

Title:

Outsourcing Trend Grows As Companies Cut Costs

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Summary:

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Keywords:

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Article Body:

As companies face the challenge of improving productivity and efficiency with ever-shrinking budgets, the need for outsourcing certain operations has grown. And ironically, although digital technologies become more important in business, the idea of a paperless office seems more distant than ever.

In fact, Bill Gates has proclaimed that the paperless office is "one of those 'any day now' phenomena that never seem to actually arrive. ... Paperwork is increasing faster than digital technology can eliminate it."

As a result, document management and imaging outsourcing has become big business. Companies looking to image capture their paper documents are increasingly turning to service providers because it's less expensive than hiring permanent staff.

According to a report by research firm IDC, the industry reached \$13 billion in 2003 and was expected to expand at a compound annual rate of 19.7 percent over the next three years.

In fact, major companies like General Electric now take advantage of what is called business process outsourcing, or BPO - the delegation of operational responsibility for a business process's execution and performance. This applies not only to paperwork but a variety of organizational tasks.

"Seventy percent of our business processes should be outsourced," said former chairman and CEO Jack Welch. GE's outsourcing strategy delivered 26 quarters of

increasing profitability, despite market instability and ever-changing conditions.

Quintek Technologies Inc. is one company focusing on BPO solutions, providing services to enable Fortune 500 and Global 2000 corporations to reduce costs and maximize their revenues.

Benefits of BPO services include: reducing costs by lowering overhead and improving the efficiency of processes; allowing organizations to focus on their core business; and providing access to scalable operations and on-demand resources.

Most BPO processes begin by organizing data into digital formats, and this has increased the need for support from companies like Quintek.

So while the paperless office seems to be a far-off goal, that just leaves plenty of room for the BPO market to grow. According to one report by Forrester Research, the BPO market is expected to grow from \$19 billion in 2004 to \$146 billion in 2008.