TELEGENISYS
Service Excellence

QUALITY ASSURANCE IN BPO

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POSITIONING STATEMENT

With recessionary forces taking control, issues pertinent to outsourcing and BPOs have once again come to the fore and there is plenty of talk going around about the future of the worldwide outsourcing industry. While most of the recent debate is centered around President-Elect Obama, and his largely negative views about outsourcing, there are also talks that emphasize on the greater role that the global sourcing industry is set to play in the years to come. However, this whitepaper does not intend to get into any of the ongoing debates since market variables are changing very fast and it's still too early to make any conclusive inferences. This whitepaper will instead focus on highlighting the role of quality assurance initiatives, its benefits and how it helps ensure the success of outsourcing projects.

INTRODUCTION

For more than two decades, the outsourcing industry has consistently addressed critical business needs such as cost reductions and efficiency improvements. Outsourcing services have also empowered businesses to focus more on their revenue generation processes such as production, sales and business expansion. However, expectations have increased dramatically over the last few years and businesses now demand a lot more from their outsourcing partners. Due to rising competition, new desirables such as quality improvements, customer satisfaction maximization, process value-additions and effective management of SLAs, have been added to the list. These are the primary reasons that have made it necessary for outsourcing firms to provide enhanced quality assurance for outsourced projects.

FACTORS THAT CAN AFFECT QUALITY OF SERVICE DELIVERABLES

Even though the practice of outsourcing non-core processes has become hugely popular worldwide and even when critical benefits such as cost savings and efficiency improvements are readily available, reliable reports indicate that the

overall success rate of outsourced projects leaves a lot to be desired. An industry survey covering more than 5000 businesses that was recently initiated showed that not more than 67% of those interviewed were satisfied with their outsourcing initiatives. The remaining 33% mostly attributed their outsourcing initiatives as failures whereas the rest were just not able to decide whether their outsourcing initiatives were a success or a failure.

When survey data was properly assessed, it provided a critical insight that most of those who attributed their outsourcing initiatives as failures, did so because they were not satisfied with the overall quality of service deliverables. They were mostly unanimous in their claims that although cost savings were abundant, their outsourcing service providers had somehow failed to deliver the desired quality. Since sub-par quality directly impacted customer satisfaction levels in an adverse manner, these businesses either pulled the plug on ongoing outsourced projects or simply hired a different outsourcing service provider.

What Can Be Learned From The Survey?

Well, the initial reaction of most businesses would be to take extra precautions while choosing outsourcing service partners. However, something like that will only tantamount to a knee-jerk reaction and not something that aims to identify the root factors that might have contributed to project failures. Certainly, there might have been cases where the outsourcing service provider could have been accused justifiably, but applying the same criterion for every failed outsourced project is something that businesses need to avoid. Here are some other factors that can easily affect the quality of service deliverables and ultimately result in project failures.

1. Ambiguous performance metrics mentioned in the SLA

2. Lack of proper communication channels

3. Unorganized and ineffective decision making

4. Improper delegation of powers and responsibilities

5. Improper assessment about the viability of the proposed outsourcing project

6. Lack of proper tracking, monitoring, and control systems

7. Limited support from the top management

When trying to decipher reasons for project failures, businesses need to include the above factors as well in their calculations. It will help them identify the real culprits and consequently reduce risks for their future outsourcing projects.

DEFINING QUALITY ASSURANCE

Quality assurance refers to the effective management of service deliverables as mentioned in the outsourcing contract and the accompanying SLA. Businesses need to create and provide precise definitions because these will directly affect all individual components of the proposed outsourcing project. To be able to achieve desired tactical goals, these definitions also need to provide information about tools, techniques and technology platforms that will be used for assessing the quality of service deliverables.

If properly created, these definitions would provide an effective quality assurance framework that will make it easier for outsourcing services providers to understand the strategic importance of the outsource project. The resultant quality assurance framework will then cover most of the major and minor quality related project components such as product life- cycle management, QA, performance metrics, and process value-additions.

