Back-Office improvement

When outsourcing is not an option

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Back-Office improvement: when outsourcing is not an option

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Abstract

Many organizations within service industries such as government agencies, banking, healthcare, and healthcare decide to structure their business with the back office – front office design; in this setting the back office handles tasks not involving the customer, while front office involves those activities that deal with the customer through some form of contact or receive input from them. When the time comes that an organization wishes to improve the back office area and achieve enhanced efficiency, quality, and speed; it is commonly suggested that outsourcing will help introduce the intended gains. However, outsourcing is not always the right option for an organization, depending on the activities the back office performs and the organization’s size might not make it a supreme candidate for this. It is at this point that organizations are left standing in the cold as no alternatives are suggested; therefore creating a push towards outsourcing that might end unsuccessfully. This thesis work focused on reviewing organizational design theories and proven keys of back office improvement to establish a basic set of guidelines which will help introduce improvement in a back office area as an attempt to provide an alternative to outsourcing. The methodology consisted of a case study performed at a Swedish Mobile VoIP provide, as a complement both literature review and interviews were performed to help gather information. Literature review was mainly focused on getting the background and current state of the problem identified; the validity of using the guidelines were confirmed through a first set of interviews held at the organization. The resulting guidelines take back office configuration and design together with improvement opportunities, all points lead to finding that they can be mapped together. This combination is both effective for improvement and revisiting organizational design. The produced guidelines are as follows: 1. Reduce – definition of back office and back office activities (remove unnecessary activities or lessen their demand); 2. Redesign – decoupling decisions (activities kept in the back office should be broken into separate tasks only if results are not compromised, eliminating unnecessary interdependencies); and 3. Restructure – organizational arrangements (changes in physical placement can improve knowledge sharing and support an open communication). The results of implementing such guidelines were evaluated through a second set of interviews which were also held at the selected organization. The final evaluation of changes within the organization concluded in positive effects as was intended. Further work in the area is needed to help define a more complete and detailed set of guidelines, the ones resulting from this thesis work surely serve as a foundation.

Keywords

Back office, organizational design, configuration theory
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1. Introduction

This chapter briefly describes the background, problem, goal, significance, intended audience, method, and limitations.

1.1. Background

The term "back office" is popular among government agencies, banking, healthcare, and many other service industries; it is commonly paired up with another term, “front office”, as a result of an organizational design that places the customer at the center of their activities, as is common in service industries. This back office – front office division is probably the most common way of handling the impact that is introduced by contact with customers when it comes to providing or delivering a service. Back office is usually regarded as an area which involves processes and activities with the particularity that everything is performed away from the customer, not needing their direct interaction; this means that back office tasks are not seen or experienced by customers. Therefore, we can regard this area as internal to an organization and its operations. On the other hand, front office activities do require contact or interaction from a customer; it covers those activities that are directly experienced by a customer (Patki 2007).

Many of the current approaches organizations take to improve their back office area can be heavily dependent on financial factors; they are striving to achieve either cost reduction or increased efficiency to achieve improved services in terms of efficiency, quality, and speed. Outsourcing in its ever-growing capacity is a popular option that organizations take to both achieve reduction in their costs, and increase their efficiency. However, outsourcing may not always be a viable alternative towards back office improvement; some organizations have assigned to their back office activities which are too intrinsic to their operations. In these cases it becomes difficult to separate and delegate to any outside parties (Lacity, Willcocks & Feeny 2004). Other reasons for not choosing outsourcing as an option towards improvement is that outsourcing is not always cheap, it may not be suitable for small organizations, and finally, it may not always be successful as results greatly depend on strong communication infrastructure to make this option work (Laplante et al. 2004).
While back office improvement should involve financial optimization, the key of development is in extracting value and efficiency by reducing, redesigning, and restructuring functions in the area; keeping in mind that the bigger benefits are achieved through those changes with less ease of implementation (Rogers & Saenz 2007). Improving a back office can be problematic if the area itself has been informally controlled and structured; such can be the case of a small organization or the result of fast paced growth where time was not available for planning and designing thoroughly. Thus, improvement should begin with revisiting this initial stage in an attempt to gather a solid base for further development.

Current research in the area of back office has a focus on establishing guidelines to help determine when organizations should deal with outsourcing their back office. Improvement in efficiency, quality, and speed are profoundly investigated in terms of the strategy an organization has taken towards outsourcing functions and how they prepared for this change. It is natural of course to have so much attention on organizations adapting to new challenges and opportunities brought by outsourcing, a clear example of this can be reviewed in a 2004 case study presented on Loyds of London and their dealings with Xchanging for procurement of their back office functions (Lacity, Willcocks & Feeny 2004). However, there has been little attention to introducing back office improvement when outsourcing is not the option an organization will take.

This thesis work consisted of a case study performed at a Swedish Mobile VoIP provider, the back-office process selected was third-line support as it is a clear example back office – front office configuration. Since this organizational process is part of Customer Support activities which usually consist of a three tier division: first-line support, second-line support, and third-line support. Both first-line and second-line support are generally considered as the front-office part of this process; their work deals in interacting with customers. Third-line support figures in as the back-office; this level attends to requests without having direct interaction from a customer.

### 1.2. Problem statement

Achieving time and cost effective results from a back office represents a current struggle faced by many organizations. The problem with back office improvement is found in a difficulty to gather any clear guidelines to achieving activities with improved efficiency, quality and speed. This is mainly because attention to back office centers on its outsourcing. Much literature can be studied to help determine in an organization when and how to outsource its back office functionalities.
However, authors fail to address any options available for improvement when and organization cannot outsource its activities.

1.3. **Research Questions**

This thesis work intends to address the following research question:

a) What alternatives are there for organizations that will not outsource their activities and wish to improve their back office area?

The following questions are supportive to the main research question mentioned above:

- Is it possible to describe guidelines to follow in order to introduce back office improvement in an organization?
- Are such improvements achievable in terms of efficiency, quality, and speed?

1.4. **Goal**

The goal of this thesis work is to provide a set of guidelines towards back-office improvement.

1.5. **Purpose**

This work has focused on providing a simple approach that shall be helpful to introduce improvements in efficiency, quality, and speed within a back office area as an alternative to outsourcing.

1.6. **Significance**

The significance of this work is to provide a set of guidelines that should be capable of being supportive in the improvement of other similar back office areas.

1.7. **Intended Audience**

The intended audiences are those interested in organizational design configuration of back office and front office areas, and those wanting to introduce improvement without resorting to outsourcing; this thesis work is of their interest as organizational design has been used as an alternative to outsourcing when trying to achieve back office improvement. This case study takes place at a Swedish Mobile VoIP provider and has selected third-line support as the process to be worked on, those interested in Customer Support may also benefit from the work presented.
1.8. Method

The method used for this thesis work includes only qualitative research methods. The approach is a case study which is complemented with literature review and the conduction of a set of interviews. The case studied has been performed as a Swedish Mobile VoIP provider, and was completed over a period of four months in 2011. The selected process for this case study has been third-line support, chosen as a clear example that highlights organizational design structure based on customer contact, and additionally has it front office counterparts that are first-line support and second-line support. The initial research was performed through an extensive literature review that provided a base from which to select theories appropriate for the construction of the developed guidelines. The approach taken to derive the final guidelines focuses on revising the basic aspects of organizational design for back office – front office configuration, and joins them with three key opportunities to introduce value and efficiency which aim at reducing, redesigning, and restructuring functions in an area.

