

Business Process Outsourcing at BT Frontline

Overview

Focusing On Your Core Business – a principle of outsourcing

In today's permanently volatile business environment, many companies are undergoing a fundamental change in perspective concerning outsourcing. In order to achieve the value demanded by today's marketplace, many companies have come to understand that outsourcing non-core business processes is required.

This new focus on business process outsourcing has reversed the manner in which many companies approach outsourcing. Historically, companies have outsourced information technology infrastructure and applications as a first step and then considered outsourcing processes. Now, in a lot of cases, the process leads and IT follows.

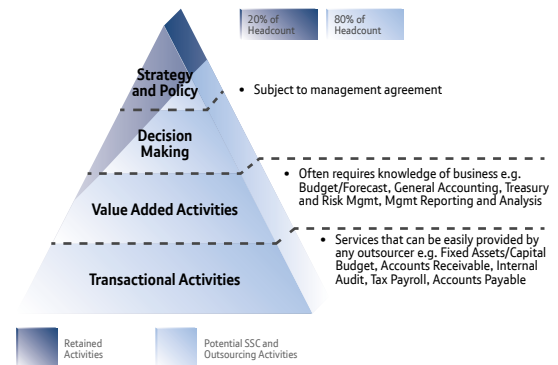
BT Frontline views Business Process Outsourcing as an effective approach for driving value out of various business functions. Through an outsourcing arrangement, companies can concentrate on the more strategic components of their business, leaving the less strategic aspects to an outsourcing provider. To guarantee performance improvements for these outsourced functions, service levels can be defined and monitored throughout the course of the agreement.

Increasingly, the finance and accounting and HR processes of an organisation have been viewed as functions that lend themselves to Business Process Outsourcing. BT Frontline demonstrates that there are significant benefits to be accrued within many companies through outsourcing these processes.

The ability to leverage Outsourcing as a strategic tool in your company's development is rapidly becoming a necessity. Organisations are leveraging the benefits of outsourcing to:

- **Enable a Focus on Core Business** – Increasingly complex and integrated portfolios, high maintenance costs, and scarce support skills can significantly distract attention from your core business and competitive issues.
- **Gain Access to Technology** – Change today is occurring at a rate that is difficult to sustain. Diversification in services, mergers, acquisitions and industry deregulation are but a few of the challenges faced by companies today. Companies are quickly realising that to thrive in today's competitive business environment, they must rapidly deploy new technologies to support key business objectives.
- **Gain Cost Visibility** – Cost reduction has been synonymous with Outsourcing throughout its development. However, cost visibility is also critical to the measurement of the total cost of ownership of the business process. Knowing whether your dollars are being spent in the most appropriate place and whether those dollars are making the right return on investment is a key driver for outsourcing.
- **Protect Knowledge** – More and more, people are the key to the survival of your business and protecting your company and management information. The ability to retain key individuals, motivate them and maximise their utilisation is a key factor in making your outsourcing decisions.

Outsourcing of business processes represents a viable alternative to internal projects that may or may not generate greater efficiencies. Internal projects are often unable to sustain the long-term benefits. By leveraging BT Frontline's process expertise, companies can expect sustained benefits, lower risk, and improved performance over time.



Business Process Outsourcing

Business Process Outsourcing Service Offerings

Our Business Process Outsourcing offers:

- **Customer Relationship Management and Marketing**

Management of the customer contact centre with innovative approaches to return and reward.

- **Finance and Accounting**

Provision of full finance and accounting services including:

- Keeping a full set of accounts of your business, including GL, AP, AR, FA
- Expenses and claim processing
- Taxation services (i.e. preparation of tax returns, liaison with tax agents/Authority, GST/VAT)
- Compliance, eg. SOX / ISO process and procedure documentation
- Management reporting:
 - Planning and budgeting
 - Cash flow management
 - Forecasting.
- Inventory Management, including costing, tracking and disposal.

- **Office Administration and Procurement**

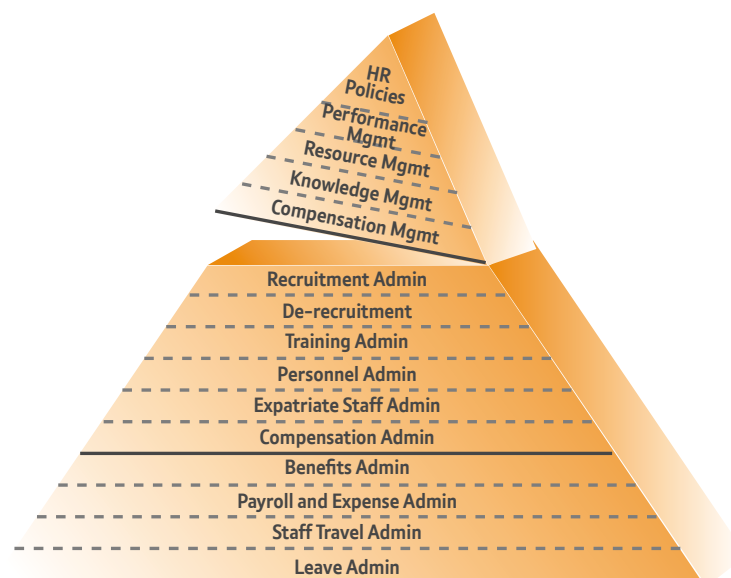
Management of the office environment and stocks including:

- Your office assets and equipment, such as PCs, servers, faxes, copiers and printers, including procurement or leasing and ongoing maintenance
- Your travel requests and arrangements
- Your off-site storage facilities
- Your supply of stationery such as names cards, letterheads, etc
- Your marketing or PR events requirements, arranging for hotel function rooms, exhibition booths, guest lists, marketing brochures, posters etc.

