



## White Paper on Redefining the Telephony Channel in BFSI Industry

## Introduction

With the ever growing mobile industry and mobile phone users in India apparently there are industries which need to organize their marketing and sales channel initiatives. BFSI industry is definitely one of them.

The challenges of competing against the unorganized credit market, investment to improve risk handling, technology up gradation, addressing demand supply gap and the customization of the overall offerings due to immensity and diversity of the culture in the country are worsening. Venturing into telephony and developing it as the additional channel to generate revenue will address the aforementioned issues the industry is persistently facing.

## Summary

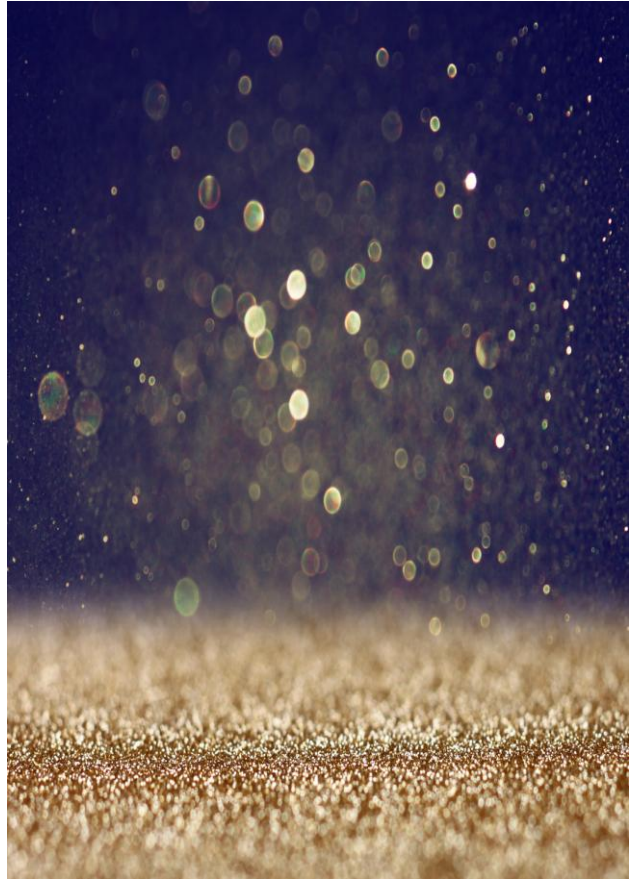
Indian BFSI industry is poised to attain a growth rate which no one probably would have even dreamt of. Indian financial market is one of the oldest in the planet. It dates back to 200 years from now. Since then this industry has been continuously battling out the problems in the demand supply mismatch, unorganized credit market, improving risk mechanism and the technology up gradation. These are the challenges which are persistent in the market and are not limited to any particular market landscape scenario. The market players who will get acquainted with handling these challenges will emerge as the leaders of the industry. Telephony is emerging as one of the channel which is redefining this industry by jumping these impediments. With the evolution of mobile industry in the country reach has definitely improved in both urban and rural market. This is the perfect time for the market players in this industry to flex their strategic muscle and institute telephony channel to be a part of integrated marketing and sales channel mix. Outsourcing business processes pertaining to telephony will not only give them the advantage of flexible staffing and improved customer satisfaction but also an additional channel to generate revenue from.

## Impediments addressed by outsourcing telephony related process in BFSI Industry

The industry is persistently facing challenges to address the rising demand of the consumer by offering the right set of financial module and effectively handle risk when a new technology is adopted. It is high time that telephony is instituted as an additional channel with a view to generate more revenue and reach more population and not as the strategy to reduce operational cost. To dismantle these impediments outsourcing telephony related activities is the strategic and effective solution for the BFSI industry.

- **Addressing Demand Supply Gap**

Country's burgeoning population and the growing need for the appropriate financial product has created a demand supply mismatch in the industry. This problem is worsening in the industry with every passing hour. Distribution network and reach of the market players is definitely improving but still there is an untapped market. There are only nine branches per one lakh of adult population in the country. Adopting a telephony based model eradicates this issue because it enhances the reach & distribution of the company. With the BPO firms capable of developing & training the resource for telephony channel, outsourcing telesales, lead generation, policy education and telemarketing processes are some of the options available to these firms.



