Business Process Outsourcing (BPO), a shared future together
Darling, do you want to marry me?
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An in-depth due diligence and structured contracting negotiations and execution
are the baseline for a successful project

Let’s move in together!
The transition & transformation phases will drive you to the contemplated state

How to make housework a breeze? Who takes out the garbage?
During the running phase, strong governance will ensure the success of the operations

Darling, I’m pregnant!
To increase efficiency and share costs, new clients might progressively be on-boarded

You are never there when I need you! Perhaps we should better divorce?
Once outsourced, re-insourcing or changing the provider is very challenging and expensive

And they lived happily ever after
We are happy to help you take the right steps towards successful BPO
Business Process Outsourcing is like getting married — two parties decide to start a shared future together.
Darling, do you want to marry me?

Business Process Outsourcing, a shared future together

You are no doubt wondering what Business Process Outsourcing (BPO) and getting married have in common. Quite a lot, actually! Business Process Outsourcing is like getting married—two parties decide to start a shared future together. This is generally a very complex project and both parties will need to consider a set of questions and analyse specific elements to identify if this is the right option and which is the best way to proceed—like a couple of people who are organising their wedding and life afterwards.

In order to ensure a successful BPO project, your organisation will need to identify your objectives and aspirations, select the right partner and service offering that best fits your specific needs, identify the right scope, the right operating model and associated governance and build a sound business case.

Furthermore, you will need to analyse in detail elements like tax, regulatory and HR impacts to assess whether your organisation wants to pursue the project for a shared future with the selected outsourcing provider or not.

During the contracting, transition & transformation and later in the running phase, your organisation will face many new challenges that will need to be addressed.

Business process outsourcing is a complex project but it is worth having a close look at this opportunity!

Outsourcing is the contracting by an organisation with a third party for the management and enhancement of on-going operations of all or part of its IT infrastructure, IT functions and/or business processes.

In this context, Business Process Outsourcing (BPO) concerns the provision of business processes by a service provider, e.g. accounts payable, claims management, payments, securities processing, etc.

Yes, I do!

If your organisation is considering BPO as an option for the future, you will get engaged in what might prove to be one of your most important projects with many opportunities and challenges.
To assess if BPO is the right solution for your organisation, you should as a first step, ask the right questions to identify the requirements and key drivers.
Are we meant to be together?

An organisation considering BPO needs to assess this opportunity carefully and find the right partner

If your organisation is considering BPO, you should first assess internally if BPO is really the right solution for your organisation and secondly, identify the right BPO provider—or partner willing to build this new capability—that best answers your requirements.

To assess if BPO is the right solution for your organisation, you should as a first step, ask the right questions to identify the requirements and key drivers. Five areas should be analysed at Executive level requiring a constant arbitrage between impact and control:

1. Strategic impact: identification of strategic objectives, key drivers and the scope of the outsourcing
   
   Some key questions: what are the primary strategic objectives and key drivers for considering BPO? Which functions are core to your business? Which capabilities should be considered as differentiating? Which capabilities should be streamlined? For which functions should processing or control be kept in-house?

2. Business impact: analysis of the impacts of BPO on the business model
   
   Some key questions: will the outsourcing better support our business? Will we gain or lose flexibility and agility?

3. Financial impact: outsourcing is not only cost reduction—assessment of expected revenues and costs linked to BPO
   
   Some key questions: what are the expected reductions in fixed costs? What are the expected reductions in variable costs—especially IT and labour costs? How will we consider shared investments? Is the outsourcing allowing us to increase revenues, e.g. by increasing reactivity for the implementation of new products? What will be the pricing model? Can we really expect fixed costs to be converted into variable costs? Is there globally a business case?

4. Feasibility: analysis of the service provider market, HR, regulatory and legal constraints, etc.
   
   Some key questions: Which vendors should be considered? Do their service offerings have the required maturity? What is their approach in relation to HR?

