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INTRODUCTION TO BUSINESS PROCESS OUTSOURCING

Today Business Process Outsourcing (BPO) is a household name and most families of urban India has one or more family members working in a BPO. This industry has added immensely to the economy of the country and is a booming sector. When unemployment was haunting the country, the BPO industry came as a boon and has helped many people to enhance the family income in a dramatic way, hence creating lots of opportunities for freshers like you.

The BPO industry, being the most predominant industry, this lesson will give you an interesting insight into how the industry came into being and how it has grown, the various departments, the culture, the skills you must possess to make a great career in this industry.



OBJECTIVES

After reading this lesson, you will be able to:

- describe the domestic BPO industry;
- assess the individual growth of an employee within this industry;
- adapt to the work culture of a BPO industry;
- identify the types of domestic BPO companies;
- list the various skills required for the industry.



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1.1 DOMESTIC BPO INDUSTRY

Let us familiarise ourselves with the domestic BPO industry and its brief history.

During the past few years, the country has seen phenomenal developments in its political, social and economic infrastructure accelerated by the strong forces of globalisation and the radical changes in Information Technology. The booming IT segment comprising ITeS / BPO are the core sectors that have driven the country into the epicentre of change.

You will find that Business Process Outsourcing is a planned and structured arrangement between an organization and an outsourcing partner to perform services which could otherwise be conducted in-house. You will notice that the supplier of the outsourced services takes key responsibility of ensuring that the services assigned to them, are duly performed and delivered as per the desired results of the organization.

You may be aware of the term “Domestic business process outsourcing”. It is a partnership between two businesses in the same country. It started in the late 90’s where one company outsourced some elements of operations to another. You will see some clear benefits of domestic business process outsourcing which are similar, reliable and have constant legal and regulatory standards between the two companies. Another advantage is sharing the same language and culture and it aids in the implementation of the outsourcing model.

1.2 INDIVIDUAL GROWTH PROSPECTS

Fig 1.1 depicts the growth prospects for individuals in the domestic BPO sector: Some of the career opportunities in the BPO industry are medical billing, medical transcription, recruitment process outsourcing etc.



Fig. 1.1 : Growth Prospects

Hierarchy in a BPO

Vertical Growth

It refers to the growth pattern with respect to a single department/process in the BPO industry.

Let's take a look at how one can grow up the ladder in a BPO.

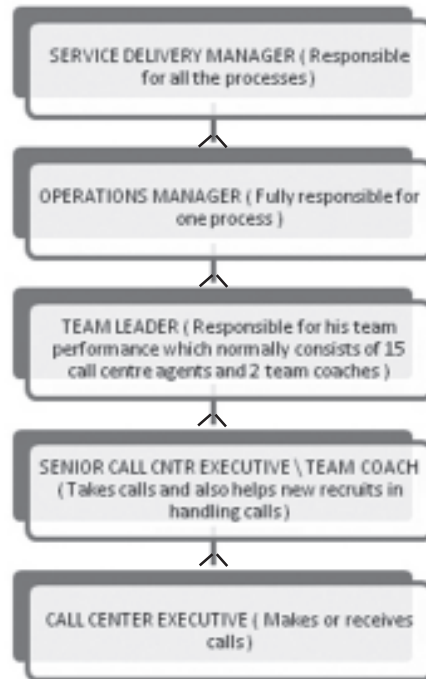


Fig 1.2 : Vertical Growth

Horizontal growth We had a look at the vertical growth pattern. Now let us have a look at the horizontal growth opportunities that a call centre agent can choose from, depending on his skills and performance. The horizontal growth is with respect to various departments in the Domestic BPO industry

