This paper discusses the approach to Quality in India’s BPO’s from the inception years to the current scenario and also offers an insight into what lies ahead. This journey encompasses the time when ISO 9001 and COPC certifications were much sought after, to the time when constant innovation led us to embrace several improvement methodologies like Lean, Six Sigma and Kaizen to further the efficiency of processes.

This paper also discusses how the current focus is shifting from managing processes to managing outcomes for the customers and how technology innovations act as differentiators in businesses.

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Introduction

Business excellence can be defined as the systematic use of quality management principles and tools of business management, with the goal of improving performance.

In accordance with this definition, several top Indian BPO's are on the right track towards “Business Excellence”. This is evident from the strong focus laid by these organizations in adopting, adapting and mastering a myriad of improvement methodologies like Lean, Six Sigma, Kaizen, Continuous Improvement, etc. to improve efficiency.

The Approach to Quality

The approach to quality in India’s BPO’s, during the inception years was primarily on process compliance and hence certifications like ISO 9001 and COPC were much sought after. Over the years constant innovation led us to embrace improvement methodologies such as Lean, Six Sigma, Kaizen, Continuous Improvement, etc. to further strengthen the efficiency of the processes.

Some Indian BPO companies have become extremely proficient in the application of these methodologies for internal processes as well as in their customer’s organizations, hence significantly achieving process and people excellence.
Engagement of quality starts right from the inception stage and hence a Process Excellence and Quality Framework articulating the functional deployment of quality techniques becomes a necessity for any BPO organization.

Business Excellence

A process lifecycle consists of four phases namely
1. Presales
2. Transition
3. Stabilization
4. Optimization

Standards set by standardization bodies like ISO (International Organization for Standardization) and COPC (Customer Operations Performance Center) generally form the foundation for this framework.

BPMS is a framework that is deployed at the transition phase and continues to govern the process throughout its life cycle. Improvement methodologies like Six
Sigma, Lean and Kaizen support are largely deployed at stabilization and optimization phases. While most of the high impact or transformational projects would typically be executed in the optimization phase, incremental improvements can start in the stabilization phase.

Business excellence is the key to ensure success with clients as companies strive to deliver reliability and perfection to customers by maintaining high standards in service offerings and products, as well as internal processes and people management.

A fine blend of certifications and best process methods needs to be created to make process excellence a culture in any organization. Process Excellence Governance Model/Framework is the backbone of process excellence delivery and helps align to the client’s strategic objectives. This improves the level of engagement with the client, making the relationship with the client that of a partnership.

As a part of the quality initiatives of many Indian BPO’s, process excellence starts with incremental innovations through methods such as:

- **Kaizen:** A quality initiative involving implementation of ideas to help improve work performance and become more efficient
- **Continuous Improvement:** An ongoing process, focusing on improving customer satisfaction through continuous and incremental improvements to processes
- **Lean and Six-Sigma:** Quality methodologies to improve processes through eliminating waste and reducing variation

These incremental innovations move on to quantum innovations through Business Analytics and Business Process Transformation. In general, business excellence models have been developed by national bodies as a basis for award programs. For most of these bodies, the awards themselves are secondary in importance to the widespread adoption of the concepts of business excellence, which ultimately leads to improved national economic performance. By far the majority of organizations that use these models do so for self-assessment, through which they may identify improvement opportunities, areas of strength and ideas for future organizational development.

The most popular and influential model is the Malcolm Baldrige Award Model (also known as the Baldrige model, the Baldrige criteria or the criteria for performance excellence), launched by the US government. The essence of the methodology is to concentrate in a perfect blend of focus between processes, technologies and people. The main idea is that neither of those elements can be improved by itself and it needs to be balanced and improved in a blend with the other two.

### The Role of Quality in Upstream Business Processes

As mentioned earlier, quality as a function gets deeply involved in the business right from the inception, i.e. from the stage when bidding for business is being done. Recently, a lot of emphasis has been put on bid quality as this is the first touch point for any prospective customer. Transitioning and due diligence (analysis done on the business coming to the BPO) phases also have extremely important engagement from quality function. Quality is involved in vital activities like process mapping, risk analysis, process performance parameters identification, dashboard design and other key process documentations like standard operating procedures (SOP’s), creation of a transaction monitoring framework etc.
Another key benefit of having a process excellence expert engaged in upstream functions is identification of inherent bottlenecks, inefficiencies and process related risks which can be mitigated even before the process is transitioned to the service provider.

**Quality beyond Delivery**

In most of the Indian BPO organizations, quality as a function is involved beyond the delivery (operations) processes, as it is also actively involved in supporting enabler (support) functions. To ensure excellence in delivery, it is important to carry out incremental as well as transformational improvements in internal support and enabler processes as well as core delivery functions.

Quality is expected to drive improvement initiatives, audits and other process excellence initiatives in enabler functions such as transition, hiring/sourcing, facility management, procurement, finance etc. Various successful projects, like improving and automating the IJP process, cost optimization, streamlining claims processing, employee transport safety etc. have come out of these engagements.

**Leveraging Technology to Manage Output**

Each business is unique and quality, as a function needs to address these unique needs. Customer expectations have evolved from where it was, to looking for a partner who can manage and assure outcomes. Indian BPO’s have been successful in achieving this through innovative approaches to enhance quality, as experienced by customers.

The focus is now shifting from managing processes to managing outcomes for the customers. Technology innovations like process simulation and modeling techniques, helps simulate customer environment to deliver best in class performance. These technological innovations act as a differentiator to effectively assist in winning new businesses and improving customer experience, right from the stage when the business is being transitioned. This has led to a paradigm shift from our earlier reactive “Lift, Shift and Fix” methodology to a proactive “Transform and Shift” model.

