

## **Business Process Outsourcing Is Proving To Be Southeast Success Story**

*By John Yates, Special To LTW*

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ATLANTA - Business process outsourcing (or BPO) is one of the hottest areas of business expansion in the U.S. A BPO company is based on the following business model:

- A. Select a business process widely used in an industry.
- B. Learn how to perform the business process more efficiently and economically than the customer.
- C. Convince the customer to allow a third party (the BPO company) to perform these vital services for them.

The Southeast has become a hot bed of BPO business opportunities (see below for a partial list).

There are several drivers leading to the success of business process outsourcing. They include:

- A. Large corporations are trying to reduce costs by squeezing out inefficiencies in their business processes.
- B. As a result, companies are outsourcing their inefficiencies to third parties.
- C. Third party outsoucers can often be more efficient and less costly in providing the outsourced service.

Traditionally, outsourcing has been equated with data processing and information technology services. Today, there are hundreds (maybe thousands) of offshore outsourcing firms providing data processing and IT services to global businesses. The competition has become intense. With increased competition, prices have fallen for these kinds of IT services.

Similarly, call center outsourcing has led to an explosion of offshore-outsourced facilities. Chances are your next operator responding to your inquiry for using your electronic gadget will be located in India or the Far East.

### **Some Southeast players**

In the Southeast, outsourcing has taken on a different face.

Consider several of the leading private BPO companies in our region:

**Tax Partners** – This company, headquartered in Atlanta, provides sales and use tax processing to large corporations. The company focuses on an interesting niche that is vitally important to large corporations, especially those with multiple sites throughout the US.

Tax Partners customers have a critical need to obtain fast, efficient and timely tax processing. Their alternatives are limited: perform the services in-house and incur the expense of remaining updated on major tax developments; retain an accounting firm to provide the tax process service (assuming the firm retains its consulting business and continues to perform these services); or outsource the tax services to a third party. The Tax Partners model is to provide this sourcing service in an economical and quality fashion.

**Employeease** – Employeease is another example of a venture capital backed company that has successfully expanded into the outsourcing area. This Atlanta based company provides outsourcing services and an ASP model for delivering HR and employee benefit services to large corporations.

Employeease provides a hosted and comprehensive eHR solution without the limitations, costs and uncertainties of managing traditional HR software in-house. The company's outsourcing model has proven highly successful for large corporate customers with rapidly changing employee benefit needs.

**STI Knowledge** – This Atlanta company provides services to large corporations in the certification and training areas. STI Knowledge provides a broad range of components to build and operate a corporate Knowledge Center, Help Desk or Call Center -- from software and certification, to implementation services based on industry best practices.

The company has recently obtained funding from some significant outside investors and is poised for continuing success.

**Apex Analytix** – Headquartered in Greensboro, N.C., this company provides outsourcing services in the financial area. This includes services to help companies manage various aspects of a business such as accounts payable, corporate tax, and auditing. The company has both an outsourcing service and associated software solution.

**LogistiCare** – This Atlanta-based company provides outsource solutions in the non-emergency transportation area. The company is one of Atlanta's fastest growing private businesses and has established a strong customer base throughout the region.

LogistiCare provides outsourced specialized transportation network management services for government agencies, managed care organizations, self-funded insurers, hospitals, transit authorities and school boards. The company has contracts in many states and manages a national network of more than 600 transportation providers. It has office locations throughout the U.S. and coordinates over 7 million trips for more than 3 million recipients each year. LogistiCare originated as a software solutions developer and later evolved into an outsourcing company.

From this sampling of Southeastern companies, it's apparent that our region is home to many growing BPO opportunities. The region's benefits include:

- A high quality of life for employees
- An attractive area to find management talent.
- Opportunities for executives beyond just their current employer (if the executive has to look for another position in the future).
- Access to the national or major regional headquarters for Fortune 1000 companies (many that are eager to outsource their inefficiencies).

The future is bright for BPO in the Southeast.

Note that a new organization, the *Southeastern BPO Association*, is being formed to bring together the business process outsourcing companies in the region. If you're interested in being a part of the SEBPOA, please contact me at [jyates@mmmlaw.com](mailto:jyates@mmmlaw.com)

*This column is presented for educational and information purposes and is not intended to constitute legal advice. Note that the author's firm represents some of the companies mentioned in this column.*

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