

THE **BPO** REVERSAL

GETTING TO THE **ROOT** OF OUTSOURCING
IN THE **WORLD OF AI**

An Operational Excellence
Framework to Retain, Renegotiate,
Reinsource, or Reinvent

WHITE PAPER

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Written for organizations currently in a Business Process Outsourcing relationship

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Executive Summary

AI is changing how outsourced work is performed, priced, governed, and staffed.

This white paper is written for organizations already in an outsourced relationship. It examines whether the current BPO model still creates the greatest value in light of AI capabilities, and what, if anything, should change.

You built your BPO before AI changed how work gets done.
That world is gone.

If you had the choice, would you build the same operation today?

You do have the choice.

This white paper shows you how to make it.

Many BPO relationships were designed before AI changed what work costs, how fast it moves, and who or what can perform it. Many of those decisions were right at the time. The question is whether they are still right today, given what AI can now do.

That does not mean outsourcing is obsolete. Providers can bring AI capabilities, specialized expertise, scale, and operational experience that would be difficult or expensive for the enterprise to recreate on its own. In many cases, retaining the provider still creates the greatest value.

Greater technical capability does not transfer accountability. **AI can perform the work. It cannot own the outcome.**

A provider may be performing well and still no longer represent the right operating model if the enterprise, economics, or requirements have changed.

State Street offers a live example. In 2023 the company took full ownership of an 18-year-old joint venture, citing its own operating model and productivity goals, not AI, as the reason. [1] That is exactly the discipline this white paper asks every enterprise to apply.

Enterprises should determine whether advances in AI and automation are reflected in the economics and performance of their current outsourcing model, and whether accountability and risk remain appropriately managed.

THE BPO REVERSAL is not a guide to deciding whether to outsource for the first time. It does not promote bringing work back in house. It helps leaders choose the right path for work that is already outsourced, now that AI has created new options.

That choice starts with the ROOT Assessment, an Operational Excellence framework built on four questions:

R
READINESS

Can the provider meet what comes next, including AI?

O
OWNERSHIP

Who is accountable, and who carries the risk?

O
OUTSOURCING FIT

Does the current model still deliver the right value?

T
TIMING

Does waiting still make sense?

ROOT is not a technology assessment. It is an operating assessment. It helps you examine whether your current outsourcing model still meets your enterprise's needs across four dimensions: Readiness, Ownership, Outsourcing Fit, and Timing. **AI is changing what is possible, but it does not determine the right operating model.**

The completed ROOT Assessment informs four potential paths. Most often, the answer is a combination of them:

Retain

Keep the relationship when it remains the strongest choice.

Reinsource

Bring the work back when the enterprise is ready to own it.

Combination

Most enterprises will do more than one: retain some work, renegotiate some, reinsource some, and reinvent some.

Renegotiate

Change the terms when the relationship still has value.

Reinvent

Redesign the work itself before deciding where it belongs.

It is rarely one path or the other. Expect the ROOT Assessment to point to a combination, applied process by process.

Expect a Hybrid Model

Few enterprises will land on a single sourcing model. The future model will be hybrid: some work stays with a provider, some comes back in house, some moves to a global capability center, and some is automated with AI. The ROOT Assessment shows which work belongs in which bucket, and why.

When to Reassess

Now. AI has changed the economics and capabilities behind most outsourcing decisions. The reassessment should not wait for the next renewal.

Contract renewal is an obvious time to reassess, but it should not be the only time. A merger, a sustained performance issue, a regulatory change, or a major technology change such as AI can justify earlier review. Where contracts permit, leaders can evaluate renegotiation, restructuring, or exit before renewal.

THE COST OF WAITING

Once the assessment points to change, every month of delay has a price: higher operating costs, lost productivity, missed AI gains, and greater financial, regulatory, and reputational exposure. Waiting is still a decision, and it has a cost.