DELIVERING QUALITY ASSURANCE

An effectively defined quality assurance framework can be termed as a prerequisite, but it should not be confused with a failsafe and comprehensive solution. There is still the implementation part and if that is not carried out properly, delivering quality assurance would always pose a big challenge for outsourcing service providers. Here's a step-by-step procedure that outsourcing service providers can use for ensuring the quality of service deliverables.

TEST VIABILITY OF SERVICE DELIVERABLES

In theory, defined performance and quality metrics may appear easily achievable, but that may not always be possible during actual implementations. It is necessary that both businesses and outsourcing service providers agree to make an assessment about the viability of specified service deliverables prior to the actual initialization of the outsourced project. This can be achieved by starting with small, pilot projects having limited liabilities.

TWEAKING THE PROCESSES, IF REQUIRED

If results achieved through pilot projects are not satisfactory, businesses and their outsourcing partners need to identify the necessary tweaks and changes that could be made for achieving desired results. Making a complete U turn (abandoning the entire project) is often not possible and it would be better if changes are made for rectifying inherent flaws. Project abandonment must be considered only in extreme cases when major flaws might have been detected in the defined quality assurance framework.

DEPLOYING QUALITY MANAGEMENT SYSTEMS

It may not be mandatory, but since the stakes are often high, it would be better if outsourcing service providers deploy time- tested quality management systems such as Six Sigma, TQM, etc. The inability to do so will increase risks and although it may not necessarily lead to project failures, it will certainly be more like playing a guessing game.

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TRACKING PROJECT PROGRESS AND PROVIDING FEEDBACK

The success of outsourced projects depends largely on the acting variables and since these variables constantly keep changing, it becomes necessary for outsourcing service providers to track project progress on a regular basis. Minor deviations, if any, can be corrected by the provider itself, but if some major deviations from the set standards are detected, then the same needs to be communicated to the client and his approval sought for the proposed remedial action.

THE BENEFITS OF DELIVERING QUALITY ASSURANCE

Wide-ranging benefits can be derived when outsourcing service providers successfully deliver quality assurance for outsourced projects. Here's some of the most prominent ones.

IMPROVES BRAND IMAGE OF PRODUCTS AND SERVICES

Most of the outsourced projects directly impact customer satisfaction levels. When providers deliver quality assurance, it automatically results in improved customer satisfaction. The reputation of the business organization and the brand image of its products and services thus get a natural boost.

HELPS REDUCE OPERATIONAL COSTS

When quality assurance is delivered as desired, it also helps reduce operational costs. Some of it comes naturally since wastage is reduced significantly when prescribed quality guidelines are properly adhered to. Cost savings can also come from implemented quality management techniques such as Kaizan, Just In Time, etc.

IMPROVES BUSINESS RELATIONS

Business relations between the client and the outsourcing service provider naturally get a big boost because quality assurance paves the way for the achievement of specified performance and quality metrics. Quality assurance also helps improve business relations by providing on-demand access to live reports containing critical information about project progress, cost structures, operational risks and their remedies.

IMPROVES OPERATIONAL EFFICIENCY

For delivering quality assurance, outsourcing service providers make use of the most advanced telecommunication and IT systems and rely on highly qualified and skilled professionals. All this naturally helps improve operational efficiency.

IMPROVES COMPETITIVE STRENGTH

When quality assurance is delivered, it directly impacts customer perceptions about associated products and services. This helps create favorable conditions for the products and services in the targeted markets, thereby allowing businesses to improve their competitive strengths.

CONCLUSION

Reducing costs may still be the primary objective of outsourced projects, even more so when we consider the prevailing recessionary trends that have put a question mark on the survival of many businesses worldwide. However, since it is quite clear that delivering quality assurance offers a lot more than mere cost savings, it would be better if businesses stepped up their focus on achieving and sustaining the quality of service deliverables. Losing their customer base due to sub-par outsourcing services is the last thing businesses would want today and that's why they need to look beyond cost savings. Asking their outsourcing partners to deliver both quality assurance and cost savings in the right proportions will go a long way in helping businesses survive the ongoing financial crisis and eventually emerge as winners.