Knowledge Process Outsourcing (KPO) is one step ahead of Business Process Outsourcing (BPO). It started emerging in India around the turn of the century, when the global industries realized that apart from software development and technical support, knowledge work could also be outsourced. It involves transfer of business processes to other geographic locations; specialized domain specific knowledge and business expertise of a higher level rather than just process expertise.

The following are the areas associated with the KPO sector.

- Animation & Design
- Advanced Web Applications
- Business and Technical Analysis
- Business & Market Research
- Data Analytics
- Financial Consultancy and Services
- Intellectual Property (IP) Research
- Learning Solutions
- Legal Services
- Medical Services
- Network Management
- Pharmaceuticals and Biotechnology
- Research & Development
- Training & Consultancy
- Writing & Content Development

Many companies have started outsourcing their high-end processes like Market Research (MR), Equity Research, Engineering Design, Intellectual Property Rights (IPR), Legal Services, Remote Education and Publishing Operations to India after the success of BPOs. These companies outsource their processes to India for:

- Cost savings
- Operational efficiencies
- Access to highly skilled workforce
- Improved quality

A KPO can provide quality work and on-time delivery with uninterrupted services. KPOs are the next big thing in the outsourcing sector. Initially, KPOs focused on data collection, updating financial models, patent searches and basic data mining. But now KPOs have also started focusing on sector insights, equity research, patent analytics, high-end data mining, analysis and recommendation. Some of the hot destinations for KPOs other than India are Russia, China, Czech Republic, Ireland and Israel.

**Difference between KPOs and BPOs:** We can say that KPOs emerged from BPOs.

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<thead>
<tr>
<th>BPO</th>
<th>KPO</th>
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<td>It provides services like customer care, technical support through voice processes, tele-marketing, sales, etc.</td>
<td>KPO provides in-depth knowledge, expertise and analysis on complex areas like Legal Services, Business &amp; Market Research, etc.</td>
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<td>Low end services</td>
<td>High end services</td>
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<tr>
<td>Process expertise</td>
<td>Knowledge expertise</td>
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<tr>
<td>Pre-defined processes</td>
<td>Requires application, understanding of business and analytical bent of mind</td>
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<td>It employees not-so-qualified workers as it focuses on communication skills</td>
<td>It involves skill and expertise of knowledge workers with excellent educational background.</td>
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