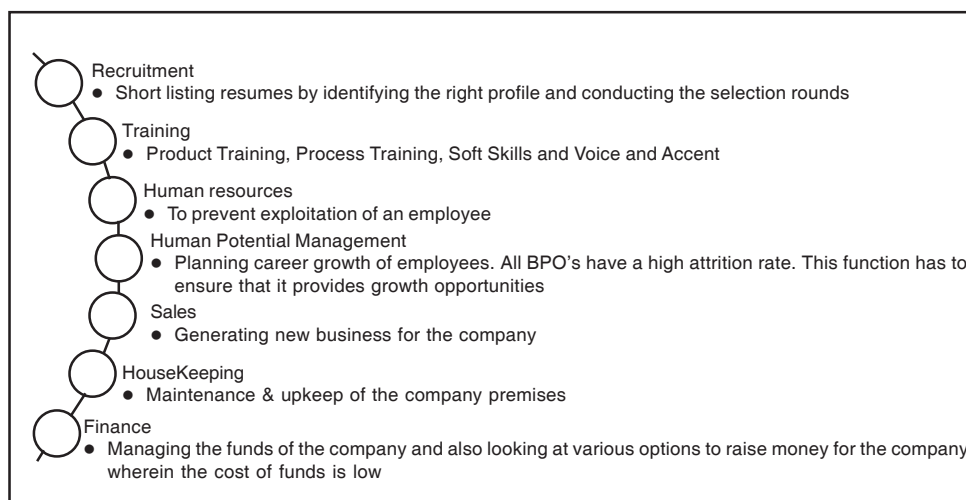


Fig 1.3: Horizontal Growth



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INTEXT QUESTIONS 1.1

I. Choose the correct option

1. The full form of BPO is _____.
 - a. Business Process Organisation
 - b. Business Process Outsourcing
 - c. Bharat Process Outsourcing
 - d. Business Progress Outsourcing

 2. This industry has added immensely to the _____ of the country and is a _____ sector.
 - a. business, booming
 - b. economy, growth
 - c. economy, booming
 - d. economy, growing

 3. The training department deals with _____.
 - a. maintenance and upkeep of the company premise
 - b. generating new business for the company
 - c. product training, process training, soft skills, voice and accent
 - d. marketing and sales

 4. The sales department deals with _____.
 - a. maintenance and upkeep of the company premise
 - b. generating new business for the company
 - c. product training, process training, soft skills, voice and accent
 - d. infrastructure maintenance

 5. The finance department deals with _____.
 - a. maintenance and upkeep of the company premise
 - b. product training, process training, soft skills, voice and accent
 - c. managing the funds of the company
 - d. get new contracts
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6. The team leader is _____.
- responsible for making or receiving calls
 - responsible for the performance of his team
 - responsible for all the processes
 - responsible for individual performance
7. The operations manager is _____.
- responsible for making or receiving calls
 - responsible for the performance of one process
 - responsible for all the processes
 - responsible for management decisions



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1.3 WORK CULTURE IN THE DOMESTIC BPO INDUSTRY

The liberalisation of the Indian economy has given access to the arrival of the business process outsourcing (BPO) culture. India has all the components to setup a successful industry, starting from cheap and educated labour force in the form of our youth, to information technology (internet and computer accompanied with telecommunication skills) and we also have the potential clients and customers within our country.

The BPO, as such, has certainly provided a lot of employment opportunity for the unemployed. It has also helped in reduction of the gender disparity by providing equal opportunity to the female section of the society.

Now let us discuss some of the key attributes to understand BPO culture.

Energetic setting

In the present scenario, when you visit a BPO company, it has a vibrant environment, generally the interiors and the overall infrastructure is set up to make people nice and energetic. This exciting industry also involves a lot of hard work and specialized skills to deal with all kinds of customers.

24x7 work environment

You will find a round the clock working culture in the BPO sector and people work in both, day and night shifts. This is to ensure that the customer services are available round the clock.



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Perfect merger

In the BPO sector, you will find people with a perfect blend of professionalism and friendliness. People are not treated as machines and are given equal opportunities of growth in every sphere of learning. BPO companies create a friendly working atmosphere so that the employees would not feel suffocated.

