

THE GLOBALIZED OFFICE

Growing Businesses Through
International Outsourcing

INTRODUCTION

Outsourcing, also known as business process outsourcing (BPO), is a rapidly expanding global industry with an estimated **value of \$221 billion**. Located all over the world, outsourcing providers help facilitate business growth by offering an affordable, transparent and effective way to manage workloads that don't necessarily need to be done in-house.

As businesses worldwide look to cut costs and the future of the modern office space is in flux due to the after-effects of the COVID-19 pandemic, the question of whether to outsource has taken on added significance. This eBook, written in partnership with Payoneer clients in the BPO industry, is geared towards outsourcing agencies as well as those interested in outsourcing work processes, and provides a comprehensive look at the industry today.

For outsourcing agencies, this includes:

- The main reasons businesses choose to outsource.
- The benefits agencies need to provide to satisfy their customers.
- Innovations changing the outsourcing industry.

For companies looking to outsource, we'll cover:

- The type of work most suited to outsourcing.
- How outsourcing can help you meet your business objectives.
- How COVID-19 has changed the global outsourcing landscape

Global outsourcing agencies provide an accessible path for businesses to remain agile in a constantly changing environment. This makes for a win-win situation in which both businesses and outsourcing agencies can team up to create the new globalized office.

WHY DO BUSINESSES OUTSOURCE?

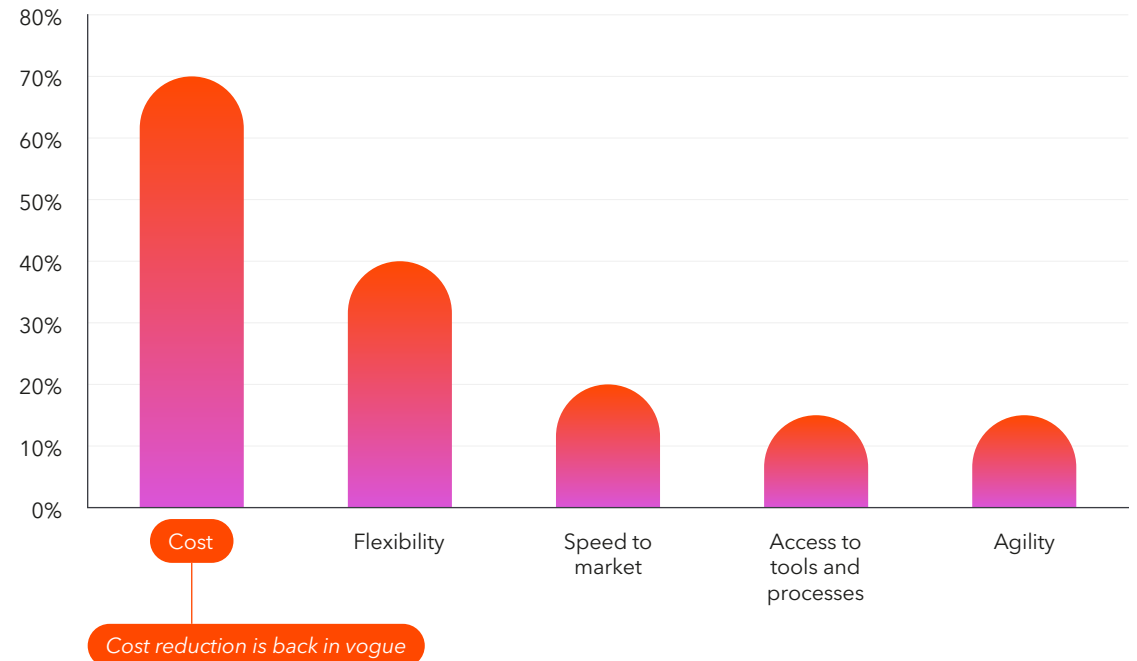
One of the biggest changes to the global outsourcing industry has been why businesses outsource services in the first place, with reduced costs outranking other benefits, such as flexibility and speed to market. This was evidenced in the Deloitte Global Outsourcing Survey 2021, in which 70% of respondents cited cost as the biggest reason to outsource. Flexibility, speed to market, access to tools and processes and agility rounded out the top-5 list.

70% of businesses say their #1 reason to outsource is to save costs

This represented a clear shift from Deloitte's 2018 and 2020 outsourcing surveys, in which speed to market was ranked as the leading reason for outsourcing, while cost reduction didn't even make the top-5 list.

For outsourcing agencies, the message is clear - while flexibility and speed to market are still important, the need to price your services at an attractive rate that significantly lowers your clients' costs is absolutely paramount.