5. Business and operational risks: identification and evaluation of risks attached to BPO
   
   Some key questions: what are the transitional, operational and financial risks? Is there a reputational risk? What is the risk of losing control?

If BPO still seems to be the right option for your organisation, then you need to identify the right BPO service provider and assess the feasibility of the project through a detailed Request For Proposal (RFP) process to ensure that the selected service provider meets your requirements, complies with applicable regulations and to ensure the success of the BPO project.

You will be faced with a heterogeneous market. There are important differences between the providers, especially in terms of the depth and maturity of the service offering, experience and scale, the transition & transformation approach for client on-boarding, the pricing model and IT systems.

You will have to identify amongst all those providers, the one that best corresponds to your specific requirements and your current organisation, IT landscape and culture.

You are the one!

There is no ‘one size fits all’ approach when considering outsourcing. Take your time to identify if BPO is the right option for your organisation and which is the right provider and service offering.
To build your business case, you will need a clear view of the costs, volumes and structure of your organisation as well as appropriate forecasts.
Getting married is more expensive than we thought! Do we really need white doves?

The detailed definition of the scope and business case are key in a BPO project

A key element of the BPO project is to identify the activities you want to outsource versus the activities that should be retained internally. Identifying the right scope of the project is key for all subsequent steps.

To select the right scope for your organisation, you should identify the activities that are business specific and differentiating as those should be kept internally. The activities which are non-core and non-differentiating may be subject to outsourcing. When defining the scope, it is crucial to bare in mind that you should never outsource an issue but only those activities that are properly managed.

The pre-defined scope will serve as a baseline for the business case which you will need to build to assess the financial interest of your BPO project. To build your business case, you will need a clear view on the costs, volumes and the structure of your organisation as well as appropriate forecasts. In addition, you should identify the main levers for fixed costs and evaluate the impact of additional volumes, new clients, products, etc. on the current fixed cost base. This is often more challenging than expected.

Based on this view and the pre-defined scope, you will identify the areas that will be impacted by the BPO project. This will allow you to identify the overall operational cost savings that you will potentially realise internally and compare them against the costs for the BPO. You will also need to take into account the resources you need for managing governance aspects and the relationship which represent an additional overhead.

The pricing models of the providers vary significantly and are generally subject to negotiations during the contracting phase. To determine its pricing model, the provider will need to take into account its actual costs, its margin and the VAT to be applied. The difference between the price and internal costs will represent your potential cost savings.

The pricing models generally have a fixed fee for the set-up, transition & transformation and a recurrent fee which may be linked to the activity, the size and adapted to the growth of the client. Recurrent fees—with a fixed and variable component—can be calculated based on the volume of activities, the number of operations, the complexity of operations or a mix of several indicators.

However, BPO is not only about cost reduction. It is about strategic impact! The business case is one element enabling you to make the right decision for your organisation. Other objectives and aspirations such as increasing flexibility or service quality have to be taken into account when deciding whether BPO is the right solution for your organisation. The attractiveness of BPO is also highly dependent on the size of your organisation. In terms of cost reductions, BPO is particularly interesting for small and mid-size organisations as the pooling of volumes will allow them to operate at marginal costs for both variable and fixed costs. The sharing between large operations will generally address only the fixed costs as both actors have the critical mass for the variable costs. Nonetheless, large organisations always have a first mover advantage when building the initial capabilities, particularly when considering the HR impacts.

Those are too expensive!

Carefully identify the scope of your project and build a business case to make the right decision.
BPO should not only be viewed as creating additional tax costs as it may also trigger significant tax savings and valuable incentives.
How will the marriage impact our tax regime?

There will be important implications in terms of indirect and direct taxes

When your organisation considers BPO, you will have to carefully assess the impacts of this project in terms of direct and indirect taxes. Additional costs may arise for your company due to tax impacts which may have a significant impact on the overall business case.