Finally, a second interview was conducted to reveal a general view of intangible or immeasurable improvements that were also gained. The information gathered from this was useful towards evaluating the work done and the effects of applying the proposed guidelines.

The methodological approach taken in this thesis work is depicted in figure 1:

![Diagram of Methodology]

Figure 1 – Overview of Methodology

1.9. Limitations

The thesis work shall focus on the development of a set of guidelines to help improve a back office area without resorting to outsourcing. Therefore, this thesis work makes reference to outsourcing of organizational back office functionalities but shall not fully revise outsourcing to a
greater extent because as it is not the full intention of this research. Rather, this thesis work aims to provide an alternative to outsourcing for achieving improvements.

This thesis addresses taking a basic approach that revisits organizational design, and at the same time pairs this up with three known opportunities that focus on developing an area through extracting value and efficiency by reducing, redesigning, and restructuring functions. The purpose is to be able to create guidelines that will be helpful in introducing improvement in other similar back office areas. It is important to mention that the guidelines were produced and evaluated with a case study carried out at a Swedish SME whose business is to provide Mobile VoIP services; the back-office process selected at this organization was third-line support.

The validation of the guidelines will be limited to one case study and shall provide enough fundament to determine if further work on the topic is helpful, as well as the validity of the guidelines developed in this work. While the results of this work can only be assured under a specific set of conditions, it does not exclude further work involving the outcome of this thesis and other distinct environments, such as organizations of a different nature or the selection of different back-office processes.
2. Extended Background

In order to achieve improvement it is necessary to better understand the complexity of back office design and the different complex dimensions within which we are able to introduce improvements. This chapter provides deeper knowledge of the related research on the subject of a back office area; the further described concepts are used in this thesis work to help define the context of the efforts carried out. Here we will outline the extensive knowledge available on the topic such as definition, configuration and design, and more.

2.1. Back Office

The term back office is defined as “relating to the inner workings of a business or institution”, its first known use is dated back in 1957 (Merriam-Webster 2008). Of course, this definition provides a very basic understanding of what back office really is. Therefore, it may be good to also consider the following definition: “back office receives and processes the information which the user of a service enters in order to produce and deliver the desired service. This may be done completely manually, fully automatically or by any combination of both” (Millard et al. 2004). This broadens our view of what this particular department is responsible for and highlights the importance of back office when providing a service; keep in mind that a service can be seen as “what a customer receives” (Ponsignon, Smart & Maull 2007). These two definitions clearly show an evolution and sophistication of the term, this is a direct result of decades of investigation, studies, and technological advancements.

2.2. Back Office – Front office configuration and organizational design

The real role of a back office becomes clearer when we look at the design of a service delivery system. It is here that we encounter design decisions that help structure back office and front office work. The basic idea is to divide functionalities into areas, separating each one according to the degree of customer interaction involved, as a result many organizations have structured their operations into: back office and front office. Since front office comes in play when dealing with organizational design it is necessary to know that this area is conceptualized as “the part where activities that require customer contact take place and as such is directly experienced by customers” (Zomerdijk & de Vries 2007).
2.2.1. Customer contact

Before examining further it might be helpful to establish what is exactly meant by “customer contact”. Reviewing literature reveals that there many existing definitions or interpretations of what customer contact really represents. Chase, one of the authors of the customer contact model, has in a previous work defined what he understands as customer contact. He defines this as the “physical presence of the customer in the system” (Chase 1978). Since this definition implies that physical presence is a prerequisite, in a modern technological context it makes more sense to recognize customer contact as the direct encounter of the customer in the system that creates an opportunity for interaction.

2.2.2. Design decision

Design decisions are a choice which must be made when a service delivery system is being considered. Literature regarding service delivery systems outlines three basic concerns: (a) where does customer contact occur? (b) which activities can be decoupled?, and (c) how should employees involved be grouped together?. These three concerns are helpful during the initial structuring of a service delivery system, and therefore should be considered when the goal is re-structuring a back office process that was informally assembled. This can be viewed in Figure 2.

![Diagram](image)

Figure 2 – Design decision for back office and front office configuration (Zomerdijk 2005)

2.2.3. The customer contact decision

In their model for organizational design, Chase and Tansik describe a contact based classification scheme which separates an organization's functionalities according to how much contact it has with a customer. The idea is to divide functionalities into areas, separating each one according to the degree of customer interaction involved. Their many propositions enforce that low-contact activities, delegated to a back office, are easier to control since customers do not create
any disturbances in their operation. This low-contact part of an organization is also considered to be a “technical core” that can be secluded from the outer environment, resulting in a higher degree of efficiency. The base of their proposal motivates that “a service system’s potential operating efficiency is a function of the degree to which the customer is in direct contact with the service facility” (Chase & Tansik 1983).

2.2.4. The decoupling decision

Another aspect of structuring back office and front office is to enforce activities to be decoupled allowing tasks to be separated among them. A simple look at decoupling is to understand this as breaking a process into its component activities. The motivation here is that high-contact activities should be performed by one group of people, and the low-contact activities by another group of people. Therefore, back office and front office should represent two different areas in an organization, each one of them having their own objectives, procedures and policies (Metters & Vargas 2000). Two groups of factors to help make this decoupling decision can be considered, see Table 1.

<table>
<thead>
<tr>
<th>Decoupling is favorable when:</th>
<th>Decoupling is not favored when:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Face-to-face contact for all operations is not technologically required (or desired by the customer).</td>
<td>1. Face-to-face contact is seen as an essential marketing element of the service.</td>
</tr>
<tr>
<td>2. Separate workers are required to produce the service.</td>
<td>2. Rapid exchange of information with the customer is required.</td>
</tr>
<tr>
<td>3. Task requirements can be easily segmented into interpersonal skills and technical skills.</td>
<td>3. Hiring of additional supervisors would be impractical.</td>
</tr>
<tr>
<td>4. Information exchange between service system and customer can be done by phone or mail.</td>
<td>4. Jobs are tightly prescribed by collective bargaining agreements.</td>
</tr>
<tr>
<td>5. Price of the service is more critical to the customer than is convenience or customization</td>
<td>5. Tight coordination across task or departmental boundaries is critical.</td>
</tr>
<tr>
<td>6. Resultant job specification is counter to company philosophy.</td>
<td></td>
</tr>
</tbody>
</table>

Table 1 – Decoupling factors (Chase & Tansik 1983)

2.2.5. The grouping decision

This design decision has not yet been formally acknowledged in the back office – front office design debate. Both the customer contact and decoupling decisions have led us to establish a separation. Grouping considers if employees should be gathered together in small teams and/or shared locations. Many factors can intervene in this design decision, such as knowledge, skills, process, etc (Zomerdijk & de Vries 2007)
2.3. **Reduce, Redesign, and Restructure**

As mentioned in the introduction, the key of development is in extracting value and efficiency by reducing, redesigning, and restructuring functions in the back office area. This is a different outlook towards improvement that focuses on the area itself and does not limit improvement to simple cost cuts.

