



FIVE STAR BPO DECISION GUIDE

Beyond the RFP: Build a BPO Strategy That Holds Up

A practical framework for defining requirements, evaluating delivery models, comparing providers, and choosing a BPO partner built to perform.

For organizations launching, expanding, or optimizing a BPO engagement.

Build for Value, Not Just Outsourcing

The right BPO strategy can improve customer experience, service performance, scalability, and cost. It can accelerate response and resolution, strengthen coverage and consistency, expand access to specialized expertise, and give your internal team more room to focus on higher-value priorities.

But those outcomes depend on how the engagement is designed.

Scope, delivery location, team model, technology, transition planning, governance, and partner capabilities all shape the value you ultimately get from BPO.

If you are considering outsourcing, you likely already have a business result in mind: better service, more capacity, stronger performance, lower cost, or greater flexibility. The next step is turning that goal into a strategy built to deliver it.

Use the seven decisions in this guide to define what you need, evaluate your options, and build a clear, actionable BPO strategy.

DESIGN FOR BETTER OUTCOMES

- Faster response and resolution
- Stronger coverage and consistency
- More capacity and scalability
- Better visibility and control
- Greater access to expertise and technology
- More time for your internal team to focus

Where Are You Starting?

Your current situation will shape the decisions that deserve the most attention.

1. Launching a New BPO Engagement

For first-time outsourcing or new BPO programs.

Your priorities may include:

- Defining the right scope
- Establishing ownership and expectations
- Selecting a delivery model
- Preparing internal teams and knowledge
- Building governance from the beginning

2. Expanding or Restructuring an Existing Program

For growing, changing, or multi-provider BPO programs.

Your priorities may include:

- Identifying where expansion will create the most value
- Clarifying responsibilities and handoffs
- Integrating teams, systems, and reporting
- Protecting consistency across the operation
- Increasing flexibility, specialization, or scalability

3. Improving or Replacing a Current Provider

For BPO programs that are underperforming, outdated, or ready for a new partner.

Your priorities may include:

- Identifying the source of the performance gap
- Defining what the next model must improve
- Protecting service continuity
- Transferring knowledge, systems, and responsibilities
- Establishing stronger governance and accountability

Your Starting Situation

☐	Launching	What has created the need to act now?
☐	Expanding or restructuring	
☐	Improving or replacing	



Carry this situation through the guide. It will influence the requirements, risks, and partner capabilities you prioritize.

Seven Decisions That Shape the Engagement

1 Align on the Outcome

Define the business and customer results the BPO must deliver.

2 Define the Scope

Clarify the work, responsibilities, volumes, and expectations.

3 Choose the Delivery Model

Match location and team structure to the work.

4 Design the Operating Approach

Define how people, process, technology, governance collaborate.

5 Prepare for Transition

Identify the resources, decisions, dependencies, and risks.

6 Evaluate the Partner

Assess expertise, transparency, and ability to improve.

7 Build the Plan

Turn your decisions into a practical internal and partner brief.



How to Use This Guide:

- ★ Choose one planned or existing BPO engagement and carry it through the seven decisions.
- ★ Capture the information you know today. Flag open questions where additional analysis or partner input is required.
- ★ You will finish with a working brief that gives internal stakeholders and potential partners a clearer starting point.

Define What Success Looks Like

Clarify the current state, the improvement you expect, and the business value that change should create.

Choose Your Priority Outcomes

Select up to three.

- ☐ Improve customer or patient experience
- ☐ Improve response or resolution times
- ☐ Increase capacity or support growth
- ☐ Expand hours, channels, languages, or geographic coverage
- ☐ Improve quality, consistency, or compliance
- ☐ Access specialized expertise or technology
- ☐ Reduce or better manage operating costs
- ☐ Strengthen resilience and business continuity
- ☐ Give internal teams more time for high-value priorities
- ☐ Improve the performance of an existing BPO operation
- ☐ Other:

STEP 1 | ALIGN ON THE OUTCOME

Define the Change

What is happening today?

Capture the current performance level, operational constraint, customer impact, or business need.