THE BPO REVERSAL does not favor outsourcing or insourcing. It challenges leaders to reassess whether their current outsourcing model still makes sense in light of AI. **An existing model should not continue simply because it is already in place.**



Background

This white paper is written for organizations already in an outsourced relationship. It examines whether the current BPO model still creates the greatest value in light of AI capabilities, and what, if anything, should change.

The Trend Behind This Reassessment

The AI impact is already visible in the investments, workforce strategies, and operating models of some of the world's largest technology and business services providers. AI investment has moved well beyond experimentation.

Accenture reported approximately 77,000 skilled AI and data professionals at the end of fiscal 2025, up from approximately 40,000 in fiscal 2023. It also reported more than 6,000 advanced AI projects, more than 550,000 employees trained in generative AI fundamentals, and a \$3 billion multiyear AI investment. [2]

Tata Consultancy Services reported a similar shift in capability building. In its fiscal 2026 results, TCS reported 270,000 employees with higher proficiency in AI and machine learning, 69 million learning hours across its workforce, and annualized AI revenue exceeding \$2.3 billion in the fourth quarter of fiscal 2026. [3]

Capgemini and Genpact report similar shifts. Capgemini has trained 310,000 employees in Generative AI and 194,000 in Agentic AI [4], and Genpact has upskilled more than 95,000 employees under its AI-first strategy [5] and launched an AI Gigafactory aimed at a 25,000-builder talent pool [6].

What the Provider Data Shows

These figures are not directly comparable because each company measures AI capability differently. They should not be interpreted as a ranking. **The important point is the direction of change: major technology and business services providers are investing heavily in AI-enabled operations.**

AI Inside an Enterprise-Owned Function

The IBM AskHR case study provides a different perspective on how AI can reshape an operating model.

According to IBM's published AskHR case study, AskHR handled more than 11.5 million employee interactions in 2024, achieved a 94% containment rate for common HR questions, automated approximately 80 tasks, and contributed to a broader HR transformation that IBM reports reduced HR operational costs by 40% over four years. [7]

The workforce implications are more nuanced than simple job elimination. IBM has publicly discussed automating routine HR tasks while retaining human HR professionals for more complex employee needs. In 2024, only 6% of AskHR interactions needed to be routed outside the platform to a specialized HR Partner for assistance. [8]

This distinction matters. AI does not necessarily eliminate the need for people. **It changes which tasks people perform and where human judgment creates the greatest value.**

For organizations currently outsourcing similar work, that distinction matters. It speaks directly to the Reinsource and Reinvent decisions examined in this white paper. Capabilities that once depended on the scale, technology, and investment of a large service provider are increasingly within reach of well-resourced enterprises, creating new options for where work should reside and how it should be performed.

Capgemini's acquisition of WNS illustrates that evolution particularly clearly. When Capgemini completed the acquisition in October 2025, it described WNS as a leader in Digital Business Process Services and said the combination was intended to create a global leader in Agentic AI powered Intelligent Operations, focused on transforming clients' end to end business processes. [9]

For enterprises with existing BPO relationships, the significance is not that outsourcing is disappearing. It is that the value equation is changing.

What Enterprises Expect

Independent market research suggests that these enterprises are already confronting questions.

ISG's 2026 Business Process Outsourcing Study, based on 250 BPO decision-makers at Global 2000 enterprises, found that 67% expect their provider to lead AI adoption and 56% say they lack the internal skills to govern AI-enabled BPO effectively. [10]

Expectations of providers are rising even as enterprise governance remains critical.

The same research points to a market that is changing rather than simply moving away from outsourcing. Enterprises continue to expect innovation from providers while also expanding global capability centers and exploring AI-enabled alternatives to traditional service delivery models. [10]

The direction of the market, therefore, is not simply outsource or insource. It is toward a more deliberate combination of enterprise ownership, provider capability, global capability centers, AI, automation, and human expertise.

For enterprises with existing BPO relationships, that creates a practical question:

Does the current outsourcing model still create the greatest value in light of AI?

A Signal From the Market

In a LinkedIn poll I conducted, 54% of respondents said they expect companies to reinvent the process as AI reshapes BPO. Reinsourcing and renegotiating each received 18%, while 9% selected retaining the provider.