To reduce addresses a simplification of functions by eliminating nonessential activities or lessening their demand. Redesigning stresses smarter action and involves dissecting current processes and cutting out those steps that do not add any value to the service being delivered, or simply involving more automation in the process's design allowing us to work smarter. Finally, restructuring encourages organizing in such manner that we can achieve a more effective performance (Rogers & Saenz 2007). These three opportunities towards development should be fully considered when improving a back office area; each of them provides a different kind of enhancement. They can be worked along with back office – front office configuration described for organizational design.

2.4. **Recent Studies**

A recent evaluation of local UK governmental councils estimated that improvements to back office activities accounted for 28% of their total efficiency gains which aimed at reducing their annual spending budget by more than £4.3 billion (Audit Commission 2008). While another study presented in the Harvard Business Review showed similar results; 37 participating companies averaged a 25% of total savings when strategic cost reductions were introduced (Rogers & Saenz 2007).

Both studies show the final impact of improving a back office department. However, outsourcing was one of the component of changes introduced and may account for a big part of the financial savings achieved, so it remains unknown what the final impact of change can be if outsourcing is excluded. It is hard to find current work that highlights improvement of a back office department without resorting to outsourcing to some degree of involvement.

2.5. **Outsourcing**

It should be no surprise to say that outsourcing is, and has been, a popular option for organizations. It allows them to have greater focus on core activities and functions; it most
importantly generates savings. One of the fastest growing changes currently adapted by organizations is to outsource non essential, but critical, functions to a large scale service provider, this is commonly referred to as Business Process Outsourcing or BPO, and back office is commonly grouped into this category (Namasivayam 2004).

BPO is gaining ground in the outsourcing world as more and more organizations recognize the need for improved management of their back office, while at the same time restricting their time and efforts invested with innovations to the area. On the supplier side, service vendors around the globe are rapidly building and strengthening their capabilities to reap the benefits of improving back office processes and functions (Lacity, Willcocks & Rottman 2008). However, success is not always the case, a 2004 study presented results of IT managers reporting only 33 percent of satisfaction when it came to their outsourced IT services (Laplante et al. 2004).

Back office improvement should not always be left to outsourcing; enhancements can be implemented in-house, allowing more control of functions. We can also consider that not all functions are possible to outsource, this of course depends on the organization and the activities being considered. The following is a 3 step outsourcing approach that helps determine who, what, why, where and when (Laplante et al. 2004).

The initial step in this approach aims at answering, who, what, and why.

• Who should outsource?
  Outsourcing is not a cheap alternative, costs benefits greatly depend on the current expense, and if lower cost alternatives can be found. It is also necessary to consider that many vendors will only cooperate along with large and very large projects, which can rule out this option for small organizations (Laplante et al. 2004).

• What is outsourcing?
  Outsourcing in modern organizations is used for two basic types of work: operations (infrastructure, software development, etc.), and business (payroll processing, customer service, etc.). It is important to note that if an organization decides to hire consultants to fulfill activities at the organization’s site, this is not considered true outsourcing, especially if responsibilities for the process are owned by the organization itself (Laplante et al. 2004).
• Why outsource?

In general, organizations outsource to achieve cost reductions, and/or to be able to focus more on their core business. They also resort to outsourcing as way to achieve more efficient, effective and competent functions in their processes (Laplante et al. 2004).

The second step answers just the following:

• Where should you outsource?

It is hard to determine what areas of an organization are viable for outsourcing, the same activity may be considered core to business in one organization, while the next is happy to hand the same activity over to a qualified vendor. Figure 3 depicts what areas can generally be selected for outsourcing, and helps determine the relevance of the activity in terms of core business. Figure 4 is also helpful at this point as it presents a matrix view of an activity's proximity to the organizational core functions and the benefits of outsourcing such tasks.

Figure 3 – IT functions outside of the core business are typical outsourcing candidates

(Laplante et al. 2004)
Finally, the third step helps determine:

- **When should you outsource?**

  Many organizations fail to identify their need for outsourcing until they are too far in. This means that when they attempt to outsource they may fail in the execution because they have not prepared the process for this. Additionally, outsourcing does not mean that the organization no longer has any responsibility over the process; it is still up to them to control and decide the expected outcome, as well as the degree of quality that will be demanded from the vendor. Figure 5 presents a three-tier approach and proposes a strategy to separate activities within a process, these separations strive to create a balance of work efforts performed and maintain a control over the final outcome (Laplante et al. 2004).
2.6. Efficiency, quality, and speed

Virtually all service providers deal with a complex mix of back office – front office activities within their service delivery systems. Organizations strive to achieve activities that maintain a balanced set of priorities to be able to provide a good service. Organizations’ priorities focus on efficiency, quality, and speed. Each of these priorities has its own particular importance and particular areas within an organization may have a different combination of priorities to achieve proper results (Zomerdijk 2005).

Zomerdijk 2005 has summarized the impact these three priorities have in relation to the three design decisions used for organizational design for back office – front office configuration; they are shown in table 2:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Customer Contact</th>
<th>Decoupling</th>
<th>Grouping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Back office activities to realize their efficiency potential; front office activities when follow up work could be avoided</td>
<td>Decoupling to stimulate learning curve effects, make use of skills, prevent over-qualification and enable centralization; coupling to avoid idle time</td>
<td>Functional groups to realize economies of scale</td>
</tr>
<tr>
<td>Quality</td>
<td>Not affected</td>
<td>Decoupling to employ experts and stimulate learning curve effects; coupling to avoid handovers and have informed advisors.</td>
<td>Functional groups to promote cross-fertilization and uniformity; market groups to facilitate handovers</td>
</tr>
<tr>
<td>Speed</td>
<td>Front office activities when follow up work could be avoided</td>
<td>Coupling to avoid handovers</td>
<td>Market groups to facilitated handovers.</td>
</tr>
</tbody>
</table>

Table 2 – Organizational Design Decisions and Organizational Priorities (Zomerdijk 2005)

2.6.1. Efficiency

The definition of back office – front office activities plays a big role in the efficiency of a process. Back office activities are generally more efficient since they are not dependant on information exchange from the customer; this is of course in line with the customer contact approach (Chase & Tansik 1983). This is the motivation to having a clear set of activities that have previously considered the amount of customer contact in the organizational design. Front office activities are therefore left to tasks which require input from the customer, for example those tasks that contribute to sales (Zomerdijk 2005).
2.6.2. Quality

Quality is influenced by two of the organizational design decisions which are decoupling, and organizational arrangements. Decoupled activities help improve quality as activities are separated and designated to individuals depending on their set of particular skills. This is also motivated by the longstanding idea that “task specialization maximizes the learning rate of individuals through dedication to a single activity and so improves performance”. We can interpret this as people being assigned tasks within their expertise allows them to be more dedicated to the task at hand, and will provide focused learning opportunities that will further develop an individual’s skills. Organizational arrangements have an impact on quality as functional grouping of employees facilitates cross-fertilization (employees are able to learn from each other), and also helps establish uniformity and control (Zomerdijk 2005).

