

Process Excellence: Delivering value for outsourcing projects

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In addition to reducing costs and enabling improved focus on core business, working with a Business Process Outsourcing (BPO) provider should add value through targeted ongoing process improvements.

All major players in the BPO space claim to have well developed approaches to process excellence. Typically, however, their initiatives focus on the executive and strategic levels, and treat process excellence almost as a bolt-on service existing in its own operational silo.

The best approach to process excellence is to integrate it fully with operational and organizational goals, and ensure that it spans the entire organization. Process excellence must be ingrained in the corporate culture at every level, through ongoing training and skills development programs which are continually measured and recalibrated.

There must also be a clearly defined governance structure for process excellence. The entire framework should be actively reviewed from the board level down to ensure that it is correctly calibrated to changing requirements, and that the appropriate process excellence initiatives are prioritized.

A three-pronged approach to process excellence

Firstsource has developed a unique framework for process excellence that delivers measurable benefits to business process management initiatives for clients, and fosters a culture of continuous improvement. The Firstsource framework has three main components – performance management, performance improvement and culture building.

Performance management

Unlike many service providers, Firstsource uses technology to build process excellence into the

very lowest operational levels, executing it as an integral part of every activity. This extends beyond the standard metrics and promotes a proactive approach to continuous improvement.

Executives can view team performance in real time, while team managers can drill down through the performance dashboard to the level of individual operatives. Advanced monitoring tools highlight exceptions and flag them for immediate resolution, and rigorous monthly audits ensure conformity with best practices.

Performance improvement

Rather than treating the achievement of SLAs as a target, Firstsource continues to strive for further optimization. Its approach identifies the efficiency gaps that remain in any given process and finds innovative ways to eliminate them. The grassroots up approach to process excellence ensures that the strategic vision is consistently translated into practical initiatives that are workable on the shop floor.

An independent quality assurance team monitors transactions and inbound/outbound calls, feeding the results back into the design of new training initiatives. Using technology to carry out trending and analysis, Firstsource continually identifies gaps in skills and training anywhere in the organization. This enables an analysis of the potential impact on client services, and the prioritization of targeted improvement initiatives.

Culture building

Firstsource trains and incentivizes employees at every level to use a simple yet powerful set of process excellence tools. Across the BPO industry as a whole, such tools are typically reserved for project managers participating in Six Sigma projects. However, at Firstsource they are actively rolled down to the base of the pyramid.

Internal contests and award schemes promote and incentivize the use of process excellence techniques and tools, helping to ensure that operatives naturally incorporate these into their daily work. The reporting and analysis of quality issues become second nature to all employees, and reports are designed to be portable, for sharing with clients.

Firstsource places great emphasis on employee development, with in-house Yellow, Green and Black Belt training and certification. An in-house university program grooms high potential supervisors into functional Black Belts, while more than 30 percent of operations leadership is Green Belt certified. In keeping with the focus on practical execution rather than dry theory, all candidates for Green Belt training must already have an identified and signed-off project.

Measurable results

Firstsource has proven the benefits of its process excellence framework in dozens of customer engagements around the world.

Working for a major UK financial services company, Firstsource deployed its process excellence team to analyze and optimize existing processes, with the aim of improving the cross-selling ratio and boosting overall sales. More stringent customer screening processes introduced to meet new regulatory guidelines

had pushed up average call times, resulting in a 40 percent decline in sales volumes. By introducing more detailed customer profiling and enhanced sales training allied to a new rewards and recognition program, Firstsource successfully doubled the sales of insurance products. In addition, Firstsource exceeded client benchmarks for customer conversion rates by around 23 percent, and produced annualized savings of £1.56 million.

By improving the customer conversion rates at this FTSE 100 bank from 64 percent to 86 percent, Firstsource won the "Best Six Sigma Project in Services and Transaction" category at the prestigious IQPC awards. Pareto charts and box plots were introduced to identify the priority areas for attention, and an effective action plan was rolled out to improve performance.

Also in the UK, Firstsource applied its process excellence framework to embed the Six Sigma approach throughout a new greenfield call center. All customer service processes were mapped from day one, dissected, calibrated and optimized.

For the largest US telecom company, Firstsource optimized processes to cut the average completion time for all order types from more than 56 minutes to less than 40 minutes, a productivity improvement of 28 percent.

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.

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)