The poll was informal and is not presented as market research. But it raises an important question: Before deciding who should perform the work, should leaders first reconsider how the work should be performed?

Start With the Problem, Not AI

AI ambition is moving faster than organizational readiness.

What problem are we trying to solve?

Do not start with AI. Start with the business problem. Before changing the sourcing model or introducing new technology, define what needs to improve. Is the issue cost, performance, quality, control, capacity, customer experience, speed, risk, or something else? Without a clear problem, the enterprise risks selecting a solution before understanding what needs to change.

Start with the work. Understand how it is performed today, including where AI is already used, where it breaks down, what creates unnecessary cost or complexity, and what outcomes need to improve.

Then simplify the process. Remove unnecessary steps, handoffs, rework, and controls that no longer add value.

Garbage in, garbage out still applies.

AI does not fix a poorly designed process or poor-quality data. It can amplify both.

Next, determine the right roles for people, data, and technology. What requires human judgment? What can AI and other technology perform better? What data and controls are required?

Include the people doing the work. They understand the undocumented exceptions, workarounds, and risks that process maps often miss.

Only after the work is understood and redesigned should the enterprise decide where it belongs.

That is where the Four Rs begin: Retain, Renegotiate, Reinsource, or Reinvent.

The BPO Reversal Decision Logic

A disciplined path from the business problem to the right sourcing model.



Reassess continuously. Business needs, AI and other technology, and economics change. The right model today may not be right tomorrow.

Figure 1. The BPO Reversal Decision Logic. Start with the business problem, redesign the work, then determine the sourcing model.

"One thing I have learned is that operational excellence starts with understanding how the work really gets done. AI is a tool to help us move faster, but leaders still have to fix what isn't working, bring people along, and own the results."

Anouk A. Brumfield, Former COO, Vice President and Senior Partner, IBM



The ROOT Assessment Process

Two questions are central to this white paper:

If you had the choice, would you build the same operation today? And what is the cost of waiting to act on the answer?

Answering those questions requires more than instinct or a provider proposal. The ROOT Assessment evaluates the current outsourcing model, the operating model behind it, and the outsourcing agreement that governs it across four dimensions: Readiness, Ownership, Outsourcing Fit, and Timing.

ROOT moves the renewal decision beyond provider performance and contract economics to determine whether the operating model itself is still right for the enterprise.

Complete all four dimensions before selecting a path. The assessment identifies where the current model remains strong and where the evidence points to a need for change.

How to Complete the Assessment

The purpose of the assessment is not to defend or reject the current outsourcing model. It is to determine whether the findings support continuing it in light of what AI now makes possible.

The assessment should have a senior enterprise sponsor with authority across operations, finance, technology, procurement, risk, and the affected business.

Begin with the current state. Understand the work being performed, where it is performed, what it costs, how it is performing, what the outsourcing agreement requires, and what has changed since it was signed or last renewed.

Include the people closest to the work from both the enterprise and the provider. They often see exceptions, workarounds, recurring problems, and dependencies not visible in contracts, dashboards, or process maps.

Also bring in your organization's AI strategy and data strategy leaders. They can test what AI can realistically do for this work, on both the provider side and the enterprise side.

Separate evidence from advocacy. Some stakeholders may support the current model while others may oppose it. Both perspectives matter, but neither should determine the conclusion.

Listen to every voice. Let the evidence determine the conclusion.

Look for patterns in performance, economics, AI adoption, controls, escalations, stakeholder impact, contractual gaps, and operational problems. Where is the model working as intended? Where have the economics, capabilities, risks, responsibilities, or business requirements changed? Where do the assumptions behind the original outsourcing decision no longer hold?

Assess the findings across all four ROOT dimensions. For each, determine whether the evidence supports the current model or indicates a need for change. **These are change indicators.** One change indicator should not determine the outcome. Consider them together to understand **where the current model remains strong, where it may no longer fit, and how significant the gap is.**

The completed ROOT Assessment informs the next decision to Retain, Renegotiate, Reinsource, Reinvent, or, most often, a combination.

