Trends

Emerging Trends Of Business Process Outsourcing In Europe

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Mobile & Cloud

Social Media Impact

Big Data Analytics

Vertical Outsourcing

Sustainability

Typing_

The global business environment is in constant shift. As organizations adapt to changes triggered by socioeconomic, geopolitical and environmental factors, the expectations from business process outsourcing are also changing. Enterprises analyze the impact of changes to their business and adapt to new ways of working. The objective of such analysis is to utilize the effects of changes towards improving operations, reducing costs and maximizing profits. Organizations are constantly seeking new opportunities, capabilities, enhancements and value added services through outsourcing.

In contrast to traditional transactional process outsourcing (i.e.: finance and accounting) modern enterprises are focusing more on areas such as knowledge process outsourcing, big data analytics, software robotics and intelligent automation. The adaptability to the changing environments will tremendously help organizations to gain more, through world class services, superior competences and latest advancements in the industry.

Although cost savings still is a key driver for outsourcing, attributes such as process quality improvement, access to superior domain expertise, outstanding analytical capabilities, high level of automation, transparent & streamlined services, and sustainable growth are key drivers for next generation Business Process Outsourcing.

The emerging trends in business process outsourcing within Europe are:

Cloud computing and mobile technology

Cloud computing provides universal accessibility opportunities. Users could login to software/ programs independent of the location, device or technology. It gives a great degree of freedom and powerful integration capabilities. Furthermore, license based pricing models provide better control and flexibility. As a result of cloud computing, the infrastructure investment needs are decreased. This in turn facilitates Saas (Software as a Service) and BpaaS (Business Process as a Service). The flexibility of data access and reduced costs are key benefits.

Vertical outsourcing

Vertical outsourcing refers to managing end to end chain of a function through an outsourcing partner. This ensures that all steps in a specific process are outsourced and managed. As an example, the vertical outsourcing of Purchase to pay process starts with invoice scanning, ends with the payments handling, and includes all functions in-between. Vertical outsourcing delivers high value through consolidated services, and therefore, has a tangible business impact.

Big data analytics

The quantity of data related to a business process is extensive. Enterprises require large volumes of data to be analyzed, ex

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tracted and converted to meaningful information. The content adds high value in business process performance analysis and process improvements. Furthermore this consolidated information would be utilized in organizations decision making processes. Through big data management, enterprises could better process transparency, visibility and control. It would lead to improved and streamlined operations, complemented by tangible business impact.

Impact of social media

Social media is an integral part of the modern business operations. In outsourcing, the activeness in social media is highly important. It is an enabler in establishing new synergies and cross border co-operation. It is also a platform to share feedback, reviews and opinions. Furthermore, social media provides opportunities in business development, operational improvements and creating a superior customer experience.

Crowdsourcing

An innovative trend, crowdsourcing refers to obtaining services from a group of persons, instead of depending on specific suppliers and fixed contracts. This is made possible through online communications and social networking.

Demand driven virtual teams are established based on competence, availability and capabilities. The group performs tasks as defined. Once objectives are complete, the team disperses. It is a novel trend and is gaining interest. Through effective management, crowdsourcing delivers results faster, cheaper and possibly with better quality.

Sustainable outsourcing

More and more European businesses are focusing on long term performance and sustainability of operations. Corporate and social responsibility, environmental impact of operations, and consistent economic growth are key attributes which companies focus on. The expectation towards outsourcing service providers is also to focus on sustainability issues and provide value added services.

The alignment of corporate strategy and business ethics between outsourcing service providers and potential customers would deliver long term benefits and successful co-operation opportunities.

Based on the analysis, the latest trends of outsourcing are geared towards customer centric services with high degree of flexibility and tailoring possibilities. Mobile technology, cloud computing and self-service options are growing in demand. Furthermore, traditional transaction based process outsourcing is becoming outdated. Customers are now interested in full end-to-end outsourcing, and related value added, knowledge based services.

As a result, the potential for cost savings is higher and the value generation is significant. The influence of social media and crowdsourcing further contribute towards maximizing benefits.

Through business process outsourcing, enterprises expect value beyond cost savings. Although cost optimization has been a motivator, organizations are now looking for additional benefits such as access to world class technologies and processes, specialized knowledge on business operations, functional improvements

to gain better market and industry leadership, and opportunities to generate strategic growth. There is also high focus on corporate social responsibility and sustainable development. These are key insights and emerging trends of business process outsourcing in Europe.

The Author: Randev Dias is an internationally experienced management professional, a published author and an academic professor specializing in global business and management consulting. Based in Riga, Latvia, he has held several key positions within the industry focusing on business strategy and operational improvements. Randev has over 10 years of expertise in shared services management, cross border project management, business process transformation, and strategic leadership. He has conducted extensive research on the European outsourcing environment, analyzing the market trends, customer demands and high performance strategies, which are published in his book "Outstanding Outsourcing". Complementing his professional experience, Randev holds a double degree in Business Administration (MBA) and Finance (MSc) from SBS Swiss Business school in Zurich, and BA School of Business and Finance in Riga. Randev can be contacted via > Linkedin

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