Outsourcing objectives



Source:

[Deloitte Global Outsourcing Survey 2020](#)

Pricing your services to significantly reduce your clients' costs is crucial

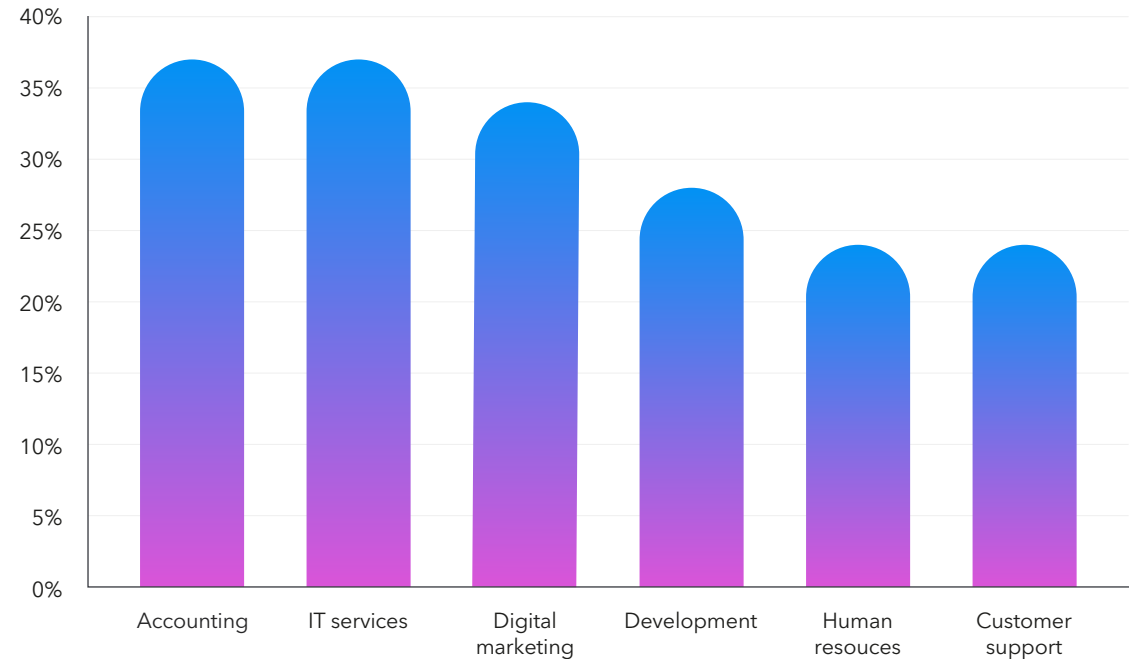
WHAT BUSINESS PROCESSES ARE BEING OUTSOURCED?

Some business processes are more suited to being outsourced than others. For **small businesses and start-ups**, there is a clear need to outsource more technical processes, including accounting and IT. Additionally, marketing, web development, human resources and customer support services remain in-demand.

37% of outsourced services involve accounting or IT

While enterprises also outsource many of their technical business processes, they inherently do so on a much larger scale. The **most outsourced business processes** for enterprises include cloud-based payroll processing, supply-chain automation and financial planning.

Most Commonly Outsourced Business Processes



Not all answer choices shown

N = 195 small businesses that outsource business processes.

Source:

[Clutch 2019 Small Business BPO Survey](#)

ROBOTIC PROCESS AUTOMATION AND THE TECHNOLOGIES SHAPING THE BPO INDUSTRY IN 2022

One of the most significant business developments in recent years has been the increased use of robotic process automation (RPA), AI and software bots, which automate repetitive tasks to help optimize workflows.

As automation technology has advanced, so has demand, with more than 75% of respondents in Deloitte's 2020 outsourcing survey saying they're actively considering or pursuing RPA in their sourcing arrangements. Meanwhile, [78% of those who have adopted RPA](#) plan on significantly increasing their investment in the next three years.

75% of survey respondents are interested in RPA for their sourcing arrangements

For outsourcing agencies, incorporating automation technology into your service packages provides a number of benefits, including:

- **Streamlining tasks** - RPA is ideal for the technical work processes provided by outsourcing agencies, including those connected to HR (e.g., employee onboarding), accounting (e.g., report aggregation), and CRM (e.g., updating mailing lists, subscriber data and form fields).
- **Compliance and productivity improvements** - Amongst [organizations that have adopted RPA](#), improved compliance because of reduced human contact with sensitive data and increased productivity due to the automation of mundane tasks are cited as the two leading benefits.
- **Reduced costs** - By 2024, organizations using automation technologies are forecasted to [reduce their operational costs by 30%](#).

While there are concerns amongst outsourcing agencies that the increased use of automation tools could make some of their human services obsolete, the truth is that agencies can adapt and thrive by incorporating these technologies into their offerings. By providing your clients with the tools they need to automate their work processes while highlighting the services you offer that can only be done by humans, you'll be able to continue thriving in a post-pandemic era.