2.6.3. Speed

Speed is related to back office – front office design decisions that allow tasks to be at times automated to such a degree that the need to have them assigned to a back office area is unnecessary since follow up work can be avoided, and all can be completed by the front office in a smaller time frame than before. Considerations made to improve quality by having specialized people take care of tasks in their expertise also influences speed, if tasks are performed by the people that are most knowledgeable will also yield reduced times (Zomerdijk 2005).

2.6.4. General Definitions Considered for Efficiency, Quality, and Speed

For practical purpose, after reviewing the effects and relationship of efficiency, quality, and speed within a back office; it is also necessary to define how these terms are handled and what they represent. The following are the definition considered in effect for this thesis work:

• Efficiency: extent to which time or effort is adequately used for a task.
• Quality: degree of excellence held for a task.
• Speed: rate of performance and/or delivery of a task.
3. Methodology

The methodology relates to the work performed through a case study conducted at a Swedish Mobile VoIP provider. The case was established to provide directions for the following parts of work to be completed. This chapter focuses on addressing the objectives formulated for the case study, followed by the description of literature review performed, as well as the conducted interviews.

The approach decided to be taken for this thesis work includes qualitative research methods. The methodology for this thesis is meant to support the design of a set of guidelines which come as a response to the need to have rules to help introduce improvements in efficiency, quality, and speed for a back office area, without resorting to outsourcing activities.

3.1. Case Study

The use of a case study was chosen as it allows us an in-depth analysis of a back office area in regards to some of the current problematic faced, including those related to the design decisions used for the back office – front office configuration (Zomerdijk 2005). Additionally, a case study is richly descriptive and information can be gathered through various sources such as: in-depth interviews, surveys, and participant observation, etc. To gather information for this case study we relied on other research methods such as literature review, and interview.

Noor (2008) has established limitations stating that “a case study is not intended as a study of the entire organization”. While this limitation is surely a drawback of using this approach, for this work it helps motivate the use of this method considering all efforts focus only on back office activities within an organization, and not the whole organization in itself. In this particular case study only a subset of back office activities was selected.

3.1.1. Case Design

This case study took place at a Swedish Mobile VoIP provider over a period of four months in 2011. The company studied has its main office located in Stockholm, Sweden. With only 42 employees it is considered a “small undertaking” according to SME’s divisions set by the European Parliament in 2000 (Ihlstrom et al. 2002). However, the company is a fast growing VoIP provider,
its emerging popularity has estimated the current use to more than 9 million callers and over one billion minutes of international calls logged overall since 2006 (Gonzalez 2011). Their customer base expands over more than 50 countries and continues to grow; these increasing demands lead the company to a need for organizational improvements, particularly regarding their back office. The requirement is to review the area and introduce improvements by reviewing theories on structure and organizational design. This company was chosen as a candidate for this case study in regards to limitations set which excluded outsourcing as an option to improve a back office area; the company in question was not favoring outsourcing for their activities as their back office involves tasks which are close to their operational core. The size of the company favors this case study as it will allow easier implementation and quicker evaluation of results. Additionally, it is common for SME’s experiencing rapid growth to define its organizational structure in an ad-hoc manner, therefore applying organizational design theories that are considered in the suggested guidelines.

In this case study the back office – front office configuration was studied as an initial look to how organizations structure functions in regards to customer contact. Insights derived from this were joined with three known opportunities, as mentioned by Rogers and Saenz (2008), which help introduce improvements in an organizations back office. These keys of development aim to extract value and gain efficiency by reducing, redesigning, and restructuring functions. At this point, information needed to be gathered to expand knowledge in both organization design decisions with back office – front office configurations, and also with back office development opportunities. A literature review was conducted to collect such information; more information regarding this can be found later on within this chapter.

3.1.2. Case Objectives

Objectives were needed to be defined in order to succeed in achieving the main goal of this thesis work. These objectives also helped maintain direction so the efforts done at each step contributed in providing knowledge needed to elaborate the resulting guidelines. The objectives are as follows:

(a) This case study is meant to closely study organizational design decisions regarding back office – front office configuration, such as Chase and Tansik’s customer contact approach (Chase &
Tansik 1983). And also evaluate back office development opportunities established by Rogers and Saenz (Rogers & Saenz 2007).

(b) This case study is meant to formulate a set of guidelines that will indicate easy measures capable of achieving back office improvement; they shall not include outsourcing in their considerations.

(c) This case study shall evaluate the developed set of guidelines by means of a final interview at the selected organization to gather there view on the changes done and whether or not improvements took place

3.1.3. Process Sampling

Case studies deal with a limited set, and do not usually involve a whole organization. The perspective should focus on a unit of analysis which is a process or a set of processes together. In this case study the process selected for focus was third-line support.

Third-line support follows the limitations of not having direct contact with the customer, as is common in all back office departments; third-line support also was selected since it has front office counterparts which are first-line and second-line support. This serves as a good sample to work with, as this process is commonly found in an organization without regards to its field. It was expected that selecting a general process would help in determining guidelines that could be applied in any other back office process or department.

3.1.4. Data Collection

To study the selected process, data was needed to be gathered. Literature review was done to know general things about back office, organizational structure such as back office – front office design, and key opportunities to improvement within these areas. Interviews were also performed and help in getting to know which process was best suited to the study, as well as would be more appropriate for analysis in terms of efficiency, quality, and speed. A second set of interviews also took place near the end of the thesis work to help gather information about immeasurable aspects of changes that took place.
3.1.5. Data Analysis

In order to examine the information gathered analytic induction was used to be able to review findings and structure general conclusions supported on particular cases. It is described as “inducing laws from a deep analysis of experimentally isolated instances”; this method also considers definitions of terms as hypotheses to be tested. The goal with this is to allow the modification of concepts through research, and eventually achieve a more accurate representation of reality (Ratcliff 1994).

3.2. Literature Review

This qualitative research method serves the purpose of generally describing existing research in an area, it allows a more comprehensive understanding of the topic at hand, and helps highlight connections to other studies to help form grounding work from a larger context (Rozas & Klein 2010). Literature review was chosen to gain knowledge in the study area.

This method helped gather theoretic knowledge about the concepts of back office and front office, as well as their functions and organizational design theories regarding customer contact. Relevant scientific literature concerning back office improvements was read, as well as other case studies. Through this useful knowledge on the area was gained. Initial literature review performed allowed me to identify some gaps concerning rarely explored areas, with this I refer to finding that almost all literature encountered regarding back office improvement focused heavily on the outsourcing of activities to gain improvements in efficiency, quality, and speed in the area.

3.3. In-depth Interview

Interviews may produce limited information if improper research has been performed; they depend on the availability of others and their ability to make themselves clear. This research method can be counterproductive if it is not handled properly and will not yield sufficient data, it may also impact on an established timeline of work if others are unavailable when needed. Nevertheless, interviews provide a wide range of information and are so flexible that they allow researchers to affect a question depending on the participant’s previous response; this means that data collection and research questions can be adapted accordingly to what we learn. Also, when conducting interviews, participants can respond with more detail than in other quantitative methods such as a survey or questionnaire (Mack et al. 2005).
According to Mack (2005), in-depth interview is "a technique designed to elicit a vivid picture of the participant's perspective on the research topic". This method considers the participant an expert in the subject matter at hand, and the interviewer plays the role of the student. This technique is motivated by the researcher's desire to learn; questions must be neutral and given directly to the participant without leading their answers.

