

# 09 Things You Should Know

when outsourcing  
inbound customer services

# What's inside?

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### Introduction

Why outsource inbound services offshore? | **03**

Cost Saving | **04**

Direct Relationship | **07**

PCI Compliance | **09**

Omni-Channel Platform | **11**

One Agent - Multiple Campaigns | **13**

Reporting & Analysis | **15**

Training Resources | **17**

Pricing Framework | **19**

Staffing Model | **21**

### Summary

Wrap Up Thoughts | **23**

# Why outsource inbound services offshore?

Many U.S. businesses, and most large U.S. businesses, outsource business functions offshore. The leading reasons<sup>1</sup> are:

Reduce and control costs of operation

Improve the company's focus

Liberate inner resources for new purposes

Outsourcing is literally a method to “source” resources outside of the company. One of the most common functions outsourced is call center services, and the most valuable of these type of services is inbound.

Inbound services include:

- Customer service
- Order processing with credit card transactions which requires a PCI compliant center
- Omni-Channel support where each Agent can interact with customers in multiple channels including voice, live chat, SMS text, and email

Businesses outsource for three reasons and #1 is cost savings.



1) Why Do Companies Outsource, Arizona State University 2019

# Cost Saving



## Question 01

# How much will I save and how are those savings calculated?

To properly calculate savings, companies must first understand their current costs of providing the inbound services inhouse. These costs include direct labor, wages, FICA, benefits, indirect labor such as training and leadership, and overhead such as office space, technology, and consumables.

Secondly, the full expense of outsourcing must be calculated including labor costs (This can be per minute, per hour, or per month of Agent time), additional telephony and technology costs, and oversight management such as travel for site visits.

## Question 01

How much will I save and how are those savings calculated?

