



# Satisfaction calling: does outsourcing contact centres work?

*Often maligned from within and outside, the contact centre is the coal face of customer service interaction. But so often the processes and people are dumbed down so they can be sent offshore and run more cheaply. Issues of customer satisfaction, costs and ease of management abound. **Stephen Withers** treads the political minefield to find out if it is really worth the potential pain...*

Contact centres get a bad 'rap' no matter where they are based. It used to be commonly accepted that a happy customer would tell three people about their experience, an unhappy one would tell 14. That was bad enough. Then came the internet and social media, giving disgruntled customers a platform on which to be heard - by millions.

If contact centres are at the coalface of customer service interaction then their staff have the power to make or break every customer's early experience whether it is over the phone, email or social media channels. But how can you tell if your customers are happy, especially when you outsource or offshore your contact operation?

## Measure to manage

Surprisingly, the industry bodies in Australia and New Zealand have not adopted any standard benchmarks for contact centres. "CCiNZ [Contact Centre Institute of NZ] doesn't endorse any benchmarking systems," said vice chair Kathryn

Starr, who is also general manager of contact centre outsourcer Phoneplus. It is the same story at the but the CCiNZ and CCMA are separately planning to prepare or endorse sets of benchmarks.

While contact centre performance is often thought of in terms of metrics such as hold time, this seems to be an outdated position. When it comes to monitoring performance, "all roads lead to NPS [Net Promoter Score]," says customer management company Convergys' international director of sales Geoff Dutt. That makes sense: why ensure you can answer calls five seconds faster if it doesn't make customers happier? Convergys has monitoring systems for measuring NPS, he says, though clients sometimes do their own surveys. It does also track traditional metrics, but although clients have live access to these figures Dutt says they rarely look at the detailed statistics after the first few weeks.

It's a different story internally: "BPO [business process outsourcing] is an industry that's run by the numbers... we slice and dice data until the

cows come home," Dutt says, pointing out that there is no point measuring quality unless you also analyse and fix any shortcomings in processes and operations, "so that's what we do".

Lisa Roos, general manager at Merchants (a Dimension Data company which provides contact centre solutions) tells a similar story: for her clients the primary metric is customer experience, whether that's expressed in terms of NPS or some other system. Old-school measures such as wait-time are falling out of favour, she says.

## Yellow braves off-shoring

An outsourced and offshored contact centre is working for New Zealand based Yellow Pages Group according to CEO Michael Boersen. The company offshored its 018 directory enquiries call centre in 2009, when Bruce Cotterill was CEO, as a cost-cutting measure. "It just wasn't realistic for us to keep running the service out of New Zealand," Boersen says of the decision.

018 was first outsourced in 1998 when Yellow

was still part of Telecom. In 2008 it changed provider from Sitel to TeleTech - the contract was up for renewal and Yellow invited proposals from other outsourcers as part of normal commercial due diligence. "A year later, we off shored - still with TeleTech - to Manila in the Philippines," Boersen says.

"It's been nearly five years since we offshored, and it was in the media a bit at the time, so I think people who call 018 know they're talking to someone overseas - we definitely don't hide it."

Indeed there was more than a bit of media about it at the time, with the move eliciting a veritable hue and cry. First there were complaints about the loss of New Zealand jobs (140 in Palmerston North) and then came complaints about poor service (incorrect numbers provided, inability to answer queries, language difficulties), but eventually the furor has seemed to die down. Boersen concedes that a few people are fundamentally opposed to offshoring, but these days most people who call 018 just want someone who can find the number they're after.

The transfer from New Zealand to the Philippines was done gradually over approximately three months. An increasing proportion of calls were routed to Manilla as TeleTech ramped up the number of trained staff at that centre.

"We're pleased with the service we receive - we aim for a short call time, high satisfaction rates and low abandonment rate," says Boersen, which is what you would expect for a directory service.

While there was an initial dip in service levels, that was rectified by improving agents' knowledge of New Zealand - notably geography, government departments and community services. "A lot of people think that the team in Manila will struggle with Maori pronunciation, but it's the opposite actually as there are some similarities between Tagalog and Maori. The guys tend to breeze through this section of the training with flying colours," he explains.

Technology and metrics don't merely allow

***"We're pleased with the [offshored] service we receive - we aim for a short call time, high satisfaction rates and low abandonment rate."***

**Michael Boersen, CEO, Yellow**

contact centre off-shoring, they also make it easier for the client to make sure everything is running smoothly. Yellow receives daily, weekly and monthly reports on a range of metrics. Call recording and screen capture software mean any problems that do arise can be solved remotely, and the company uses Skype and WebEx to keep in touch with staff in Manila and to provide guidance from afar.

### **Outsourcing, offshoring and brand considerations**

While Yellow managed to weather the storm, it's not the same for all organisations that offshore. Starr says that some that do so for cost reasons subsequently discover that the cost of managing the relationship and maintaining consistent quality mean it is more cost-effective to bring the operation back onshore.

There's also a risk to brand reputation, as offshoring is a 'water cooler' topic, she says, and she also recommends consideration be given to the political stability of any particular offshore location.

Brendan Jones (a pseudonym we're using for an individual with long and intimate involvement with contact centres) says Australians still have some issues with Indian voices but contact centre workers from the Philippines are generally well accepted. Dutt goes further, suggesting that any objections to 'foreign' voices at contact centres

are merely "the tail end of parochialism".

