Top Ten Reasons For Business Process Outsourcing

datamark.net/blog/top-10-reasons-for-bpo/

DATAMARK

Most business processes are established in-house, but at some point managers must decide whether it makes better sense to turn over non-core functions, such as mailroom management, document processing and data entry, to a business process outsourcing company. We've listed ten of the top reasons why organizations make the decision to outsource:

1. Cost Reduction—Reduced labor costs is one of the most common reasons companies cite for outsourcing. Top business process outsourcing companies strive to continually improve processes by removing wasteful steps using Lean techniques and increase the quality of work output with Six Sigma methodologies. Therefore, they are able to provide these services efficiently, resulting in lower costs for your organization. Business process outsourcing companies can leverage lower-cost labor markets in onshore, nearshore or offshore locations to deliver even more cost savings.

Read how a leading U.S. insurance and financial service provider saved millions by outsourcing the management of its mail operations (Download Case Study PDF)

2. Focus on Your Business—Turning over non-core business processes to an outside provider allows you to focus time and talent on your organization's core competencies—those key features of your service or product that differentiate you from your competitors. Also, outsourcing helps you avoid having to invest in equipment or facilities for business processes. Instead of being faced with a high amount of fixed costs for handling a process in-house, companies can benefit from a variable-cost model through business process outsourcing. This helps free up capital for investment in your core business.

3. Improved Quality, Efficiency and Turnaround Times—Because business process outsourcing companies have chosen to make your non-core processes their core competency, they are able to invest in the technology, process-improvement methodologies, staff training and other resources necessary to achieve a much higher level of process expertise. Improved quality, efficiency and turnaround time for forms processing and data entry, for example, results in better service for your customers and high levels of customer satisfaction.

4. Access to State-of-the-Art Process and Technology Resources—Working with a business process outsourcing company can allow you to remain current in terms of technology and innovation without incurring high costs for software platforms or staff hiring and training. A strategic business process outsourcing partner will stay up-to-date on best business engineering practices and innovations in equipment and software with a goal of continuous improvement of your processes over the life of your contract.

Read about robotic business process automation and other major trends influencing the BPO industry this year (Download White Paper PDF)

5. Global Advantages—Because top business process outsourcing companies have global service centers, outsourcing can give your organization a competitive advantage, with minimal investment, by:

- Expanding your presence in the global market.
- Allowing your organization to operate and serve customers 24 hours a day, in multiple languages.
- Building redundancy and business continuity capability by spreading operations across several global centers.

Read how a top international courier maintained business continuity by outsourcing the processing of its transportation documents (Download Case Study PDF)

6. Free Up Facility Space and Resources for Other Purposes—Think of all the office and warehouse space you have dedicated to mail center activities, the processing of invoices, applications and other documents, and the storage space required for paper records. Now shift that over to an outsourcing provider, and you have just freed up space that you can use for your core, profit-producing business.

7. Ramp Up and Downsize Quickly and Painlessly—It's hard work to recruit and retain talented staff, and it's even tougher when business conditions require having to downsize your workforce. One benefit of outsourcing is being able to shift those responsibilities to a BPO provider. For example, if your business activity is seasonal, a BPO company can quickly add and train staff to handle your processes or customer contact services.

Read how a financial services company retained experienced and talented staff in a facility-managed mail center through a "rebadging" arrangement with its outsourcing partner (Download Case Study PDF)

8. Improved Customer Service—Your product or service is sold nationwide—or worldwide—yet your business may be based in a part of the country where it is difficult or expensive to find multilingual, tech-savvy staff to support your customers. It's also expensive to ramp up a customer contact center, with all the required facility space, equipment and software platform for handling inbound and outbound phone calls, emails, web chat and social media interaction. Multichannel customer contact is an ideal role for a specialty service provider, with access to an onshore or nearshore bilingual workforce with neutral accents—let them handle customer support while you focus on developing your product or service.

Read more about best practices and considerations for implementation of multichannel customer contact centers (Download White Paper PDF)

9. Better Risk Management—Shifting non-core processes to an outsourcing provider can help your company hedge risks—what would normally have been big capital investments in facilities, equipment and staff training can be transformed into manageable transaction or outcome-based costs. Also, innovative companies can manage risks by turning to an outsourcing provider—it is easy to ramp up activity if the new product or service is a success; or downsize if it turns out that there wasn't as much demand for the product or service as expected.

10. Gain Peace of Mind from Contractual Certainty—Continuing with the theme of risk management, an outsourcing engagement can bring peace of mind through well-crafted contracts that bring a level of certainty and accountability for costs, quality, turnaround time and continuous business process improvements. Having these terms spelled out in a contract is often a much better alternative than handling work in-house, where it may be difficult to establish responsibility, accountability and performance metrics for business processes.