- **Technology Adoption & Up Gradation**

Technology adoption and up gradation has been the pivotal factor which has coerced BFSI market players to explore the domain of outsourcing. Major reason behind this is the colossal investment required to adopt and keep updating the technology. Up gradation of technology is equally important as the adoption predominantly because of the risk issues technology poses.

Exploring telephony channel as an additional medium to sell and service customer also demands stringent security policy from an organization. It is always better to outsource the telephony related processes than to run it in-house because BPO firms have got the Information Security (Infosec) standard protocol which they follow religiously. An Infosec certified BPO which adheres to international standard of controlling the process is the best bet in handling the telephony channel. When it comes to confronting with technology, BPOs thrive on it because they leverage economies of scale when it comes to investment in technology. Hence, the overall cost for a BPO's client comes down and technology is affordable.



- **Immensity & Diversity of Culture**

Indian BFSI industry has a weak portfolio when it comes to off the shelf product. This is due to the immensity and diversity of the culture in the country. Due to customers having varied cultural background there is a lot of customization involved. Product can be fine tuned by the market players but it's again the reach which ties their hand. A BPO firm which has multilingual capability is an answer to that.

- **Improved Risk Handling by Business Continuity Plan (BCP)**

Having contingency plan ready for any potential problem is critical for any business model. High end contact centers have now started keeping redundant network cables and additional security checkpoints to provide 24\*7 services. A BPO having strong geographical presence has the ability to divert calls to one of its delivery centers to other in rare occasions of breakdown.

### **Points to ponder in the Current Situation**

- Organizations should strategically categorize their core and non-core activities and processes.
- Reengineering the core activities to bring them at par with global industry practices.
- Cost benefits analysis of keeping the non core activities in-house vs. outsourcing them to a third party vendor.
- Sourcing and evaluation of third party vendors for outsourcing non core activities.



## Quick Glance at Service Offerings of a BPO

Some of the processes which might be intriguing to BFSI Industry Players are as follows:

- Outbound Lead Generation & Telesales Process
- Phone Binding Process
- Telemarketing, Policy Education & Awareness Process
- Data Enrichment Process
- Customer Satisfaction & Follow Up Surveys



## Competitive Benefits Derived From Outsourcing Telephony Related Activities

Key advantages of outsourcing non core activities to a third party vendor are as follows:

- **Better Service Proposition to Cost Ratio**

Outsourcing tasks which are regular in nature brings the operational cost down and lowers overheads. At a lower cost industry players are engaging with a partner who is having improved arsenal in handling those tasks.

- **Better Resource Allocation**

Outsourcing non core activities gives the organization an opportunity to reframe their Resource Allocation. Due to outsourcing many resources can get free and can be utilized in more fruitful way.

- **Staffing Flexibility**

Outsourcing allows you to confront with staffing requirements of processes-which are seasonal in nature more efficiently and thus allows an organization to have staffing flexibility.

- **Improved Risk Handling**

Outsourcing telephony related activities gives the organization streamlined process and also improves the process controls and business continuity as BPO firms are also concerned about the risk and security issues which brews up when new technology is adopted.

## Conclusion

Time has now come for the BFSI industry to redefine the telephony channel as it is the most effective solution available at their disposal to eradicate the issues which it has been persistently facing. With improving mobile market of India things are looking up for the BFSI industry. India being the preferred destination for outsourcing across the globe is the icing on the cake for the BFSI industry. Evaluating this channel from strategic perspective will contribute to top line of the company and will also offer a channel which can play a prominent role in customer servicing and satisfaction.

## About Allsec

Allsec is a global company with vast expertise in providing Business Process Solutions across various industry verticals.

Founded in 1998, Allsec Technologies Limited began as an integrated contact centre for businesses intending to outsource their support processes. Gaining over 15 years of domain experience, the company has rapidly expanded with acquisitions across the globe and has extended its expertise to a wide gamut of processes that augment and support businesses.

## Delivery Locations

**Texas, US**

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**Chennai, India**

**Delhi, India**

**Mumbai, India**

**Bangalore, India**

**Trichy, India**

Our solutions are testimony to the fact that we are a highly customer-centric, flexible and transparent service provider. By taking process responsibility, improving cost efficiencies, and adding value to client businesses through continuous process improvements and quality assurances, Allsec distinguishes and enhances business experience for its clients.

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