

The Smaller Side of Outsourcing

by Greg Levin

More call centers are turning to outsourcers to “fill in the gaps” by taking on smaller projects.

It used to be that the term “outsourcing” elicited fear in the hearts and minds of many in-house call center managers, who generally equated it with an inevitable loss of control and perhaps even employment.

But times – and trends – are changing. Progressive call center professionals are learning that outsourcing customer care needn't be an all-or-nothing proposition involving the elimination of their in-house operations. Those who have taken the time to explore the “smaller side” of outsourcing have found that a good service bureau (and today they do exist) can provide valuable extension services that greatly enhance an existing call center and ensure that it stays ahead of the competition.

It's no surprise that partial outsourcing is on the upswing. Rapidly growing call volumes as well as an increased customer demand for round-the-clock service/support via a variety of contact channels are placing a lot of pressure on call centers today. Many of these centers, while well-run, lack the necessary capital, human resources and/or specific technology to effectively handle the expanding and changing workload. As a result, they are turning to reputable service bureaus that, rather than try to run the entire customer contact show, specialize in filling the gaps. In essence, these service bureaus do the “little” things that can help in-house call centers achieve big results.

Still, some call centers remain skeptical about outsourcing even only a small portion of their business because of the negative reputation that several service bureaus have been tagged with. While it's true that unreliable and dishonest

agencies exist, many are worthy of effectively handling a variety of tasks for call center clients, says Donna Fluss, principal of DMG Consulting and a recognized speaker and writer on customer contact issues.

“Even though many of the early [service bureaus] tainted market perception, they are not all bad and some are building viable business models. There are many business situations where it's beneficial [for a call center] to handle a function outside of its primary organization.”

Opportunities for Outsourcing

Many call centers agree with Fluss. Here are some of the most common ways in which they are using service bureaus to expand their customer contact potential:

■ **Overflow support.** In an ideal world, the call center's workforce management specialist nails each call volume forecast on the head and schedules just the right number of agents to cost-effectively handle the load. But the reality is that unexpected call spikes often occur, resulting in long hold times that can damage service levels and customer satisfaction. To cleanly overcome these spikes, a number of corporate call centers contract with a service bureau that can effectively handle the overflow. In such partnerships, whenever the number of calls in queue at the in-house center exceed a set threshold, the overflow is seamlessly routed to agents at the service bureau who have been trained on the client's specific call types.

“Outsourced specialists provide an extra service resource on an ad hoc basis for clients whose own call centers are over-stretched,” explains David Bishop, managing director of Kingston incontact – a U.K.-based firm that specializes in managing outsourced customer contact solutions. “A specialist overflow service can ease the burden of excessive peaks on call centers by fulfilling a

short-term need for extra capacity.”

■ **Peak-season assistance.** Not all peaks in call volume are short-term. Many call centers, particularly those in the catalogue and retail industry, have well-defined busy seasons where the average number of calls shoots up for weeks or even months on end. Rather than assuming the often time-consuming task of recruiting, hiring and training seasonal staff to help handle the influx, a lot of these call centers turn to a reliable service bureau year-in and year-out. Managers who take this approach often report that it is not only an efficient and affordable way to provide good service during key busy periods, it also eliminates the need to continually lay-off temporary staff, which often has a demoralizing effect on everybody involved, including existing agents.

■ **Specific campaigns/promotions.** Some call centers create their own peaks by introducing special product or service campaigns that cause call volumes to skyrocket over short periods of time. The nature of these calls is usually predictable and basic – often requiring an agent to simply take an order from or send an information brochure to the customer – which means they can be easily handled by competent service bureau staff. Often during such campaigns/promotions, a special toll-free number is used that connects customers directly to the service bureau, without the need for any special routing from the client's call center.

■ **Routine call handling.** Calls generated by specific campaigns/promotions aren't the only basic contact types that call centers outsource. A number of companies offload the lion share of the routine calls that their centers receive daily, thus freeing staff to focus on more complex customer transactions and projects. The general consensus among these companies is that their in-house agents are too valuable to spend hours a day handling simple requests and processing static orders.

Instead, the companies identify such basic call types via front-end IVR voice prompts in the call center, then reroute them (this occurs automatically) to the service bureau with whom they have partnered. (Note: Most call centers that opt for this outsourcing option keep a small percentage of routine calls in-house to help newer agents develop.)

