and web chat. With complete process and procedure outsourcing, BPOs require a knowledge database and uniformity of information across all centres,” said Ian Jones, head-strategic solutions of the company, eGain Communications, a customer interaction management solutions provider

BPO's Next Level , by Simon MacGibbon and Jeff Schumacher, Wednesday, February 01, 2006

Capitalize on the unexpected opportunities in CRM business process outsourcing. BPO is one of the greatest global forces for improvement today. CRM outsourcing providers alone have a $30 billion market opportunity, and businesses that capitalize on the potential can not only reduce cost, but also increase productivity and raise revenue significantly.

BPO Services include

<table>
<thead>
<tr>
<th>Data entry</th>
<th>Document imaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data processing</td>
<td>Forms Processing</td>
</tr>
<tr>
<td>Data Conversion</td>
<td>HR &amp; Payroll Outsourcing</td>
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<tr>
<td>Data management</td>
<td>Accounting services</td>
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<tr>
<td>Data capture</td>
<td>Web content management</td>
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</tbody>
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GLOBAL ENTERPRISE SOLUTIONS
Accounting & Finance | Aviation - Enterprise Solutions | Automotive - Enterprise Solutions | Applications | BI - Enterprise Solutions | Budgeting | Banking | BPO | Call Center | Content management | Construction | Database Management | Document Conversion | eCRM - Enterprise Solutions | Online Learning | Enterprise Resource Planning | Education | Ecommerce Solutions

OFFSHORE OUTSOURCING SOLUTIONS
Data entry | Data processing | Data Conversion | Data management | Data capture | Document imaging | Forms Processing | HR & Payroll Outsourcing | Accounting services | Web content management | 3D modeling | Application Development | ASP | Business intelligence | CAD services | CAE | CRM | Data mining | Data warehousing | Database Programming | Ecommerce solutions | elearning | Embedded Systems | Enterprise application integration | ERP software | GIS software | Human resources software | Inventory software | Knowledge management/s/w | Mainframes | Migration | Payroll software | Portal Development | Sales force automation | Supply chain management/s/w | Systems Integration | Web technologies | Wireless & Mobile applications | Accounting software | Automotive | Aviation | Banking Software & Financial services | Electronics | Insurance software | IT Services | Custom software development | Software testing | Software products | Manufacturing | Media & Publishing | Pharma & Healthcare software | Medical Billing software | Retail | Telecom | Transportation | Utility