



BPO Industry: The Ride from Cost to Innovation What's Return On Innovation?

Evolution from cost to quality has been the key characteristic of the BPO industry in the early 2000s. This is the phase when BPO players started to adopt quality standards like COPC 2000 and ISO 9001:2000. A key stipulation of this phase is the ability to meet stringent SLAs, whereby each transaction is tracked and measured to ensure that SLAs are being achieved and breakdowns are being projected before they occur.

Entrenched BPO hubs like India, Philippines, Canada, Ireland, China, etc., increased their market share dramatically during the 90s' and early 2000s', however the mid 2000s' manifested another phase of the BPO industry. As the foreign offshore market was poised to expand into new geographies across the globe that included regions like North Africa and Eastern Europe, new value propositions started to come on board. The key drivers behind the industry's expansion in this stage, in addition to lower costs and quality metrics, are the multilingual skills, and geographical and cultural affinities. These factors have gained their buzz and significance allowing new players like Egypt to emerge and grab a piece of the BPO pie, where all the necessary factors for a successful BPO venture have been check-marked against, in this rising BPO region.

Yet, the pace of development is still escalating in the BPO industry whereby customers soar into new levels of requirements. Vendors that deploy a mirror reflection of the client's resources and processes are deemed to be not adding enough value to clients. This marks the need for innovation and sets the stage for a new phase of BPO development. A 2007 study by Frost & Sullivan, identifies innovation as one of the key factors to consider in due diligence when selecting an offshore outsourcing provider. A 2005 IDC survey among BPO clients in the U.S. reinforces also the importance of innovation, reporting that 35 percent of the respondents look for BPO providers to drive innovation.

Innovative vendors must evaluate their client's existing business models and enhance them to meet the desired outcomes of improving client

stratification and long term profitability. According to Xceed, one of the fast growing global providers of quality, multilingual Business Process Outsourcing (BPO) Services, innovation can be achieved through deploying technology/technical solutions to any of the following areas:

- Business Processes
- Type of Services
- Service Delivery

Xceed has successfully enhanced the contact center services it provides to one of its key Telecommunication Clients with a customer base of more than 11 million, through deploying a GIS system. That was done through mapping the different cities, towns and neighborhoods measuring the client-sold product against the socio-economic data and features of each region. That allowed more targeted sales efforts toward the regions where the socio-economic data are similar but with less recorded sales of the same product. An innovative approach of that kind achieved great sales figures to Xceed's client, and righteously deserved to be called a genuine added value.

Another successful innovative solution that Xceed offered to one of its Fortune 500 clients is the deployment of an automated readout during call handling process, resulting in a 15 percent reduction in operational costs to the client. It is a fact that it did also harm the revenues of Xceed in the short term, but that was fully compensated by more business from the same client, and that is the secret behind the ROI, which what we call at Xceed the return on Innovation.

To Be Innovative You Need Quality People

By Brendan B. Read, Senior Contributing Editor, Customer Interaction Solutions

To devise and deliver innovative and value-added services, which clients increasingly demand requires BPO firms — especially those located offshore — to focus on recruiting, training, motivating, and retaining the best people.

There have been many well-publicized reports of companies bringing their programs back home because their customers experienced poor service from offshore agents. With customer service becoming the only key differentiator between clients, BPO companies must get it right if they are to retain these clients.

Xceed has long understood the need for quality staff. The location of this BPO firm, Cairo, Egypt, is one of the top educational centers in the Middle East, giving it access to a large pool of university graduates.

Xceed has capitalized on this quality resource by putting into place recruitment, training, performance management, and staff motivation strategies that have made it an employer of choice. As a result it witnessed an impressive record of employees' growth: 25 percent of its agents are promoted annually and five percent are promoted to managerial positions. Among the successful tactics it has deployed is establishing a dedicated staff growth and development unit.

All Xceed agents complete an extensive core-training program. It combines exposure to Xceed's philosophy and values and experience with techniques on how to engage and empathize with clients' customers.

Xceed's program has not gone unnoticed. It recently won the Best Career and Skill Paths Award from INSIGHTS, which provides contact center training services in the Middle East.

"In no other service organization as the contact center is the relationship between employee satisfaction and efficiency so salient, therefore it is of significant value to foster our strategies around developing the skills and the commitment of our employees," points out Xceed Senior Vice President Ahmed Refky.