BPO – a critical element to ensure business continuity throughout the Covid-19 pandemic

As companies attempt to recover after a rough 2020, their main objective is to do more, with less. Budgets are stretched, human resources are stressed and the toll of working through a pandemic is evident in the workforce. During these challenging times, businesses need to think critically about their core, revenue-generation functions and look to streamlining everything else. The most effective way to cut costs is not to spend less but rather to increase efficiencies. Rather than expecting internal resources to do more – which will only result in decreased overall productivity – it is a far smarter move to introduce Business Process Outsourcing (BPO) into the equation.

The best of both worlds

While outsourcing in the digital sphere usually involves handing over management of certain processes to an external third party to perform offsite, this is not the case with the outsourcing of processes necessary to support the business. Companies choose to outsource when they decide that another, more specialised organisation can handle a business task more effectively than they can internally. The burning question is which business processes can or should be outsourced?

Non-core functions that are essential to the running of the business are ideal for outsourcing. Business processes ideal for outsourcing include palletising, finishing, bagging, assembly, health and safety, picking, packing, inventory control, dispatching, cycle counts and payroll. While there can be some concern for companies handing over their business processes to another company, it is important to bear in mind that this relationship will be governed by a Service Level Agreement (SLA) moving forward. This

will clearly define the roles, responsibilities and expectations of outsourcing relationship. Furthermore, the BPO model is based on maximised output with minimised input, which means it is the BPO provider's core function to help other companies increase their output which is ultimately a win-win for everyone.

The current need for BPO

In tough times, the first thing companies need to do is look at cash flow to preserve funds and eliminate capital expenditure. By outsourcing processes that are essential for operations, companies can take cost-effective steps to ensure business continuity. This is especially important with so much uncertainty on the horizon. Outsourcing business processes provide organisations with various benefits. It is possible to save money, resources and valuable production time, leaving the organisation's employees free to focus on their specialties. The business is also able to take advantage of the outsourcing company's niche focus, which is streamlining essential business processes for other companies. While such processes are essential, organisations have learned that the need is not full-time. While such processes are essential, organisations have learnt that they need to be agile and have variability in these processes in order to meet fluctuating demand from their clients.

Organisations that choose to outsource their business processes gain the expertise to drive business efficiencies across the entire operational chain. Other benefits include cost reductions through process improvements and re-engineering to bring administrative and production costs under control. Costs move from fixed to flexible, by paying only for a service as it is needed. With certain day-to-day operations taken care of, the business' management team will have the capacity to spend more time on growing the business. Outsourcing non-core business processes will also give teams the time and resources to focus on revenue generating activities, such as driving sales, developing new products and refining services, all of which leads to enhanced customer service and satisfaction.

Makes good business sense

More importantly, outsourcing is an important risk mitigation strategy when it comes to addressing labour risk in a fluctuating market, as well as issues of health and safety. As the business world adjusts to the new reality of Covid-19, being able to outsource these risks is an incredibly important survival tactic that companies can use. BPO providers have the right levels of insurance to make business continuity more realistic and affordable.