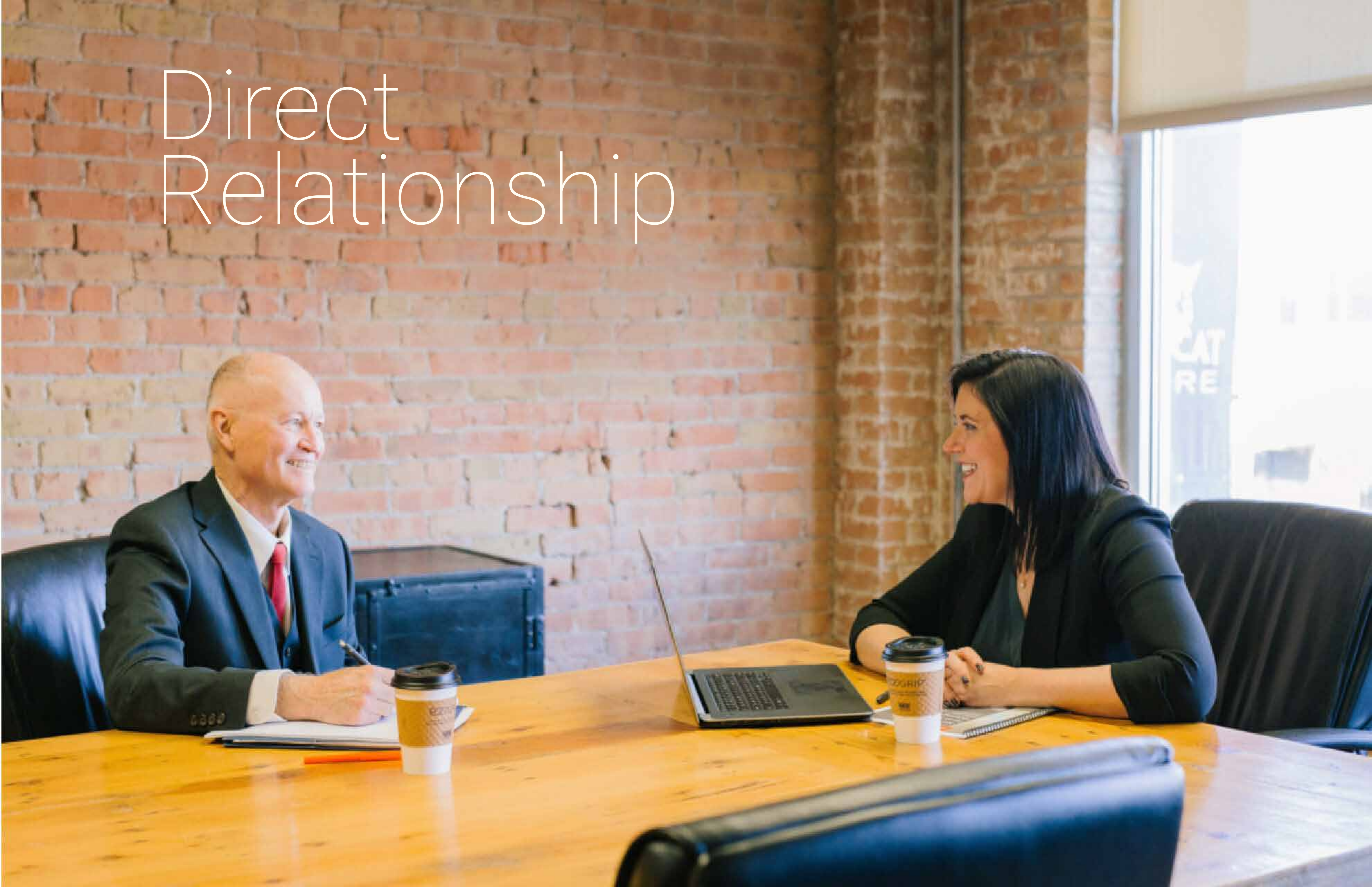
SAVINGS OF  
**43%**

Here is a sample comparison for a PCI compliant inbound call center:

Cost Category	Number of Agents	Current inhouse Cost (monthly)	Outsource Cost (monthly)
Agent Cost	40 Agents	\$91,640 (\$2,291 per Agent)	\$80,000 (\$2,000 per Agent)
Supervision Manager + 2 Team Leads	3 Supervisors	\$13,750	Included in Agent charge
Training (25% of a \$45K per year Trainer)	1 Trainer	\$4,583	Included in Agent charge
Real Estate	225 sf per employee/\$25 per sf	\$20,156	Included in Agent charge
Software	Omni-channel telephony,	\$9,245	Included in Agent charge
Total		\$139,374	\$80,000

43% Saving

# Direct Relationship



## Question 02

# Is there an intermediary getting paid on my contract?

Many companies end up paying more and getting less because there is an intermediary expense in between the company and the contact center actually providing the service. These fees can be substantial. The first question to ask a potential vendor is, "Do you actually own and operate the call center(s) being discussed?" If the answer is anything other than, "Absolutely YES," then you need to ask to see the compensation agreement between the broker/intermediary/consultant and the call center providing the service. The fees are typically 10% for the life of the contract. But sometimes it is more. Much more.

If you are outsourcing, work directly with the call center. You will get more for your money and end up with a healthier relationship.



# PCI Compliance



### Question 03

# Is your center PCI compliant?

If you are outsourcing inbound contact center services that require Agents to handle credit card information, it is critical that the center is PCI compliant. To be approved by Mastercard, Visa, Discover, and American Express, a successful PCI compliance audit must be routinely performed by a qualified third-party firm. PCI compliance requires:

- High level network security with encryption and firewalls that meet higher standards
- Physical security that prohibits paper, pens/pencils, cell phones, portable storage devices, or anything that could be used by Agents to capture credit card data
- Biometric security access to prohibit unauthorized personnel in the PCI center
- Background checks on all personnel
- Prohibition and technology to prevent recording (voice and data) of credit card information





# Omni-Channel Platform

## Question 04

# What platform(s) is used to deliver Omni-Channel customer support?

Inbound call center software platforms are not created equal. The technology is evolving rapidly and transforming the scope and efficiency of services a call center Agent can provide. Some of questions you want to get answered are:

What platform is the call center using?

Leading platforms include: Five9, Bright Pattern, and Avaya. Platforms should have ability for Agents to communicate with customers in their channel of choice including voice, live chat, SMS/Text, IVR, bots, messaging, and email. Avoid centers that organize Agents by channel type. These silo service teams create inefficiencies and low customer satisfaction.

Is the center's telephony monotone or dual tone?

This is important because dual tone allows the center to record the caller and the Agent on separate channels. This is critical with PCI projects as it allows the credit card data to not be recorded and protects sensitive information.

