

6 tips to go digital in the outsourcing sector

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Going digital is crucial to success. This study presents six practical tips to help you embrace digital technologies effectively. The most prominent trend and market disrupter, generative AI, offers intelligent automation and improved decision-making capabilities. It is very important to apply digital techniques in your business if you want to be successful on the European market.

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1. Learn how digitalisation influences the outsourcing sector

Digitisation influences the international market in four ways:

The internal organisation of companies

Customer care

Internal work processes

Cyber security

Tools for remote collaboration

How companies make sales

Sales enhancement (for example, using VR technology)

Online platforms. Read more about this in the document on [Finding Buyers](#).

Demand for products and services

For more information about the demand side of outsourcing, see the [Demand section of our product studies](#).

How companies deliver products and services

The delivery of outsourcing products and services is almost always digital. This factor is therefore not covered in this study.

2. Use generative AI

Generative AI (artificial intelligence) is a technology that enables machines to generate new and original content. It uses algorithms to learn from existing data and create new outputs, such as images, text or even music. This AI approach goes beyond traditional algorithms by allowing machines to produce creative and innovative content without explicit programming.

Generative AI has the potential to revolutionise the outsourcing industry by automating tasks, enhancing decision-making processes and unlocking new possibilities for creativity and problem-solving.

Several generative AI tools are available. The most famous is currently [ChatGPT](#). Others include [GPT-4](#), [AlphaCode](#), [GitHub Copilot](#), [Bard](#), [Cohere Generate](#), [Synthesia](#) and [DALL-E 2](#).

What generative AI can do for your business

Generative AI is a relatively new tool that has recently become available for public use. The first tool, ChatGPT, was released in the final quarter of 2022. Many companies are learning new ways of working with generative AI every day. The following are a few examples of how IT outsourcing providers can benefit from using generative AI:

Enhanced automation:

Generative AI enables IT companies to automate tasks that require creativity or content generation, freeing up human resources for more complex and strategic work. Providers of IT outsourcing (ITO) have reported that the use of generative AI tools to write business proposals, official emails and promotional texts is saving them considerable time each week.

Improved efficiency:

By using generative AI algorithms, you can streamline processes, reduce manual efforts and accelerate the production of content (for example, generating code snippets or creating design prototypes). Several online resources are available concerning [what developers need to know about generative AI](#).

Creative innovation:

Generative AI empowers IT companies to generate new solutions, designs, or content. Read online articles [about the effects of generative AI on creative work](#) and how to [use it to your advantage](#).

Personalisation and customisation:

With generative AI, IT companies can create personalised experiences for their clients by generating targeted recommendations, personalised designs or customised solutions that meet individual needs and preferences.

Future-proofing the business:

By embracing generative AI technologies, you will be able to stay at the forefront of the industry. This demonstrates your ability to use cutting-edge technologies and adapt to changing market demands.

Tips:

Generative AI is developing rapidly. It is very important to stay up to date on the possibilities it can offer to your company.

Explore how generative AI can benefit your business. Although you do not have to be perfectly proficient right away, it is important to try it out and play with it. You could set small goals to help you become familiar with it, like using it for at least 15 minutes each day for a week.

Consult online resources like [blogs](#), [tutorials](#) and [courses](#), many of which are available free of charge.

Tools for automated code generation include [Kite](#) and [Tabnine](#). Tools for enhancing quality assurance and software testing include [DeepCode AI](#), [Amazon CodeGuru](#) and [MagnifAi](#).

3. Make big data work for you

Companies use software solutions based on big data for many tasks, including orders and invoicing, accounting, human resources (HR) and compliance documentation. These types of software are also being increasingly used to enhance sales and customer satisfaction.

What is 'big data'?

The term 'big data' refers to large amounts of information that come from various sources, such as customer records, social media posts or sensor data. The word 'big' refers to the huge volume of data, which come in many different types and at a fast pace.

