



## TenStep Supplemental Paper

---

9 March 2005

### BPO

The concept of Business Process Outsourcing (BPO) is not new, but the concept of a comprehensive BPO is. The comprehensive BPO has gained importance in all of the Fortune 500 companies' HR departments. Outsourcing multiple HR processes to a single vendor represents a business decision that is already in practice in contract manufacturing, logistics, engineering design, call centers, telemarketing, accounting, and other business processes. HR functions are critical to all Global 500 companies, but are not their core competency. The HR BPO reduces costs and capital investment in HR significantly.

Outsourcing HR does not mean that the HR strategies themselves are outsourced - policies that are core to the organization are retained.

#### **What are the primary benefits of comprehensive HR BPO?**

- Measurable improvements in employee satisfaction
- Reduction of capital investment in expensive HR packages and ERP implementations
- Increased networking and standardization of HR processes resulting in greater business focus
- Easily available HR information and knowledge, enabling timely decisions about critical business unit resources
- Lower unit costs and thus benefits of economies of scale
- Greater quality and cost control since the outsourced services need to be of a very high quality
- Empowerment of HR professionals to focus on supporting ongoing business performance and strategic objectives rather than on administrative work.
- Reliable management information on employees and the overall people costs of the organization
- Greater flexibility in resource deployment and ability to keep pace with new business initiatives
- Ability to access benchmark information for business unit comparisons and sharing of best practices
- Delivery of key performance messages to employees in the most cost effective and flexible ways
- E-enablement of the HR function via the Internet, allowing employee & manager self-service

New employee support services not only improve the quality of services delivered by the HR professional but also help attract, motivate and retain the best talent. Big-time



## **TenStep Supplemental Paper**

---

industries and organizations always invest in outsourcing HR solutions to create a leading edge in the work environment.