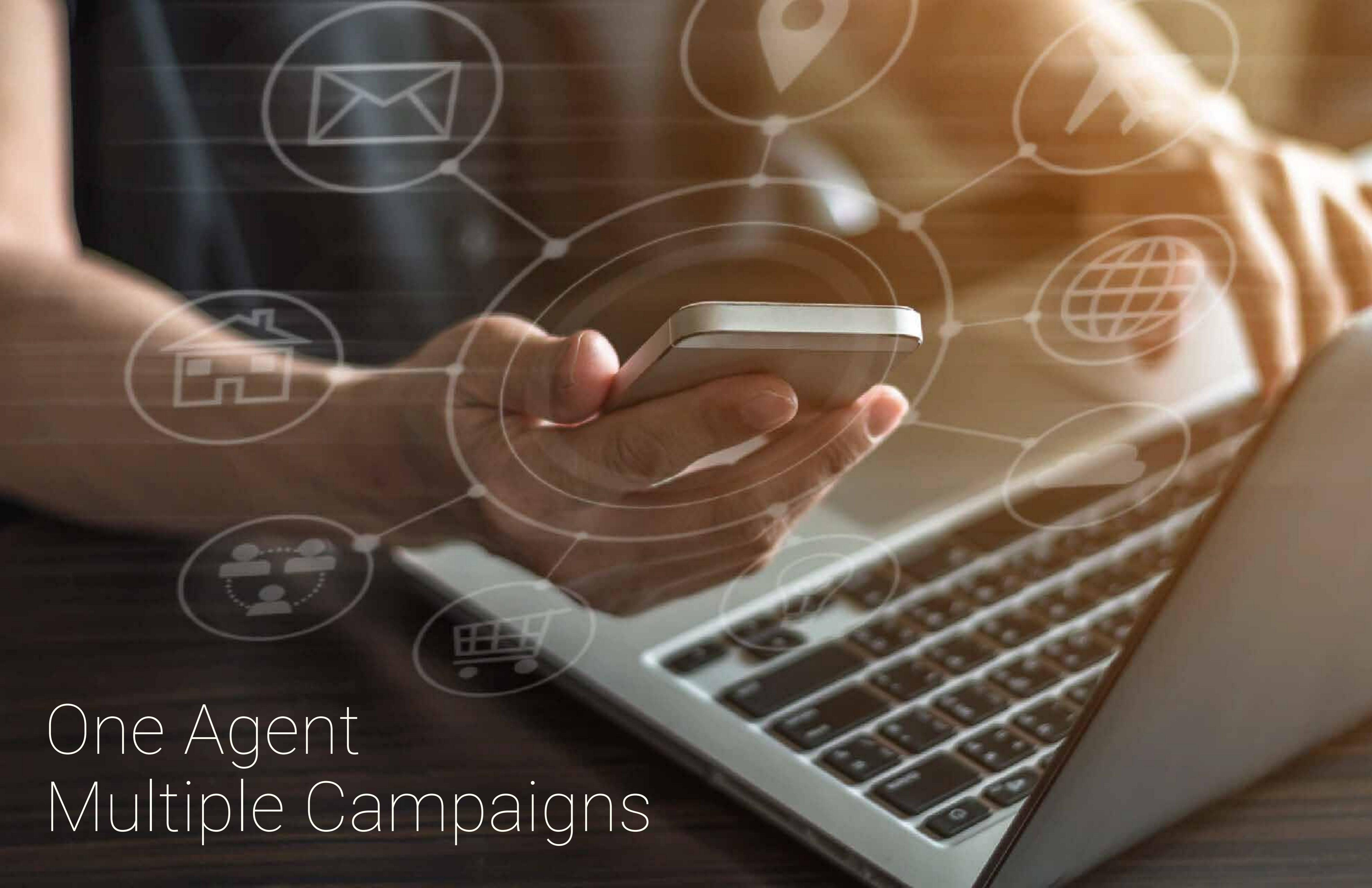
How does the call center platform integrate with your CRM?

Some platforms require custom coding to integrate with CRMs. It can take a lot of time and money with no assurance that the integration will work as intended.

How does the call center provide site and service redundancy?

Ideally, the company will have multiple locations with the ability to transfer services in the event of a major outage. Many offshore call centers are single locations and have little back up and service restore capability.





One Agent  
Multiple Campaigns

## Question 05

# Can one Agent handle multiple campaigns and channels?

Productivity is created by maximizing the output of each member of the team. Unfortunately, many inbound call centers operate inefficiently with Agents sitting idle waiting for the next call. Today, top centers equip their Agents with powerful ai-driven platforms that drive traffic from multiple channels and multiple campaigns to maximize productivity.

Imagine a travel company selling a variety of vacations packages with various price/benefit features for the public as well as their silver, gold, and platinum members. Interested consumers call into the center through phone calls, live web chat, and SMS/Text. With proper technology, one Agent can effectively take traffic from all channels and provide the proper information for each class of buyer. Ask how campaigns, scripts, and forms are delivered to the Agent desktop. Be sure to understand if single Agents can handle multiple campaigns and work in multiple channels simultaneously.