Rejuvenation channels

As BPO companies have long working hours, pressure to meet the deadlines and to achieve targets, takes its toll on the well-being of the employees. You will see that most of the quality BPO companies offer world class channels to de-stress the employees and to motivate them. Entertaining events and parties are organized at regular intervals so that the employees are relieved and invigorated to take the challenges head-on. Domestic BPO companies have other recreational facilities such as gym, sports and activity room and cafes as well.

Motivation and acknowledgement

BPO employees work hard to meet deadlines and targets. You will find that motivation is a great booster when it comes to deliver high end results. In order to ensure that the team is motivated, team leaders and managers keep the morale of the employee high through encouraging words. Good and outstanding work is always recognized and rewarded in the form of perks, incentives, gift certificates etc. You will never feel the dearth of guidance and encouragement in this industry.



INTEXT QUESTIONS 1.2

I. Match the terms with the right definition:

1	Energetic setting	a	Round the clock working
2	24x7 work environment	b	Channels to de-stress
3	Perfect merger	c	Booster to achieve great results
4	Motivation	d	Vibrant environment
5	Rejuvenation Channels	e	Blend of professionalism and friendliness

1.4 TYPES OF DOMESTIC BPO COMPANIES

The basic reason for outsourcing routine jobs in big organisations is to save money on salaries, infrastructure and specialization. There are two basic functions that any BPO company performs –

Inbound (Taking incoming calls)

Incoming calls means calls made by the customer to the call centre agent which is customer service. Just to give an example, a person banking with HDFC bank would call you to know the balance in his account or a customer may call up the customer service to know whether his bank charges have been reversed, this gives the customers a sense of freedom as they can get in touch with their respective service provider any time anywhere.

Outbound (Making outgoing calls)

Outgoing calls focus on selling a product or service. In this type of calling, you will call customers at random from the database and the BPO executive will sell a product or service to the customer. If a bank has come out with new products, you can call up the existing customers of the bank and try to promote the new service. This process is called cross selling.

Types of BPO companies can also be classified in two major categories –

Domestic BPO companies

Domestic BPO companies handle sales and customer service only for Indian companies.

Some key Domestic BPO companies in India

- ICICI Bank
- SBI
- Fabfurnish
- Amazon India
- Flipkart

International BPO Companies

International BPO companies handle sales and customer service for foreign clients.

Some key International BPO companies in India

- American Express
- Genpact
- Wipro



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- TechMahindra
- HCL
- TCS

Both Domestic and International BPO companies can be classified into two major categories:

Captive BPO and Third Party BPO

Captive BPO - In the case of a Captive BPO, the parent company will set up a dedicated call centre for servicing its own clients. The objective of setting up a captive BPO is to ensure that customers get excellent and quality service within the least possible time.

Third Party BPO

Under this, you have one BPO or one company handling many accounts or processes. To take an example, one BPO say XYZ, could handle 6 processes, of which 3 processes could be from U.K., 2 processes from U.S. and one process from Australia. These processes can again be either inbound or outbound or a combination of both. All third party BPO's are rated each year by NASSCOM on the basis of set parameters.



INTEXT QUESTIONS 1.3

- I. Choose the Correct Option:
1. Inbound BPO is where _____.
 - a. You make calls to the customers.
 - b. You receive calls from customers.
 - c. You chat with customers.
 - d. You are supposed to hold call.
 2. Outbound BPO is where _____.
 - a. You make calls to the customers.
 - b. You receive calls from customers.
 - c. You chat with customers.
 - d. You visit clients premises.
 3. Domestic BPO is _____.
 - a. Business for International Companies.
 - b. Business for Local Companies.
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- c. Business for interrelated collaborations.
 - d. Business for small scale industries.
4. International BPO is _____.
- a. Business for International Companies.
 - b. Business for Local Companies.
 - c. Business for expanding companies.
5. Captive BPO is _____.
- a. The parent company will set up a call centre.
 - b. The parent company will not set up a call centre.
 - c. The parent company gets a franchisee.
 - d. The parent company hires local employees.