What result should the engagement produce?

Why does this result matter to the business?

When should meaningful improvement become visible?

Your Outcome Statement

“We need to improve _____ from _____ to
by _____ so that _____.”

STEP 2 | DEFINE THE SCOPE

Build the Engagement Profile

Give potential partners the operational context they need to understand the size, complexity, and requirements of the engagement.

Work and Customers

Function, process, program, or customer journey:

Customers, patients, members, employees, locations, or business units supported:

Demand Profile

Current or projected interaction or transaction volume:

Peak periods, seasonality, growth, or demand variability:

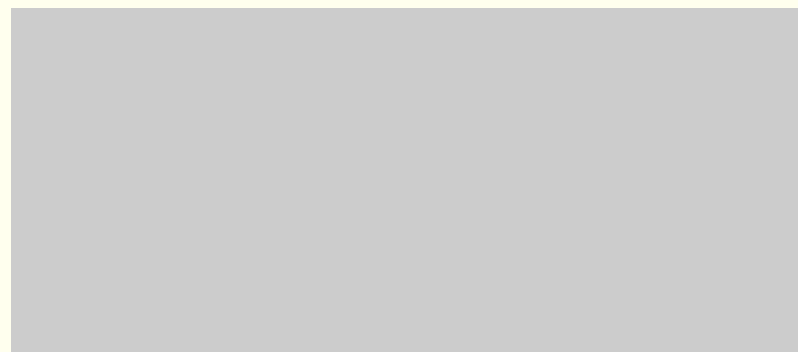
STEP 2 | DEFINE THE SCOPE

Current Environment

Current staffing or delivery model:



Current performance levels or service commitments:



Core systems and required integrations:

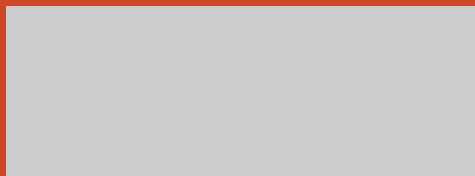


Security, compliance, or data requirements:



Coverage

Required days and hours:

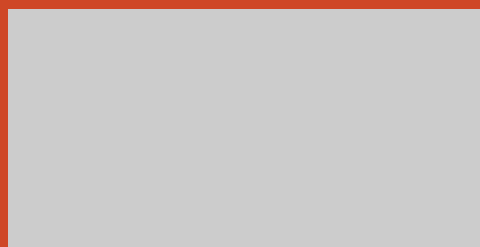


Channels:

- ☐ Voice
- ☐ Email
- ☐ Chat
- ☐ SMS or messaging
- ☐ Social media
- ☐ Back-office processing
- ☐ Other:



Languages or geographic requirements:



STEP 2 | DEFINE THE SCOPE

Define Roles and Boundaries

Clarify ownership to prevent gaps, duplication, and confusion during launch and delivery.

Apply Your Starting Situation

If You Are Launching

Clarify ownership between internal and partner teams.

