KPO 2.0: Harnessing Technology for Effective Collaboration

Knowledge Process Outsourcing is growing rapidly in many areas such as the Legal Domain, Financial Research, Market Analytics, Retail Analytics, Document Processing, Training Material Development; new areas such as Architectural Services, and Animation. Invariably, the buyers of these services are in the U.S or Europe and the service providers in Asia - mainly India and other countries like the Philippines. The technology used for delivering these services has slowly evolved over a period of time.

In technical circles, Web 1.0 was characterized by the evolution of websites, ecommerce sites and the birth of companies during the Dot.com boom around 1999. These web sites were created by companies for people to come in, gather information about the organization, download information or buy things and pay for them. Web 2.0 is characterized by User-Generated Content and Collaborative portals where users generated content and shared it with a global user base. YouTube, Facebook and MySpace are all examples of Web 2.0 technologies. We will draw the same parallels in how KPO 1.0 technology can evolve into KPO 2.0 with much more end-user involvement resulting in benefits for both buyers and sellers of KPO services.

What is KPO 1.0?

You start with just a set of networked desktops or laptop machines, graduate to some central file servers. Email and Phone systems are the main communication links between the clients and the service providers at first. In some cases, centralized servers may provide a storage system for documents that flow back and forth. Some companies may provide minimal access through their web site using File Transfer Protocols (FTP).

Business grows, the company hires additional people and pretty soon, more time is spent coordinating things over email and the phone, rather than actually providing knowledge services! Research documents are all resident in desktops and laptops of analysts. When they leave the company, quite often the IT department formats the hard disk to make it ready for the next employee to use. You lose a lot of valuable organizational knowledge when this happens! If one of the main communication mechanisms is the phone, the KPO personnel need to be in the office at the same time the clients in the U.S or Europe are in their offices. Some KPO operations have their own people stationed at the client's site for coordinating work**. KPO 1.0** is characterized by **On-site Coordinators**, **Telephone and Email Coordination**, and **Time-Zone Tyranny**! These are non-scalable technology models that can be sure-fire profitability killers when salaries escalate, employee turnover is high and currency appreciation squeeze margins. Using highly skilled KPO personnel who are in high demand on coordination of work, rather than actual KPO work, is sub-optimal at best!

What is KP0 2.0 and why is it needed?

We envision KPO 2.0 as an approach to designing centralized collaborative Internet portals that provide self-service for all parties involved in Knowledge Process

Outsourcing! A client employee should be able to login to a secure portal from their home or office and fill out a simple form in a web site, attach documents and submit a new KPO assignment to the service provider! The KPO service provider should be able to handle the rest of the KPO task lifecycle through this portal. A KPO service provider employee should be able to work normal, local time zone business hours and not be waiting by the phone, just in case they need to communicate with a client regarding assignment. The Internet provides a virtual network between every individual and every company in the world. **KPO 2.0** is when you implement **Client-Directed Request Lifecycle Execution, Progress Tracking, Reporting**, and **Time Zone Independence through the use of an Internet based Collaborative Portal.** This is not technology for technology's sake, but a very effective way to hedge against employee turnover, rising salaries, and loss of valuable knowledge when employees leave. This is not to talk about the efficiency and effectiveness gains for both clients and the service providers. Low-cost labor is attractive to KPO clients only as long as they find even lower cost labor in another country. ***KPO 2.0 is a great way to add value and move up the value chain truly with a world class approach to using state-of-the-art technology.***

Ingredients for a Successful KPO 2.0 Operation

A successful KPO 2.0 operation (Internet Based Collaborative Portal for automating the entire lifecycle of typical KPO requests) requires the usual workflow and document handling functions. However, a successful KPO 2.0 operation requires that you go beyond just the features of the software application you are using and address a number of other environmental issues. ***Those other ingredients are the more important ones that determine the success of failure of the KPO 2.0 effort***. These are:

- Collaborative Internet Portal For Knowledge Tasks
- Ensuring 24/7/365 System Availability
- Iron Clad Security
- Fail-Safe Reliability
- Solid Business Continuity
- Pro-active Planning for the next stage – KPO 3.0
- Common Mistakes and No-Nos to avoid

Collaborative Internet Portal for Knowledge Tasks

The collaborative internet portal for Knowledge Tasks must be able to handle the entire lifecycle of a knowledge task. It needs to have the necessary Workflow features integrated with Document Management features to handle the documents that are involved in the knowledge task. It should be capable of allocating work, tracking time spent on different activities, and provide progress tracking and a variety of reports. ***Although a lot more can be written about the collaborative internet portal itself, the focus of this article is to highlight the other critical ingredients that truly determine success.***