GROWING YOUR BUSINESS WITH OUTSOURCING AGENCIES

Outsourcing can be highly beneficial for both SMEs and enterprises interested in reducing costs associated with new hires, freeing up time for in-house employees to focus on core business tasks and staying agile in an ever-changing environment.

This has become more apparent during the pandemic. Based on our internal analysis at Payoneer, we believe the following trends have become more prominent over the last year and are likely to drive growth in the outsourcing industry more than ever before:

For outsourcing agencies, this includes:

- 1** The rise of the gig economy, which has led to higher quality talent available for outsourcing.
- 2** The increased participation of SMBs in outsourcing.
- 3** The emergence of new geographies, including Southeast Europe, Pakistan, and Bangladesh, providing outsourcing services.

To get a better view of these trends, we spoke with representatives from outsourcing agencies dealing with sales, call center management, marketing and IT to highlight how businesses can grow by partnering with such companies.

FAST-TRACKING DIGITAL TRANSFORMATION IN THE POST-PANDEMIC ERA

Mukul Gupta, CEO, Capital Numbers

Hiring developers remotely can help a business scale faster and get the reliable capacity to always deliver on time. Then there are cost factors, as outsourcing to different countries, including India, is often 50% cheaper than local alternatives.

The last year has seen an unprecedented fast-tracking of the digital economy, completely changing how companies conduct business. The fact is that due to the disruption caused by COVID, we've experienced more digital transformation in the last year than I have seen in the previous 20 years.

As remote work is becoming the "new normal," more companies are seeing the opportunity to work with offshore companies because of cost advantages and business continuity planning. On the flip side, due to the surge in business, there is a war for talent in India, and companies that fail to hire and retain the best will be devoured by competition. Overall, it is a very exciting time for business.

Capital Numbers is an award-winning, ISO 9001 & 27001 certified global solutions provider with over 600 in-house, full-time experts. Our clients are from the US, Canada, UK, EU, Middle East, Singapore, and Australia and from across a cross-section of industries like information technology & services, internet, non-profits, fintech, and education.

That are quite a few advantages of working with Capital Numbers:

- **We help you focus** - You save in on hiring, office space, and HR obligations while at the same time protecting your cost per employee KPI.
- **Specialty** - You are getting specialists and seasoned engineers who hit the ground running.
- **Direct contact with your team** - You decide how you want us to work on your products and dos and don'ts. With a dedicated developer, you communicate directly through Hangout, Zoom, TeamWork, or whatever tools you prefer.
- **Flexible development capacity** - It's easy to add or remove the number of developers on your team. You get the capacity you need to deliver your projects without worrying about overstaffing.
- **Supervision** - Your developer will continuously work under managers and technology experts' supervision to ensure that they are working effectively on your projects. So, if they are stuck on complex tasks, you know you can count on our collective know-how.

TESTING NEW MARKETING STRATEGIES WITH OUTSOURCING AGENCIES

Pietro Bonomo, CEO, *Viral Octopus*

Marketing should always begin with an understanding of business goals and a comprehensive strategy to achieve them. A good, or perhaps more accurately mediocre, marketing strategy makes efficient use of the tactical resources available in-house. A great marketing strategy transcends such limitations. When you realize that you can get any digital marketing service as needed on a temporary basis without committing to permanent staff costs, you are free to develop a strategy that is not constrained by limited tactical ability. Specialists of every kind equipped with the knowledge and experience needed to execute marketing tactics are available from digital marketing outsourcing companies.

By choosing to outsource, CMOs, agency leaders and SMBs give themselves the flexibility to test a variety of strategies. In some cases, they will prove useful on an ongoing basis, while in others they may be temporary. By outsourcing, you can get marketing talent with the specific skills and experience needed to execute these tactics without making a commitment and incurring training or onboarding costs for hiring a new employee.

Viral Octopus (VO) is different from other digital marketing agencies. It is not an agency with a large permanent staff and high costs to pass on to clients. It's a collective of

experts organized around guiding cultural principles in a platform that creates and curates knowledge and selects and deploys teams to serve clients. Every member of the VO Collective has passed a rigorous test in their subject matter, enabling us to only take on the most knowledgeable marketing experts. Our Human Resources Algorithm, H.ALG, uses peer review and client feedback combined with personal interest information to choose the ideal team for every client and every task, reducing middle-management costs. Viral Octopus offers modular services called "gigs" that cover most common marketing tasks, and VO will create new services on request. The gigs can be combined to outsource the performance of the marketing tactics needed to execute a strategy. Agencies can even simply resell VO gigs as a drop service to clients and profit effortlessly.