What to Review During the Assessment

Area	What to Examine	What Leadership Is Trying to Understand
Performance	SLAs, KPIs, quality, cycle time, productivity, escalations, stakeholder impact, business outcomes	Is the current model delivering the outcomes the enterprise needs, and are the metrics measuring what matters today?
Economics	Provider fees, internal oversight, technology and AI costs, productivity, volume changes, transition costs	What is the true cost of the current model, are AI productivity gains reflected in pricing, and how does that compare with alternatives?
Work and Process	Process maps, manual steps, exceptions, rework, handoffs, workarounds, AI and automation already in use	What could be simplified, eliminated, automated with AI, or redesigned?
Outsourcing Agreement	Scope, pricing, SLAs, responsibilities, change provisions, AI and data terms, renewal dates, termination rights	Does the agreement still reflect the work being performed and the enterprise's requirements?
Provider Capability	AI and automation, talent, technology, innovation, scalability, investment roadmap	Can the provider support where the enterprise needs to go next?
Enterprise Capability	Internal talent, AI and data capability, governance, technology, controls, capacity, operational expertise	What could the enterprise realistically own or operate differently today?
Risk and Control	Decision rights, accountability, controls over AI and automated decisions, compliance, security, business continuity	Is accountability clear, and where does the enterprise retain the consequences if something goes wrong?
Future Requirements	Strategy, growth, regulation, customer expectations, AI roadmap, future capabilities	Is the current model designed for where the enterprise is going?

Metrics should measure business outcomes, not simply contractual compliance. A provider can meet its SLAs while the operating model no longer delivers the value the enterprise needs.

The ROOT Assessment can be applied across BPO relationships. The dimensions remain the same, while the evidence and conclusions will vary based on the work, provider, outsourcing agreement, and enterprise requirements.

Assess Readiness

Readiness asks whether the provider can meet the enterprise's current and future requirements. Assess demonstrated capability, technology, AI and automation, talent, controls, scale, data governance, and the ability to improve the operation.

Readiness should be tested against demonstrated capability, not promises.

Has the provider's track record earned confidence in its ability to deliver what comes next? Can it manage exceptions and govern automated decisions? Has it made the required AI, technology, and talent investments? Can it adapt as the enterprise's needs change?

As the ISG data cited earlier shows, this gap is already common: most enterprises expect their provider to lead AI adoption, while many lack the internal skills to govern it effectively.

The question is not whether the provider uses AI. **It is whether the provider can combine people, process, data, technology, and governance to deliver the outcomes the enterprise requires.**

THE COST OF WAITING ON READINESS

A provider that cannot keep pace with AI creates higher operating costs, slower improvement, lost productivity, and a growing capability gap. The longer the enterprise waits to act, the more AI value it leaves on the table.

What evidence demonstrates that the provider can meet the enterprise's future requirements, not just today's commitments?

Assess Ownership

Ownership asks whether accountability between the enterprise and provider is clear. Who owns the outcome? Who carries the risk? When ownership, governance, and decision rights are unclear or undocumented, accountability can break down. **AI and agentic systems make that ambiguity more consequential because technology performs tasks without assuming responsibility for the outcome.**

Ownership also tests whether governance and the outsourcing agreement place accountability where it belongs. Strategic, regulated, or high risk work requires especially clear decision rights, controls, escalation, and liability.

Significant or recurring errors and control failures can create financial or regulatory exposure, disrupt the business or its stakeholders, and damage the enterprise's reputation. The provider may also face contractual, operational, or reputational consequences.

If the assessment identifies unclear ownership, record it as a change indicator and continue. Do not select the final path or combination of paths until all four ROOT dimensions are complete.

Ownership is an operating question. AI cannot resolve an accountability gap. It is a tool for performing the work, not owning the outcome.