VAT aspects need to be analysed in detail when considering BPO. The services fees for the activities outsourced to the service provider should normally be subject to VAT. Depending on your organisation, VAT may be non-deductible, thus attributing to the final cost. For instance, financial services institutions in Luxembourg are usually only allowed to partially recover VAT paid to suppliers. In this case, VAT has to be accounted as an additional cost in the business case.

Several measures can be considered by your organisation to mitigate the impact of VAT. These have to be analysed upfront to the BPO project. For example, the parties can set up an ‘Independent Group of Persons’ (when the various conditions are met) or define some specific allocation keys by project or by profit centre at financial institution level to increase the amount of VAT recovered by a project where it is economically justified and clearly documented in the event of a VAT audit by the tax authorities.

The direct tax impacts also need to be duly considered and assessed. Some tax exemptions may be available. Moreover, BPO should not only be viewed as creating additional tax costs as it may also trigger significant tax savings and valuable incentives, for example in the case of a joint venture, tax incentive for investments or a competitive IP regulation may apply. It is therefore important to define an attractive tax model supporting both investments and service delivery along with your operational processes. BPO may impact the tax position of your corporate organisation but also the level of income tax applied to individual employees. Moreover, companies that act in a cross-border environment should carefully consider local transfer pricing regulations and the benefit of double tax treaties to permit an efficient circulation of funds.

In some cases, tax certainty with the tax authorities can be achieved through an advance tax agreement that covers the tax treatment of specific circumstances.

Tax has an important impact!

Proactively identify and understand the potential tax impacts driven by the organisational change in order to develop plans to mitigate any negative effects and pursue potential opportunities.
If your organisation is considering BPO, you will have to carefully assess the impacts on your employees.
A key question in an outsourcing project is how to manage the HR impacts

One of the major questions when considering BPO for an organisation is: What will happen with the staff impacted by the outsourcing? In general, BPO has important implications for the organisation’s employees both in terms of staff transfers and motivation.

If your organisation is considering BPO, you will have to carefully assess the impacts on your employees. The conditions of the staff transfer have to be negotiated in the context of the outsourcing deal. Generally, the BPO providers will take over a significant portion of the staff. However, the portion of acquired staff will depend on the internal needs of the provider, the location of its existing processing centres and its willingness to develop new specific capabilities and new processing centres.

If the provider is just setting up its activities in general or in a specific location, there is a clear first mover advantage for the first client. In this case, most of the staff will be taken over by the provider to accelerate the set-up of its activities—a ‘carve out’ approach. If the provider has considerable activities already in place, then only a limited portion of the staff will be integrated, resulting in a negative impact on the HR dimension of the overall business case.

Within the European Union, the employment implications of the transfer of an undertaking or its business from one employer to another in Europe are regulated by European and local laws. In Luxembourg for instance, the law applied foresees an automatic transfer of the employment contracts and the employment conditions of the employees. These conditions have to be maintained during a period of two years after the transfer. The transfer does not need to be approved by the employees. However, the organisation should inform and consult a set of bodies (e.g. trade unions, the government and regulatory authorities) to manage the staff transfer.

Another aspect that your organisation should carefully consider is how to ensure employee motivation throughout the outsourcing project and in the running phases. The challenge will be to transform uncertainty and scepticism into commitment during the entire transition & transformation phases. The objective should be to avoid attrition of talent and ensure the employees’ engagement of in the project. In order to retain key employees engaged through the process, it is essential to have strong change management activities in place and ensure a clear and transparent communication with employees on a regular basis.

Having a well-defined communication strategy and plan with unified key messages, where employees feel that they are an integral part of the overall process and senior management cares about their well-being and future, is a key to success. For instance, you may avoid potential conflicts by going beyond ‘business as usual’ communication and actively managing organisational changes from an end-to-end perspective. Moreover, an action plan to avoid potential conflicts and facilitate integration should be developed and executed.

Let’s do a guest list!

Carefully evaluate the implications for your employees and initiate a change management strategy early on in the process when considering BPO. This will avoid issues and ensure commitment from all employees.
Some parties need to be convinced, others will even need to give their formal approval but many will need at least to be informed.
How will I convince my mum?  
And who will be our witnesses?