In this case study a number of several in-depth interviews were performed at the organization selected. Interviews took place at the company's office in Stockholm, Sweden. Each interview was performed on a one-by-one basis, and the allowed time for each interview was set to one hour. The participants were mainly chosen based on their involvement with current back office activities in the organization, and thus all could provide useful information on the current state of this area. Nine interviews were carried out for the first set; the participants were all male with age ranging from mid 30's to mid 40's. All interviewees had worked at the company for at least 4 years, which means they were present from an early stage all the way until today when demand and growth has required changes to how they handled their back office area. Participants have a broad range of roles at the organization which allows the set of interviews a full scope view of the current situation, those roles selected are:

- Chief Operating Officer (COO)
- Chief Technical Officer (CTO)
- Infrastructure Manager
- System Architect
- Application Developer
- Database Developer
- VoIP Specialist
- Customer Service Manager
- Test Manager and Quality Assurance

The interviewees were considered knowledgeable in very different aspects of the organization and the process selected for this case study. The questions asked to each participant were dependant on their specific role and area of expertise; question base for interviews can be found in appendix A. Since literature review was conducted beforehand, the information intended to gather through these interviews was complimentary to that of existing research; literature review was the active base that provided sufficient knowledge to be able to carry out these interviews. Expert
knowledge was important in pursuing, and also a clear picture of the organization’s current state of their back office.

The interviews were semi-structured, meaning there was no specific set of questions designed. Rather, based on knowledge obtained from literature review, the questions would probe each participant and allow them to fully describe the current state of the organization and its activities. Semi-structured interviews are ideal since they provide the advantage of having a clear set of points to cover and it allows the interviewer to adjust or expand questions depending on what the answers are; this is for the full intention of collecting as much useful and detailed data.

A second set of interviews was performed near the end of this thesis work. These interviews focused on reviewing the results obtained at the organization. Only three participants were selected for this final evaluation:

- Chief Operating Officer (COO)
- Chief Technical Officer (CTO)
- Customer Service Manager

Participants selected for the second set of interviews were chosen based on their continued involvement with the back office area, as well as them having been the most knowledgeable respondents in the first set of interviews; therefore their opinion on the results would be of very high value.

### 3.4. Analytical Induction

Through analytical induction it was possible to develop an understanding of the gathered data. Therefore it helped in achieving the desired guidelines. Once all the data was collected, it was carefully inspected to create a “hypothesis” which consisted of proposing a set of helpful guidelines to assist in introducing back office improvements within an organization.

### 3.5. Other Methods Considered

The initial approach of selecting to conduct a case study was decided among other options such as experimental study, longitudinal study, and cross-sectional study. However, these were not considered suitable. An experimental study requires a controlled environment where direct
manipulation of variables is needed in a rigorous manner; regrettably this control can affect responses especially considering the situation created is artificial. A longitudinal study is performed over an extended period of time which allows an observation of the effects time has on a certain situation; this is also not suitable for this thesis work. The usual time scale of observation involved with this method takes years, which is more than the available time for this thesis work. Finally, a cross-sectional study is ideal if we would to look at different organizations, or involve several groups of people. While this might be a suitable option, it would involve gathering more participating organizations, and seems more suitable for a continuing study (Neville 2005).

Data collection could have also been performed through another method like participant observation; this option was not selected mainly because it is heavily time consuming. This thesis work spans 20 weeks, which is not enough time to perform data collection through this research method. Additionally, participant observation introduces documentation challenges as it relies on memory, discipline and diligence to keep proper records of information gathered; this method also results difficult as it is naturally subjective, thus great efforts must accompany all observations to maintain objectivity (Mack et al. 2005). Participant information would have introduced the troublesome task of removing domain specifics, which without general knowledge of the area or review of related studies in other fields results hard to perform.

However, it must be also noted that the conduction of a survey for data collection was considered but this method was not included in this case study. While having a quantitative method to gather data would have been complimentary to the methodology taken, this approach was ruled out because it would provide a limited view of information since questions submitted cannot be changed and their formulation requires an extremely thorough understanding of the subject matter beforehand (Mack et al. 2005). The survey was replaced by interviews which allow deeper examination and offer a flexibility that allows us to change our set of questions if we see the opportunity of gathering some additional valuable information from the participant (Mack et al. 2005).
4. Results

This chapter presents findings from data collection, and also describes the guidelines derived from the data gathered through literature review and interviews performed.

4.1. Findings from methodology

4.1.1. Literature review

From the reviewed literature problems related to outsourcing activities were identified, it is commonly overlooked that:

(a) Outsourcing is not always successful in achieving gains in efficiency, quality, and speed.

(b) Not all organizations are capable of outsourcing activities, some tasks are regarded part of their operational core and thus are difficult to delegate to outside parties.

(c) Back office areas lacking in their performance can be a result of improper organizational design, thus enhancement might be achieved if we applied such theories and restructure properly.

The findings above listed greatly motivate creating a set of guidelines that will aim at improving a back office area without resorting to outsourcing.

4.1.2. Interviews

As described previously, data collection also included carrying out a set of interviews at the selected company. The interviewees were selected because of their familiarity to back office tasks and their knowledge with the current organizational structure and operations; section 3.3 can be considered for more details on this.

One of the most significant findings was how the organizational structure evolved; it is quite common to have venture companies start their operations with one clear goal of achieving profitability, once this is reached you will find that roles and responsibilities are spread out and not clearly defined, as business grows so does the workload of each individual and little by little there come more and more additions to the team. This was the road followed at the company, recently, many changes have undergone and new goals they have set mean that people’s tasks would have to
be defined. The most troublesome process was repeatedly mentioned to be third line support. Mostly due to the fact that this role was not formally taken by anyone in the company, rather a series of individuals tried to attend technical duties often demanded to be able to provide adequate support to its customers. However, this was not their main responsibility, and thus at many times other priorities limited them to fulfill back office tasks in a timely manner. It was identified that the new projects for this year would mean that people would have even less time to attend to these technical support tasks. As described by the company’s COO, organizational growth and current developments meant that developers, database experts, and such could not attend request from their support team, so special focus was brought to this “customer support” process, specifically third-line support which handles back office responsibilities. From the interviews performed it was stated that the company had to introduce changes to be able to allow developers and other specialized personnel to focus their entire time to further evolving the system; this future state is depicted in figure 6. This was mainly stated by the company’s COO and CTO, both established that the current point in time and the demand for system development required specialized personnel to be dedicated to only activities corresponding to their organizational roles, it was noted that back office activities were conflicting with people’s work goals as it took away much needed time.

Figure 6 – Objective
All nine interviewees brought up that an official third line support role was missing in the company, therefore everyone involved in maintaining and developing their system had to deal with all tasks required by customers when problems were out of reach for their customer support staff. Their customer support consisted of first-line and second-line support, with third line support activities being split around to other people depending on the need at hand. Figure 7 depicts the customer support structure as described by all participants. This is of significant importance since it validates the need of revisiting organizational structure and back office – front office design theories, and is in line with point c from section 4.1.1.

