CHAPTER V

SERVICE BEING OFFERED BY BPO’S & THEIR EXECUTION FRAMEWORK
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5 SERVICES BEING OFFERED BY BPO'S

5.1 Customer Support Services

Customer service offerings create a virtual customer service center to manage customer concerns and queries through multiple channels including voice, e-mail and chat on a 24/7 and 365 days basis.

Service Example: Customers calling to check on order status, customers calling to check for information on products and services, customers calling to verify their account status, customers calling to check reservation status etc.

5.2 Technical Support Services

Technical support offerings include round-the-clock technical support and problem resolution for OEM customers and computer hardware, software, peripherals and Internet infrastructure manufacturing companies. It includes installation and product support, up & running support, troubleshooting and Usage support.
Service Example: Customers calling to resolve a problem with their home PC, customers calling to understand how to dial up to their ISP, customers calling with a problem with their software or hardware.

5.3 Telemarketing Services

Telesales and telemarketing outsourcing services target interaction with potential customers for 'prospecting' like either for generating interest in products and services, or to up-sell / promote and cross sell to an existing customer base or to complete the sales process online.

Service Example: Outbound calling to sell wireless services for a telecom provider, outbound calling to retail households to sell leisure holidays, outbound calling to existing customers to sell a new rate card for a mobile service provider or outbound calling to sell credit or debit cards etc.

5.4 Employee IT Help-desk Services

Employee IT help-desk services provide technical problem resolution and support for corporate employees.
Service Example: of this service include level 1 and 2 multi-channel support across a wide range of shrink wrapped and LOB applications, system problem resolutions related to desktop, notebooks, OS, connectivity etc., office productivity tools support including browsers and mail, new service requests, IT operational issues, product usage queries, routing specific requests to designated contacts and remote diagnostics etc.

5.5 Insurance Processing

Insurance processing services provide specialized solutions to the insurance sector and support critical business processes applicable to the industry right from new business acquisition to policy maintenance to claims processing.

New Business / Promotion : Inbound /outbound sales, Initial Setup, Case Management, Underwriting, Risk assessment, Policy issuance etc.

Policy Maintenance / Management : Record Changes like Name, Beneficiary, Nominee, Address; Collateral verification, Surrender Audits Accounts Receivable,
Accounting, Claim Overpayment, Customer care service via voice/email etc.

5.6 Data Entry Services / Data Processing Services

Service Example:

a) Data entry from Paper/Books with highest accuracy and fast turn around time (TAT)

b) Data entry from Image file in any format

c) Business Transaction Data entry like sales / purchase / payroll.

d) Data entry of E-Books / Electronic Books

e) Data Entry : Yellow Pages / White Pages Keying

f) Data Entry and compilation from Web site

g) Data Capture / Collection

h) Business Card Data Entry into any Format

i) Data Entry from hardcopy/Printed Material into text or required format

j) Data Entry into Software Program and application

k) Receipt and Bill Data Entry

l) Catalog Data Entry.

m) Data Entry for Mailing List/Mailing Label.
n) Manuscripting typing in to word
o) Taped Transcription in to word.
p) Copy, Paste, Editing, Sorting, Indexing Data into required format etc.

5.7 Data Conversion Services

Service Example:

a) Conversion of data across various databases on different platforms
b) Data Conversion via Input / Output for various media.
c) Data Conversion for databases, word processors, spreadsheets, and many other standard and custom-made software packages as per requirement.
d) Conversion from Page maker to PDF format.
e) Conversion from Ms-Word to HTML format
f) Conversion from Text to Word Perfect.
g) Conversion from Text to Word to HTML and Acrobat
h) Convert Raw Data into required MS Office formats.
i) Text to PDF and PDF to Word / Text / Doc
j) Data Compilation in PDF from Several Sources.
k) E-Book Conversion etc.
5.8 Scanning, OCR with Editing & Indexing Services

Service Example:

a) High speed Image-Scanning and Data capture services
b) High speed large volume scanning
c) OCR Data From Scanned page / image
d) Scan & OCR paper Book in to CD.
e) ADOBE PDF Conversion Services.
f) Conversion from paper or e-file to various formats

5.9 Keeping and Accounting Services Book

Service Example:

a) General Ledger
b) Accounts Receivables and Accounts Payable
c) Financial Statements
d) Bank Reconciliation
e) Assets / Equipment Ledgers etc.

5.10 Form Processing Services:

Service Example:

a) Insurance claim form
b) Medical Form / Medical billing
c) Online Form Processing
d) Payroll Processing etc.

5.11 Internet / Online / Web Research

Service Example:

a) Internet Search, Product Research, Market Research, Survey, Analysis.
b) Web and Mailing list research etc.

5.12 BPO Execution Framework

5.12.1 The Phases of a BPO Relationship

A new model of outsourcing is radically reshaping the role of different business functions such as human resources and call centers. Combining the benefits of cost reduction and process re-engineering, the BPO model maximizes ROI at an accelerated rate. A systematic planning and execution framework helps to deliver the expected value.

Where do you start? Developing the conceptual model for outsourcing is relatively easy. The difficulty lies in executing
it. Why? For the same reason it's difficult to run a business - because you've got to manage strategy, structure business processes, applications, infrastructure, and the culture all at once. The complexity of BPO is daunting, and that's why it's so difficult and so rarely done well.

BPO, although beneficial in the long run, is very difficult to implement if it is not planned carefully. There are five basic phases that all companies go through when trying to outsource: partner selection, deal negotiations, transition management, process improvement and performance management. Let's look at each phase in more detail.

