

Boost outsourcing performance with Process Excellence

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The first paper in this series of three looked at the overall approach to process excellence in best of breed BPO providers. This second paper examines more closely the benefits of choosing a BPO provider that has an internal culture of process excellence, developed through ongoing training, personal development and project initiatives.

Choosing the right BPO provider

When selecting a BPO provider, it is important to consider not only the likely cost savings, but also the potential to achieve improvements in process efficiency and quality of service. The primary driver for BPO may still be to cut operational costs, but the right choice of partner can mean far greater benefits in the form of improved quality and performance.

Choosing a BPO provider that treats process excellence as a key component of both operations and strategy will ensure continual refinements in processes and working practices. Working with such a provider is also an opportunity to absorb best practices from other industry sectors. Lessons learned working with one set of clients will often spark off new ideas for clients in other sectors.

When putting together a shortlist of potential BPO providers, it helps to consider the candidates' approaches and attitudes in three key areas - training, nurturing internal talent, and running high impact initiatives.

1. Training for process excellence

BPO providers that create a corporate culture of process excellence through ongoing training can help clients achieve their outsourcing goals. An organization staffed with individuals who understand process excellence can deliver continual improvements in service quality across outsourced processes.

Training for Six Sigma certifications should go hand-in-hand with direct practical experience. Candidates for training should be required to have an identified and signed-off project in place before they begin. Likewise, high-caliber candidates for more senior Six Sigma training programs should have several years' operational experience. A BPO provider that ensures its future leaders have practical experience and operational skills will be a good long-term partner. To ensure that it remains directed towards practical outcomes, training should be supported through the use of relevant examples, case studies and on the job coaching.

When selecting a BPO provider, it is important also to consider approaches and attitudes to training and employee development. For example, do Six Sigma Black Belt candidates and newly qualified Black Belts receive time out from operational duties to focus on project work? Black Belt certification should be seen as an integral part of operations and a stepping stone to further development and career evolution, rather than simply an end in itself.

2. Nurturing internal talent

Ideally, BPO providers should maintain and develop their capabilities by building strong internal talent pools. This ensures continuity in operations and consistent, and ongoing improvements in service levels.

At Firstsource, some successful Black Belt candidates return to management in operations rather than pursuing a Black Belt career path, so that their new skills feed back into operations and drive further performance improvements. Those who choose to continue to build their skills with guidance and mentoring from master Black Belts ultimately become the next generation of senior leaders.

Organization-wide recognition forums at Firstsource keep employees focused on process excellence, enabling ongoing business process improvement that delivers enhanced performance and higher quality of service.

3. Running high-impact initiatives for client benefit

A BPO provider with a true culture of process excellence can generate positive change for clients from any part of its organization. When operatives and managers at all levels are trained in the use of quality management tools and methodologies, projects designed to improve processes can emerge from the grassroots level upwards rather than being pushed down from senior management. In this way, employees with the best understanding of a particular client's processes – those people involved in operational delivery on a day-to-day basis – are also trained to identify and resolve shortcomings in the processes.

A best-of-breed BPO provider should also have a policy of reviewing internal projects and encouraging the sharing of best practices between different client verticals. This ensures that lessons learned with one client can be used to drive tangible added value for other clients.

About the author

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Chandeep Singh has 13 years of experience during which he has helped implement TQM and ISO 9000 in various industries including automobile, processing and telecom. He is responsible for implementing metric oriented performance measurement system, deploying process improvement framework and driving culture change globally across functions in India, US, South America and Europe.

Prior to joining Firstsource, he drove global metrics across BPO and call center operations as Director, Global Re-engineering Six Sigma in American Express and General Electric (GE).

He holds a Master's degree in industrial engineering from the University of South Florida and a graduate degree in industrial engineering from the Thapar Institute in Patiala. He is also lead auditor accredited from Cranfield University and a certified Master Black Belt from General Electric.

Benefits

Beyond the desire to cut operational costs, a typical driver for outsourcing processes is to enable a tighter focus on core business. Choosing a BPO provider that has an end-to-end focus on process improvement helps achieve lower costs and also enhances the quality of the outsourced processes – taking full advantage of the provider's core excellence.

In Firstsource's experience, partnering with a BPO vendor that takes the above approaches to process excellence should deliver a productivity improvement of 10 to 15 percent over the first three years of the engagement. The following benefits should also emerge:

- Lower operational costs
- Enhanced levels of service
- Higher customer satisfaction
- Improved adaptability and scalability

Further reading

The next paper in this three-part series examines how select BPO providers build on process excellence, adding performance management as a structured discipline that delivers additional benefits to their clients.

About Firstsource

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is among India's leading BPO (business process outsourcing) service providers. Firstsource provides customized business process management to global leaders in the Banking and Financial Services, Telecom and Media and Healthcare sectors. Its 75 clients include six "Fortune Global 500" banks, two "Fortune Global 500" telecommunications companies and three "Fortune 100" healthcare companies. Firstsource has a global delivery model with operations in India, US, UK, Argentina and Philippines. (www.firstsource.com)