

Financial crisis to drive offshoring market: survey Customer interaction increasingly an offshored business process

Tim Lohman 31 March, 2009 11:56 | **Computerworld**

The current economic crisis may push more Australian jobs overseas as offshore outsourcing becomes ever more attractive, a new study has found.

Conducted by research company Callcentres.net and commissioned by outsourcing services provider Convergys, the Business Process Outsourcing Study argues that attitudes to outsourcing have changed as a result of the global financial crisis.

According to Callcentres.net managing director, Catriona Wallace, increased pressure to cut costs, retain customers and increase revenues were causing Australian large and medium enterprises to re-evaluate their approach to outsourcing.

“Twelve months ago outsourcers were uncomfortable talking about efficiency, productivity and particularly cost as it was not appropriate or politically correct to be talking about it,” Wallace said. “What we found is that as a result of the global financial crisis it is now okay to use the language of cost and have those sorts of conversations.”

According to Wallace, close to a third of the 60 local respondents listed outsourcing as a key business imperative over the next two years.

Increasingly, customer interaction-based business processes were being considered as potential outsourced functions.

“IT and back office functions are still the leading business process to be considered for outsourcing or offshoring, but customer interaction activities are now the third most likely to be considered in the next two years,” she said.

This would particularly occur in larger organisations such as those in the banking and finance sector and telecommunication providers, Wallace said.

“The larger the organisation, the more difficult it is to have relationships with customers as the more impersonal and profit driven the organisation is,” she said. “Larger organisations also have higher problems with employee engagement, which has a high correlation with customer engagement.”

In line with this, Wallace said organisations already experienced in outsourcing, such as Optus and Citibank, were likely to lead the offshoring of the customer-oriented business processes.

“For onshore outsourcing Australia ranks well in terms of quality of telecommunication services and language skills, but when it comes to the cost of labour, Australia does not perform well,” she said. “Given that the key imperative around outsourcing in the context of the global financial crisis is cost, we will see an increase in offshore outsourcing.”