![First-Line Support](image1)
![Second-Line Support](image2)

**Figure 7 – Previous Customer Support Structure**

It was also identified by all respondents that many requests for technical support showed some lack of knowledge of the system and their service. Usually these cases were addressed one by one to each individual; therefore valuable information was sometimes not delivered to everyone, which eventually resulted in more requests of the same nature.

Many tasks in the process involved too many people, which made it costly and drained resources available. A simple task should be a simple activity. It is also important that people on the back office get all the necessary information for them to fully attend a request, since they do not deal directly with customers, it is important to define the information needed in specific problems.

As mentioned by all nine interviewees, the company had recognized that many of the people involved in back office activities (database developers, web programmers, etc) had now too much to handle on their own. The organizational growth and increasing demand from their service did not allow people to fully concentrate on their main tasks, therefore changes needed to be done. However, all nine participants did not consider outsourcing was the right direction at this point.
mentioning that many of the tasks needed to be performed were close to their operations, meaning they are strongly related to the evolvement of their product and overall system, and they wished to continue have these activities close. For example for the their SMS service they required paying attention to common problems and users request for improvement; they wished to have this close to their operational team to be able to tailor this service to what was expected from users. In their view, outsourcing would filter and delay this necessary feedback.

It was also stated by the CTO that the size of the current organization does not make it a supreme candidate for outsourcing, and that they wished to introduce improvements in many other ways before resorting to it. The organization wished to be careful about incurring unnecessary costs; they considered some of their processes that involved back office activities still in need of maturing therefore they believed improvements could be gained through other means; this goes in line with finding from literature review, points a and b described in section 4.1.1.

To summarize this first set of interviews the most valuable information was gathered from both the COO and CTO of the organization, as they were the ones most involved in achieving improvements to their back office to be able to reach their current objectives as depicted in figure 6. The seven remaining participants gave responses that supported the initiative to introduce changes to improve the area. Most importantly, their responses were useful in confirming the CTO and COO’s view of the organization and their operations, therefore no disagreement was found. When asked about suggesting possible changes to improve the current the back office all responses from participants were found to be supportive to the suggested guidelines, such as removing unnecessary activities, distributing work and workers, etc. Answers from respondents confirmed the proposed guidelines were useful and could be applied to prove if results could be achieved in the way expected. Both COO and CTO stated that what they envisioned was changing their operational structure to remove activities carried out by their technical staff and delegate them to specific back office area staff or even to their front office (depending on the degree of difficulty or technical expertise needed). They also stated that to do this their internal processes had to be analyzed as well as gather sufficient input from the technical staff to verify that current tasks could be reassigned and/or changed in some matter to help them perform their main responsibilities.

While some questions in the interviews were intended to gather information on the participant, their organizational role and responsibilities, as well as gathering information helpful for a general
understanding of the company’s back office; interviews also helped gather a clear view of the people involved with back office at the start of this thesis work, providing reasoning to why and how they interacted with this area, as well as discovering what the respondents main focus should be on.

The second set of interviews performed near the end of this thesis work is described further ahead in section 5.1 as they are helpful in describing the outcome of applying the suggested guidelines.

### 4.1.3. Analytical Induction

As mentioned by Rogers & Saenz, it has been found that back office improvements can be achieved with three key opportunities which are reducing, redesigning, and restructuring functions in the area. These three opportunities for improvement can be fully considered for improving a back office area; each one relates to a particular type of enhancement. This means they can be worked along with back office – front office configuration as proposed by Chase and Tansik. If we inspect both theories closely, we can find that both of them can be mapped together, forming a combination that will prove both effective for reaching improvement and also will be focused or revisiting organizational design fundaments that allow a back office – front office configuration within an organization.

For creating the intended guidelines the two basic approaches mentioned were used, the following provides a more clear view of how the combination is possible and is established as the main hypothesis:

- Reduce – definition of back office and back office activities – what we do
- Redesign – decoupling decisions – how we do it
- Restructure – organizational arrangements – who does it and where is it physically done

Interviews were supportive in validating the approach taken based on the literature review. Through them it was possible to confirm that changes suggested in proposal match those mentioned by participants when asked to propose changes to improve the organizations’ back office. They were also helpful in getting a clear understanding of their operations to be able to identify how the guidelines were to be implemented; an example of this can be read in section 4.3.
4.2. Guidelines

1. Reduce – definition of back office and back office activities – what we do
   This focuses on removing unnecessary activities and/or lessening their demand. Back office can perform with higher efficiency, quality, and speed if the responsibilities given are essential in providing the service or completing a customers’ requests. We should have in mind that essential activities to a back office area should not include any task requiring customer contact. We have to choose wisely what will be done, and it is important to revise current back office priorities to make sure they do not include tasks that can be handled by the front office. In some cases to do so may require automating a process or have stricter rules in place to fully disseminated system changes and avoid unexpected demand of back office tasks due to lack of knowledge.

2. Redesign – decoupling decisions – how we do it
   Activities that are decided to be kept in the back office should be broken into separate tasks only if this can be done without compromising results, those tasks should be evaluated deeply to guarantee that no unexpected disturbances will arise if a task is split up into individual parts. The main focus is to eliminate unnecessary interdependencies.

3. Restructure – organizational arrangements – who does it and where (physically)
   A significant improvement is to enforce measures that will allow greater knowledge sharing and provide an environment with open communication that supports continues learning of the evolving service and system. Technical changes have to be communicated to non technical people in a non technical way, openly advising changes in their routines and changes in how things perform so they are able to continually provide the same level of support. It is also important to consider the physical placement of employees, as proximity to one another reinforces knowledge transfer.

4.3. Implementing Guidelines
   An example of how this was considered is regarding the activities related to the company’s SMS delivery service. Before implementing changes derived from the guidelines, tasks coming into the company’s back office required much input from the customer. These issues took a long time to be solved and too many people were involved in solving problems. Once revised, it was decided
that the main parts of this activity could be kept on first line and second line support. Deeper knowledge about this part of the service and system was provided to second line support, such as detailed documentation. Additionally, some internal tools were developed to be able to automate actions performed by back office.

The scenario before was that a customer would email a support request to the company, the message would be received by first line support and all information was gathered, this request was forwarded to a different individual depending on the problem. Problems detected were the following:

a) User was unable to send an SMS
b) User sent a SMS but it was not received by the destination party
c) User receives an error message from our application/system when trying to send a message.

Each type of problem was resolved by a different person as it pertained to different parts of the SMS service. However, the actions needed to correct the issue for problems of type a and b did not require the specific expertise of the people involved, therefore these request were taking time from resources that should be focusing on more technical activities. The corrective actions were delegated to first line and second line support. It was defined that only problems with the application or system, such as bugs, should be escalated to third line support, who in turn will solve the issue. Usually these are cases that require deeper analysis. The main intention was to remove unnecessary people from this process, and disseminate their knowledge to each of the customer support line levels, with the final result being that the demand of back office activities were reduced, and the response time in first line and second line support was increased as they were able to better deal with a users requests when it came to problems with their SMS service. As you can see from figure 8 and 9, the structure of activities and people involved changed. Tasks were decoupled from back office and distributed accordingly among the support line levels according to the degree of interaction needed from a customer.