VO serves a global client roster with a primary focus on English-speaking countries and Italy, but the collective has experts who work in almost every language. VO believes the future will be increasingly international, with more and more cross-border commerce. We see in the response to the pandemic, while everyone in the world takes two steps back for physical distance to slow the spread of the virus, awareness of our potential for digital connectedness has brought the entire world many steps closer together. People are realizing Mumbai is just a click away from New York City. Viral Octopus has always had a globally distributed yet cohesive team of remote workers. We've been living in the future for years. When will you be ready to step into the future and get the flexibility that comes with remote outsourced digital marketing services?

MANAGING IT PROCESSES IN TIMES OF CRISIS

Awais Mirza, Director, Crestech Global

At Crestech Global, we've always found the main benefit to outsourcing IT work processes is that it can be done on an ad-hoc basis, which can lead to significant cost savings. Generally speaking, an enterprise's IT infrastructure needs minimal maintenance to ensure business continuity. That all changes, however, when a crisis hits, which is where we come in.

Our business model is strictly based on the process of providing field engineers and services to clients and customers globally when needed. Our team of professionals is fully equipped to mitigate any type of IT-related issue, enabling our clients to free up their in-house resources to manage core-business functions.

Looking to the future of IT outsourcing, all signs are pointing to increased adaptation by businesses throughout the world. Technological advancements, including those in cloud computing have enabled outsourcing providers streamline their offerings so they can effectively their clients' IT needs. As more and more businesses move to more agile working environments, we fully expect outsourcing, especially in IT, to continue its upward trajectory.

TAPPING INTO TOP-TIER GLOBAL MARKETING TALENT

Vuk Stojkovic, Founder, Totema

Totema is an outsourcing agency from Serbia providing marketing services and on-demand talent sourcing to B2B SaaS companies and high-tech enterprises looking to grow and expand their teams. Our clients are based throughout North America and Europe, where we offer unparalleled flexibility to ensure the ability to scale up or down as needed in a fraction of the time it would take using in-house employees.

One of the main advantages outsourcing agencies can offer their clients is access to top-tier talent that they wouldn't normally be able to utilize. In the case of Totema, that means tapping into the massive pool of Serbian professionals. Serbia has long been regarded as one of the leading countries, not only for outsourcing agencies, but for innovative startups as well. The majority of Serbian university graduates speak fluent English and are able to gain experience with the many domestic tech companies and agencies. Serbia is also one of the most active countries on Upwork and other freelance platforms, and the workforce is used to the dynamic work environment associated with outsourcing agencies.

At Totema, most of our clients were extremely surprised to find top outsourced talent for a reasonable price in Serbia, as most were looking into the other, more traditional outsourcing markets where they were usually disappointed by the talent quality.

When I look to the future of outsourcing, our experience shows that the industry will only grow. As companies started going remote due to the pandemic, they realized that a lot of processes could be outsourced and managed remotely. We have grown our company almost 10x in 2020, with the main driver being the realization of our clients that they can outsource and manage projects as easily as managing their in-house teams.

MAXIMIZING STARTUP BUSINESS POTENTIAL

Sakshi Gupta, Founding Partner, *Startupvisors*

When I look at the major benefits outsourcing agencies provide startups, the two that stand out are definitely savings and the ability to free up in-house manpower to perform more sensitive tasks. At Startupvisors, we provide a one-stop-solution to startups and SMEs through a dedicated team of professionals working in such fields as web development, graphic design, marketing, business registration and brand protection, all from a single platform. This enables our customers to conserve resources at a fraction of the cost of hiring full-time employees so they can focus on growing and reaching their full potential.

Many outsourcing agencies, including Startupvisors, saw tremendous growth as a result of COVID-19 and the need for businesses to save on costs while becoming more agile. In addition, the increase in business consultants helping startups outsource their work processes has increased, creating a huge potential for agencies to expand further.



CONCLUSION

For global businesses, the COVID-19 pandemic and the changes to how offices are structured have brought the question of whether to outsource work processes back to the fore. The need to remain agile while cutting costs has never been more important, giving outsourcing agencies a fantastic opportunity to work hand-in-hand with their clients to forge a new globalized office.

For outsourcing agencies, know that Payoneer will be with you every step of the way as you grow your business to ensure your payments are processed securely and quickly. Are you a business looking to outsource work processes? We have the tools to ensure you can manage your new business relationship effectively.



THE PAYMENT LANDSCAPE

Go with the leader

Payoneer is the world's leading cross-border payments platform, empowering global payments by connecting businesses, professionals, countries and currencies.

What sets Payoneer apart?

- Accept and make payments in multiple currencies via a simple and cost-effective solution.
- Easily access earnings in your local currency at low rates.
- Enjoy dedicated, local support around the globe in multiple languages at any time.

I'm an outsourcing agency

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