Jones suggests a sea change is underway in the way organisations are looking at contact centres. Saying they want 'good customer relationships' is really code for 'selling more to their best customers'. The old-school model - tightly scripted contact centres with high attrition rates - is still used by telcos, financial institutions and so on, he says, but it doesn't mesh with the 'customer is king' philosophy. Progressive organisations are turning away from lowest-cost solutions and are instead moving skilled staff into contact centres and allowing them to make decisions, and this means running an in-house, onshore contact centre in order to cultivate much better customer relationships.

These new contact centre staff are being given





an opportunity to make perhaps 50 decisions in a day rather than the five they currently make in a branch office “so that’s a promotion,” he says. The pitch is that the company is investing in ‘customer-centricity’ and has picked these employees to take on more responsibility.

### **Engagement**

Convergys’ Dutt also thinks that clients of the better providers are looking for customer value rather than just cost reduction. He says providers offering bums on seats at the lowest price experience a high churn rate of clients. And if an organisation outsources a contact centre just to reduce the amount it spends on people, the project will typically fail, he warns. He gives the example of an unnamed second-tier Australian telco that chose

a low-end contact centre provider after which its customer churn “went through the roof and their NPS went through the floor”.

In contrast, tier one contact centre providers look at their clients’ total processes: why are people contacting the company, why does the contact centre exist, and what are the corporate goals? For an outsourcing arrangement to be successful, the provider must work in partnership with the client. Dutt says it is better to identify what he calls “the good guys” in the industry, talk to them about what is required, and then use those conversations to develop a short list of perhaps just two candidates before going into detail.

### **Agent selection**

As Yellow discovered, having the right people with the right skills in your contact centre is important, so the better contact centre providers tend to hire agents specifically for a client. Convergys, for example, determines the type of personnel that is required, recruits the agents specifically for that client, and provides comprehensive training.

This quickly pays off, according to Dutt who says a Convergys operation had the highest NPS among all of one customer’s contact centres from the day it went live, and he claimed that the company’s large Australian clients achieve lower NPSes at their own onshore centres than those operated for them by Convergys in India and the Philippines.

Merchants, which operates outsourced contact centres in Europe and South Africa for clients around the world including Australia’s iiNet, takes a somewhat different approach to staff selection because the formality of the relationship varies considerably between clients, Roos says. In some cases, a client CEO will only talk to Merchants’ CEO and so on down the hierarchy, while others prefer using social media for an open dialog among everyone involved. Consequently, during the recruitment process “the single biggest thing we

### **The contact centre handover and beyond...**

For Lisa Roos, general manager at Merchants (a Dimension Data company), taking a contact centre live for the first time has to be a partnership between the provider and the client. Senior representatives of the client should be onsite at the time, and she also advocates using some agents with the native accent of the target country in the centre during this period.

Roos sets great store by ‘brand attachment’, encouraging agents to identify with the client they serve. This is partly because a good proportion of calls to most contact centres are negative: customers usually ring only when they have a problem, so it is important that agents are also exposed to the positives. She advocates regular (say twice yearly) visits from senior managers, sharing news about the client’s financial results, industry awards and so on with contact centre staff, distributing branded merchandise, and arranging for the temporary exchange of agents between the client’s onshore and offshore contact centres and then encouraging them to maintain those personal contacts.





look for is cultural fit” with the client, although technical knowledge and experience are also considered.

Furthermore, “culturisation” is an important part of getting staff ready to work for a particular client, Roos says, and ongoing training is mostly about new products and services, as well as any changes in terminology. One way of easing new agents into a particular client’s contact centre is to initially have them working on non-voice communications such as email, as that gives them a chance to become accustomed to the client’s business before having to deal with phone calls.

Dutt says customer service is ingrained in Philippine culture, making it “one of the best locations globally” for handling such calls. Convergys finds it easy to recruit staff as people in the Philippines derive cachet from working for well-known companies.

Conversely India is the best location for technical support as the mix of education and commitment is “second to none,” he claims.

Good providers should also enable their clients to listen in to calls when they wish, and offer regular meetings to ensure that the provider and the client have the same opinion of the way the interactions were handled. Issues can also be dealt with informally via social media, email or phone calls as they arise.

#### What clients want

Clients based in Australia and New Zealand basically want the things they can’t do themselves, Dutt says. This can be at a technical level, such as applying analytics to determine how to mitigate calls, or demographic analysis to describe who is calling and why. Voice and email services are the most commonly requested by Australian and New Zealand organisations, Roos says, and mostly in the customer service area rather than more complex processes. That said, Merchants has taken on

**“For an outsourcing arrangement to be successful, the provider must work in partnership with the client.”**

**Geoff Dutt**, director of sales, Convergys

increasingly technical work for some clients and “that has definitely worked for Australia”, she says.

Roos notes a cultural affinity between Australians and South Africans, and also points out that the time zone difference means South Africa is well positioned to be part of a ‘follow the sun’ operation as its working day starts as eastern Australia’s is finishing. Recently she has seen tenders for offshored 24x7 contact centre operations in South Africa, mostly for first-line customer service – the country has the right culture and is cost-effective, she says.

#### Thank you, and call again

The customer-centric pitch with ‘hand-picked’ agents is fine as long as it is true, Jones warns, otherwise the likely outcome is the same old poor service being delivered to frustrated customers. Organisations “have to stop reading the dreadful script” or risk a landslide loss of customers to anyone that provides better service.

Jones believes organisations will fund this new and more expensive model by commoditising the other two-thirds of customer contacts through offshoring and moving them to channels other than voice (eg, web chat and email).

“People want the result,” he says, so they will be patient as long as you can show you understand their problem, even if you are handling the enquiry electronically. **f**