The parent company, government, regulatory authorities and trade unions will have to be involved in the BPO process

Who will have to be informed/convinced that BPO is the right project for your organisation? Will you need the approval of some of the parties?

Following the decision to go for a BPO project, a set of parties will need to be involved. Some will need to be convinced, others will even need to give their formal approval but many will need at least to be informed.

First of all, you will have to convince your parent company of your strategic decision to transform the operating model by using a BPO option. This can be challenging as the head office may have other strategic plans, for instance to consolidate some activities at group level or create shared service centres or simply because BPO is not part of the global strategy. You will have to find the right arguments and build a solid business case with a sound strategic assessment to convince the parent company of your plans.

You will also have to inform the government of the country of your project to ensure an early buy-in, anticipate potential concerns and avoid conflicts.

In addition to the government, you will have to deal with the relevant local regulatory authorities. Your organisation has to identify which regulations have to be respected in the context of the BPO project. What are the regulations and norms you have to comply with? Which authorities will have to formally approve the project?

For instance, banks in Luxembourg have to formally present their project to the local supervisory authority —CSSF—which then has to approve the project.

For insurance undertakings in Luxembourg the Commissariat aux Assurances will need to approve the project.

Another party that needs to be informed and involved in the project are the trade unions. BPO in general has important social impacts. Key concerns for the trade unions will be a potential social plan and the conditions and consequences of staff transfers. An early communication to the trade unions will limit the concerns of employees that generally occur during such a project.

...let him speak now, or forever hold his peace!

It is essential to ensure an early buy-in of all parties and have a clear and structured communication.
More than one provider may be involved in an outsourcing project
Oh my God, the family is coming for dinner!

Third parties will potentially be involved in the new relationship

More than one provider may be involved in an outsourcing project. When analysing the outsourcing option, you should question the sourcing model of the selected provider.

Is the provider outsourcing a part of the services to a third party? What will be the impacts of this sourcing model for your organisation?

A BPO provider may for example, decide to outsource its IT infrastructure to a third party. Another aspect to consider is, whether the BPO provider is using a near shore or offshore solution to provide the services in scope of the BPO project. Will your organisation encounter any potential issues resulting from such a model? A near shore or offshore model of the provider may have significant implications for your organisation, especially in terms of strategy, regulatory requirements, governance, employee transfer, culture and reputation.

Furthermore, your organisation will need to identify the existing contracts with other service providers. Will these contracts be maintained in the Target Operating Model (TOM) or will these services be transferred to the BPO provider? Are there exit conditions that will need to be respected?

Good to see you!

It is important to ascertain all parties involved in the BPO and to establish the governance.
In an outsourcing project, every organisation will face certain risks that need to be evaluated and for which appropriate mitigation measures need to be determined.
And what happens if it is not working out?

BPO can represent major risks for an organisation which will have to be managed properly

BPO is often considered to be a high-risk project for an organisation. That’s right, BPO represents have major risks which need to be properly managed!

In an outsourcing project, every organisation will face certain risks that need to be evaluated and for which appropriate mitigation measures need to be determined.

Some of the main risks in BPO are:

- The loss of control and dependency on the provider
- The operational risks during the transition & transformation phases and later in the running phase
- The insufficient level of service quality
- The gap between aspirations and reality
- Higher costs than expected—in many cases outsourcing charges are much higher than projected in the business case
- The risk that the contract will respond to existing needs but is not fully adapted for the integration of new requirements which were not foreseen at inception
- The risks linked to HR aspects, e.g. staff attrition, resistance of trade unions

Based on a detailed risk assessment, your organisation should identify and evaluate the specific project risks so that you can adopt appropriate measures to anticipate and mitigate the potential risks associated with the BPO project. A continuous risk monitoring will be crucial to identify risks on time and take corrective measures. A strong governance will support the close management of these risks.

We can do it!

