BPO (Business Process Outsourcing) /Crowdsourcing Market in Japan: Key Research Findings 2016

◆ Research Outline

Yano Research Institute has conducted a study on the domestic BPO (Business Process Outsourcing)/Crowdsourcing market with the following conditions:

1. Research period: July to October, 2016
2. Research target: BPO market players including, SIers, call center businesses, BPO enterprises for the following: printing, accounting, office processing, human resources, manpower dispatching, offshore, warehousing, welfare, DM, and sales, and crowdsourcing enterprises, etc.
3. Research methodologies: Face-to-face interviews by the specialized researchers, interviews via telephone/emails, and literature research

What is BPO?

BPO in this research indicates contracted services to do inner-office tasks of client companies. Those tasks include: System operation/management, call center jobs (contact centers, help desks, and fulfillment), back-office jobs (HR, welfare, general affairs, and accounting), and direct departmental jobs (purchasing/procurement, sales, simple tasks at core sections, and tasks unique to each industry). Note that those specialized services that have conventionally been outsourced generally are not included: Taxation business, distribution, development of data processing systems, building maintenances, and etc.

What are BPO for IT and BPO for non-IT?

BPO for IT in this research indicates contracted system operation/management jobs for the sake of the clients among various BPO tasks. All the other BPO tasks are defined as BPO for non-IT jobs.

What are Crowdsourcing Services?

Crowdsourcing services in this research indicate a kind of matching services that enable the companies and organizations to outsource their jobs/tasks to be done by the specialized workers registered for the crowdsourcing services through the internet. The crowdsourcing service market size in this research is calculated from the total amount of money for the jobs asked by the clients through crowdsourcing services, including the money for the jobs that did not reach agreement.

◆ Key Findings

■ CAGR of BPO Market from FY2014 to FY2020 Projected to Achieve 2.2%

CAGR (Compound Annual Growth Rate) of entire BPO market, including both IT and non-IT, from FY2014 to FY2020 is likely to attain 2.2%. The prospective market size is to achieve 4,113.690 billion yen by FY2020, based on the turnover of the businesses.

■ Expansion Expected for Market of BPO for Non IT, Due to Revised Worker Dispatching Act and Handling of My-Number System (National Identification Number System)

Non-IT BPO market is likely to grow steadily, as those non-IT BPO jobs for collecting "My Number (National Identification Number System)" information of the employees to integrate

employee-related back office tasks are still required at companies of mid to small sizes and at sole proprietors, despite that such tasks have been finished at large enterprises; and as the new demands that "My Number" should be connected to the respective bank accounts are likely to be generated. In addition, the Revised Worker Dispatching Act in 2015 and new Labor Contract Act to be enforced from April 2018, which stipulates that the workers who have repeatedly been forced to be updated their employment contract as fixed-term employees for total five years they can change the term into permanent (or non-fixed term) employment if they apply for it, are likely to bring about more companies to turn their tasks to rely on BPO service providers, expanding the BPO service market for the future.

■ **CAGR of Crowdsourcing Service Market from FY2013 to FY2020 Projected to Achieve 45.4%, Keeping High Growth Rate**

CAGR (Compound Annual Growth Rate) of the domestic crowdsourcing market from FY2013 to FY2020, based on the total amount of money for the jobs asked by the clients, is projected to attain remarkable 45.4%, with the market size to achieve 295.0 billion yen by FY2020. Because electronic contract systems are expected to be widely accepted in the future, the compliance issues that large companies have concerned over are regarded to be eliminated. As a result, increasing number of large enterprises is likely to rely more on crowdsourcing services for large volume of tasks, boosting the entire crowdsourcing market size.