- **HR / Payroll Administration**

Management of the HR processes including:

- Monthly payroll processing
- Temporary staffing requests
- Staff recruitment
- Compensation and benefits administration
- Performance management and reporting
- Personal income tax/pension administration



Business Process Outsourcing – How do we do it?



COMMAND Overall Methodology

BT Frontline offers a standardised, alternative approach to BPO. Our operating model is designed to deliver our services to our clients—better, safer, faster and cheaper. We deliver on the promise of improved efficiency and reduced cost by adhering to several key principles:

- **Sharing** – Leveraging and sharing skilled expertise and resources where possible across multiple clients to increase flexibility, lower risk, reduce cost and improve service quality
- **Standardisation** – Using the methodologies and processes to implement a consistent approach to delivery thereby gaining benefits through high productivity and lowering cost
- **Satisfaction** – Our approach to Service Management ensures that BT Frontline brings value to the business and delivers the exceptional level of customer satisfaction that our customers’ business demands.

How does that help you the customer?

- We can help our clients to reduce overhead costs
- We will make it easier for our clients to forecast and obtain an overview of costs
- We will improve service and reliability of critical processes
- We deliver the right level of human resources in a flexible manner, taking into account changing patterns of usage and variation in the business processes being managed
- We insist on the use of planned service level agreements (SLA) which ensure the flexibility and appropriateness of services being provided at any given time.
- Examples of the benefits resulting from an outsourcing approach include:
 - Cost reduction through process improvement
 - Predictable cost basis for finance and accounting operations
 - Improved controls based on a contractual relationship
 - Decreased time to close accounts
 - Renewed focus on core business such as new product development or winning new customers.

....and in common with our other Outsourcing offerings, our BPO offer comprises a number of foundation components:

- **Service Management**
Service planning, control, monitoring, reporting and quality management of the service including resource planning. This is a fundamental and integral component in the supply of our managed services offering and is consistently applied across all of our three offerings
- **User Support**
The provision of a help facility and problem resolution process. The main day-to-day interface to the user community—again an integral function across all of our managed service offerings
- **Continuous Service Improvement**
A consistent approach to ensuring we constantly strive to improve the process, make it better or more effective.

We deliver these components by applying rigorous processes and methodologies (our COMMAND methodology) to well-defined terms and conditions, managed and measured to pre-defined Service Level Agreements (SLAs).

What makes us different?

- **BT Frontline has made a significant entry into the BPO market**
 - The acquisition of the ex-Capgemini Outsourcing team
 - An immediate leap into Business Process Outsourcing with a ready-made delivery capability.
 - The ability to leverage off-shore solutions into its delivery
 - Off-shore solutions can reduce costs by more than 50%.
 - Its history in business process outsourcing
 - Accel Frontline have been instrumental in development of significant BPO support services across India and we can leverage this knowledge in conjunction with the transferred Capgemini knowledge to Singapore operations.
 - Our Processes and Methodologies
 - The development of our COMMAND methodology puts it all into practice!
- **Regional Presence**
 - We are present in 9 countries across Asia Pacific with an active role in the management of our subsidiary companies
 - We are not just Singapore centric and can leverage other skills and markets as a result of our corporate interests.
- **Our Alliances**
 - **Capgemini:** As a result of our acquisition in 2004, a deep alliance with Capgemini, its 40 years of knowledge and skills can be leveraged through previously arranged contractual agreements.

Who do we do it for?

BT Frontline is a key provider of Business Process Outsourcing services to some leading businesses, including:

- **A*Star**

Agency for Science, Technology & Research (A*STAR) is a research agency with numerous subsidiaries and research institutes and centres in Singapore. Research is carried out predominantly in the fields of biomedicine, science and engineering. One of the Research Institutes has a requirement to outsource its payroll and other HR processes. The requirement was not a full time requirement which would have been necessary to deliver with full time equivalent staff, had the process continued to be provided in-house. BT Frontline provided the resource to deliver the required services on a part time basis on a guaranteed amount of effort on a monthly basis. This provided the research institute with a pay as you go type of service appropriate to their needs.
- **A Major Speciality Chemicals Company**

One of our outsourcing models in Asia Pacific requires us to provide AM, IM and BPM services to a major company in the petrochemicals industry, headquartered in UK, with regional centres in UK, US and Singapore. Specific to BPM, we provide Accounting Services Support covering transactions within Record to Report and Accounts Payable. This service, provided out of Singapore, includes processing of transactions for its Asia Pacific affiliates.
- **Dairy Farm**

BT Frontline entered into an agreement with Dairy Farm for the provision of Non-Trade-Procurement services in a unique manner whereby BT Frontline's revenues were dependent on the amount of savings made by BT Frontline on those procurements made over a 3 year period. We took up the challenge of finding sufficient savings in the non-trade procurement area to pay for the services we were providing. Our services included streamlining the procurement processes and improving the vendor management relationships.

For more information, please contact **(65) 6773 7227** or email sales.frontline@bt.com

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