

[Business Process outsourcing](#), is it good or not?

Average outlook of a nation which is outsourcing services:

They are stealing our jobs

We don't want to outsource, as it leads to lesser jobs in our nation.

They took our jobs away.

This would be the thought process or outlook of a nation which is outsourcing services to other nations.

Well, I would like to show you different point of view.

Before we do that, for the readers who are new to this, let us understand what is outsourcing.

What is Outsourcing?

Outsourcing does not necessarily mean delegating work to some other nation.

Outsourcing: Contracting some or all call center services to an outside company.

OnShore: Onshore outsourcing is outsourcing within nearby region or the same country.

Offshore: Offshore outsourcing is outsourcing beyond your country.

I would say Outsourcing is transfer or delegation of services to an external service provider and day-to-day management of a business process.

You would have heard many companies outsourced their customer support, technical support, helpdesk, email support, chat support, data entry job to an outsourced nation. This can be called delegation of services.

Benefits of Outsourcing?

The benefits of outsourcing of course are variable, dependent upon the nature and situation of the organization. However, the following is a list of common reasons why outsourcing is undertaken:

Cost Advantages: This by large has been the major driving force behind outsourcing. Business Process outsourcing provides huge difference in costing, thus saving a lot of resources for expansion of the core job.

Greater flexibility and ability to define the requisite service more readily.

New spectrum of Global market: Organization can now market their products and services to Global market and provide support to customer base throughout the world which they cannot do on their own or do not have the domain expertise.

Specific supplier benefits. For example, better security, continuity, etc.

Increased productivity.

By employing skilled manpower in larger numbers at lower costs companies can really increase their productivity. This in turn would result in better customer satisfaction and increased profitability.

Higher quality service due to focus of the supplier.

Improved internal management disciplines resulting from the exercise itself.

Increased customer satisfaction: While the Outsource call centers focus on the non-core departments, the outsourcing company can focus more on their core process which could lead to much happier customer base.

Now that we have defined outsourcing and its benefits, let us proceed to our main discussion.

Is it good or bad?

Now naturally, when we say good or bad, good to one could be bad to another.

But, what we are trying to find out today is, whether outsourcing is good for both the nations? Outsourcing and outsourced nation.

Well, initially nations that started outsourcing their jobs, they felt that outsourcing their jobs offshore leads to lesser jobs for them.

In fact many people lost their jobs initially.

Primarily, in the early days of outsourcing, people who were associated with website development, customer service, customer helpdesk, technical support, etc lost their jobs.

These jobs were outsourced to offshore call centers because of the cost factor.

The citizens of outsourcing nations had initial problems dealing with difference in accent of the call center representatives in outsourced nations.

Slowly and gradually major companies realised that it is better to have 2 tier support.

Outsource lower level support to outsourced nations.

Have onshore solutions for higher level support.

This strategy was adopted by many companies which lead to a higher customer satisfaction ratio.

Well, we have spoken about inbound call center services, now let us talk about outbound call center services.

Before that, let me explain you the difference between the both.

Call Center: A term that generally refers to inbound centers, outbound centers, help desks, information lines or customer service centers, regardless of how they are organized or what types of transactions they handle.

Inbound call center: Call center services that support calls received from a customer. Inbound call center calls typically include customer support and help desk calls.

Outbound call center: Call center services that consist of calls made by a company representative out to customers. Outbound call center calls are primarily telemarketing calls.

Now that you know the meaning and definitions of both, let us discuss the topic further.

Out bound call centers also followed the same stream.

Initially companies outsourced as much as they could to offshore, but slowly and gradually most of the companies learnt that it is better to follow blended outsourcing.

Blended outsourcing, that is a new term.

Let us discuss what it is.

Blended outsourcing means outsourcing a part of the process to offshore call centers and the rest to onshore call centers.

This Blended outsourcing approach has some major benefits.

There are many services which are legally not allowed to be outsourced offshore. Utilizing the benefits of Blended outsourcing, this can be managed very effectively.

The low cost services can be outsourced to offshore call centers, whereas the higher cost services can be outsourced to onshore call centers.

The blended outsourcing leads to better customer satisfaction.

Well, now you would agree that Outsourcing is Good for both, outsourced nation and outsourcing nation if managed properly.

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