

Briefs: Telecoms outsourcing back-office work

October 31 2005

Standard & Poor's said Monday telecom companies are outsourcing more of their back-office functions such as billing and developing customer-care technology.

The credit-rating agency said that companies such as Amdocs and Convergys are benefiting from the outsourcing trend, even as they face risks as a result of providing their services to the telecommunications industry.

"Convergys has the stronger business-risk profile of the two companies, because of the size and diversity of its business. Although Amdocs also boasts a sizable business base, its focus is nearly exclusively on the highly volatile communications market, while Convergys derives a substantial (and increasing) portion of its revenues from the financial services and technology industries, as well as government agencies," credit analyst Ben Bubeck said in a news release.

S&P has rated Amdocs as BBB-minus, while Convergys is rated at BBB.

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