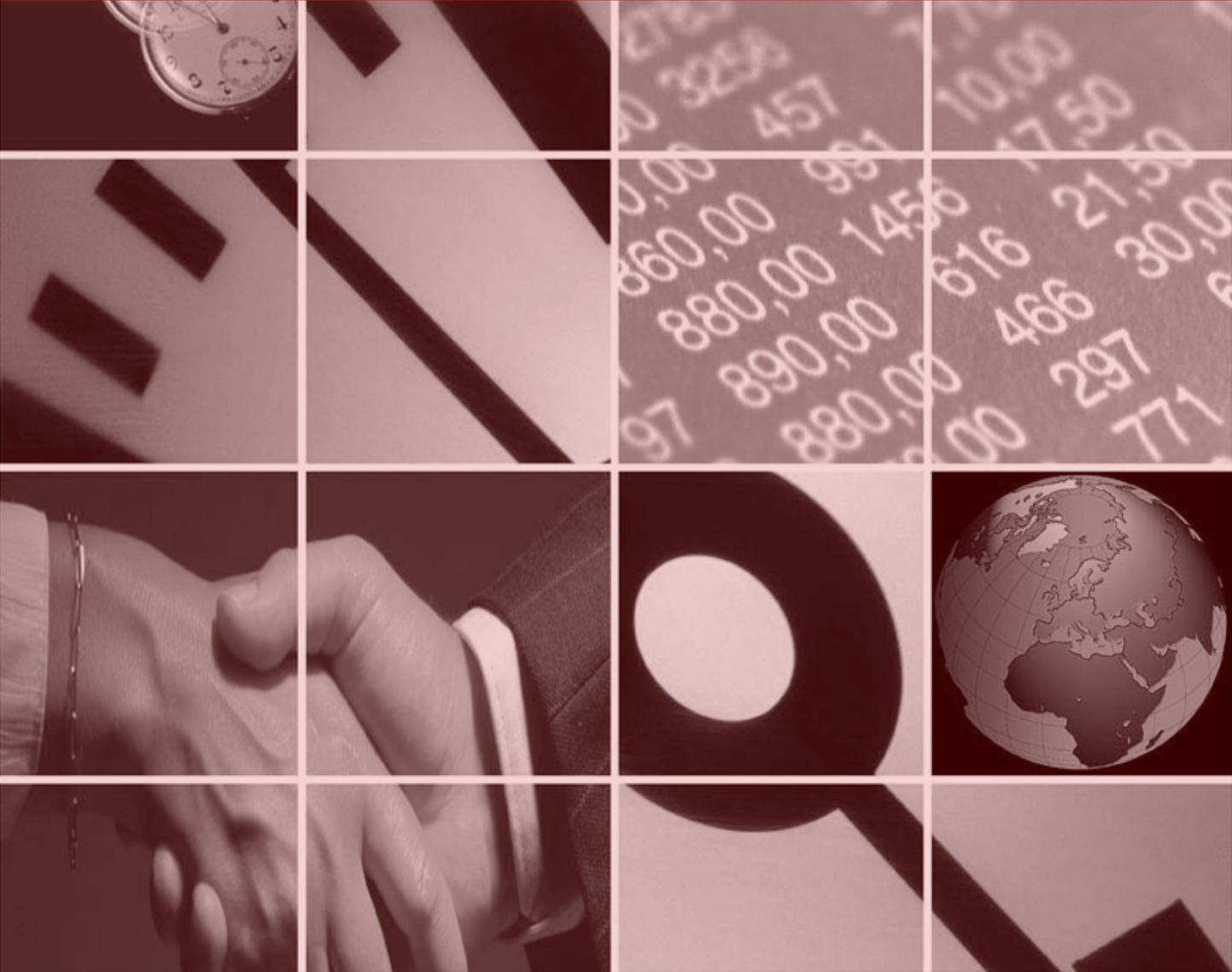




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Innovations in Outsourcing – MOT your contact centre





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## Innovations in Outsourcing

Outsourcing continues to be a hot topic of the call centre industry – with the enduring debate about the merits of offshoring; new destinations in Africa and Asia emerging who are competing for international work; and the inevitable squeeze on supplier margins caused by excess capacity of seats in a recession. So is there anything really innovative going on that will change the status quo?

To answer this question, let's get back to basics and remind ourselves about the merits of using outsourcers. It is all about using the skills and experience of a specialist third party company to manage all or part of your contact handling processes – whether that is support is just during peak times; or perhaps for a specific campaign; through to managing a whole operation (both front and back office).

### 1. Why outsource?

The common factors that are inherent in all good outsourcers are that they have:

- **Great people** – who have the competencies and skills to communicate with customers;
- **Strong operational management** – who can create an accurate forecast of demand and then balance resources against this schedule
- **Performance Management culture** – that gets the best results from staff who understand what is expected of them
- **Experience at implementing Business Process Re-engineering (BPR)** – so that continuous improvement becomes the 'business as usual' mindset
- **Solid technology infrastructure** – across telephony and IT platforms
- **Accessible location and a great facility** – so that staff are treated well when they are at work





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## 1.1 Having the right outsourcing strategy

In a recession, we have seen a number of clients who have been choosing to outsource purely for financial reasons. They have been looking for a lower unit cost per contact – which is the basic reason why so many offshore providers are promoting their services to UK clients. But there are also some more subtle financial reasons in favour of outsourcing:

- Given the recession - the opportunity cost of investing capital in other projects (outside the contact centre) is better. Many outsourcers will amortise the capital expenditure associated with investment in infrastructure and facilities and then charge this back to their clients as an operating cost.
- Wanting to try out a new product, service or campaign without incurring significant investment to test if it works. Here the outsourcer provides the customer support whilst the new service is being piloted – so that the dynamics of contact demand can be better understood.