You should conduct an overall risk assessment to address ‘what might happen’ and track any issues that may arise throughout the execution of the project and beyond!
From day one, various key elements have to be analysed in order to ensure that you go in the right direction and don’t get lost along the way.
A strong transition & transformation partner will facilitate the project

When planning and realising a BPO project, your organisation needs to consider a number of dimensions and aspects to successfully realise the project. From day one, various key elements have to be analysed in order to ensure that you go in the right direction and don’t get lost along the way.

In the early stages, an external partner may help you to identify where you want to go and to address the right questions, thereby assisting you to ascertain the key drivers and objectives. In addition, the external partner can support you to ensure alignment of all stakeholders.

Many questions will have to be addressed. Is the pricing model of the provider considered best practice? Does the provider comply with all regulatory requirements? During the RFP phase, the external partner will help you to address all the required elements and to analyse and compare the answers with best practices and market insights.

Once you have identified the right BPO provider, you will need to plan and execute the transition & transformation project. To achieve this, you need to consider: what are the necessary steps for the transition & transformation? How should we manage HR aspects? How should we manage the relationship with the vendor? Are we still on track?

The use of a strong external integration partner, supporting the transition & transformation phases with proven methods and seasoned experts will minimise the risks associated with the change. Moreover, this will help your organisation to ensure full alignment of all stakeholders, a maximum of consistency during the entire project and that the project is conducted in a structured manner, considering the best interest your organisation.

This integration partner needs to bring a host of skills. Besides a strong expertise in outsourcing, he needs to have an excellent understanding of all covered business areas and of the technology related issues, the capabilities to manage the HR transition issues and to integrate the regulatory and legal aspects.

Do’s and don’ts for the project:

- **Do’s**:
  - Identify the right BPO provider.
  - Plan and execute the transition & transformation project.
  - Ensure alignment of all stakeholders.

- **Don’ts**:
  - Get lost along the way.
  - Lose sight of your goals.
  - Fail to manage HR and stakeholder relationships.

The use of an external partner will help you to ensure that you stay focused throughout the project on where you want to go while managing all the elements and stakeholders.
It is essential that the contract reflects the right pre-defined scope, objectives and conditions.
We need to talk about a marriage contract?

An in-depth due diligence, structured contracting negotiations and execution are the baseline for a successful project

Contracting and contract management are the baseline for a successful BPO project to maximise value for your organisation. How can you ensure that the contract reflects the best interests of your organisation?

The due diligence phase will not only allow you to carry out in-depth review all the elements that need to be considered, but also, it is the foundation for the contract negotiations. Based on the due diligence and the pre-defined scope for the BPO project, your organisation needs to define the targeted service level and identify critical success factors for your project.

It is essential that the contract reflects the right pre-defined scope, objectives and conditions. Moreover, it is crucial that you have the right stakeholders around the table for a successful contract negotiation. Amongst others, you should include people from your business & IT, people who will have to run and manage the project on a daily basis and people in charge of the account management and service delivery. A stress test of the contract will allow you to ensure that the contract accurately reflects your best interest in different scenarios. Then the contract can be confirmed and put into action.

The execution of the contract will require the translation of the contract into operational procedures, the management of the transition of activities and the transformation and the management of the contract during the running phase on an ongoing basis.

During the running phase, the contract needs to be reviewed on a regular basis to ensure that principles, terms and conditions are understood, properly applied and respond to the objectives of both parties. The services in scope in the contract and defined by service levels need to be closely monitored and continuously adjusted.

Let’s talk about it!

Conduct in-depth and detailed due diligence to ensure visibility on a long-term basis and a smoother decision-making process, and set the baseline for the contracting activities for a successful project.
Once you have chosen the right option then you will need to plan and launch the transition & transformation project which can be very complex
Let’s move in together!

The transition & transformation phases will drive you to the contemplated

There are several ways for an organisation that has decided to outsource to pass from the current operating model to the target operating model. Which way is the right one for your organisation?