Organizational changes also took place, back office was composed of several domain experts, and each of them intervened in customer support activities, much as it is depicted in figure 7. However, people performing specialized roles with specialized knowledge should be dedicated to the tasks they were hired to do. While at the beginning this organizational structure and division of
activities worked, it was not the current case. A formal third line support role was introduced into the company, the person heading this position had to be someone with intermediate knowledge of both the system and the service, and posses a technical background that will come in handy at automating tasks, bug fixing, etc.

Figure 8 – SMS service support process before changes

Figure 9 – SMS service support process after changes
5. Analysis

This chapter will explore findings from applying the guidelines defined in section 4.3, as well as relate results from previous studies, and define the limitations presented during the thesis work.

5.1. Outcome of Applying Guidelines

Results presented are from applying a new approach towards back office improvement which revisits organizational design theories (Chase & Tansik 1983) and combines them with three known opportunities that focus on developing an area through extracting value and efficiency by reducing, redesigning and restructuring back office tasks (Rogers & Saenz 2007). The outcome is reviewed with help from information gathered from the second set of interviews held near end of the thesis work which focused on gathering the company's final thoughts from the implementation and the effects of it.

The expected outcome of applying the guidelines from section 4.2 is back office improvement in efficiency, quality and speed. While all three aspects have been described in section 2.6, efficiency was expected to be achieved by eliminating unnecessary people and tasks from back office activities. In this case, all specialized personnel were replaced by a third line support level, this specifically means that a restructure took place in which second line personnel with qualifying skills and sufficient experience was set up as their new third line support, therefore these changes are not meant to describe the employment of new people, but rather restructuring the current resources available to distribute tasks to correspond more accordingly to a person's work capabilities. Processes were also streamlined to remove unnecessary steps, including some that were chosen to be automated. For example, the SMS process now only involved one person instead of three. Only activities not requiring customer contact were left in back office, and the rest were distributed among first line and second line support. Quality was expected to be achieved by both decoupling and grouping, this meant that improvements would be gained if we separate a process into tasks according to the level of expertise needed, therefore people only do what they are capable of doing, and thus reaffirming their knowledge and continue growing within that particular expertise. In the case study example of the SMS service, this was done by having activities in back office that only require third line support expertise, and delegating tasks according to the skills required by a particular role, thus tasks coming into back office were those who required the
special knowledge and expertise held by the third line support agent, at this point in a request both first line and second line support had dealt with getting necessary information and troubleshooting common problems. Grouping was also used to achieve improved quality; organizational arrangement were done to relocate first line support and second line support to work side by side, while third line support was decided to be put near the technical and operational team, in both circumstances this was set up to facilitate knowledge transfer. Finally speed; this is influenced by many things, one example of which is customer interaction.

Not all three priorities (efficiency, quality, and speed) are easy to measure in quantifiable terms and reporting gains can be subjective. Therefore the second set of interviews was extremely useful in evaluating all the changes made and gathering the organizations reflections if improvements were achieved in all these priorities.

As previously mentioned in chapter 3, near the end if this thesis work a second set of interviews were performed to help gather an understanding of the organizations’ view of the results were. This set of interviews only focused on three participants: COO, CTO, and Customer Service Manager. The questions used for the interview can be found in Appendix B.

All participants agreed that the current configuration of their back office showed a significant improvement in the overall workload handled, which translates to having tasks left to back office that can only be done by back office personnel, they also considered that this specific development allowed back office personnel to be more focused and perform tasks with enhanced quality of service. The changes related to achieving such improvements are in inline with one of Rogers and Saenz’s (2007) opportunities for development, were reduction of tasks is stated, and is also a result of organizational changes referring to Chase and Tansik’s (1983) back office – front office configuration theory, where it is important to decide what tasks get to be done by front office and what gets done by back office. As a result of customer contact decisions and decoupling, some tasks were split up and/or delegated to the front office, thus creating a decrease in the overall workload handled. This also corresponds to guidelines number 1 and 2 from section 4.3.

Participants also argued that the changes set on by applying the guidelines had been especially helpful to see an impact in the amount of work completed during a week, in other words, back office was able to finish more tasks than before; introducing enhancements to both efficiency and speed.
This improvement is a result of Chase and Tansik's (1983) organizational structure theory specifically that of customer contact and decoupling; and Rogers & Saenz's (2007) suggested improvement from reduction of activities and redesign. Back office no longer has tasks requiring a response from a user; therefore work can be completed quicker, allowing an increased ratio of performance be being able to close a task in less time than before. As reported from the respondents the average response time was greatly decreased, as a result of having eliminated unnecessary tasks from back office. Decoupling and restructuring are also reflected in these results, redesign of back office activities meant some tasks were streamlined to make a more efficient process. This reflects guidelines 1 and 2 from section 4.3.

Finally, guideline 3 from section 4.3 is not easily represented as guidelines 1 and 2. Physical organizational restructuring and rearrangements that took place do of course influence the results obtained. Guideline 3 is meant to allow the grouping of personnel according to the tasks handled and particular set of skills. This was implemented by locating back office personnel close to the technical team so knowledge transfer would be facilitated, and this can be reflected in all improvements gained as knowledge influences efficiency, quality, and speed.

Results represent that a solution in a short time (changes involved took 4 to 6 weeks for implementation in the organization) that is cost effective such as this one can have positive results from a back office. As mentioned in the problem statement in section 1.2, there is a difficulty in having clear guidelines that aim to achieve back office improvement without having to resort to outsourcing. While this is a good option in many cases for many organizations, it is clearly not viable all the time for everyone, thus work to find alternatives for improvement is of value.

While the results of this case study present clear improvement to the back office within the selected organization, it is necessary to clear out that such results cannot be guaranteed or generalized for all organizations. Therefore, it is important to consider the setting of this thesis work. This case study was performed at a Swedish Mobile VoIP provider, and such the guidelines developed were only validated within this organization’s back office. It is also necessary to mention that the organization selected is considered a “small undertaking” with only 42 employees overall, this affects results as bigger organizations would mean a much more complicated setting involving more tasks, more people, and needing more time to evaluate before introducing changes. Additionally, this case study focused on introducing changes to the selected organization’s back
office, limiting work to the chosen process which is their customer support process, so again, results regarding other back office areas were not presented as this work only considered the above mentioned process. However, the limitations held by this case study do not impact results obtained, the guidelines produced can be useful to organizations within the same industry, or even as a base for developing other guidelines that can be used in other environments, therefore researchers can find them of value.

Furthermore, the methodological approach taken was appropriate for the size of the case study. If this is to be done with a bigger set of organizations and a bigger sample of processes, more time would be involved, and the addition of quantitative research results would help structure results in a clearer way.