If You Are Expanding

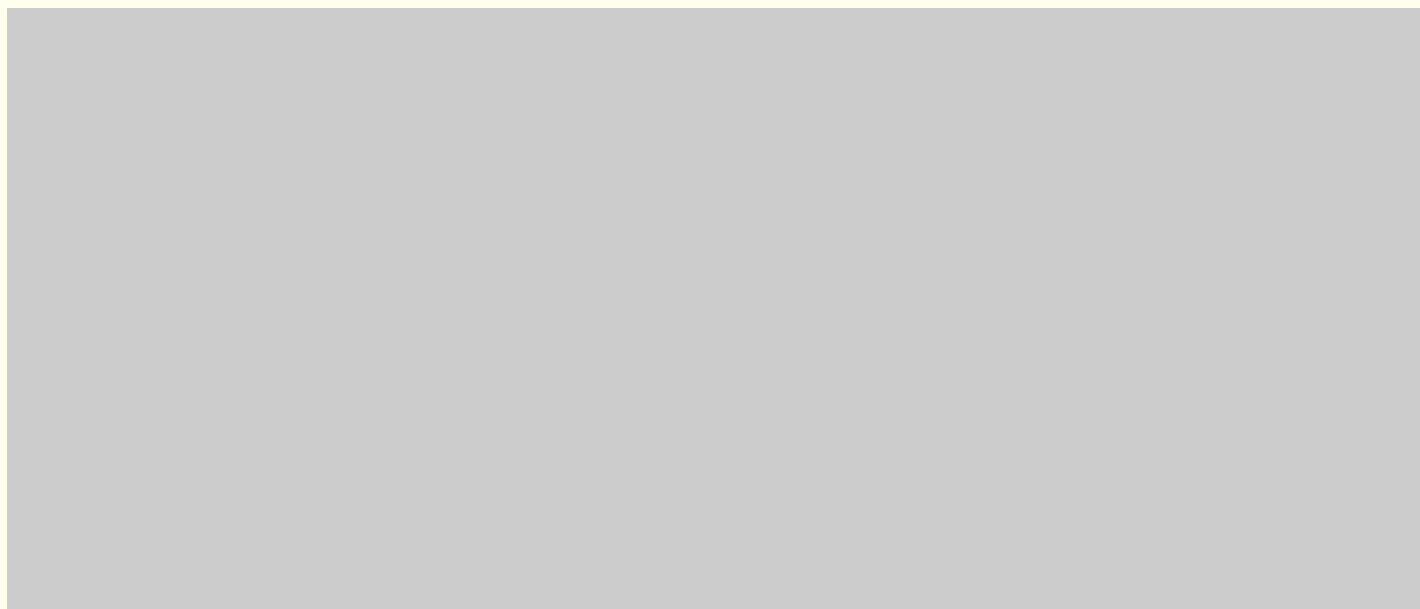
Map handoffs, shared systems, and responsibilities across teams and providers.

If You Are Improving or Replacing

Define what changes, what stays, and what must transfer.

Work Included in the Engagement

Which interactions, workflows, responsibilities, and escalation points should the partner own or support?



STEP 2 | DEFINE THE SCOPE

Work Retained Internally

What should your internal team continue to own?

Level of Partner Ownership

- ☐ Supplemental staffing or capacity
- ☐ Ownership of a defined workflow, channel, or customer group
- ☐ Day-to-day management of the defined operation
- ☐ Shared accountability for performance and improvement
- ☐ Leadership in process redesign, technology, or transformation

Constraints or Non-Negotiables

What requirements must every proposed solution accommodate?

Working Scope

“We are seeking BPO support for _____ to deliver _____.”

STEP 3 | CHOOSE THE DELIVERY MODEL

Start With the Work

The right delivery model starts with the work itself. Different workflows may require different locations, talent, coverage, and levels of integration.

Segment the Work

Consider whether the engagement includes work with different requirements.

Segment 1

Work or interaction type:

Key requirements:

Segment 2

Work or interaction type:

Key requirements:

Segment 3

Work or interaction type:

Key requirements:

STEP 3 | CHOOSE THE DELIVERY MODEL

Set Your Delivery Priorities

Select up to four.

- ☐ U.S.-based service delivery
- ☐ Cultural or geographic proximity
- ☐ Specialized skills or industry expertise
- ☐ Access to a larger talent pool
- ☐ Extended or 24/7 coverage
- ☐ Multilingual support
- ☐ Cost efficiency or predictability
- ☐ Rapid scalability
- ☐ Business continuity or geographic redundancy
- ☐ Regulatory, security, or data requirements
- ☐ Close integration with internal teams
- ☐ Flexibility across locations and staffing models

Compare Delivery Options

U.S.-Based / Onshore

Best when:

- Proximity matters
- U.S. compliance matters
- Close collaboration matters

Validate:

Talent, scale, coverage, cost.



Nearshore

Best when:

- Time-zone alignment matters
- Multilingual support matters
- Real-time collaboration matters

Validate:

Talent, language, compliance, continuity.