THE COST OF WAITING ON OWNERSHIP

Unclear accountability becomes most expensive during an audit, a failed audit, a regulatory inquiry, a service failure, or a major error. The result can be fines, remediation costs, and reputational damage that outlasts the contract. Define responsibility before the consequence arrives.

When Scope Expands

Ownership can become unclear as the relationship evolves. Providers may take on tasks, decisions, exceptions, or responsibilities not contemplated in the original outsourcing agreement. This is often referred to as scope creep. If the agreement, controls, and accountability model have not evolved with the operation, responsibility may be unclear when it matters most.

When was the last time the enterprise confirmed that the contract reflects the work being performed today and that the operation has not outgrown the agreement?

Assess Outsourcing Fit

Outsourcing Fit asks a broader question: Does the current outsourcing model still create the right value for the enterprise in light of AI? Assess performance, economics, capability, control, strategic value, and risk.

The Model Will Be Hybrid

The answer is not limited to fully outsourced or fully in house. In practice, the model will be hybrid. Some work will be outsourced, some insourced, some may be supported through a global capability center, and some automated with AI. Different processes within the same function will require different sourcing models.

Based on experience, a typical outcome looks like this: an enterprise keeps high volume transaction processing such as accounts payable with a BPO provider, brings financial controls and decision authority in house, uses a global capability center for specialized finance work, and automates routine tasks with AI.

The objective is to determine the best operating model for the work: **where it should be performed, how it should be performed, and who should own it.**

Current performance is an important part of that decision. Persistent errors, delays, rework, service failures, recurring escalations, excessive oversight, or poor economics may indicate that the current model no longer fits. **Strong performance supports retaining the model, but it should not prevent the enterprise from asking whether a better model is now possible.**

The assessment should also consider how the relationship has evolved. Has the enterprise communicated changing business requirements? Has the provider proactively identified opportunities to improve the operation and introduced new AI capabilities as they became available?

THE COST OF WAITING ON OUTSOURCING FIT

Familiarity is not evidence of fit. An operating model can continue to function while becoming less valuable. Every quarter that errors, rework, and missed AI gains continue, the enterprise pays for them in dollars, in client trust, and in lost productivity.

If the assessment identifies a change in Outsourcing Fit, record it as a change indicator and continue. Do not select the final path or combination of paths until all four ROOT dimensions are complete.

Does the current outsourcing model still meet the enterprise's needs today?

Assess Timing

Contract renewal is an obvious time to reassess. It should not be the only time.

A merger or acquisition, significant business or strategic change, a major technology change such as AI, or a shift in the economics of the relationship may justify earlier action. Sustained or recurring performance issues, unresolved escalations, excessive enterprise oversight, stakeholder dissatisfaction, regulatory change, increased risk, or reputational exposure may also trigger reassessment.

These factors should not be viewed in isolation. The question is whether they materially change what the enterprise needs from the outsourcing model or whether the model continues to operate as intended. **A provider may be performing well even as AI and changes within the enterprise alter what the right operating model should be.**

This framework is not intended to trigger reassessment for ordinary operational fluctuations. The question is whether the change or problem is persistent, structural, or significant enough to challenge the current model.

THE COST OF WAITING ON TIMING

Maintaining a model that no longer fits may result in lost productivity, higher operating costs, stakeholder dissatisfaction, lost revenue, increased risk, or delayed value. Competitors that act first capture the AI gains first.

If the assessment identifies a Timing change indicator, record it and complete the ROOT Assessment. Do not select the final path or combination of paths until all four ROOT dimensions are complete.



The Economics of Acting Now

The economics can change even when performance remains strong. AI is lowering the cost and time of many tasks. New provider AI capabilities, new enterprise capabilities, or changing business requirements may alter the cost, value, or strategic importance of outsourced work.

