

The two kinds of business process outsourcing

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Call center services and answering services are a couple of the things a business process outsourcing (BPO) company offers. Generally, a BPO is a third-party service provider that handles ordinary, everyday tasks for another company. Outsourcing has become a common practice among companies in the United States, utilizing services like information technology and technical support, sales and telemarketing, human resources, payroll and accounting, and customer service.

Outsourcing is essentially a measure to cut costs, yet retain a high, or strive to achieve a higher, quality of work. There are two acknowledged forms of business process outsourcing. These are back-office outsourcing and front-office outsourcing.

Back-office outsourcing – This involves internal processes such as accounting and human resources, where the “employees” are not expected to interact with the mother company’s clients. Billing and purchasing are also examples of the internal business processes that are included in this category.

Front-office outsourcing- Business-to-business (B2B) telemarketing and technical support are two of the most common processes outsourced by companies. This centers around services that involve interacting with customers. Customer services, account managements, and sales are also part of this category.

In the old days, outsourcing was called offshoring, but it pretty much means the same. The mother company is in a country like the US, while the third-party service provider is found in another, usually third-world, country. The practice of outsourcing has led to a BPO boom in developing countries like India and the Philippines, where many of its citizens have an excellent grasp of the English language, and advanced technical and customer service skills.

A BPO provider has a greater advantage if it offers both back-office and front-office outsourcing services. Firms with services like these, whose employees can work effectively, will always be a benefit to any company.