5.12.2 Analysis

With BPO, the supplier owns and operates the resources, including infrastructure, applications and people, to deliver a business process as a service to customers. Preparing for this transition to a supplier what were core processes requires substantial upfront planning. The steps include:

a) Research and education on the candidate process being outsourced
b) Market intelligence to assess what competitors are doing

c) Benchmarking the current process against the best -
   Goal: understand, improve, design, build, and source more cost-effective business processes

d) Perform risk analysis

e) Assess your own process core competencies

f) Set the destination - what constitutes success?

g) Evaluate total cost of engagement (gross margins, operating costs, taxes), Including infrastructure, management, knowledge capture, and training costs.

5.12.3 Planning

BPO contracts are long-term; hence, a projection into the future is imperative. Several factors such as the policy scenario, the quality of infrastructure and human capital, and the location of facilities can affect long-term outcomes. Following are some activities companies should plan to complete before outsourcing.

a) Review existing processes.
b) Develop key improvement objectives.

c) Decide which processes and functions to outsource.

d) Perform a cost benefit analysis.

e) Determine the ideal best-shore solution for various process specifications. (For offshore projects, it's best to visit and get a feel for the country and the specific location, check process fulfillment capabilities, and meet the teams, not just management.)

f) Evaluate organizational readiness and transition assessment

g) Perform an offshore risk analysis. Obtain from your country state department and health department advisories as well as insurance agency inputs. Create a risk framework with escalating levels of risk (defcon model).

h) Create conflict-resolution and escalation documentation for problems

i) Develop a human resource plan to redeploy, transfer, or let go staff. Research internal opportunities for employees. Be prepared for backlash from your
employees and the community. Have a communication plan ready.

5.13 Transition

Companies that outsource processes to third-party service providers are placing their fate in the hands of another company. They need to ask tough strategic questions such as, What are the factors that companies figure in when they select their BPO service provider? How should the service agreement be structured to ensure that there are no defaults? What is the composition that companies must opt for - in-source, co-source or a stake in the operation - in order to be able to exercise control over processes and quality? The steps involved in this phase include:

a) Send out the RFQ.

b) Evaluate bids after developing criteria, visiting potential partners, and discussing a pilot approach.

c) Select vendor based on its track record, industry specialization, corporate culture, or other criteria.
d) Draw up contract with an understanding of the cost model, HR issues, business continuity, metrics, payment models, terms and conditions, provisions for changes.

e) Negotiate contract.

f) Determine payment terms and conditions, i.e., pay up-front or over an extended period.

g) Manage the transition by developing a transition timeline.

h) Align incentives to create a win-win.

i) Communicate clearly the contract and responsibilities to the outsourcing partner.

j) Define in detail the scope of the project.

k) Mitigate operational risk by planning for unexpected operational problems, the end of the outsourcing relationship, and data protection.

l) Transfer knowledge after assessing what knowledge needs to remain in-house and what can be transferred. Document your findings.

m) Train new staff

n) Manage the project remotely
5.13.1 Governance

Without appropriate checks and balances, companies run the risk of jeopardizing their customer relationships through an inability to provide continuous, good service and of failing to improve productivity. What can companies do to guarantee quality and still enjoy the benefits that BPO offers?

a) Transform the critical processes,

b) Develop operational processes and tools,

c) Manage the change actively by addressing resistance, facilitating the change, communicating new processes, procedures, roles, and responsibilities, and celebrating early success.

d) Train staff

e) Perform relationship management

f) Perform quality management

g) Engage in scenario planning, or business continuity planning, by creating contingency plans.

5.13.2 Improvement
A primary concern with outsourcing lies in companies ensuring that the high level of quality they achieved internally using methods like Six Sigma before outsourcing is further improved. This requires paying attention to the following tasks:

a) Tracking performance through key metrics
b) Leveraging new capabilities
c) Demanding continuing innovations
d) Designing process improvements

5.13.3 Planning a BPO Strategy

Preparing and implementing a BPO strategy can take as long as six months, depending on the scope of the project. No two deals are exactly alike. However the basic steps are the same.

Here's a step-by-step guide for each stage of the planning, request-for-proposals, and negotiation process.

First Phase: BPO-strategy analysis and education

a) How much can your organization really save by outsourcing? Analyze direct and indirect costs and
processes, including sub-processes and projected investments.

b) Educate yourself on governance and relationship-management requirements, retained processes and organization, internal improvement opportunities, and the request for information (RFI) process.

c) As part of your sourcing strategy, consider single versus multiple providers, sole source versus competitive bids, and gather intelligence about prospective providers.

Second Step: RFP development and pricing

a) State the work requirements—e.g., key processes, finance, HR, or IT.

b) Define current and targeted service levels.

c) Perform a financial analysis of economic and productivity factors.

d) Develop the business case, including costs savings and tangible and intangible process improvements.

e) Figure out whether you preferable to have one strategic provider or to work with multiple best-of-breed vendors.

f) Choose a pricing model—for example, fixed versus variable or output-based pricing.
g) Determine governance, service level agreement and relationship-management plans.

Third Step: Bid evaluation and negotiation

a) Distribute RFP to qualified BPO providers based on the business strategy.

b) Visit with providers and rank them. Based on your analysis determine a short list of choices.

c) Begin preliminary negotiations.

d) Check references and conduct three to five detailed customer-site visits.

e) Negotiate contract, service levels and legal framework.

f) Create a governance and BPO program management office

Once these three steps are done, it is time to begin transition planning.