Deployment of such technological innovations helps in managing the delivery across the entire process life cycle and greatly enhances customer satisfaction. These innovations are also pivotal in playing a critical role in driving a cultural shift in the organization (moving from manual work methods to automated processes through application of tools and technology).
Customer Centricity

Customer expectations have evolved from where it was to looking for a partner who can manage and assure outcomes. Many Indian BPO’s have been successful in achieving this through innovative methods to enhance quality, as experienced by customers.

This philosophy stresses on identifying parameters that are most valued by customers, emphasizes on implementing a service approach that is customer focused and emphasizes that all systems, processes and methods should be developed around the core customer expectations. This initiative follows a top-down approach and is governed and managed through an organization-wide customer centricity program. The program aims at developing a customer oriented service culture with the objective of building a culture of not just meeting customer expectations but exceeding them to become a preferred partner through raising the service and improving customer experience.

Some high impact projects under the customer centricity program such as call volume reduction, backlog reduction, etc. have resulted in substantial top line benefits for the clients. Other initiatives under this program like aligning to business metrics rather than operational metrics only and C-Sat improvement initiatives have helped customers gain confidence in the ability of service providers to associate as a partner and not only as a service provider.

For example, when an end-customer orders for broadband service, the job requires a series of steps like accepting the order, processing it, ordering the equipment, allocating bandwidth and installing the line at customer’s home. Earlier the customer’s process performed the tasks in two separate silos which rarely talked to each other.

The new customer centricity program brought the teams together and posed the question – How can these two teams work together so that the entire process can be performed faster and lead time to generate cash from the sale order be reduced. The entire approach brought a 10% reduction in overall cycle time leading to huge gain for the telecom partner while transforming the customer business.

Standardize to Succeed

Another method used by Indian BPO’s in the journey towards business excellence is standardization. Standardization is the process of developing, agreeing and implementing standards that specify criteria or a set of rules to establish uniform specifications, methods, processes or practices based on research and experience.

Standardization of business processes is critical as tasks that are performed haphazardly not only cause low productivity but also hamper customer satisfaction. Standardization leads to operational excellence through simplified and effective work environment.
The key standardization practices are as follows:

- Surrogate Customer Satisfaction (C-Sat) Measurement, Case Management, Vitality Training, Agent Variation Management – These are applicable generally to the voice processes
- Transaction Monitoring – Applicable to all processes
- Change Management – Applicable to all processes

**Knowledge Management**

The Indian BPO industry has seen a phenomenal growth rate over the last few years and the trend should continue for subsequent years in near future at least. But this growth has also provided more opportunities for employees and hence attrition has been one of the biggest challenges faced by Indian BPO organizations. Apart from visible loss in terms of hiring and training costs etc., there is a huge challenge of loss of tacit knowledge from the organization. Many leading BPO organizations have therefore laid emphasis on “Knowledge Management”, which aims at capturing, hosting and sharing tacit knowledge in and across the organization.

Knowledge Management (KM) is a business term and a unique concept that involves people, processes and technology. Global major corporations have a strong KM practice and some Indian BPO’s have been practicing and maturing it for over a decade now.

Knowledge Management provides several benefits to employees. KM encourages knowledge sharing, re-use and collaboration. This in turn helps in developing people competency and shortens the learning curve of new team members. It also provides the ability to react instantly to business opportunities and thereby enable successful partnering with customers. Organizational values and culture form the foundation of the KM framework. There are three pillars of the KM framework, which includes people, business processes and infrastructure. The complete knowledge life cycle is based on and supported by these pillars and derives inputs from tacit and explicit knowledge.

**Management Commitment towards Quality**

Quality as a way of life reflects through the quality policy which focuses on making aggressive commitments and delighting the customer.

Management commitment in top Indian BPO’s can also be assessed by the number of reviews the management team conducts on the quality of processes.
Addressing the WIIFM – What’s In It For Me?

To engrain quality DNA, widespread organization wide training and a consistent approach that solves key problems, using the most appropriate methods has helped many Indian BPO’s, to build a culture of excellence.

Availability of a range of topical quality trainings on improvement methodologies and policies that encourage employees to get certified on them goes a long way in etching quality in the psyche of the employees of organization.

Quality competitions and rewards and recognition given to employees who live and breathe the quality way of life, helps motivate other employees to learn more and participate. These are the building blocks that pave the road of business excellence.

Conclusion

In Indian BPO’s there is a constant endeavour to strive and raise the bar higher and to fine tune the system to make it more sensitive to the customers ever changing requirements. As we continuously strive to raise the bar we strongly believe that quality is a journey and not a destination.
Appendix

References

Site References


About the Author

Devender Malhotra has over 15 years of experience in the IT, engineering and automobile industry. He has a post graduate diploma (PGD) in Marketing and Financial Management with graduation in Mechanical Engineering. Devender is a certified Master Black Belt in DMAIC and a Lead Black Belt in DSSS+ and TQSS Methodologies driving Six Sigma as well as Lean Initiatives as a certified Lean facilitator. He is also a qualified Internal Quality Auditor in ISO, a CMMi assessment team member and has experience in implementing CMM Level 5 in GE-India Design Center and CMMi level 5/ BS 7799 in Wipro and is also a certified Malcolm Baldrige Examiner.

Devender has executed various consulting assignments in US on Metrics, Six Sigma and Testing Process maturity areas and has presented papers in various forums in India, Europe and US.
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