# Reporting & Analysis



## Question 06

# How are performance and results reported?

The old adage is “you can’t manage what you can’t measure.” Call center performance requires quality, actionable data delivered in timely, usable reports. These reports should be as close to real time as possible providing clients with a dashboard to see activity and results. Ask to see what client performance reporting looks like early in your search.



Integration of information from the call center software to client CRM’s is a common solution to prevent “information silos.” Good centers have a Quality Management (QM) system where calls are recorded, audited, and scored to ensure client standards are being met. Clients should have access to the QM system and be able to retrieve and listen to calls. QM combined with a good reporting system is a foundation for a sustainable quality operation.



# Training



## Question 07

# Who trains my Agents?

Ask for detailed documentation about Trainers and Agent training including:

# 1

How many Trainers interact with my team? What are their qualifications?

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# 2

What is the curriculum? What skills are taught?

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# 3

How long are Agents in training? Is continuing education a part of the culture?

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# Pricing Framework

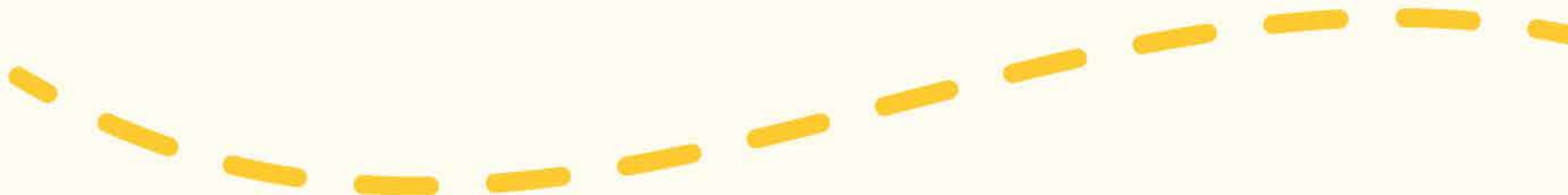




## Question 08

# What is the pricing structure and what is included/excluded?

The call center industry uses a variety of compensation models including Agent cost per minute of talk time, Agent cost per hour, and Agent cost per month. Sometimes training and supervision are built into the Agent cost and sometimes they are billed separately. Understand that ultimately, all call centers will convert the pricing structure into a cost per Agent per month to determine if the client campaign is profitable. If it is not profitable, the call center will terminate the relationship and the client will be left looking for a new solution. Ideally, there should be transparency into costs and productivity. While a pricing structure that is based upon the client paying only for actual “talk time minutes” may appear lower risk, the center is actually paying for the team for the entire day. Know that the cost of the “idle time” is built into the cost of the “talk time” being billed. The key is to find a center that optimizes Agent utilization through technology, shared teams, and good management. If you require 10 or more Agents per shift to staff your calls, you are usually better off negotiating a low, fixed cost per Agent per month rather than a per minute of talk time type contract.



# Staffing Model



## Question 09

# How will my team be staffed? Are they exclusive to my campaign?

Start with the leader. Find out who they are, how long they have been with the center, and what other campaigns they will run in addition to yours. Second, if your team is 10 Agents or larger, you should have at least a Team Lead that is 100% dedicated to your account. Get to know this person.

Five things to know about how the call center manages people:

### Span of Control

How many Agents per Team Lead?

### Hours

How many per day/week do Agents work.

### Compensation

How is Agent compensation structured?

### Turnover

What is typical turnover?

### Exclusivity

Are my Agents exclusive to my business or is it a shared pool of Agents?

Consider your call center Agents as an extension of your staff. Orient your team to your company's core values and culture. Call center employees can take great pride in being a part of your brand and your company's success. Remember, Agents are humans doing a tough job. Respect, appreciation, incentives, and communication go along way towards ensuring top performance.



# Summary

Outsourcing inbound call center services is a great way to lower costs, improve the level of service, and free up inhouse resources for more valuable activities. It is important to get a complete understanding of the technology the center is using and how they optimize their staffing. Omni-Channel service for multiple campaigns is becoming the top tier standard with no need to switch Agents between channels. Make sure that the center is fully PCI compliant with a third-party audit if they are taking credit card information.

When negotiating pricing options, drill down to see what Agent utilization assumptions are being used in price calculation. Make sure you know if and how a broker is being compensated on your contract. And finally, get a clear picture of who is going to manage and train the team working on your campaign. Assign this task to a quality Manager on your team, and if possible, built-in periodic site visits to the offshore call center. Getting answers to these questions will go along way toward ensuring a successful and profitable offshoring experience.

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