

Where Can I Put My Contact Centers in 2009?

We all know supporting your customers are of the utmost importance. But supporting them within a dwindling budget is more challenging than ever. Outsourcing has its advantages with core competency and sharing expensive infrastructure resources across many customers. But the options for outsourcing are enormous with all of the geographical differences in price, quality and manageability. You want to ensure your location is based on *your* needs, not the outsourcer's.

India has been the place to save money for off-shore in recent history, but over the past few years we have seen that India may not be the place of choice for *all* off-shoring programs. Although India outsourcing has many advantages, it truly fits certain applications better and is not proven to be the end-all answer to all customer support requirements. When India programs are determined to not be the right fit, the cause is usually accent and attrition problems and can be too challenging for overall success on the customer satisfaction and budget management fronts. Attrition can be a huge problem as time in seats equals knowledge and quality on the call. We need to look at attrition and if it leads to only 6 months in a seat or less for an agent, how much skill beyond training are we giving our customers to solve their problems? In addition, certain North America consumer programs seem to be the toughest for India as a reputation is becoming well embedded into the US and Canadian consumer base.

We hear about the Philippines, South America, Mexico and even Eastern Europe as possibilities for off-shoring. All of these regions are available through outsourcers and even "badge centers" (a company's own center) but many have high risk or unknowns due to small executions or short experience in that region. The risk of our customer support is high and typically not an option where we can just commit to new areas without more proven history. Although South America, Mexico, and Eastern Europe are often proposed, questions remain about span of control, security, culture and lack of a track record.

A Visual Look Based On Pure Price for 2008:

Region

Average Price Per Min.

India	Mid-high 20 - 30 cents per min
Philippines	Mid- high 30 cents per min
Mexico	Mid-high 40 cents per min
US	Mid high 60-70 cents per min
Canada	Low mid 60-70 cents per min
South America	Mid 40 – 50 cents per min
Eastern Europe	Mid 40 - Mid 50 cents per min
North America Home Agent	Low - Mid 50 cents per min

Are there areas which are viable options today that have proven their value over their risk?

Yes, for 2008 and 2009, the **Philippines** and **North America** are clearly two areas proven to be viable. They are practical in the terms of non-accent inhibitors and in price, *if managed correctly*. In the near future other geographies will add more options (2010 and beyond), but today these are two certainties. For centers which are looking for Business to Consumer (B2C), Business to Business (B2B) and Technical Support (level 1 and 2), both the Philippines and North America Home Agent can offer the best low risk for the expense.

Philippines outsourcing is proving to be more solid with effective English pronunciation training and expanding skill development. President Gloria Macapagal Arroyo has created programs to attract outsourcers to move contact centers into the Philippines to employ Philippine employees to be used for international business, specifically targeting North American customers. She has offered tax holidays, government training dollars and other incentives to draw in outsourcing companies to make the Philippines an outsourcing haven. President Arroyo has even offered her attendance at new contact center openings and ribbon cuttings and has personally taken on the challenge to attract North American customers as a target for Philippines resources. The Philippine resources provide English pronunciation more acceptable to North American callers and have progressed from just customer care to technical support over the past several years. The Philippine resources are more adaptable to North American callers due to their natural soft skills which play well in the call center model (higher tendency for caller empathy, motivation and approach to resolve issues). This applies to both consumers B2C, premium B2C as well as B2B and Technical Support. Location in the Philippines is critical due to recent saturation and security issues; however, -- with some research -- one can typically find opportunities that fit the support requirements within the budget.

North America has been boxed out for many companies due to high labor costs and high attrition; however, many outsourcing companies are now beyond experimenting with **Home Agent** programs and are able to offer North American resources at prices comparable to that below the standard North American price. Many outsourcers who have moved into the Home Agent space are offering prices at levels much lower than standard on-shore prices and close to near-shore and even off-shore prices. This is of high value as delivering the North American Home Agent delivers quality required for North American callers. It eliminates the accent problem, ensures the skill requirement and eliminates value challenges often found in off- and near-shoring. When Home Agent is done correctly, it provides flexibility in ramp-ups manages attrition and allows for rapid recruitment because of the lack of geographical dependency. Home Agent programs also add the value of disaster recovery and business continuity because of the lack of a single geographical dependency.

The Window for Home Agent in North America is Now

With gas prices at between mid- \$3.40 - \$4.00/gallon in the US and even higher in Canada, most agents can't afford to travel to work centers at the labor rates offered recently. This is adding to increased attrition and reduced recruiting efforts. Having the ability to work from home reduces

that dilemma and offers more flexible hours, the ability to work an extra job and make more money for doing what they do best.

Technology has evolved to incorporate Home Agent as a viable model. Most outsourcers have a Home Agent CD which is used to capture the agent's personal PC and protect against most obvious security issues. Most Home Agent programs allow the outsourcer to recruit, train and manage service operations totally from a remote location, reducing recruiting and training costs and ongoing operational expenses. It can also eliminate the dependency of a recruitment area tied to a geographical location. These Home Agent programs allow a remote agent to access the network and operate at the same level as if they were in a fixed call center location. The calls or contact channels can be queued to a remote agent the same as if they were in a cubical in the local branch office while the agent can have access to the same call center applications and tools used by the fixed call center agents. Many outsourcers provide a mix of Home Agent and fixed call center agents within the same program, increasing productivity while reducing challenges commonly present within a fixed location.

Abandoning Offshore Outsourcing

Finding the right resources to accommodate your customers in the right geography is the critical decision. Many companies have pulled back or want to pull back from off-shore outsourcing due to degradation in customer satisfaction and brand equity caused by poor performance based on accents and unmanageable resources. Some companies have clearly made the decision not to offshore completely based on their past experiences. This leaves few options to supporting their customers within a manageable budget.

This might not be the best or only decision to make. The Philippines has progressed well with their English communication skills and skill management and in many cases is a solid fit. Philippine resources can be an adequate fit from an off-shore standpoint to supporting North America customers and if set up correctly can be a good choice for support.

But North America is not out of the picture yet. Home Agent technology has presented a true alternative to out priced North American resources. In the US and Canada, labor prices plus taxes and degrading dollar valuations have made North American resources unattainable in many areas in the standard call center budget, forcing many companies to go to off shoring. Most outsourcers placing a call center in a specific US or Canadian geography have suffered financially while paying for the building, taxes, labor expenses and then dealing with competitive recruiting and retention in that fixed geography. Many outsource vendors will die off or down size in North America unless they accept the challenge of Home Agent. Home Agent can offset the cost of brick and mortar while accommodating to the employee resource challenges of high commute costs due to rising gas and living expenses. Home Agent can also expand the recruitment geography and can open up vast opportunities versus typical sole-located brick and mortar models, resolving huge issues with recruitment and employee retention/attrition.

Final Recommendation

For those searching for the ultimate support model in 2008 and 2009 and if India is not a perfect fit, the Philippines as well as Home Agent in North America are definite areas of research. Look at your outsourcers carefully; check their references and long-term strategies for these geographies and strategies. Today, the best suggestion is a mix of Philippines and North America Home Agents if properly researched and referenced. Many outsourcers have a North American Home Agent strategy but some are still in the early stages. By using Philippines and a mix of Home Agent in North America you should gain the advantage for 2008-2009 and prep for 2010 and beyond. If the outsourced provider can prove a strong recent history and ability in either area, then the risks to supporting your customers are lowered and success is more achievable within your budget.

About the Author:

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