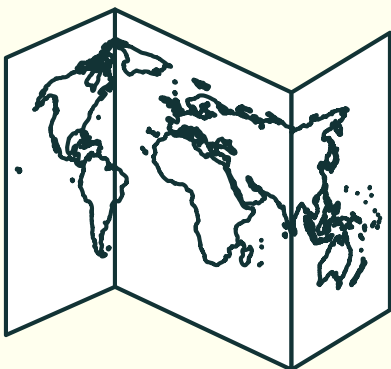
Offshore

Best when:

- Scale matters
- 24/7 coverage matters
- Work is standardized

Validate:

Talent, security, continuity, impact.



Blended Delivery

Best when

- Needs vary by work type
- Flexibility matters
- Geographic diversity matters

Validate

Handoffs, ownership, consistency, complexity.

STEP 3 | CHOOSE THE DELIVERY MODEL

Cost Impact

Location can significantly affect labor costs, but the lowest rate isn't always the lowest total cost.

U.S.-Based / Onshore

Cost profile: Highest relative labor cost

Value comes from: Complex, high-touch work where proximity, experience, brand nuance, or specialized expertise can outweigh labor savings.

Nearshore

Cost profile: Significant savings with greater proximity

Potential savings: 40–60% vs. U.S.-based delivery

Value comes from: Balancing cost efficiency with easier travel, time-zone alignment, and collaboration.

Offshore

Cost profile: Maximum cost advantage

Potential savings: 60–70%+ vs. U.S.-based delivery

Value comes from: Large-scale hiring, rapid ramp-up, and substantial labor-cost efficiency.

Blended Delivery

Cost profile: Optimized across needs

Value comes from: Placing different work where it makes the most financial and operational sense while improving scalability and business continuity.

Look Beyond the Hourly Rate



The true cost of a delivery model can also include training, turnover, management, technology, quality, handoffs, travel, and operational risk.

STEP 3 | CHOOSE THE DELIVERY MODEL

Current Direction

Preferred location or combination:

Which work belongs in each location, and why?

What must a provider validate before the model is approved?

Choose the Level of Partnership You Need

A provider's role can range from supplying capacity to helping redesign and improve the operation. Choose the level that best matches your scope, internal capabilities, and expectations for results.

1. Capacity Extension

The partner provides trained resources, coverage, or flexible capacity. Your internal team retains primary ownership of processes, technology, performance strategy, and improvement priorities.

2. Managed Operation

The partner manages a defined operation, including staffing, workforce management, training, quality, and service-level performance.

3. Performance Partnership

The partner shares accountability for results and contributes analytics, governance, forecasting, and continuous improvement.

4. Transformation Partnership

The partner helps redesign the operating model through process improvement, technology, automation, AI, channel strategy, and organizational change.

Your Target Partnership Level

- ☐ Capacity extension
- ☐ Managed operation
- ☐ Performance partnership
- ☐ Transformation partnership
- ☐ A combination across different parts of the engagement

Why does this level fit the engagement?

Where should the provider take greater ownership?

Assign Ownership Across the Operating Model

Clarify how the partner should support the capabilities surrounding the work.

For each area, choose the expected role:

Client-led	Provider advises	Shared ownership	Provider-led
People & Workforce Recruiting, staffing, leadership, coaching, retention, and scheduling. Expected role: {select}			
	Processes & Quality Workflow, routing, quality, compliance, and continuous improvement. Expected role: {select}		
Knowledge & Training Documentation, onboarding, certification, learning, and updates. Expected role: {select}			
	Technology & Integration Systems, tools, integrations, access, reliability, and support. Expected role: {select}		
Reporting & Analytics Dashboards, trends, forecasting, and actionable insights. Expected role: {select}			
	Governance & Improvement Reviews, accountability, issue resolution, risk, and planning. Expected role: {select}		

Highest-Priority Operating Improvements

Where should the provider create the most value?

Match People and Technology to the Work

Use technology where it improves the process, experience, or result.

Human-Led Work

Use human expertise for complex, sensitive, high-value, or judgment-driven interactions

Relevant work or use cases:

Human + Agent Assist

Use AI and real-time guidance to improve speed and consistency.