There are three main options for an organisation to reach the target state:

1. Transformational outsourcing—Outsourcing of activities to an existing BPO provider taking care of the transition & transformation phases. The key requirement for this option is a proven and experienced service provider, which is not given for all industries.

2. Creation of a joint venture as first step towards outsourcing—The organisation can create a joint venture with a partner with the required knowledge and the objective to set-up BPO activities. The final lift-out takes place after the transition & transformation phase. This generally allows a higher level of control and lower risks for the organisation.

3. Internal/progressive transformation and outsourcing in a second step—In this option the organisation will take care of the transformation of its operating model internally and will only outsource its activities once the transformation has been completed. This is a lower risk option but it requires knowledge and dedicated resources internally and results in a longer time to market.

Every option has its advantages and disadvantages which need to be properly assessed before choosing the right transition & transformation approach for you.

Once you have chosen the right option, then you will need to plan and launch the transition & transformation project which can be very complex. A transition & transformation team will need to be created, critical streams will need to be defined, timelines and a planning as well as reporting tools will have to be determined.

Such a project is structured around several closely interlinked streams. Depending on your organisation and the project, these streams include: target operating model design, human resources & organisation, process optimisation & harmonisation, information technology, legal/contracts/Service Level Agreements (SLA), finance, regulatory & security, tax, communication and project management.

Generally speaking, an important transformation project is part of the transition phase. It can be realised before, in parallel or after the lift-out. A key challenge of the transformation is the migration of current IT systems to the IT systems of the BPO service provider, if required.

The governance model for the transition & transformation is fundamental and needs to ensure the appropriate level of control during the transition & transformation period. The model must provide guidance during the migration steps, control mechanism and escalation/decision process for any issue which may occur during the transition & transformation.

Let’s do it the right way!

Identify the appropriate model for your organisation and design a clear and reliable planning at the earliest stage and use a phased approach to execute successful transition and transformation phases.
A strong governance will allow to clearly define roles and responsibilities and ensure a successful relationship with the provider.
How to make housework a breeze? Who takes out the garbage?

During the running phase, strong governance will ensure the success of the operations

When your organisation made the decision to opt for a BPO solution, various objectives were set, such as increased flexibility, cost reduction and a higher level of services quality.

To ensure satisfaction of all the parties and to reach these objectives during the running phase, a strong and comprehensive client-oriented governance is essential in a BPO model. It will allow you to keep the outsourcing engagement aligned with key business objectives, risk management initiatives and critical resources while also ensuring that individual initiatives are on track. Adequate governance bodies (e.g. sourcing management on the one side and account management on the other side) will have to be defined having the right empowerment level to take the required decisions. A strong governance will allow to clearly define roles and responsibilities and ensure a successful relationship with the provider.

Furthermore, on-going improvement initiatives should be part of the running phase to further increase efficiency and the quality of services. KPIs, penalties and incentives must be in place and there needs to be sufficient transparency to allow an adequate monitoring of the performance (‘service level monitoring’).

From a client perspective, contract and provider management are essential to ensuring a successful running phase. You tie the knot ideally for your whole life! To avoid a gap between aspirations and reality, you need to ensure that the initial contract but also the evolving needs are appropriately taken into account.

As a client, you are ultimately accountable for any operational issues. You should not outsource something you do not manage properly and you will need to pay as much attention as before—if not more— to the outsourced activities.

In addition to the on-going contract management, you will need to warrant that your provider complies with the applicable regulations for your industry and that they have an appropriate internal control framework in place. The ISAE 3402 (International Standards for Assurance Engagements) report—a global assurance standard for reporting on controls at service organisations—is one of the possible control methods for a client to assess the adequacy of the outsourcing without undertaking an in-depth audit. For the BPO provider, these kinds of standards can be perceived as a label or may even become a ‘must have’.

It’s your turn!

A clear governance, appropriate contract and provider management as well as adequate controls during the running phase will ensure a successful on-going relationship between your organisation and the chosen BPO provider.
Each client wants to be treated individually. There will be a constant arbitrage between client demands.
Darling, I’m pregnant!