These are all valid reasons as part of a cost reduction strategy, but are they missing an opportunity - does an “Innovative Outsourcing” Strategy truly exist?

## 1.2 Making change happen in contact centres

Remember Contact Centres are all about the combination of People, Process and Technology and you cannot just press one of these levers in isolation. Just passing the responsibility over to an outsourcer to manage your contact centre operation does not make improvement happen per se. You really need to understand what specific combination of improvements make the biggest difference. Two teams in different locations, yet operating the same processes and with the same IT systems, can actually produce very different results. The impact of culture and behaviour should not be underestimated.

So why not think about piloting a new method of working in a different environment to give you the best opportunity to learn? Operating a process with a new team can lead to step changes in performance and then this learning can be defined as a **Model Office Transformation** that you can roll out across the existing operation.



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## **2. MOT your contact centre**

MOT is all about making improvements. It takes a business process and pilots changes to people, process and technology using an outsourced facility as a proving ground. It delivers measurable improvements for one team of agents compared to your current performance.

Within RXP, MOT is a proven Change Management technique based on the following principles:

- We work with the Centre Management Team to agree the areas most needing action
- We re-engineer the pilot business process and apply this new method of working to the outsourced team
- We use generic Performance Management processes, Training Modules and knowledge materials that have been successfully used before that support the right behaviours in front line staff
- The pilot team take/make calls over a defined period and we measure the performance improvement based on existing KPIs
- The approach is highly facilitated to ensure that everyone is involved and buys in to the changes to ensure they are sustainable
- Once the outsourced team have proven what works best then the Model Office blueprint can be defined – that you can then apply with confidence in your own centre

So when MOT is applied then what changes? The answer is often pretty much everything! For example:

- **Team Leaders** - the role of the Team leaders is crucial in the day to day management of the centre and they should truly be role models and able to provide the coaching and feedback processes that are vital to develop the performance of front line staff
- **Staff motivation** – Having the right rewards and incentives that reinforce the right agent behaviours that drive an uplift in KPIs
- **Call handling** – Having the right call handling structure and training agents to mirror the style that customers use so that the average handling time is appropriate to the transaction being performed



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- **Specific Process improvements** - so that after call work and admin activities are reduced
- **Use of customer data analytics** – particularly relevant for outbound campaigns so that the conversion rate for Decision Maker Contacts is improved.

### 3. Outcome

In addition to these tangible changes, the fact that the MOT pilot team is operated at a new facility location then there will also be the opportunity for behavioural change.

So overall you should expect the MOT pilot to deliver **at least 20%+ uplift in your KPIs**.

A significant difference that makes it a real example of innovative outsourcing.



#### 3.1 What happens next?

Once the pilot team results are known using the outsourced team, the first thing that you have proven is that improvement is really possible – so you now have a business case for change. You also know ‘what success looks like’ – in terms of contact centre excellence that means that you can either extend the amount of work that is outsourced or can develop a change programme to rollout the learnings from pilot back across the in-house operation.

The Model Office rationale is all about demonstrating a step change in business performance. Based on your centre's KPIs, it ensures that the pilot team performance is tracked before and after process improvements, to assess the overall impact of the changes. This analysis can be used as the evidence of the effectiveness of the Model Office business “configuration”. Once the “configuration” is proven, then a full business rollout of these specific Model Office activities can be scheduled.



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#### 4. How can RXP help?

RXP are not just contact centre consultants. Part of The Panther Group which combines consultancy with data analytics and operational delivery, we can help you deliver this “innovative outsourcing” approach using a combination of:

- **RXP consultancy** – using our expertise to define the right areas of people, process and technology change that will make the biggest difference to the outcome
- **SpokenFor Outsourced facility in Brighton** – a fully integrated telemarketing agency working with companies that require customer insight and brand appreciation to be at the heart of their contact centre campaigns.
- **Supporter Insight Customer profiling** - uses a data analytics approach to model what the “ideal” customer looks like and then source data that matches that profile

So the overall Panther Group MOT solution is all about proving how a bespoke creative solution from lead generation through to customer support can give the maximum Return On Investment for both the pilot and the resulting change programme.



#### 4.1 Why now?

Have you spotted the ‘green shoots’ of recovery yet?

We know that the recession has caused many organisations to reduce their CAPEX investments so that their core operations have been cut back to the bone. As a result many have fallen behind their competitors in terms of the effectiveness of customer contact. So they now need a strategy to catch-up fast (or face getting left behind when the market picks up...)

So as we emerge from recession - **the time is right for “innovative outsourcing”**