



**ECOSYSTEM PREDICTS**

# The Top 5 Trends for the New Age BPO in 2022

**PUBLISHED**  
December 2021

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# Introduction

COVID-19 has been a major disruption for people-intensive industries and the BPO sector is no exception. However, some of the forward-looking BPO organisations are using this disruption as an opportunity to re-evaluate how they do business and how they can make themselves resilient and future-proof. In many of these conversations, technology and process reengineering are emerging as the two common themes in their journey to transform into a New Age BPO provider.

In 2022 BPO providers will focus on mitigating their key challenges around handling client expectations, better people management and investing in the right technologies for their own transformation journeys.

## **BPOS WILL LOOK TO SOLVE THESE CHALLENGES IN 2022**



**Setting the right  
KPIs and measuring  
them**



**Attracting and  
retaining talent**



**Ensuring data  
security**



**Finding new market  
opportunities**



# #1 Customer-centric KPIs Will Separate New Age BPOs from the Crowd

As market and business pressures increase, BPO providers will focus on the customer experience that their clients want to provide. They will start building differentiation on their ability to service the end-customer. Adherence to process and compliance with local and global standards will be just the starting points of their client discussions (table stakes) – the ability to be agile to end-customer needs and expectations to truly support their clients' customer goals and brand images will take these New Age BPOs beyond being mere vendors to being their clients' technology partners.

This will drive a shift away from the traditional “people centric” mindset that BPOs have been known for around the world. They will be focused on technology-led transformation and will invest in technologies to better fulfill their clients' customer priorities.

The KPIs used will have to be both industry-specific (to drive customer satisfaction and better customer experience) and process-centric (to drive operational efficiency).



**2022 will see a redesign of industry-specific and process-centric KPIs for BPO providers. This will ensure that the New Age BPO becomes a partner and does not just remain a vendor.**



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## #2 BPOs Will Become Data Hubs for Their Clients

BPOs are being forced to reinvent themselves to stay relevant. BPOs that fail to focus on a holistic approach to CX transformation will struggle. The market is no longer about labour arbitrage as enterprises prioritise transformational experiences for their customers. BPOs will focus on understanding their clients' customer data better. Contact centres also generate a high-volume of data from customer interactions and use multiple vendor systems that collect data. The challenge for BPOs will be to stop viewing these disparate data marts as silos.

Discussions on customer experience are no longer limited to contact centres – customer experience has become a priority across multiple lines of business. BPOs will have to address that for their clients. Investments in customer data platforms (CDPs), AI, and analytics will be critical for BPO providers, to be able to provide their clients with 'true, cleansed, and actionable customer data'. This data will come from multiple business processes and customer interactions being managed by the BPOs for their client organisations.



**As customer experience becomes an organisation-wide priority, it is time for BPOs to aim for a holistic view of their client data – across all business processes and customer interactions that they manage for their clients.**



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## #3 BPaaS Will Become Popular in the Small & Medium Enterprise Segment

As cloud adoption grows across organisations of all sizes and industries, a select group of BPO providers will start offering Business Process as a Service (BPaaS) to their small and medium enterprise (SME) clients. This expansion of customer base will be possible only if BPO providers invest in the concept of 'user customisable BPO'.

User customisable BPO gives organisations the ability to self-serve and self-customise business processes to align to their business needs, without the intervention of systems integrators or BPO providers. The business process will be modularised and can be easily integrated to the client's business applications and adopted in a phased manner. Context-based customisation drives broader adoption in SMEs.

Given the growing number of start-up and growth companies, BPOs will start targeting this segment, and not stay limited to the traditional focus on the large enterprise segment. The challenge will be to deliver services at a reasonable price; and to choose between volume of transactions from a sizable SME base and volume of transactions from the few large customers.



**With the ability to customise the business processes, the promise of BPaaS will start becoming a reality. The expanded customer base will drive a greater degree of process templatisation in the BPO sector.**



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# #4 Business Processes Will Need End-to-End Security Standards and Responsibilities

As the number of data breaches and cybersecurity incidents grow, organisations will increasingly dictate IT security requirements to their BPO partners. Questions will be asked on the accountability of BPOs in the context of data protection and compliance. Organisations will demand greater visibility into the practices used to manage data, applications, insights, and so on, by the BPO provider. This visibility/access will be the first step to linking of the systems used by the BPO provider and their client organisations.

The adoption of the BPaaS model by many BPOs and the growing adoption of cloud to facilitate the linking of systems used by the BPO provider and the client will eliminate the need for regular physical audits by client representatives. But there will be greater investments made in digital checks and balances.

This could eventually lead to discussions around the ability of BPOs to respond to cyber events, and not just having systems in place to prevent these events.



**BPOs and their clients will need to have a common understanding of the responsibilities and liabilities when it comes to data and IT security.**



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# #5 Human Centricity Will be at the Core of BPOs in the Hybrid Work Era

Managing attrition continues to be a challenge for BPOs; finding talent has been a global challenge. With the 'Work from Anywhere' model growing in importance, BPOs will focus on their recruitment strategies. This might include creating smaller BPO "towns" around a cluster of employees who have the same areas of expertise.

The Hybrid Work model poses several challenges which will require both technology and HR strategies to mitigate. BPOs will build flexible scheduling and shift bidding into the company culture and encourage employees to work on a schedule that works best for them, wherever possible. Allowing employees to bid and openly talk to their managers and colleagues about swapping shifts demonstrates a company culture of open communication and collaboration.

BPOs will also invest more on technology to drive better employee experience, such as – workforce experience management, scheduling and employee experience tools, videoconferencing, collaboration platforms and asynchronous video communications.



**BPOs will focus on employee experience, especially in new avenues for continuous communication between employees and their managers. Having a human-centric focus will allow them to attract more talent, in an industry where it is hard to retain talent.**



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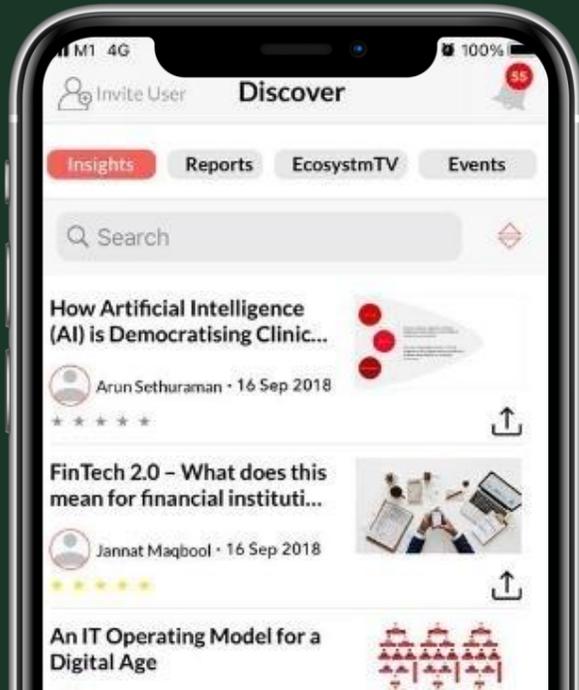
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