A KPO Key—Building skill into the process

It's a fair question, and we hear it often: "How can you offshore my high-skill functions with the same high level of quality it has taken us years to perfect here at home?"

The question comes from financial services companies that have achieved big savings by offshoring their lower-skill functions (some finance and accounting, some customer and technical support). They would like to reap additional savings by offshoring more skilled functions (in legal, compliance, and analytical functions), but they are skeptical. They know how hard it is to find and train for these jobs – that's one of the reasons they want to outsource it.

The answer is, threefold: a process approach to skill-building, antennae attuned to automation opportunities, and a high value for data analytics.

Process Approach

The traditional skill-building approach we often find at many financial institutions goes something like this. New workers in high-skilled positions arrive on the job with the right credentials and right grounding, although not yet skilled at the actual work. They learn from following mentors or from their own trial, error, and study until they reach a high stage of accomplishment. In a culture where people celebrate creativity and resist standardization, it is not unusual for the top performers to be reluctant to share the keys to their success. They can be generous mentors but full and detailed disclosure is not common.

Naturally, that means it can take a while for a worker to climb the skill ladder, and the climb is uncertain. In addition, it makes the loss of these skilled workers especially damaging; when a highly skilled worker leaves, so does the difficult-to-replicate skill. That is no small worry for financial services firms today, as a huge cohort of baby boomers hit retirement age and skilled newcomers are in short supply.

Our approach is different. When we offshore a high-skilled process, we first dedicate time and focus to take those skills that are now "built into the person" and build them into a process – a documented, repeatable process. To do so, we interview and observe "exemplars" – the best performers. Sometimes this is the first time these top performers discuss in detail how they do what they do. Many times they discover that what they consider their spontaneous or unique creativity actually results from a specific set of steps that they regularly go through and that others can learn to replicate. We document those steps in full detail. We write scripts. We build decision trees.

Then we walk new workers through each step, practicing and role playing until they can perform it flawlessly, time after time. In training language, they reach "competence level 3". This documented, standardized process isn't only essential for the new workers. It also aids managers who need to asses and coach the workers. Only by knowing the detailed parts of the process can a manager detect the cause of poor performance in an employee, and coach them to improvement.

Automation

Our ability to improve the outsourced process is another benefit of this approach. While are documenting the process and scripting the activities, we also stay alert for opportunities where automation can accelerate the process and make its results more accurate: for example, if a particular event occurs, the system automatically alerts another department to take action, without any intervention. When deadlines loom, the system can reprioritize work redirect the most complex projects to the most skilled workers.

In an environment where skills are built into the performer rather than the process, these automation opportunities tend to be invisible.

Data Analytics

Before the advent of powerful analytics, it was unavoidable that process improvements were somewhat experimental. But today, we can gather hard facts on what makes workers most successful. By taking the guesswork out of changes, we can make faster and better decisions about operational changes.

In these ways, we make also our operations less vulnerable to employee turnover or attrition. New employees can be retrained quickly in full confidence that they will deliver high-quality, consistent results at lower costs for our clients.

ThoughtFocus is a privately held US based IT Services and Knowledge Process Outsourcing (KPO) company funded by Blackstone. The company currently has just over 1,300 employees and offices in nine locations across three countries. ThoughtFocus specializes in providing IT business advisory, Application engineering and outsourced managed services. We work with clients to deliver complex initiatives via a multi-shore delivery approach that is able to maximize quality and efficiency.