When analysing big data, you can use advanced tools to uncover patterns, trends and insights that could help you make informed decisions and improve your business strategies. By tapping into the power of big data, you can gain valuable knowledge, optimise your operations and make smarter choices based on evidence.

Big data to improve your back office

The process usually starts with the identification of issues that need a solution or answer. Preliminary analytics may also point to specific issues. In general, the process is as follows:

1. Identify problem/issue/opportunity
2. Select data source (or create data sources, if not available digitally)
3. Obtain and store data (data source integration)
4. Data analytics (tag, classify, categorise)
5. Interpretation, results

Big data to increase your sales

Use your customer data to create profiles of the types of customers you serve. You can categorise them by demographics, preferences or affinities for other types of purchases. You can use these categories as profiles of potential customers, as they are essentially the same. The next step is to explore target marketing channels for reaching them.

You can also use big datasets to increase sales to existing customers. For example, you could offer targeted upselling opportunities to existing customers through discounts or special offers.

Examples of data management software include [Zoho](#), [HubSpot](#) and [Streak](#). Most of these tools are customer relationship management (CRM) systems that can also be used for data analysis.

Big data to improve customer service and customer satisfaction

Enhance your customer experience by using digital platforms and CRM systems. Use data-driven insights to personalise services, provide proactive support and create seamless customer journeys.

The use of big data is already very popular in the contact centre industry. In 2022, the [global market for contact centre analytics was estimated at almost €1.5 billion](#), and it is predicted to reach €3.1 billion by 2028, growing at a compound annual growth rate (CAGR) of 11.2%.

In contact centres, big data can improve both customer experiences and agent performance. It can be used for speech analytics, self-service analytics, predictive analytics, agent performance and more. Examples of knowledge-based contact centre software include [Talkdesk](#), [Bloomfire](#) and [Zendesk Support Suite](#). Examples of artificial intelligence analytics for the contact centre industry (amongst others) include [CallMiner](#), [Qualtrics](#), [NICE](#), [Sestek](#) and [Verint Systems](#).

Generative AI can obviously also play a major role in optimising your customer service and enhancing customer

satisfaction. The [main areas that it can contribute to are Chatbots, Personalisation, Translation and Business Efficiency](#).

Chatbots

Chatbots interact with customers in real time. They answer questions and provide support 24/7. Generative AI adds a layer of semantics on top of the chatbot, enabling it to produce conversational responses and handle inquiries just as a human would. This can help you reduce the costs of customer service, whilst improving the customer experience by providing immediate assistance. You could also [use generative AI to generate XML](#) to train bots that could expand the self-service options that have been available to date.

Personalisation

Your customer data could help you offer customised recommendations and solutions. For example, if customers have bought specific products before, your data could suggest other items that may be of interest to them.

Translation

Generative AI can be used to translate texts. This allows businesses to communicate with customers globally despite language barriers. This enhances service quality and customer satisfaction.

Tips:

Develop data analytics capabilities: Use data analytics tools and techniques to gain insights from the vast amount of data you handle. This can help identify trends, optimise processes, make data-driven decisions and offer valuable insights to your clients.

Gather big data in your own company. This starts by digitalising your processes. Switching to paperless business operations can make it easy to access and use your data to solve pressing issues, improve efficiency and enhance sales.

Invest in good planning and tool selection. Your processes and tools should be as simple as possible and easy to use.

Interesting generative AI tools for streamlining project management and collaboration include [Notion](#) and [ChatGPT](#).

4. Work with remote collaboration tools

Remote collaboration tools are a digital development that received a huge boost during the COVID-19 pandemic. Although working from home has become normal in Europe, human contact remains vital to the smooth functioning of collaboration.

Working as a team can be difficult if you are not all in the same physical location. Good remote-collaboration tools serve as a bridge between workers in different locations. Better tools and more widespread use of these tools have made digital communication much easier and more natural.

