

**“ Outsourcing is a global  
business trend ”**

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# Glossary

BPO - Business Process Outsourcing

BPaaS - Business Process as a Service

- ❖ to entail - подразумевать
- ❖ to leverage - использовать
- ❖ buffer capital fund – резервный фонд
- ❖ to wash the hands off – избавиться от выполнения чего-либо
- ❖ mitigate risk – снизить риск
- ❖ outcome-based pricing models - модели ценообразования, ориентированные на конечные результаты
- ❖ to gain traction in the robotic process automation - набирать обороты в автоматизации технологических процессов с помощью роботов
- ❖ back office - служебные помещения
- ❖ branched out - разветвленная
- ❖ to corner the market - монополизировать рынок
- ❖ to skirt some tax laws - обойти некоторые налоговые законы
- ❖ the confines of tax laws - границы налогового законодательства
- ❖ the midmarket – средний бизнес
- ❖ the mobile-app-for-business - мобильные приложения для бизнеса
- ❖ a makeover - перестройка



The term became popular in the US near the turn of the 21st century.

*Outsourcing* is the contracting out of a business process to a third-party to avoid certain costs.

When outsourcing transgresses national boundaries and is managed by companies located in other countries, it takes the form of *offshoring*.

The opposite of outsourcing is called *insourcing*, which entails bringing processes handled by third-party firms in-house.



# Reasons for outsourcing

Companies primarily outsource **to avoid specific types of costs**



"non-core" business expenses

high taxes

high energy costs

excessive government  
regulation/mandates

production and/or labor costs



# Reasons for outsourcing

1. **Lower operational and labor costs** are among the primary reasons why companies choose to outsource.
2. Companies also choose to outsource so that they may continue **focusing on their core business processes**.
3. It enables companies to tap into and **leverage a global knowledge base**.
4. **Freeing up internal resources**.
5. Enterprises outsource to gain **access to resources not available internally**.





# Reasons for outsourcing



## OUTSOURCING

LET PROFESSIONALS HANDLE YOUR PROBLEM

6. Outsourcing is undertaken **to provide a buffer capital fund** to companies.
7. Companies can **wash their hands off functions** that are difficult to manage.
8. Outsourcing helps companies **mitigate risk**.
9. Outsourcing also enables companies **to realize the benefits of re-engineering**.
10. Some companies also outsource to help them **expand and gain access to new market areas**.



# Top 10 Business Process Outsourcing Trends to Watch for in 2014

**DATAMARK, Inc.**, a leading provider of global business services released a new white paper naming its **Top 10 Business Process Outsourcing Trends for 2014**. Trends expected to shape the BPO industry in 2014 and beyond include **robotic process automation technologies**, a focus on **the midmarket for business opportunities**, and a surge in the “**mobile-app-for-business**” revolution.

**Pioneers and new entrants gain traction in the robotic process automation.**

**Mature client-outsourcer relationships will lead to a gradual shift to outcome-based pricing models.**



**Customer contact center services reach higher levels of sophistication.**

**We'll see more BPO movement onshore and nearshore.**



# Top 10 Business Process Outsourcing Trends to Watch for in 2014

**Healthcare revenue cycle management gets reinvented.**

**BPOs enlarge the midmarket for opportunities.**

**The Request for Proposal (RFP) gets a makeover.**

**The mobile-app-for-business revolution is about to begin.**



**Business continuity and disaster recovery plans are closely reviewed.**

**With another big player providing public services, look for BPaaS to boom.**



# Example

**Nike** is known for their shoes, but they have also branched out into the sports and clothing industries. Nike has hundreds of factories and various subcontractors it uses to design and manufacture its products.



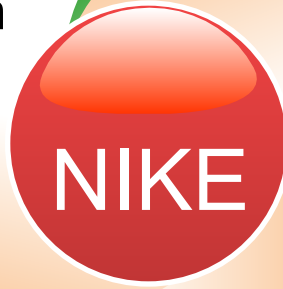


# Advantages of outsourcing for NIKE



**Finances and Risk Reduction**

**Cuts Costs**



**Increases Competitiveness**



Couple Of Jokes For You)))



A hand is holding a white rectangular card with a thin gold border. The card features the text "Thank You!" in a bold, blue, sans-serif font. The exclamation point is followed by a double quote. The background is a composite image with a grid pattern, a yellow-to-orange gradient, and various financial symbols like a dollar sign and a yen sign. A line graph is visible in the upper right corner.

**“Thank You !”**



# Some questions

- ❖ What means outsourcing?
- ❖ Which specific types of costs company usually tries to avoid?
- ❖ What are the reasons for businesses to outsource?
- ❖ You think outsourcing is the way to increase company's profit, don't you?
- ❖ Do you remember some future trends in Business Process Outsourcing?