

UNIT 1

Understanding the BPO Sector / Culture

❖ Chapter 1 Overview of BPO Industry

BIFM

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Learning Objectives:

After taking the course you will be able to:

- Understand the BPO industry
- Identify the career options in BPO industry
- Identify the future potential & challenges for the BPO industry
- Identify the factors affecting BPO cost

Introduction:

BPO stands for Business Process Outsourcing. It means outsourcing of business processes from developed countries to the developing or third-world countries to get faster results and bigger profit margins.

The BPO buzz started in India in the mid nineties Very few people explored this field in the beginning and ever since it has undergone a sea change. The scenario today is markedly different from what it was a few years back. People were unsure about the future of the industry. Even those who opted to be a part of the industry took their job as a gap option than a progressive career option. However, today the same industry has established itself as one of the pillars of the Indian economy. It has actually given a kick-start to our economy. More and more aspirants are not only joining the industry but also consider it a preferred option today. Many qualified doctors, lawyers, engineers, teachers, and business professionals are steadily joining BPOs & KPOs due to flexi work-hours & options to be able to work from home.

BPO explained, importance & types of services:

Outsourcing is usually defined as “an organization entering into a contract with another organization to operate and manage one or more of its business processes.”

BPO in a broader sense means employing an external agency or a third-party vendor to get a job done

1. To attain maximum accuracy
2. At a comparatively lesser cost

These business transactions could range from customer service, sales, collections, and data processing to high-end technical support, maintaining HR payrolls, predicting market trends and so on. There are different types of services rendered by BPOs. These can be either voice-based or data -based (non voice).

Companies that outsource their services usually look for contact-centers with the best of services and infrastructure. The second decisive factor is availability of skilled manpower at competitive rates. When these two conditions are met the host company and the outsourced centre sign a contract and the project moves to the next stage.

These days the concept of KPOs (Knowledge Process Outsourcing) & LPOs (Legal Process Outsourcing) is also maturing. The telephone, e-mail and internet chat are the communication means for the trained professionals in these centers who assist their customers sitting overseas. KPOs & LPOs are subsets of BPOs.

Types of services rendered by BPOs:

- 1.) *Customer support services* – These services are voice, e-mail or chat based. The related call-centers operate 24/7 throughout the year. Typical examples include resolving customer queries related to customer's bank-account status, order status, product information etc.
- 2.) *Technical support services* – These services are also depending on voice, e-mail or internet-chat. The technicians at the outsourced center work round-the-clock to resolve customer queries pertaining to computer hardware, software, peripherals & the internet. The queries handled include installation, product support, trouble shooting, and usage support. For example, if a customer is unable to connect to the internet it is the online technician who troubleshoots the issue.
- 3.) *IT helpdesk support* – The IT professionals assist the internal customers (corporate employees) troubleshoot issues related to password reset and other vital functions, Avaya phone non-functionality, or issues with MS Outlook/Outlook express.
- 4.) *Data-entry services* – It includes entering data at a fast pace taking care to maintain a high degree of accuracy. Examples for this service include maintaining data related to sales, purchase, mortgage etc.
- 5.) *Accounting services* – This includes services related to maintaining general ledger, financial statements, balance-sheets, bank reconciliation statements, assets and liabilities etc.
- 6.) *Internet/ Online services* – This includes online sales and purchases, e-booking & e-ticketing. This is one of the fastest modes to reach out to a majority of the customers worldwide in the shortest span of time.

Job profile in BPOs:

It is presumed by some that working in a BPO is like doing an odd-job to meet your education and other incidental expenses. However, BPOs can provide some serious career options and give a competitive edge to your career.

A typical call center is either voice or non voice based. A voice-based call center usually requires direct interaction with some clients or customers via phone. A non voice based call center doesn't require a direct interaction via phone but you may still be interacting with the client through internet-chat & e-mail.