



What is BPO?

BPO stands for "**Business Process Outsourcing**," and is better known as simply "outsourcing." It is basically the process by which a company delegates certain non-core business processes to an outside organization that has the expertise and the resources to handle those business processes with the primary objective of saving costs and improving the company's efficiency and profitability.

There are two primary types of BPO: back office and front office outsourcing. Typical back office processes that are suitable to be outsourced include accounting and finance, tax compliance, payroll, billing and collections, IT technical support, supply chain or logistics and human resources. Some companies offer their services in collections, credit analysis, job recruitment, and even claims processing for insurance companies. Examples of front office outsourcing include technical support, customer services, marketing and advertising.

Major BPO sectors:

1. Call center – provides inbound and outbound voice-based services for sales, marketing, technical support, etc.
2. Software development and applications maintenance – consist of analysis, design and programming of systems software; IT operations and infrastructure support.
3. Animation and creative services – involves the development of 2D and 3D animations and models, cinematography, electronic games, digital arts and design.
4. Data transcription – involves conversion services from voice to digital or hardcopy medium in the medical and legal professions.
5. Back-office processing – involves services related to finance and accounting, HR administration, data entry and encoding, billing and online research.
6. Engineering design – includes computer-aided design, civil and architectural works, electronics, etc.



By outsourcing non-core business processes, a company can focus on what it does best and stick to its core competencies and thus become more successful. BPO has become an indispensable strategic tool for acquiring expertise that otherwise would have entailed hefty investment in people, infrastructure and technology on the part of a company, and is now widely embraced by many businesses and large companies.

BPO leads to organizational excellence, better customer relations, improved product branding, financial efficiency and increased shareholder value.