5.2. Outcome of Data Collection

From literature review and interviews performed it is clear that outsourcing is not always a good alternative for organizations wanting to improve their back office. Several reasons for this are:

(a) Outsourcing is usually a good option for large organizations, in the case study performed the organization selected was a small undertaking, the size of the organization make it for many service providers an uninteresting endeavor. Also, outsourcing “core activities” is not something desired by an organization if it wants to continue having strict control over key tasks to their operations.

(b) Outsourcing does not always have the impact expected, outcome is not always good. To be able to outsource activities they must be first properly structured. This means that if you have a back office process that is not organized and has not been set up properly, transferring this activity to a third party will not guarantee that the process will improve, rather there is a high probability of this failing. Other reason for having a failed attempt of outsourcing is that results can be dependent on the provider chosen; therefore attention must be paid to who is selected.

(c) Outsourcing is not necessarily cost effective. In the special case of small or even medium organizations, organizational changes and a review of the current back offices tasks can determine if internal changes are possible to achieve back office improvement, this may be a lower cost alternative than to add an expense to the company's budget.
After carefully reviewing outsourcing it is understandable that there should be an alternative that should also introduce improvements in the area, thus validating the existence of a great new for research in this direction. The results gathered by the case study after implementing the structured guidelines give clear view of the possibility to create alternatives to outsourcing for back office improvement. In this particular case, having a set of guidelines helped the company reconsider their organizational design by applying valid back office – front office design theories and also verified keys to improvements such as reducing, redesigning, and restructuring the area. These guidelines can be used again by the organization if they wish to review their back office settings at a future point in time.
6. Conclusion

This section addresses a discussion of the importance to have a direction like the guidelines proposed by this thesis when desiring to improve a back office area, mainly when outsourcing has been determined to not be a desired or possible option. Future work and research on topics related to the thesis work are presented providing a glance of the extensive work that can be continued in the area of back office improvement.

6.1. Answers to the Research Questions

This thesis work strived to answer a set of three formulated questions, one main research question (a) and two supportive questions, (b) and (c); the questions proposed at the beginning in section 1.3 were:

a) What alternatives are there for organizations that will not outsource their activities and wish to improve their back office area?

A proposed set of guidelines which is based on back office – front office organizational design theory and established points of back office improvement.

b) Is it possible to describe guidelines to follow in order to introduce back office improvement in an organization?

Yes.

c) Are such improvements achievable in terms of efficiency, quality, and speed?

Yes.

The resulting guidelines from this thesis work are:

- Reduce – definition of back office and back office activities – what we do
- Redesign – decoupling decisions – how we do it
- Restructure – organizational arrangements – who does it and where is it physically done

These guidelines were elaborated based on a literature review and interviews, and are mainly the result of combining organization design theories that focus on back office – front office
configuration (Chase & Tansik 1983), this was combined together with three proven opportunities for back office enhancement which aim at reducing, redesigning and restructuring the area (Rogers & Saenz 2007). This approach was validated during interviews performed at the selected organization; the previous back office area had not been structured from the beginning, and thus now the tasks were found to be spread around and uncoordinated. This scenario represented an ideal situation in which to prove how effective revisiting organizational design theory would be at achieving improvements. From their entire back office area their customer service process was selected for the work performed. Changes were made to the physical location of personnel, activities were divided up into tasks, and other were automated, reassigned or eliminated.

The final results of applying such changes had a positive impact in the overall performance of the back office department; improvements were confirmed in efficiency, quality, and speed.

6.2. Future Work

Since this thesis work was done considering only the customer service process at a Swedish Mobile VoIP provider, future work can be done to evaluate if it is possible to gain improvements under different settings, such a different business sectors, organizations of a larger size, and also focusing on other back office processes different than the one selected in this case study.

This case study shows the validity of pursuing the achievement of back office improvement without resorting to outsourcing. It highlights reasons for which organizations cannot or will not opt for outsourcing their back office activities. Results prove that further work in this specific topic can allow richer set of option for organizations wishing to improve their back office area, giving alternatives to outsourcing will allow organizations an another path when considering outsourcing. In some way, it levels this decision as having no alternative can be forcing a push towards outsourcing.

Much more work on developing guidelines for back office improvement is definitely needed. For instance, further developing the guidelines suggested in this thesis work to achieve a higher degree of detail or even a larger set of guidelines to follow. One also must consider that there may be many other approaches to achieve back office improvement that can be derived from other sources, such changes that just focus on front office, and therefore consequentially affect the back office.
At this point it is useful to remind that the work was limited to back office improvement, and therefore changes focused on achieving improvements within that specific area. As it has been stated, back office is paired up with its counterpart front office; changes to the back office could introduce an impact to the front office such as higher demand of work. However, this has not been evaluated nor considered as the focus of the case study was on improving the back office. Further work can be done to evaluate the effects to the front office so that organizations can decide with a full picture on both areas.

Finally, this thesis work has concluded with positive results, but the only good way to determine their real value is to continue testing them in practice, this will allow a richer refinement. It is recognized that this thesis work has been limited in many ways as described earlier, therefore some of the relations between changes done and the effects produced may not be fully developed or may only work out to be specific to the context of this study. Nevertheless, this does not remove the significance of the results achieved as they are undoubtedly indicative that back office improvement is possible to achieve by applying the selected theories of the base of the guidelines.
Bibliography


Rozas, LW & Klein, WC 2010, 'The Value and Purpose of the Traditional Qualitative Literature Review', *Journal of Evidence-Based Social Work*, vol 7, no. 5.


Appendix A – Interview Question Bank

Place:
Interviewer:
Participant:
Date:
Start Time:
End Time:

Question 1: How long have you been working here?

Question 2: What is your area of expertise?

Question 3: What is your current role?

Question 4: What are the main responsibilities of this role? Have you had any other previous roles at this company?

Question 5: How are you currently involved with back office activities?

Question 6: Does your current role in the organization extend to performing back office activities?

Question 7: Is your involvement with back office necessary?

Question 8: What is the reason for your involvement with back office activities?

Question 9: From your experience, can you describe how back office currently works? Please mention strong points, as well as weaknesses.

Question 10: It has been noted within the company that back office requires changes to achieve better results; can you describe why this is needed now and why it was not needed before?

Question 11: Can you describe improvements to back office activities that would help with the weak points mentioned?

Question 12: Would you consider outsourcing back office? Why?
Appendix B – Closing Interview Question Bank

Place:
Interviewer:
Participant:
Date:
Start Time:
End Time:

Question 1:
Have you involvement with back office tasks changed?

Question 2:
Do the people who are now involved with back office have organizational roles that focus on other responsibilities that interfere with back office tasks?

Question 3:
What is your general impression of how back office performs now compared to before changes took place?

Question 4:
Do you consider there has been improvement in efficiency, quality and speed?
• Efficiency: extent to which time or effort is adequately used for a task.
• Quality: degree of excellence held for a task.
• Speed: rate of performance and/or delivery of a task.

Question 5:
What are the effects of applying the guidelines to the organization’s back office?
1. Reduce – definition of back office and back office activities – what we do
2. Redesign – decoupling decisions – how we do it
3. Restructure – organizational arrangements – who does it and where (physically)

Question 6:
Would you consider keeping the changes that took place or would it be more beneficial to continue working as it was previously configured?