■ **After-hours support.** Around-the-clock support is fast becoming the norm in customer contact, as many callers now expect to be able to reach an agent whenever they choose to do so. Some centers, while wanting to answer this call for 24x7 service, find that it simply isn't economical to remain in operation all day and night. Consequently, after-hours outsourcing has become a very popular customer care solution. Sometimes call centers choose this option initially to test the waters, then, if they see that off-hour call volumes are high, decide to become a 24x7 operation and bring the outsourced calls in-house.

■ **Foreign language capabilities.** With the ever-increasing cultural diversity of companies' customer bases, it's not uncommon for call centers in countries like the United States and the United Kingdom to receive calls from customers whose first language is something other than English. However, depending on the labor pool in a call center's region, it may be difficult to find staff with the language capabilities the center requires. Thus, outsourcing foreign language calls has become inevitable for many call centers. The good news is that plenty of today's service bureaus have made multilingual services a priority.

"It's possible to provide service in a variety of different languages, 24 hours a day," says Bishop of Kingston incontact, "with each [agent] individually trained to a specific customer's requirements."

To do this, many service bureaus have set up shop in or near large urban areas with diverse populations, making it easier to create an agent base that can collectively handle calls in anything from Spanish to Mhong. Some larger outsourcing agencies have separate centers in a variety of different countries which they can access

Quick Tips for Outsourcing Success

Just because a call center may choose to outsource only a select portion of its calls/contacts doesn't mean that the partnership can be taken lightly. A company's careful selection of and constant communication with its service bureau are what determine outsourcing success, regardless of the size and scope of the venture, says Kathy Sisk, president of consulting firm Kathy Sisk Enterprises. Here's a list of specific practices she recommends to help call centers create and maintain an effective outsourcing relationship:

- Assign project leaders who can head a team, who have initiative and who have background experience in the project that is being outsourced.
- Check to make sure the outsourcing agency you're considering has low turnover. Ask to see their HR reports.
- Hand-select the people (from the service bureau) you want to be assigned to your account.
- Make sure the outsourcer has a proven background. Don't just rely on their referrals; speak with a few of their current and/or past clients. Also interview the management staff who will be assigned to your account.
- Never give your outsourcer full control. Make sure the outsourcer has a method to allow you to assess the operation onsite and/or remotely.
- Stay on top of the project on a daily basis.
- Include a "way-out" clause in your agreement that will enable you to easily end the partnership if the agency does not meet your expectations.
- Don't focus on the cost to outsource as your No. 1 objective. Consider all the other quality assurance factors – experience, history, results – that make the cost factors more profitable.

to expand language services for clients. Sitel, for example, is able to handle calls in 25 languages using this approach.

■ **Disaster recovery.** One day – or even just one hour – of down time for a call center can be devastating in terms of lost revenue and customer trust. While multi-site call center operations are often able to overcome a crisis at one center by rerouting calls to the other centers, single-site call centers do not have that luxury. That's why more and more companies with only one center are including service bureaus in their contingency planning strategies. Managers at these call centers work closely with the service bureau to develop a solid disaster recovery plan and test it thoroughly, then are able to sit back and rest assured that their center – and customer loyalty – will be protected in the event of system failure.

■ **E-sourcing services.** Most call centers realize that, to remain competitive today, they need to meet online customer demand for dependable Web-based support. The reality, however, is that many centers struggle to successful-

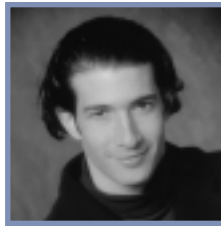
ly handle customer email and live chat sessions, either because they can't find enough agents with the skills needed for these contacts, have little experience in managing a Web-based environment, or lack advanced e-support tools. To overcome their shortcomings, a lot of these call centers have teamed up with one of a growing number "e-sourcing" agencies, such as Attenza or Brigade Solutions Inc., that specialize in handling companies' online customer contacts. These agencies already have trained Net reps and the latest technology in place, as well as plenty of experience in providing e-support services for a variety of clients. Many traditional service bureaus have added similar services to their list of outsourcing solutions, which means that call centers looking to e-source can shop around quite a bit for a firm that fits.

Looking beyond the Large

Customer care outsourcing is showing no signs of slowing down. According to Framingham, Mass.-based research firm International Data Corp. (IDC), the overall worldwide market for call

center outsourcing was \$18.4 billion in 1999; IDC forecasts the market will grow to \$51 billion by 2004.

And while offshore outsourcing and other mammoth projects involving service bureaus may get most of the call center media coverage, for managers in charge of existing in-house operations it's typically the "little" outsourcing opportunities that mean a lot. [CCMReview](#)



Greg Levin

Greg Levin is the former editor of Call Center Management Review. Greg is a regular contributor to the publication, and is currently a freelance writer based in Spain.