Relevant work or use cases:

Automated Workflows

Automate repeatable steps like routing, validation, updates, and follow-up.

Relevant work or use cases:

Self-Service or Virtual Agents

Enable simple answers, transactions, and status updates without agent support.

Relevant work or use cases:

Define the Value

Which result should technology improve?

How will you measure that improvement?

Which customer, compliance, or quality controls are required?

From Nine-Day Response Times to 4.5 Hours

A sustainable energy technology company came to Five Star with 4,000 unresolved technical-support tickets and response times stretching to nine days.

The Operating Changes

- Aligned workforce capacity to incoming demand
- Redesigned routing, prioritization, and escalation
- Built the knowledge resources agents needed to resolve issues
- Introduced daily governance and clearer performance visibility
- Established a scalable remote technical-support model

Results Within Two Months

- 4,000-ticket backlog eliminated
- Response time reduced from nine days to 4.5 hours
- Call abandonment reduced below 1%
- Scalable support model and knowledge foundation established

**The results came from more than added capacity.
They came from combining the right people with stronger
processes, knowledge, visibility, and governance.**

Apply It to Your Engagement

Which operating changes could produce the greatest improvement in your results?

Assess Transition Readiness

A strong transition protects service, transfers critical knowledge, and establishes clear ownership before launch.

For each area, mark:

Ready

Requires
Internal Work

Requires
Partner Support

Scope & Success Measures

Responsibilities, coverage, service levels, targets.

Status:

Processes & Knowledge

Workflows, policies, escalations, training.

Status:

Technology & Access

Systems, integrations, permissions, support.

Status:

Security & Compliance

Data, privacy, access, regulatory requirements.

Status:

People & Change

SMEs, communications, training, staffing impacts.

Status:

Governance & Decisions

Sponsors, decision rights, cadence, escalation.

Status:

STEP 5 | PREPARE FOR TRANSITION

Situation-Specific Risks

Launching

Knowledge gaps, unclear ownership, limited data, internal capacity.

Expanding

Provider handoffs, role overlap, reporting gaps, integration.

Improving or Replacing

Incumbent cooperation, knowledge transfer, data access, continuity.

Transition Priorities

What must be resolved before implementation begins?

Who will own internal coordination and decisions?

What conditions must be true before launch?

Ask Questions That Reveal How the Provider Operates

Use the questions most relevant to your engagement. Strong providers should explain their recommendations, assumptions, responsibilities, and evidence clearly.

Solution and Results

1. What similar work have you done, and what results did you produce?
2. How would you structure the solution around our goals and constraints?
3. What delivery model and partnership level would you recommend, and why?

People, Performance, and Improvement

4. How will you recruit, train, coach, and retain the right people?
5. How will you manage quality, staffing, volume changes, and continuity?
6. How will you identify, prioritize, and measure improvements?

Technology and Governance

7. How will your technology integrate with our systems and reporting needs?
8. Where would you use AI or automation, and how would you measure value?
9. How will we review performance, resolve issues, and make decisions?

Implementation and Commercial Fit

10. What will implementation require from each team, and who owns what?
11. How is the engagement priced, and what could change the cost?

STEP 6 | EVALUATE THE PARTNER



Ask for Your Situation

Launching

What do we need to prepare internally for a successful launch?

Expanding

How will you integrate with our team and existing providers?

Improving or Replacing

How will you close performance gaps while protecting continuity?



Evaluate the Quality of the Response

Strong Signals

- Recommendations specific to your goals, work, and constraints
- Evidence connected to similar work and measurable results
- A clear explanation of delivery and staffing choices
- Transparent assumptions, responsibilities, and dependencies
- Defined governance, reporting, and escalation practices
- A practical implementation approach with clear ownership
- Proactive ideas for process and technology improvement
- Candid discussion of risks and tradeoffs
- Questions that demonstrate a detailed understanding of your operation

Warning Signs

- A generic staffing proposal with limited solution detail
- Delivery recommendations driven primarily by the provider's available capacity
- Vague implementation responsibilities or launch requirements
- Pricing without clear assumptions, inclusions, or change conditions
- Limited ownership for performance and continuous improvement
- Opaque reporting, governance, or escalation
- Broad AI claims without defined use cases, controls, or measures
- Limited discussion of risk, continuity, or dependencies
- Pressure to finalize a model before the work and outcomes are understood

The Recommendation Test

Ask each provider:

“Based on what you have learned about our operation, what would you recommend we improve or approach differently?”

