

BUSINESS PROCESS OUTSOURCING

The global market for outsourcing is growing as organizations learn to unlock more and more value through Business Process Outsourcing. Hot on the heels of its emergence as Outsourcing Destination of the Year for 2007 by National Outsourcing Association in the UK, the aggressive and coordinated work between government and industry stakeholders continue to reap dividends for the Philippines.

By the end of 2008, the bandwagon already counts some of the world's most well-regarded companies such as Citigroup Business Process Solutions, Shell Shared Service BV, JP Morgan Chase, Manulife Business Processing Services, Deutsch Knowledge Services, HSBC, AIG Business Processing Services, Chevron Manila Shared Service Center, Thomson Reuters Customer Support Centre, IBM Business Services, UPS, Nestle AOA, HP Global Delivery Center, and Watson Wyatt Philippines Data Management Center, just to cite a few. The list is expected to grow steadily in the medium-to-long term because the current economic crisis in the West will accelerate global sourcing adoption as institutions push the envelope on outsourcing to achieve scale.

The Philippine service providers perform broad spectrum of activities that include finance and accounting, human resource management, business & technical analysis, logistics and supply chain management. From these processes, the industries being served include Travel & hospitality, Financial services, Information Technology, Telecommunications, Consumer products, Healthcare & Insurance, Entertainment & education and Legal & law enforcement.

While conventional wisdom sees outsourcing as a way of cutting down cost. Locating BPO operations to the Philippines is more of a strategic move than a mere cost arbitrage. The main plus lies in the ability to deliver higher value services to companies by providing both business expertise and process expertise which demand advanced analytical and specialized skill of knowledge workers. Our BPO workers' process management and knowledge-based expertise combine with high degree of creative judgment.

Filipinos are generally regarded for their work ethic. They have always been known to be more productive, thanks largely to the relative ease with which they adapt to different cultures and their fast learning curve, which is 6 to 8 weeks.

To demonstrate its support the booming industry, the government has always considered BPO as a preferred business activity in its Investments Priorities Plan (IPP). As such, fiscal and non-fiscal incentives are given to prospective investors and locators.

The government also set aside substantial funds for training scholarships with duly accredited learning institutions and collaborative arrangements between BPO companies and academic institutions. This is meant to ensure a sustainable pool of talent and assure that the system is responsive enough to potential demand.