

Outsourcing Yearbook 2016



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The New Outsourcing Ecosystem



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Welcome to the business-process-as-a-service age

Much ink has been spilled on the latest trends in business process outsourcing, most of it on the as-a-service business model, and with good reason. Indeed, the trend towards layering cloud-based technology on top of an industry that has for decades been mostly unchanged has had a fundamental impact.

Business-process-as-a-service (BPaaS) is a straightforward concept - automate highly standardised, human-powered business processes through a cloud-based, outcome-centric delivery model.

There are clear and immediate advantages to this approach: processes are simplified, which means automation can be pushed further, decreasing expenses and increasing the cost competitiveness of the service providers who manage to adopt this model, as well as the competitiveness of their customers. Another advantage is transparency and insight. No longer is outsourcing a black box with service delivery latency. Real-time, 24/7, cloud-based reporting “opens the kimono”, meaning that service providers have to make sure they get their act together, while customers have a better grip on all the important metrics that drive their business. Performance against SLAs, KPIs, customer satisfaction metrics, efficiency, productivity, ROI are all visible as they happen.

Upskilling people as they are freed from the more repetitive tasks that can be automated is another advantage that drives

quality improvements and has the potential to gradually drive BPOs (business process outsourcers) into the realms of KPOs (knowledge process outsourcers).

Sounds too good to be true? Well, in 2016, it mostly is. The reality is that few BPO providers have mustered the courage to make the switch to the as-a-service model, let alone have a strategy to do so or even have business cases of as-a-service adoption.

The fear of sharing performance and risks with clients is real. The technology hurdles are important. The courage to change comfortable, profitable legacy business models in order to have a chance at catching the oncoming BPaaS wave is found to be lacking in what is mostly a highly conservative industry. It takes a new breed of outsourcing service provider to fully understand and adopt this model.

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Case study

Conectys's cloud-based ConectysOS platform offers real-time customer insight into the overall performance of outsourced, multilingual customer support and technical support. Conectys' clients can log in from any location using any device, 24/7, and get deep insight into the past and current performance of their customer support operations.

The platform is not limited to the basic metrics such as SLAs and KPIs. Conectys has developed technology that allows for automated capture of post-contact net promoter score (NPS) and customer effort score (CES). These metrics are critical to any business that cares about customer retention, repeat business and viral, word-of-mouth promotion.

A great example of the power of this approach is the partnerships with a well-known European manufacturer of precision sports wearables. The unprecedented transparency and immediacy enabled by ConectysOS has allowed a rapid cycling of analysis and insight into customer satisfaction-

driving initiatives. And with rapid, we are talking about hours, not the typical weeks or months. In numbers, over the course of five years of collaboration with this specific customer, this approach has allowed the client to increase NPS by more than 50 points, while doubling their revenue.

Going further, the meticulous reporting discipline that comes naturally as a result of transparency has allowed the client's product research and design teams to tap into a wealth of product-specific customer insight. What user interface changes can be made in order to improve the user friendliness and intuitiveness of our products? What frequently recurring defects should be addressed in the next design cycle? This is knowledge that makes or breaks businesses.

In short, BPaaS has enabled this and many more of Conectys's clients to better understand and adapt to consumer demand, reduce their reaction speed from months to hours, and outpace competitors on customer engagement.

It is now clearer than ever that buyers need to select providers based on more than the traditional criteria of size, cost and reputation. Demonstrated ability to innovate, with immediate access to the benefits of BPaaS and a roadmap to further benefits down the road are most certainly just as critical. The transition to BPaaS needs to be approached holistically, to define the vision and long term goals for success, and then identify realistic business cases and smart teams to begin implementation.

As clients become more and more outcome-driven, so should providers, and accepting to cannibalise short term revenue will no longer be a trend, but a natural step forward and a proof of trust - in the outsourcing collaboration, in the superior workforce and in the ability of BPO companies to become co-sourcers, instead of mere execution engines of static black box business processes.

