

# Executive Summary



**Conventional BPO threatened by a new virtual model: faster, cheaper, and higher quality.**

## **Q: So what is Virtual BPO?**

A: BPO projects are already completed remotely and online. In simple terms VBPO means outsourcing these projects to teams of home-based professional knowledge workers.

## **Q: How is that better than conventional BPO?**

A: For a start it's very much cheaper. It removes the need for expensive office space and organizational infrastructure, and it allows clients to access workers anywhere in the world. This also means clients can choose the highest quality workers regardless of where they are based geographically. And, of course, it's highly flexible as it provides a global pool of expert workers ready to respond to the ebb and flow of business processes.

## **Q: If VBPO is so wonderful why isn't anybody else doing it?**

A: Actually they are. It's similar to the 'home-shoring' model pioneered by Arise (formerly WillowCSN), LiveOps and AlpineAccess. They're using it very successfully for a number of large-scale contact center applications. It's a well-established model, which in 2006 IDC predicted would serve 330,000 US agents by 2010, but now believes will significantly over-shoot this estimate<sup>1</sup>. At ki work our goal is to take this model to another level.

At the moment it tends to be call center agents who are home-based with supervisors running teams from a centralized office. What ki work is setting out to do is create a platform where the whole team is virtual. Team members can be drawn from across the globe, collaborating to create the optimum combination of skills and labor costs. As ki work uses elements of online social networking it means team members will get to know each other's skills and abilities. It creates real businesses with genuine cohesion and real commitment. Nobody's an employee. Everybody has a stake in the business.

## **Q: Is VBPO just about cutting costs in the teeth of a global recession?**

A: VBPO does offer huge cost savings, but it can provide far more than that. For instance, nobody knows how deep the financial downturn will be or how long it will last. Recovery will be preceded by many false dawns, but one of them will be the real upturn. Businesses have to be flexible to ensure they are in a position to grab opportunities when their sector recovers without committing cash they don't have. VBPO offers the flexibility without major financial commitment.

---

<sup>1</sup> IDC, [U.S. Home-Based Agent 2008-2012 Forecast: Homeshoring in an Underwater World](#), November 2008

Abstract: This IDC study updates *U.S. Home-Based Agent 2007-2011 Forecast: The Irony of Homeshoring's Rising Value Amid a U.S. Housing Bust* (IDC #208501, September 2007). It is a forecast specific to outsourced home-based agents in the United States. It also examines particularly important trends that are impacting how customer care might best be delivered.

"Over this past year, I've been writing about homeshoring more than ever before," said Stephen Loynd, global program manager for Contact Center Services at IDC. "I'm convinced that when it comes to outsourced customer care, by the time we emerge from a possibly severe global recession, homeshoring will have developed into a more formidable sibling to offshoring than many would have expected just a few years ago."

This document is the sole property of Ki Work and may not be transmitted or copied without written consent by Ki Work

Michael Wolff | CEO | [mwolff@ki-work.com](mailto:mwolff@ki-work.com) | [www.ki-work.com](http://www.ki-work.com) | +44 1667 452123

# Executive Summary



## Q: What does VBPO mean for 'conventional' BPO businesses?

For better or worse we at ki work believe VBPO will destroy many traditional BPO models. If work can be carried out online it can almost certainly be completed more cheaply and efficiently on a virtual basis. The simple fact is the VBPO model removes a major portion of the overheads that arise from maintaining real estate and expensive computer networks. They're replaced by people working from home using the internet.

## Q: So which BPO professionals are going to run VBPO businesses if they will effectively be destroying their existing companies?

A: We at ki work believe many BPO professionals won't have an alternative. This isn't necessarily bad news as it also creates amazing opportunities for BPO sourcing consultants who can offer projects in the value range from \$50k to \$500k. We reckon a BPO consultant can earn \$100,000 per year by sourcing sufficient projects for just two VOSPs.

## Q: What exactly is a VOSP?

Let me explain a little about ki work's structure. A VOSP - virtual outsource service provider - is an accredited "Expert" in one of ki work's 500 categories. For accreditation there's a \$50-a-month fee. A typical US-based VOSP would aim to generate annual revenues in excess of \$500,000. Assuming a standard commission rate of 20% that's \$100,000. And, of course, it's the early bird that catches the worm. Now's the time for VOSPs to establish themselves on ki work. It's not bad insurance either. Nobody's work is safe in the financial storm and ki work offers a selection of virtual lifeboats.

## A: Where next for ki work?

We're currently just coming out of beta testing although we've already attracted thousands of users and a number of projects almost without advertising. BPO is a \$trillion worldwide market. We believe VBPO can take a substantial proportion of that market and that ki work is the best platform on which BPO professionals can create a virtual business.

## About ki work

Ki Work is an online organizational infrastructure that enables Virtual Outsource Service Providers ("Experts") to create profitable and sustainable virtual outsourcing businesses across a wide range of business processes. Uniquely, ki work is organized into 500 category marketplaces, each representing a distinct business function that can be conducted remotely (ie web development, business consulting, copywriting, etc).

Professionals make themselves available for work by posting a 'service offer' - a precise summary of skills and experience in the field - into these categories; and outsourcers can post projects and search for candidates - all for free. To improve their search rankings and credibility within a category, professionals can become certified by a category expert (\$20 p/month), can become an expert themselves and certify others (\$50 p/month), or can oversee an entire category and maximise their status and visibility by becoming a category leader (\$200 p/month).

The world market for online, remote and telecommute work is currently booming - but is also highly fragmented - and Ki Work provides the single organizational infrastructure to co-ordinate project outsourcers and professionals worldwide.

Ki Work's goal is to become a billion dollar business serving the needs of an estimated 100 million online workers worldwide by 2013. The overall BPO market is estimated to grow 7.8% annually to \$411bn by 2013 (Datamonitor).

This document is the sole property of Ki Work and may not be transmitted or copied without written consent by Ki Work

Michael Wolff | CEO | [mwolff@ki-work.com](mailto:mwolff@ki-work.com) | [www.ki-work.com](http://www.ki-work.com) | +44 1667 452123