Ensuring 24/7/365 System Availability

Since a KPO 2.0 operation attempts to replace Email and the use of the phone as much as possible, the internet portal should have high availability. 24/7/365 availability is essential and it can be ensured by use of some simple and inexpensive open source system monitoring software tools. These tools can be instrumented to send email or text messages to concerned IT personnel in an escalation hierarchy. If the person does not acknowledge the receipt of these messages within a specified amount of time, they will escalate the problem to the next person in the escalation hierarchy. Real-time replication of backend databases is available these days, even in the most inexpensive server platforms. These keep one or more copies of data synchronized in real-time. They can also be programmed to switch over automatically in case one server fails. As usage of the portal grows in volume, internet technologies like multiple application servers, load balancers are all available these days to scale up usage gradually as usage builds up! All of the above

Iron-Clad Security

Iron-clad security is not only needed for KPO 2.0 operations, but may be demanded by KPO clients. Setting up world class security is neither complicated nor expensive these days. Simple Demilitarized Zones (DMZs) (setting up two sets of hardware firewalls between the service providers' systems and the public internet) can be set up for hosting the Internet portal. Solid anti-virus protection can be set up on the servers so that all incoming and outgoing documents and browser requests are virus-free and software Trojan-free. Just as you get a domain name, you can get an Authentication Certificate from a vendor like Verisign. This Authentication Certificate can make sure that users really connect to your internet portal and not with some web site spoofer pretending to be your servers. All browser requests can go a secure server setup through 128-bit security. This will ensure that any information going into or out of the internet portal is encrypted on the internet. ***A handful of these approaches elevates security to world class and can guarantee that the KPO service provider can meet the security requirements of the most stringent KPO client!***

Fail-Safe Reliability

Fail-safe reliability of the hardware can be guaranteed by buying servers from large vendors with global presence and usage. As usage of the portal grows, monitoring response time and adding additional servers as and when necessary will ensure that response time is reasonable. Nothing kills the usage of an Internet Portal faster than poor response time! However, it is a simple problem to foresee and fix with timely addition of additional servers. Redundancy and graceful degradation of service needs to be ensured with growth. However technology exists today that this can be assured inexpensively! Of course, reliability also extends to the software components of the portal. Well established software with a large user base will always ensure good reliability of the internet portal.

Solid Business Continuity

Solid business continuity can be ensured with a few simple steps; A simple manual fall back process needs to be in place. In spite of your best efforts, the global internet may be down some day for some time! During those times business should fall back to a paper, pencil and phone operation with a manual fall back process. Systematic backup of data and documents is easy to set up, but is of use only if done diligently. Systematic archival of really old transactions to backup electronic media can keep the internet portal free of clutter, fast, and efficient!

KPO 3.0 Pro-Active Planning

Success with KPO 2.0 will only take you quickly to the journey to KPO 3.0. We foresee KPO 3.0 to be integration with the KPO client's internal software systems. These could be software application or document management systems or workflow systems that the KPO client may be using at their locations. The Internet portal may need to integrated with these client systems to achieve even greater efficiencies. However these kinds of efforts need to be of the Keep It Simple and Stupid kind (KISS Principle)! Complex integrations with client systems will only increase the complexity of the whole portal to manage and can fail quickly if not done carefully.

Common Gotchas and No-Nos

Some very common Gotchas and No-Nos can make an expensive investment in an Internet Portal go waste. These common ones are:

- **Under spending on Server Hardware** – Companies spend tens of thousands of dollars on software application development or software but will scrimp and save when it comes to an additional $2000 server. Response time can significantly be increased by adding a server or even an additional processor on a two processor server! With processors, storage and memory getting faster and less expensive every year, there is no excuse for this. This is pennywise and pound foolish!

- **Not Keeping the Internet Portal Interface Simple and Stupid** – When designing the Internet Portal there is the temptation to throw in every requirement you can think of and make the software really complicated. When persuading a KPO client to use the portal or employees of the KPO service provider, there is nothing more than a complex system to make them revert back to email, phone and manual ways of doing their tasks. Something to think about!

- **Not Starting Early and Not Getting End-Users At the Earliest Stages -** Manual ways of doing business is the norm when the KPO operation is small. However, as the company grows, it becomes the norm and pretty soon, the manual coordination work being done is more than actual work being done! The trick is to get started early enough, train the KPO clients as well as the KPO service provider employees in executing the knowledge task from beginning to end using the Internet Portal.

- **Starting Too Big and Not Taking an Iterative Gradual Approach –** Every successful internet portal based business including Google always take the incremental approach. Start small, iterate, fine-tune those that work, remove those that did not work, and then add new capabilities. Many KPO efforts draw up a huge list of requirements and think it can all be done with the throwing of a switch one day. Iterative development is the way to go if you really don't want to waste money and resources.

Knowledge Process Outsourcing growth is on a tear around the globe. Whether it is Legal Transcription or Legal Discovery or Financial Research, growth invariably demands better, more efficient and effective ways of doing things, whether you a buyer or provider of Knowledge Process Services. Internet portals when properly managed provide a more efficient, effective way of completing these tasks adding significant value to the whole process. These value-adds are strategically important to the KPO service provider at a time of increasing pressures on the profit margins due to currency, people, and execution risks.

By: Nari Kannan, CEO, Ajira