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A businessman in London calls the airline to find out if his morning flight to New York is on time. Behind the scenes, his call is routed thousands of miles away to a BPO company's call center agent who has the real-time flight information available on his PC and is able to update the customer.

This scenario would not be possible but for the power of Information Technology (IT) that has emerged as one of the key drivers in the ongoing BPO (Business Process Outsourcing) success. The use of IT has also brought in added operational efficiency and transparency in BPO companies. Following are a few Technology factors that contributed to the growth of Outsourcing in Accounting Profession in 2005:

### **Hardware Technology:**

Generally BPO Companies tie up with leading technology companies for supply of enterprise class server hardware and high-end workstations for work desks. They also engage technology partners to provide for continuous systems integration and support for the facilities of their centers.

The server infrastructure supports hybrid platforms and can be configured and scaled to match client requirements. The hardware facilities are designed for high availability and scalability to handle large transaction volumes. The work desks are equipped with the finest workstations for enhanced system performance at operational levels.

### **Software Technology:**

Technological advancement in the field of Software has also contributed to the robust growth of BPO industry. Software and applications conform to all data and information systems security and management norms. Often need also arises to customize the software available in the market. Sometimes software is created as per the needs of the client. The database systems employed in the facility center are robust and reliable to ensure integrity and secure data storage, management and retrieval. Inbound and outbound monitoring on all data transfer mechanisms and all email systems is done using world-renowned anti virus software.

Thanks to the foresight of software vendors, online editions of accounting and taxation software are being made available. This development is possible through **Application Service Providers (ASPs)**. An ASP deploys, hosts and manages access to a packaged application to multiple parties from a centrally managed facility. ASP hosts software applications on its own servers within its own facilities. The applications are delivered over networks on a subscription basis.

Nowadays, importance of technology cannot be denied in any profession and the Accounting World is no exception. For example, widely used **web-based accounting and taxation software** are on-demand software applications that one can access through web browser and are best suited for businesses that would like to access their

books remotely or work together from different locations. Benefits of using online editions of software are as follows:

- No need for installation of software, **no network requirement**; just access the financial information from any PC with an internet connection
- Automatic product upgrades; everyone is always on the latest version
- No matter what happens to your computer, your data is always protected

### **Network Technology:**

The phenomenon, which has been enabling corporations to expand seamlessly across multiple systems and has been the stepping stone in the evolution of Global entities, is the **Virtual Private Network**. A Virtual Private Network (VPN) is a Network connection that securely emulates private links over a public network.

A VPN works by using the shared public infrastructure while maintaining privacy through security procedures and tunneling protocols such as the Layer Two Tunneling Protocol (L2TP). In effect, the protocols, by encrypting data at the sending end and decrypting it at the receiving end, send the data through a "tunnel" that cannot be "entered" by data that is not properly encrypted. An additional level of security involves encrypting not only the data, but also the originating and receiving network addresses. BPO Service Providers use high performance firewalls for securing the parameters.

Another method is **Secure Shell (SSH) Encryption**. Using SSH, users can log on to a server and all of their interactions are tunneled through an encrypted session so that even if someone intercepts your data, all they will encounter is gibberish. SSH is a secure way of transferring information (including files) between computers on a network.

### **Secured Data Transfer System:**

Internet has also created the need for some secure methods of transfer of data. A very common method of moving files is **File Transfer Protocol (FTP)**. FTP is a way to login to another Internet site for the purposes of retrieving and/or sending files. FTP was invented and in wide use long before the advent of the World Wide Web.

### **Convenient Communication Systems:**

IT industry has also witnessed some major inventions in the field of communication system. Today, modes of communication are not confined to telephone, fax and email but extend to other various technological advancements.

**Internet Telephony** is name given to the service that allows the users to make international calls over the Internet to fixed and mobile phones at a fraction of the cost of ISD calls. Consequent fall in bandwidth prices has helped the BPO industry to offer BPO services globally at highly competitive rate. One can make low cost calls from PC-PC, PC to phone, IP based easy to use devices to normal phones. Internet Telephony utilizes a data network with VOIP (Voice Over Internet Protocol) as the underlying Technology.

**Teleconferencing** can best strengthen business communications. The teleconference service providers offer participants advanced invitation and registration for the call, and personalized pin codes to quickly access the teleconference. Invitations work in one of the two ways - either teleconference service provider can send invitations to your list of

participants, based on the list you provide or, you send the email to invitees directly. Calls where you need more attendees, privacy, security, and speedy access, extra data on participants or any combination of these, teleconferencing is the best solution.

**Video conferencing** enables a face-to-face meeting to be conducted without all the players having to leave their place of business. You can look at video conferencing as an electronic meeting where participants interact with other participants through the use of various pieces of video equipment. With a Video conference, pictures and sound from one location are transmitted to one or more other locations by a camera and microphone. These images are fed through a coder/decoder (or Codec). A Codec is a specialized piece of equipment that compresses and converts the video signal from analog to digital and sends it over specific phone lines to the other video conferencing sites. The Codec on the receiving end decompresses the incoming digitized images and converts them to their original form. The amazing thing about this process is that it occurs in real time, immediately.

There are two types of video conferencing available:

- Point-to-Point - This type of conference connects two locations for your video conference.
- Multipoint Conference - This type of conference connects three or more locations for your video conference.

**Web conferencing** is an online medium by which you can hold conferences and meetings over the Internet. The basic things that you need for a web conference are your browser, an Internet connection and a telephone line. With these things at your disposal, you can confer with anyone within seconds and essentially conduct online conferences and seminars. Web conferencing can also be used for giving live presentations, training your employees, or even just to have a face-to-face communication with business associates. Unlike video conferencing, it facilitates document transfers also using the Internet.

Among the different types of web conferencing service providers in the market, choose one based on the individual requirements of your organization and after considering the cost. When you avail of any such service, you are given a meeting code for web conferencing. To start a web conference, you need to use the browser of your computer and go to the site of your web conferencing service provider. You have to then log in, using the meeting code given to you by your web conferencing service provider. Others, who want to attend the web conference, need to do the same.

**Web/Video Streaming** refers to playing video immediately as it is downloaded from the Internet, rather than storing it in a file on the receiving computer first. Streaming is a server/client technology that allows live or pre-recorded audio and video data to be broadcast in "real time". The multimedia data arrives, is briefly buffered before being played, and is then discarded. It is never actually stored on the user's computer. Users benefit by experiencing instant playback without the frustration of having to wait for the entire data being downloaded.

It involves live streaming production. The sound and video is captured by conventional video and audio systems. It is then digitized and streamed on a web server. No special equipment is required to web cast live. The LIVE content can be secured from not being accessed by public through standard web security like username and password. Your audio or video source is fed to your PC via the sound card or video device, and is

encoded live with the software. Using this technology Outsourcer can have secured **virtual visit to the Service Provider's facilities** while sitting in his/her own office.

**Messenger Service** is a fully featured instant messaging program that one needs to install on one's computer. With Messenger you can communicate online via text, voice, mobile phone or even video conversation in real time.

Harnessing the power of technology, CPAs and Chartered Accountants can have access to the global talent pool and lead their firms by remote controlling without compromising with security aspect. These days a lot of unproductive time, previously spent in traveling, is well utilized as outsourcers and service providers prefer to make use of advanced communication tools instead of traveling. Professionals from different parts of the globe can virtually operate under the same roof - A True Globalization Indeed!

We appreciate and value your feedback very much. Let us know how we can help make this communication vehicle and the learning resource more valuable to you.

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