

# Taking the Offshore Plunge

*Your Path to Turn Your Service and Support Contact Center into a Customer-Central Profit Center*

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## In This White Paper

- As our homes, desks and cars become filled with products from around the world, the customer support of these products is becoming equally global.
- How to minimize the risks involved with offshoring your business.
- How to maximize the rewards of offshore.
- Sharing the risk and reward of offshore contact centers is the most reliable approach to serving customers offshore.

## *Introduction*

*“As borders fade, commerce alliances grow and technology connectedness improves, offshore labor sources are increasingly relevant for contact center work...far-flung locales can deliver inbound customer service that sounds like it’s coming from next door.”*

Here’s a fun project: take a look around your desk and see how many different countries are represented by the products there. Chances are, you’ll find “Made in Mexico,” “Made in China,” “Made in Germany”-countless items of international origin. Each of our desks, homes and cars are filled with products from around the world. Is it any surprise, then, that the customer support of those products is becoming equally global?

As borders fade, commerce alliances grow and technology connectedness improves, offshore labor sources are increasingly relevant for contact center work. In years past, offshore functions were restricted to time insensitive tasks such as manufacturing, IT application development and outbound teleservices. Now, with improving redundancies and voice compression technology, far-flung locales can deliver inbound customer service that sounds like it’s coming from next door.

Offshore support holds tremendous promise to reduce service costs, improve quality and enhance service flexibility. But with promise comes peril, especially when dealing with foreign countries, customs and regulations. Sitel’s experience in offshore support has revealed a variety of strategies to minimize risks and maximize rewards. Add a solid partner and you’re all set to navigate the offshore waters.

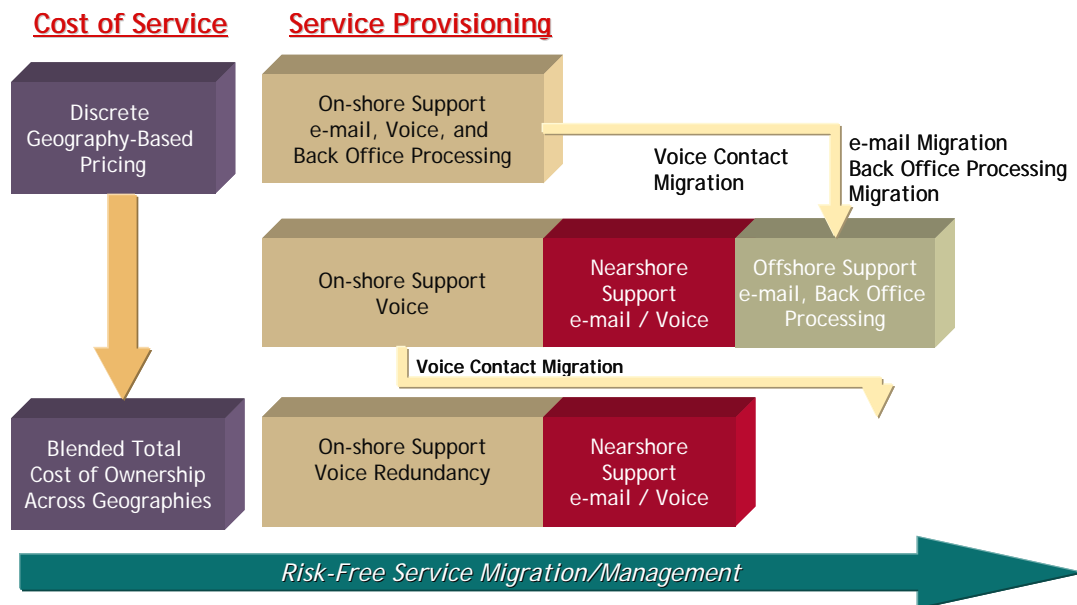
## *Minimizing Risks*

Let’s begin with the scary stuff: the risks. Knowing the potential pitfalls of offshore sourcing will help you avoid costly mistakes:

### **Don’t move too fast**

Keep your company’s strategic goals in mind when selecting functions to take offshore - what aspects of your business can be delegated to deliver increased growth, profitability and speed-to-market? Most companies prefer to make a slow, calculated transition to offshore support, starting with non-critical functions like batch processing and e-mail service, then gradually moving to inbound voice support (see “Contact Migration” chart, right).

Another option is first transitioning work to nearshore locations just a quick hop away (i.e., Canada, Mexico, Latin America, The Caribbean) and later taking the distant offshore plunge (i.e., India, The Philippines).



## