

# Presentation to FICPI Conference

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## **AGENDA**

Introduction to Outsourcing

Outsourcing Trends

Potential Benefits



# Introduction to Outsourcing

In business, outsourcing involves the **contracting out of a business process** and operational, and/or non-core functions **to another party (Service Provider)**

## Why outsource?:

- The service provider can provide has specialist knowledge or provides specialist services (eg: tax advice, accounting or legal expertise)
- The service provider can provide better service levels, which benefit your customers (eg: IT support)
- The service provider - via scale, processes or automation – can provide the service more cost effectively (eg: BPO)

**BPO = Business Process Outsourcing**, which is the generic term for transactional and call-related outsourcing

LPO = Legal Process Outsourcing

# Recent Trends in Outsourcing

- **Global outsourcing specialist firms**, catering mainly to large companies/firms
  - Scale and labour arbitrage
  - Accenture, CapGemini, Infosys, Genpact, HCL, ADP, TELUS, Teleperformance, Teletch etc
- **Higher skilled roles being performed offshore**
  - Paralegals, paraplanners, Analytical
- **Global outsourcing centres**
  - India, Philippines, Eastern Europe, Latin America, New Zealand?
  - English language and cultural skills
  - Labour arbitrage and availability of key skills and qualifications
- **Emergence of specialist providers to SMEs**
  - SME-centred models
  - Offshore dedicated model

# Potential Benefits

- Gain access to specialist knowledge
  - Professional, technical, process
- Costs benefits
  - Scale (benefits from having large teams focussed upon activities)
  - Labour costs (lower cost locations)
- Process efficiency
  - Outsourcing firms often have well defined and efficient processes for repetitive activities
- Improved controls
  - Ability for outsource firms to adopt best practice controls
- Access to technology
  - RPA, OCR,