

Impact of technology on the design of back offices: An evolutionary perspective.

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Abstract

The back office in any organization is defined as that part where tasks related to running the organization take place; and which generally the customer does not 'see' or interact with; thus giving it the rightful name of a 'back' office.

Depending upon the nature of the organization, the importance of the back office varies. For E.g. In banking, the back office assumes prime importance where a backbone information management system is used to co-ordinate all transactions, updates and other functions of the bank in real time; whereas, in a place like a car service station, the back office occupies a lesser influence in contrast to the former.

Since the advent of the new millennium, focus on service-driven processes have increased drastically in comparison to manufacturing-processes; thus rendering the service industry the most lucrative one for the 21st century.

This has led to tremendous efforts put in the direction of improving the efficacy of back offices and bringing new technological breakthroughs to this area; the most significant one being that of outsourcing almost if not all of the functions of the back office to locations in a completely different part of the world, due to cost, time and other reasons pertaining to improvement of efficiency. E.g. when someone from Detroit, U.S.A. dials a customer care number, the call is answered by an executive in Bangalore, India.

This along with a plethora of other reasons has made the back office management in the service sector dole out some of the most interesting technological developments and better ways to harness them, especially over the past decade; For E.g.: The transition from Closed loop to Open loop type of system where technology completes the loop rather than the user, for instance; It is now not mandatory for you in India to go to the pathologist and pick up your blood report, it is E-Mailed to you and can be viewed by you as per your discretion, or even sent directly to the doctor for immediate consultation; thus eliminating the user from entering the loop again for the sole reason of completing it.

In the paper that ensues, the authors have made an effort to; Classify different types of back offices; Compare the importance of back offices in the said organizational set-ups; and more importantly, identify the tremendous impact of modern technological advancements on these set-ups. Moreover, an attempt at tracking the evolution of the back office concept (in India in particular) over the last three decades and to map the revolutionary changes in this field which is now rewriting the conventional rules of Organizational layout and management, has been made.

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