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1.5 SKILLS REQUIRED TO WORK AT A DOMESTIC BPO

Before entering the BPO industry, you need to acquire the following skills:

1. Understanding the English language
2. Speaking a regional language
3. Confidence to be able to talk to any one
4. Flexibility with working in shifts
5. Communication Skills – Soft spoken
6. Adaptability
7. Working knowledge of computers

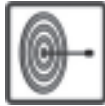
There are no specific educational qualifications required in order to work in a BPO as a customer service officer / operator; call centre adviser / representative or customer service representative. But some reputed industries demand basic IT skills.

If you think talking to customers is not possible for you, then BPO companies also offer two types of non-voice jobs:

1. **Data Entry:** This requires updating organisation databases on various details of customers and clients.
2. **Transaction Processing:** Answering customer queries and enquiries, and responding to complaints over the e-mail.



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WHAT YOU HAVE LEARNT

In this lesson, you have understood about BPO industry. Now you are able to identify the individual’s growth structure within a BPO. You have familiarised yourself with the work culture in a BPO. You have also learnt about the various types of domestic BPO companies like inbound (taking incoming calls), outbound (making outgoing calls) and international BPO companies.



TERMINAL EXERCISE

1. Case study

Rohan and Jatin are best friends and both of them have just completed their 10+2 and they are not keen on pursuing a regular bachelor’s degree and are going through distance learning Bachelor’s degree. Due to different schools and family background, the two of them are very different in their skills. On one hand we have Rohan who was not a bright student in school. However he has excellent communication skills and a dynamic personality. Because of his sociable nature and interest in music he is extremely busy over the weekends due to his music classes, friends this is part of a local band where he is the lead vocalist and it plays every Saturday in a local club.

On the other hand, Jatin has a timid personality and can hardly converse in English. On the flip side though, he is great at accounts and mathematics and is very meticulous, ambitious and focused. As recommended by one of their common friends, who is already working for a BPO, both have contacted a consultant who claims to get them a job at XYZ BPO, that hires for its contact centres and expert accounting services.

The consultant has lined up an interview for both of them. Please look at the below mentioned situation and share your response –

- a) The consultant has asked Rohan to agree to be flexible in order to work over the weekends and he has assured him that he will take care of this once he is selected for the interview. What should Rohan do? Should he inform the interviewer about his commitments over the weekend or should he say yes to everything, thinking will be taken care of once he joins.

- b. The consultant has asked Jatin to rehearse the answer to some of the key questions that can be asked in the interview as the only interviews lined up for the day are for voice processes (English). What should Jatin do? Should he go for the interview after rehearsing the lines or should he ask his consultant to look for something that is more suitable to his skill set also; which other skill sets do you think he can apply for?

2. Explain the key benefits of a domestic BPO.
3. List five different career opportunities one can have in BPO.
4. Describe the vertical growth process in the domestic BPO.
5. List out opportunities one has to grow horizontally in a BPO. Give details for your choices.
6. What do you understand by the term – Rejuvenation channels?
7. What are the key components needed to set up a successful BPO industry?
8. Define the terms given below:–
 - a) Inbound
 - b) Outbound
 - c) Domestic BPO
 - d) International
 - e) Captive units
 - f) Third party BPO



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ANSWERS TO INTEXT QUESTIONS

1.1

1. b. Business Process Outsourcing
2. c. economy, booming



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3. c. product training, process training, soft skills, voice and accent
4. b. generating new business for the company
5. c. managing the funds of the company
6. b. responsible for the performance of his team
7. b. responsible for the performance of one process

1.2

1. d.
2. a.
3. e.
4. c.
5. b.

1.3

1. b. You receive calls from customers.
 2. a. You make calls to the customers.
 3. b. Business for Local Companies.
 4. a. Business for International Companies.
 5. a. The parent company will set up a call centre.
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