A strong answer should reveal the provider's judgment, operating experience, and willingness to contribute beyond the initial request.

Partner Comparison Scorecard

Score every provider using the same criteria and evidence.

Scoring Method

Priority weight

- 1 = useful
- 2 = important
- 3 = essential

Provider score

- 1 = significant concern
- 3 = acceptable
- 5 = strong fit

Multiply the priority weight by the provider score to compare results.

Criterion	Weight	Provider A	Provider B	Provider C
Relevant experience and results				
Solution fit and quality of recommendation				
Talent and workforce approach				
Operating model and improvement capability				
Technology and integration				
Governance and transparency				
Security, compliance, and continuity				
Implementation and transition				
Cultural and working fit				
Commercial fit and pricing clarity				

STEP 6 | EVALUATE THE PARTNER

Overall Score:

Provider A

Provider B

Provider C

Evaluation Notes

Current front-runner:

Strongest differentiators:

Risks or gaps to resolve:

Your BPO Strategy Brief

You have worked through the decisions that shape a successful BPO engagement. Now bring those decisions together into one clear working brief.

Use your answers from the previous sections to capture the results you need, the work involved, the operating requirements, and the direction your organization is prepared to pursue.

This brief can evolve as you align stakeholders, validate assumptions, and gather recommendations from potential partners. For now, it should create a shared understanding of the opportunity, the requirements, and the decisions still ahead.

Starting Point

- ☐ Launching
- ☐ Expanding or restructuring
- ☐ Improving or replacing

Business trigger

Desired Outcome

Current condition or baseline

Target result

Business impact

Target timing

STEP 7 | BUILD THE PLAN

Engagement Scope

Function or process

Customers or groups supported

Work included

Work retained internally

Volumes, coverage, and channels

Constraints and nonnegotiables

You Have the Strategy. Now Put It to Work.

You have defined the outcome, shaped the scope, considered the delivery and operating models, identified transition priorities, and established what the right partner must bring to the engagement.

That gives you a stronger foundation for the conversations and decisions ahead.

Complete the remaining sections to document your direction, assign internal ownership, and identify the next actions that will move the strategy forward. Then use the full brief to align stakeholders, guide provider discussions, and compare recommendations.

You now have the clarity to take the next step with confidence.

Delivery and Operating Model

Delivery location or combination

Team structure

STEP 7 | BUILD THE PLAN

Target partnership level

Partner ownership and operating priorities

Measures of Success

Measure 1:

Measure 2:

Measure 3:

Essential Partner Requirements

Which capabilities, experience, controls, and ways of working are required?

Transition Priorities and Risks

What must be prepared, transferred, tested, or resolved?

Internal Ownership

Executive sponsor:

Internal lead:

Key stakeholders:

Next Actions

Action 1:

Action 2:

Action 3:

Turn Your BPO Strategy Into Better Results

You now have a clearer view of the results your engagement must deliver, the work it will support, the operating model it requires, and the capabilities the right partner should bring.

Your completed BPO Strategy Brief brings that direction together. The next step is to validate assumptions, refine requirements, and shape the solution around the realities of your operation.

Five Star helps organizations build customer support and back-office solutions around the outcomes that matter most: stronger service, greater capacity, specialized expertise, better visibility, and continuous improvement.

We bring people, processes, technology, and governance together to create an operating model built around your customers, your business, and the work your internal team does best.

Let's Build the Right Solution Together

Bring your BPO Strategy Brief to a conversation with Five Star. We'll help you evaluate the options, resolve open questions, and turn your direction into an approach designed to deliver measurable results.



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