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HOW DO I DECIDE IF OUTSOURCING MY CALL CENTRE IS RIGHT FOR MY BUSINESS?

Article prepared by Ian Parker January 2006

The past ten years of outsourcing depict a fascinating story of changing attitudes and business priorities – particularly in the arena of call centres. It is a story that has yet to reach its conclusion.

For most of the 20th century the primary orientation for businesses was to ‘build it and run it ourselves’. The reasons, or at least the justifications, were numerous:

- direct control of both quality and cost;
- decision making and commercial implementation kept under one roof;
- technology and organisation structure were designed for an in-house approach
- performance measurements were not designed for the control of third parties
- ‘suppliers’ were managed in an adversarial fashion (a pitfall that still prevails today)

This ‘do it yourself’ approach has come under pressure. Large organisations found that scale became as much a problem as a strength. Time to market, speed of replication, lower cost technology and locations all colluded to create a new competitive environment – one in which companies could be created seemingly overnight to challenge former market leaders.

The question in boardrooms changed to: What activities are better undertaken by specialists with whom we could partner? The answer to this question resulted in a demand for outsource providers who could specialise in one focused business activity and through expertise and size deliver lower operating costs. These outsource providers would also meet the costs of new capacity and provide protection from fluctuating business volumes.

The challenge for many companies was to dismantle and re-assemble the ‘value chain’ using the best exponents of each element. Many companies who had formerly produced their own products now needed to develop a new skill of managing multiple suppliers – a transition many failed to understand or executed poorly.

Whilst securing lower operating costs was always one of the objectives of seeking another company to perform part of the activity it has now become the primary driver. In part this is a reflection of greater commercial pressures but it is also a reflection of the availability of lower cost locations and the success of outsourcers in delivering greater efficiencies. In the past few years the business and general press have been full of announcements of call centre jobs being shed in the UK and the work being moved overseas, with India dominating this trend.

However whilst costs can be cut outsourcing call centre activity can have detrimental effects both on the service delivered to customers and ultimately on the very cost base that was the target of the outsourcing decision. There is no doubt that call centre outsourcing, whether sales or service, can be a major benefit to a company. However there are some tough questions to answer and decisions to take to maximise the chances of success:

- What are the business goals?
- Is this a long-term strategic decision or one that is tackling a short term problem?
- What are the likely impacts on customers?
- Are there brand and PR implications to consider?
- Can the same benefits be achieved through in-sourcing or developing in-house capabilities?
- What is the culture of supplier management and do the supplier management skills exist within the company?
- Are the goals of the business and those of the supplier/partner complementary?
- What options are available if the strategy changes?

At Link Management Group our Customer Management Practice has expertise and experience in helping companies make the right decision for their call centres.