Leaders should put a value on both acting and waiting. Weigh each of these:

- **Contract obligations.** Notice periods, fees, and any termination for convenience clause. Where one exists, weigh the cost of acting early against the value and risk of staying.
- **Transition costs.** The cost to move, rebuild, or redesign the work, including people, technology, and knowledge transfer.
- **Operating impact.** Productivity lost or gained, and the effect on the people doing the work.
- **Financial and regulatory exposure.** Fines, remediation, and audit findings that grow while a known gap stays open.
- **Reputational risk.** Damage to client and stakeholder trust that is slow and costly to repair.
- **Time to value.** Every month of delay postpones the savings and service gains that AI can deliver.

The contract renewal timeline should be a factor in the decision, but not the only factor. When the cost of waiting is higher than the cost of acting, waiting is the more expensive decision.

Waiting is still a decision, and it has a cost.

What is the enterprise gaining by waiting, and what value or control could it be losing?



Moving from Assessment to Action

Read the ROOT Assessment as a whole. The findings may support Retain or indicate that part of the current outsourcing model should change.

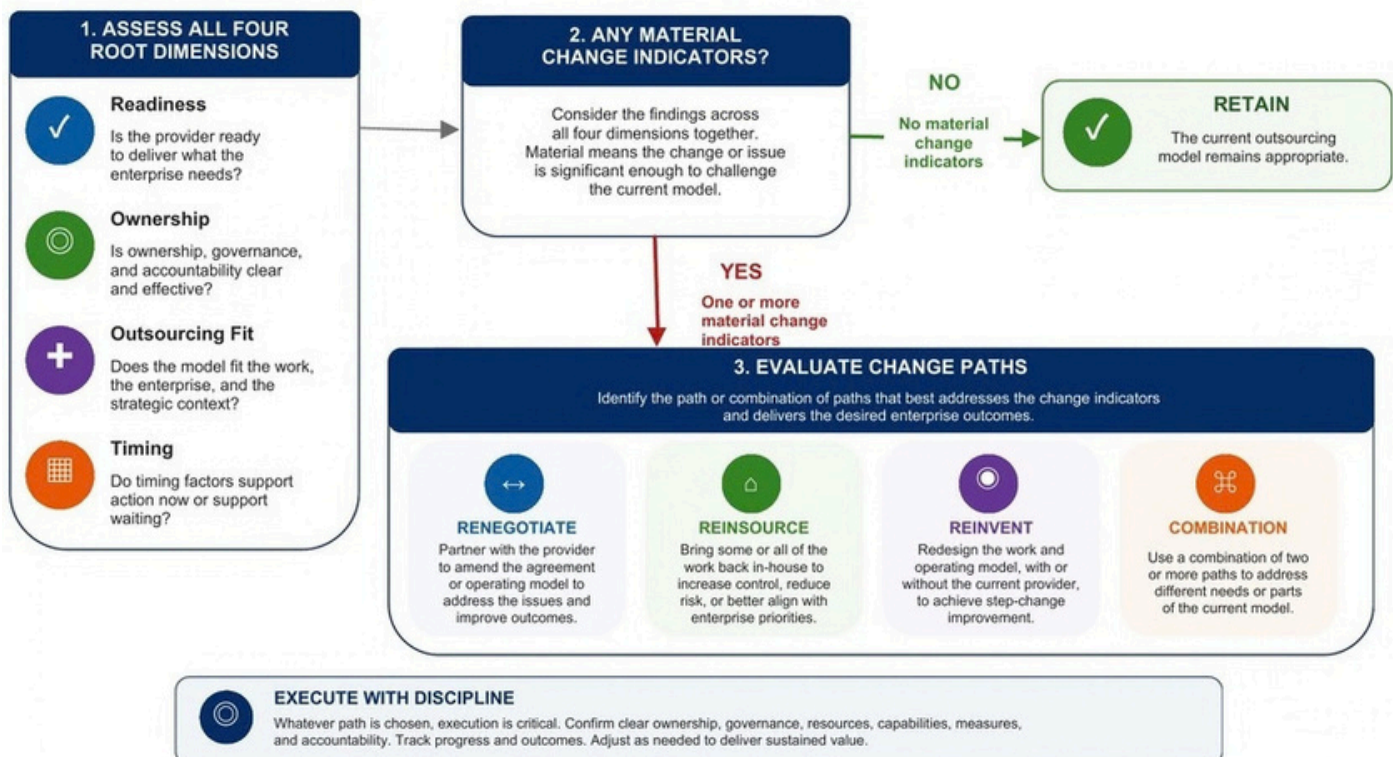
The right decision is only as strong as the enterprise's ability to execute it. Leadership should confirm clear ownership, governance, resources, capabilities, measures, and accountability before moving from assessment to action.