To increase efficiency and share costs, new clients might progressively be on-boarded

One of the key objectives in BPO is cost reduction by realising economies of scale. To realise economies of scale, a BPO has to serve several clients and maximise pooling where possible.

In the case of a new service provider or a joint venture, new clients will have to be on-boarded to achieve the economies of scale on which the pricing model was founded.

To ensure a successful running of operations in a multi-client environment, the operating model and the overall governance need to be adapted to serve several clients. The operations, systems and infrastructure need to adequately cater for the multi-client operating model. Key considerations include: how to ensure that Chinese walls are respected? How can data confidentiality be managed? The segregation of the different clients will have to be guaranteed while maximising areas for pooling of activities, which might prove to be challenging!

Both kids are crying!

The challenge for the provider will be to define a clear governance allowing him to serve all the clients appropriately, ensuring client satisfaction whilst respecting the required level of segregation.
Before taking the decision to exit the BPO contract, your organisation should consider options to close the gap and increase satisfaction of your organisation.
You are never there when I need you!  
Perhaps we should consider divorce?

Once outsourced, re-insourcing or changing the provider is very challenging and expensive

If, during the running phase, the gap between aspirations and reality becomes too large, there is a risk that executives may become so frustrated that they consider reverting the activities back in-house or changing the provider.

However, this is often not as easy as one may think. During the outsourcing, both knowledge and a significant number of employees have been transferred to the service provider.

In order to avoid being stuck in an outsourcing model that does not meet your organisation’s requirements, measures have to be taken during the BPO project to safeguard the reversibility of the outsourcing. The exit clauses and conditions should be clearly defined, as well as how the exit will be managed from the provider’s side. For banks in Luxembourg for instance, MiFID and the Circular CSSF 12/552 (chapter 7.4) require that both parties ensure contract reversibility at any time during the project and the running phase.

Independently of the measures taken to ensure the reversibility of outsourcing, the re-insourcing or change of the provider remains a complex project that will need to be managed, thus involving significant investments for your organisation. Data will have to be migrated and depending on the systems used by the provider, a new system migration may be required, new resources have to be hired, knowledge has to be recreated, etc.

Before taking the decision to exit the BPO contract, your organisation should consider options to close the gap and increase satisfaction of your organisation. A possible solution is the review and renegotiation of contracts to ensure the respect of your interests. The definition of appropriate incentives may be another way to better align your interests with those of your BPO provider.

Let’s make an effort and try again!

Before considering exiting a BPO model, you should consider taking corrective measures to bridge the gap between aspirations and reality.
With our proven methodology, experience and market knowledge we can support you and help you reaching your ambitions.
And they lived happily ever after

We are happy to help you take the right steps towards successful BPO

Is BPO the right solution for your organisation and how should it be put into action?

To answer this question you will have to:

- Assess the opportunity and impacts of BPO for your organisation and identify the right partner
- Define the scope and build a business case
- Design the future operating model, prepare and plan the project
- Execute the transition & transformation
- Manage the level of services and the relationship on an on-going basis

This seems to be challenging? We are happy to help you to take these steps by supporting you throughout the process! There is no one size fits all approach as every company is different and has specific requirements. We will ensure that your specific needs and requirements are properly taken into consideration. With our proven methodology, experience and market knowledge we can support you and help you reaching your ambitions.

Deloitte outsourcing advisory services:

- Strategy & Corporate Finance
- Target Operating Model & Architecture Design
- Core System Transformation
- Regulatory Services
- HR Services
- Change Management
- Internal Control & Risk
- Co-Resourcing & Flexible Resource Availability
- Tax Services

We will gladly be your wedding planner!

We can assist you every step of the way from the design, planning and management of your marriage and life ever after! Our service offering covers all aspects from strategy and Target Operating Model (TOM) definition, to the management of HR and regulatory aspects, and from governance and IT architecture design through to implementation.
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