



# OUTSOURCE YOUR CALLS NOT YOUR BEST PRACTICES

by Robert J. Camastro

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**T**here is no question that outsourcing of call center operations is a growing trend in North America as companies try to lower cost, avoid capital spending, and refocus on their core business. Nonetheless, there are plenty of in-house call center practitioners that would rather find other ways to deal with these issues than follow the trend, and wisely so.

One of the three most common reasons companies choose not to outsource is concern over losing direct influence over the service and sales effectiveness of their telephone staff. Another, which is less tangible but no less important, is losing control of the sound and feel of their product as it is presented over the telephone. Lastly, over time, companies who outsource often find themselves drained of in-house expertise in best practices for their own call center function, making them perpetually dependant on their outside provider. These are legitimate concerns,

particularly given the less than inspiring history of the call center service industry and the typical business models upon which most providers rely for their success.

Service providers in the U.S. do not have a natural cost advantage over most of the clients they serve. They buy their labor, telecom, facilities, and equipment from the same market as their clients, and they also have to build a reasonable profit margin into their pricing. They are only able to get their costs lower than that of their clients by creating economies-of-scale that their customers cannot achieve alone. They do this by cross training their agents to handle multiple client applications and routing the calls from that group of clients into a single queue. The volume built up by this approach reduces agent idle time between calls and makes the collective workforce much more efficient than could ever be hoped for by the workforce of any single application.

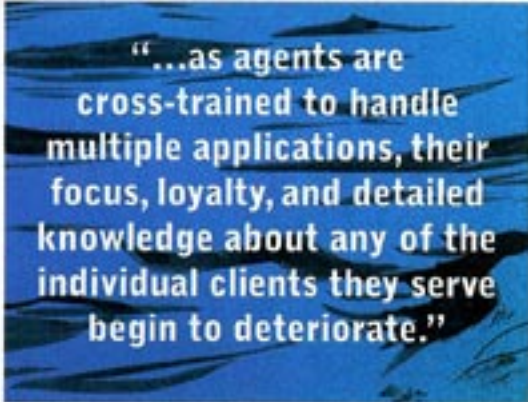
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However, as agents are cross-trained to handle multiple applications, their focus, loyalty, and detailed knowledge about any of the individual clients they serve begin to deteriorate. This is a natural result of cross-training because there is a great deal more for the agents to learn and fewer repetitions for any given application. In many cases, the client can't even be introduced to the agents working their account because their calls are diluted among too many agents to make any sort of client-agent relationship a practical expectation. These factors can naturally create a negative impact on sales, service, and presentation, making it difficult for the provider to ensure that the best practices of the client are well preserved.

Compounding this problem has been the rising cost of labor and attrition in the U.S. call center industry. As service providers find that cross-training alone has not been enough to maintain a significant cost advantage, they have been compelled to look offshore at locations like India and the Philippines to further lower labor costs. Although these low wage locations have allowed service providers to recoup their cost advantage, they are left with the same best practice problems, albeit for different reasons.

With a North American workforce, human dynamics such as cultural awareness, linguistic skill, and service proclivity are taken for granted because the workforce is indigenous to its client base. While it was not necessary to give these factors much thought when the service industry was sourcing U.S. labor for U.S. based applications, it has become an issue of great concern today for anyone using offshore labor to serve U.S. customers. This is because culture, speech, and an understanding for the American customer's service expectations are fundamental to achieving best practices in the U.S. market. Although offshore providers are working very hard to overcome this disadvantage, given that their workforce is not akin to the U.S. market, this will remain a persistent problem until the world gets quite a bit smaller than it is today.

A viable alternative to off-shoring is a solution referred to as near-shoring. Dominating this category is Canada who has seen explosive growth in call center business over the past ten years. Although the Canadians cannot compete exclusively on price with India, they can make a good run at the Philippine price points and will certainly out price most U.S. based providers. More relevant to this discussion, however, is the strength that the typical Canadian work force brings to the human dynamics issue. Here, the cultural



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awareness, linguistic skills, and service proclivity is non-distinguishable from that of their U.S. counterparts, making them ideal for the entire North American market from the standpoint of best practices.

Whether you are already outsourcing or just thinking about it and whether you choose to outsource to a provider next door or on the other side of the globe, the following guiding principles will

help you get the most out of your service provider and outsourcing experience:

- Try to negotiate the use of a dedicated workforce. If this option is too expensive, try to limit the number of clients in your work group to two or three at the most, with your application being the largest. This will help ensure that your agents are getting significant repetitions on your account and are not overly distracted by the other applications on their plate.
- Get to know the agents in your work group and treat them like your own. Encourage them to personally identify with your company and create frequent incentive programs and activities to continually nurture their morale. The agents will appreciate the extra attention and in return, will strive to meet or exceed your organization's expectations.
- Do whatever you have to do to maintain in-house best practices expertise. Always remain one step ahead of your provider in terms of knowing how your business works over the telephone and how to maximize the quality of your sales, service, and presentation. Maintaining in-house expertise will also keep you from becoming intellectually dependant on your service provider and will allow you to change providers, if necessary, without losing your core telephone competency.

If your service provider does not allow you to, or discourages you from, implementing any of these guiding principles, it may be time to find another partner. There are plenty of providers out there who appreciate the value of this approach and actually encourage their clients to follow this formula.

Remember these guiding principles when looking for a partner. Good luck and happy outsourcing! ▣

*During his 25-year career in the customer care industry, Robert J. Camastro, Founder and President of Virtual-Agent Services ([www.vagent.com](http://www.vagent.com)), directed Planning and Development for United Airlines' worldwide call center network involving over 7,500 agents and 45 domestic and international centers.*