Stakeholder management and change management are often overlooked. AI does not remove the need for them. It makes them more important, because AI changes the work people do every day.

ROOT may confirm that the current model remains strong or identify change indicators that require leadership to evaluate a different path.

Figure 2. ROOT Decision Logic

Assess all four ROOT dimensions and consider the findings together.
No material change indicators support Retain. One or more change indicators require evaluation of Renegotiate, Reinsource, Reinvent, or a combination.





The Principles Guiding the Decision

The ROOT findings should be considered together. They may support one of the Four Rs or, most often, a combination: Retain, Renegotiate, Reinsource, or Reinvent. The following principles should guide the decision:

Retain is not the passive default. It is an active conclusion reached only after the ROOT Assessment supports the current outsourcing model. A model that has never been reassessed is not necessarily a model that still fits.

The provider examples discussed earlier demonstrate why Retain may remain the strongest choice. Some providers are making significant investments in AI, talent, and new delivery capabilities. Where those capabilities translate into strong performance and value for the enterprise, retaining the relationship may be the right decision.

Renegotiate may be the most overlooked of the Four Rs. The decision is often framed as binary: keep the provider or leave. A better answer may be to enhance the relationship.

Pricing, scope, service levels, accountability, risk allocation, technology expectations, and delivery models may no longer reflect how the operation works today. Renegotiation allows the enterprise to address those gaps without abandoning a relationship that still creates value.

The provider investments discussed earlier also raise a commercial question: Are new AI capabilities and productivity gains reflected in the enterprise's current pricing, scope, service levels, and technology commitments? If not, Renegotiate may be the appropriate path.

The enterprise should understand its contractual options, including any termination for convenience rights and the financial and operational implications of exercising them.

Renegotiation may lead to a different pricing model, revised scope, stronger performance commitments, clearer accountability, shared technology benefits, or a hybrid delivery model. The objective is not simply better contract terms. It is a better operating model.

Reinsource requires an additional test: Is the enterprise ready to take the work back? The ROOT Assessment evaluates the current outsourcing model. Once Reinsource emerges as a potential path, the enterprise must assess its own governance, AI and technology, talent, controls, and operational capability.

Bringing work back without the capability to run it well does not solve the operating model problem. It relocates it.

Reinsourcing does not have to mean bringing everything back. An enterprise may take back decision authority, controls, data intensive activities, or strategically important capabilities while leaving transactional or specialized work with the provider.

The State Street example illustrates Reinsource in practice. Its decision to take full ownership of a long-standing joint venture demonstrates how an enterprise can reassess where work belongs when its operating model, economics, and strategic requirements change. [1]

Reinsourcing and reinvention are separate decisions, but they can reinforce each other.

Reinvent focuses on redesigning the work itself. Simplify the process first, then determine where people, AI, automation, and controls create the greatest value. Reinvention can occur within any sourcing path and may be combined with Retain, Renegotiate, or Reinsource.

The IBM AskHR example discussed earlier illustrates Reinvent from another perspective: redesigning how work is performed through AI and automation while retaining human expertise for more complex needs.

Whatever the path, bring people with you. Every one of the Four Rs changes how people work. Stakeholder buy-in and disciplined change management decide whether the new model delivers the value the assessment promised.

"AI will change the work. It will not change the need to bring people with you. The programs that fail are the ones that skip change management and stakeholder buy-in."