In response to the pandemic, European companies invested in remote collaboration tools, thus further blurring the distinction between in-house, nearshore and offshore teams. This development opened more opportunities for ITO and business process outsourcing (BPO) providers, as these tools lowered the threshold for outsourcing. Remote collaboration tools are thus here to stay.

Lowering communication barriers between your own staff and your customers will benefit your business greatly.

Some collaboration tools are designed for [general remote working](#), while others are meant for specific tasks. The most popular tools amongst developers worldwide are [GitHub](#), [Slack](#) and [Jira](#). According to a [2022 survey](#) of professional developers by Stack Overflow, almost 82% use GitHub as a collaborative tool, and more than half use Slack.

Tips:

Explore different kinds of remote collaboration tools. Try out those that are best suited to your business to gain some experience with using them.

When talking with existing or potential customers, ask about their experiences working with remote collaboration tools. Emphasise that you value working as a team.

For more information on remote (and other) collaboration tools, read our study on [hybrid workspace technology](#).

5. Stay up to date: source digital technologies

Digital innovations emerge quickly. It is important to stay up to date on advances in digital solutions so you can decide which ones will be best suited to your company and situation. When choosing a digital solution, you should be well-informed and critical. If necessary, seek advice from experts or a business support office, or ask colleagues about their experiences.

Find and compare online

A large amount of information is available online. Many technology platforms post annual lists of their top-rated tools or programmes for specific products or services. Whatever your product/market combination, you are likely to find articles about the latest digital developments in your sector.

In addition to global sources, consult IT/ITO and BP/BPO service providers in your own country to identify companies and sources that could help you automate and digitise your operations.

Monitor technology trends and thought leaders

Regularly monitor technology trends, reports and insights from renowned technology research firms. Keep an eye on influential thought leaders and experts in the IT and outsourcing industry. Social media platforms and industry-specific websites often feature valuable content and thought leadership.

Get help from organisations

If you are ready to start using a digital technology to enhance your business, it is time to look for companies and sources that could help you.

In addition to online research, you could ask for help with your digitisation process from organisations such as:

- [OECD](#) – the Digital for SMEs (D4SMES) Global Initiative is a knowledge-sharing and learning platform enabling governments, businesses and experts to work together on the digital transformation of SMEs.
- [SME Vai](#) – digital solutions for accounting, marketing and legal services in Bangladesh.
- [Mendix](#) – [an online self-assessment of digital maturity](#).

6. Visit trade events to learn about the latest digital trends

In addition to being useful for finding new business partners, trade events can allow you to see what your competitors are doing and to learn about the latest trends in your sector. Many different trade fairs are organised around the world, many specific to particular technologies or services. General ITO or BPO trade events no longer exist.

Online trade fairs are usually free of charge. This could be a good way to start attending trade events, as no travel is required in order to participate.

In addition to trade events, you could register for webinars and panel discussions on digital trends that are potentially relevant to your sector. One good source for finding such events is the [Global Sourcing Association](#).

Tips:

Look for events that suit your business. Visit the websites of business support organisations (BSOs), such as the German Import Promotion Desk ([IPD](#)) or the Swiss Import Promotion Programme ([SIPPO](#)), as well as industry association websites, such as the German [Outsourcing Forum](#). You could also consult event databases, like [EventsEye](#), [Exhibitions.co.uk](#) or [10times](#).

Emphasise strong partnerships. Build strategic partnerships with technology vendors, industry experts and other organisations to use their expertise and stay abreast of the latest digital trends. Collaborating with trusted partners could enhance your capabilities and provide additional value to your clients.

Our documents on [Organising your Exports](#), [Doing Business](#) and [Buyer Requirements](#) provide more detailed information on how to enter the European market and what it takes to become a successful exporter of IT/ITO and BP/BPO services to Europe.

[Globally Cool](#) in collaboration with Laszlo Klucs carried out this study on behalf of CBI.

Please review our [market information disclaimer](#).