

“Do Business Better” Using BPO as a Revenue Enabler

By Beth Ellyn Rosenthal, Editor | September 9, 2011

Wipro Voice: Manish Dugar, Senior Vice President, BPO



Historically companies outsourced business processes to save money or gain process efficiency. But as service provider offerings and buyers matured, BPO can now become a revenue enabler, according to Manish Dugar, senior vice president, BPO.

In some cases, old, outdated technology and antiquated processes in the back office can “handcuff” the front office, points out Dugar. For example, today enterprises need real time analysis, not end-of-the quarter reporting. But this kind of research and analysis is not possible without the newest technology.

BPO becomes an enabler if the service provider:

1. Can control the process from end-to-end
2. Has deep industry domain knowledge, including keeping up with ever-changing government regulations
3. Has developed the requisite IT to enable the process changes

Examples of BPO as a revenue enabler

Expanding into new geographies. Dugar cites a bank that may have become well-known in its home geography. Now it wants to expand but doesn’t have the processes or the local knowledge necessary. Wipro, however, has other clients in the proposed new geography and is intimately familiar with the banking regulations there. “We can provide a ready-made platform to support this bank’s expansion into the new geography because we have done it before,” explains Dugar.

Expanding into new areas of business. Stock traders are another example. Service providers with the proper technology and understanding of markets can enable traders to enter new markets and do different kinds of transactions they couldn’t do before.



Launching new products. Today's service providers can also cut the time for a new product launch, Dugar continues. "If you open up a new market five months earlier than planned, it creates a business opportunity," says the Wipro SVP. "It's possible the opportunity could vanish if you waited."

Keeping current customers. Social media is particularly helpful here. Say a manufacturer discovers it has a problem with its new printer. It can employ social media to let its customers know they can call a toll-free number to swap out their misbehaving printer with a new one. "This way the customer doesn't have to call and complain," he says. Nipping the problem in the bud creates good will and ultimately retains a hard-earned customer.

Using analytics as a revenue generator

Analysis is more important than ever, given today's economy. "We believe that analytics-driven experimentation and performance improvement will be a key driver for businesses to be future-ready. It's hard to find trends manually," points out Dugar. "Technology can point out trends that the naked eye can't see." Spotting these trends early is critical because then companies can make business decisions "based on the trends currently shaping the market."

The Wipro executive recalls one client asking the service provider to help increase its cross selling and up selling opportunities. The Wipro team decided the best way to do this was to figure up which customers were the most likely to be amenable to a selling opportunity. Combing through the data, the Wipro team discovered that six percent of this company's customers called, emailed or tweeted about issues they had with the company's product. It removed their names from the cross selling list, figuring it would be difficult to sell more products to unhappy customers. Then they used the statistics to prioritize the remaining 94 percent. "These insights created a revenue opportunity for the company," Dugar says.

In another case, the Wipro buyer sold surface cleaners (equipment to power wash buildings and windows.) An analysis showed the average surface cleaner purchase was \$150,000. But the Wipro buyer's average sale was just \$100,000. Knowing this, the company's sales force worked to bring up their sale to the industry average. "We helped them increase their wallet share with this knowledge," Dugar says.

Why Now

A number of events coalesced to bring about BPO's new role as a revenue enabler. Outsourcing buyers have matured. They have already picked the low-hanging fruits of process consolidation and improvement. They have already reengineered their processes and employed tools. Going through these evolutions generated the confidence buyers needed to get to the stage where they could feel comfortable outsourcing a process end-to-end.



On the supplier side, providers have gained vertical capabilities. “Collection for a telco is different from collection for a manufacturer. Each is unique,” says Dugar. Providers now have the experience and the expertise to understand the nuances of the industries they specialize in.

Service providers also have developed the technology needed to automate and transform BPO processes. They have analytics in place.

Put all three together and BPO steps up a notch. “Today, the service provider has to own the business outcomes using technology and analytics and thereby help its customers do business better,” says Dugar.