Anita Karlsson-Dion, OLY, Former IBM Managing Partner and Americas BPO Leader



Conclusion

The BPO Reversal is not a case for bringing outsourced work back. It is a framework for determining whether the current outsourcing model still creates the greatest value in light of AI.

AI is changing what is possible, but it does not determine the right operating model. The ROOT Assessment provides the discipline to make that determination. Readiness, Ownership, Outsourcing Fit, and Timing help leadership determine where the current model remains strong and where the evidence supports a different path. The Four Rs provide the response: Retain, Renegotiate, Reinsource, or Reinvent.

The right answer may be to retain the current model. It may be to enhance the provider relationship, bring some or all of the work back to the enterprise, or redesign the operation. Most often, it will combine these approaches in a hybrid model. **A provider may be performing well, but advances in AI and changing business conditions may create more desirable options for the enterprise.**

What matters is that the decision reflects today's business requirements, economics, AI capabilities, and risks, not assumptions from the past.

In light of the AI world we live in today, the question is not whether outsourcing still works. The question is whether the current outsourcing model still works for the enterprise. And if it does not, what should leadership do about it?



Key Terms

Operating model. How the work gets done, including people, process, technology, governance, controls, decision rights, and accountability.

Outsourcing model. How the enterprise decides who performs the work and where it is performed, including what is outsourced, what remains within the enterprise, and how responsibilities are divided.

Outsourcing agreement. The contract governing the relationship between the enterprise and provider, including scope, pricing, service commitments, responsibilities, performance requirements, and termination rights.

Change indicator. A ROOT finding that suggests the current outsourcing model may no longer fully meet the enterprise's needs and should be considered when evaluating the Four Rs.

Hybrid model. A sourcing model that mixes provider delivery, in-house work, global capability centers, and AI automation, with each process placed where it creates the greatest value.

Generative AI versus agentic AI. Generative AI creates content such as text, summaries, and answers. Agentic AI can take actions and execute multistep work with less human intervention.

Termination for convenience. A contractual provision that may allow either party to exit the agreement before its scheduled end date, typically with advance notice and sometimes a fee, without proving the other party is at fault.

Global capability center (GCC). A wholly owned enterprise operation that performs work internally rather than through an external provider. GCCs may provide operations, analytics, technology, engineering, or other specialized capabilities.



About the Author

Dina L. Bingham is an operations and transformation executive with more than 25 years of experience leading global operations, managed services, and enterprise transformation. As a Partner at IBM, she led large global client engagements and held P&L responsibility for a portfolio of BPO relationships spanning performance, client outcomes, transformation, and growth.

Her perspective on The BPO Reversal is grounded in firsthand experience making the decisions that shape enterprise operations: what the enterprise should own, what a provider should deliver, how operating models should evolve, where technology creates value, and where leadership accountability must remain.

Ms. Bingham's work focuses on [Operational Excellence in the world of AI](#): aligning people, process, technology, governance, and economics to improve business performance. [Her experience shows that successful BPO partnerships start with the business problem. The enterprise and provider then build the operating model together.](#)

She also knows the human side of transformation. Stakeholder management and change management are often overlooked, and AI makes them more important, not less.

"I have seen firsthand how Dina works. She starts with the business problem, brings every stakeholder along, and builds the operating model with the provider as a partner."

Anita Karlsson-Dion, OLY, Former IBM Managing Partner and Americas BPO Leader

Her executive education spans operations, AI strategy, and disruptive strategy through UC Berkeley Haas, MIT, and Harvard.

The BPO Reversal translates her experience into the ROOT Assessment: get to the ROOT of the current model, then make a deliberate decision about what comes next.

If your organization is approaching a BPO renewal or is already asking these questions internally, Ms. Bingham welcomes the conversation.

Connect with Dina L. Bingham on LinkedIn: www.linkedin.com/in/dina-bingham



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THE **BPO** REVERSAL

GETTING TO THE **ROOT** OF OUTSOURCING IN THE **WORLD OF AI**

An Operational Excellence Framework to Retain,
Renegotiate, Reinsource, or Reinvent



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