◆ **Report Format:**

Published report: "BPO (Business Process Outsourcing) Market 2016-2017"
Issued on: October 28, 2016
Language: Japanese
Format: 752 pages in A4 format
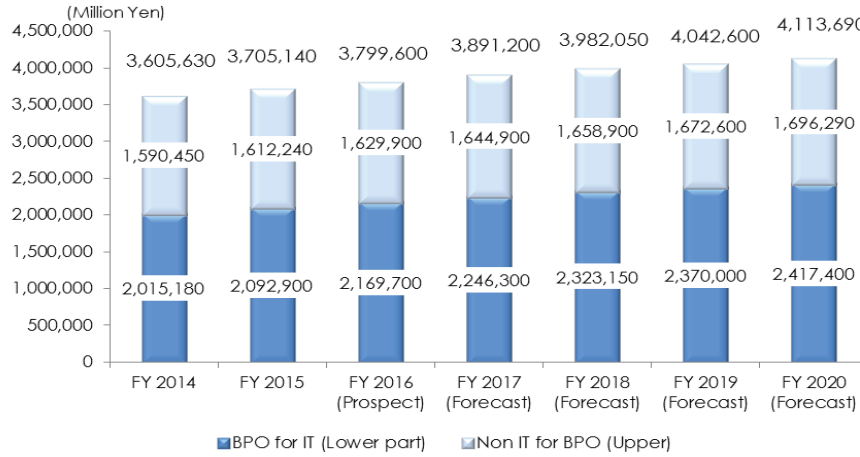Price: 180,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

■ **Figure 1: Transition and Forecast of BPO (Business Process Outsourcing) Market Size**

(Million Yen)

Legend: ■ BPO for IT (Lower part)   □ Non IT for BPO (Upper)
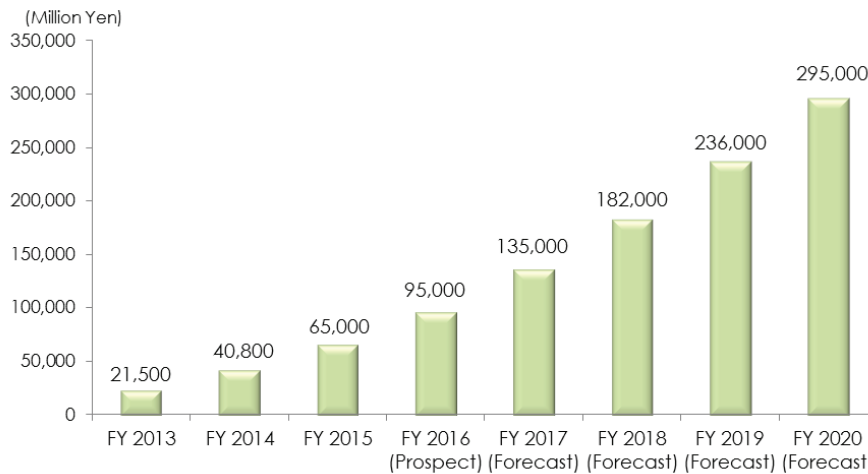
Survey by Yano Research Institute

Notes:

1. The figures are based on the turnover of businesses.
2. The figures have been recalculated retrospectively.
3. BPO in this research indicates contracted services to do inner-office tasks of contractor companies. Those tasks include: System operation/management, call center jobs (contact centers, help desks, and fulfillment), back-office jobs (HR, welfare, general affairs, and accounting), and direct departmental jobs (purchasing/procurement, sales, simple tasks at core sections, and tasks unique to each industry). Note that those specialized services that have conventionally been outsourced generally are not included: Taxation business, distribution, development of data processing systems, building maintenances, and etc.
4. BPO for IT in this research indicates contracted system operation/management jobs for the sake of the clients among various BPO tasks. All the other BPO tasks are defined as BPO for non-IT jobs.

■ **Figure2: Forecast and Transition of Crowdsourcing Market Size**

(Million Yen)

Survey by Yano Research Institute

Notes:
5. The market size is based on the total amount of money for the jobs asked by the clients.

6. Crowdsourcing services in this research indicate a kind of matching services that enable the companies and organizations to outsource their jobs/tasks to be done by the specialized workers registered for the crowdsourcing services through the internet. The crowdsourcing service market size in this research is calculated from the total amount of money for the jobs asked by the clients through crowdsourcing services, including the money for the jobs that did not reach agreement.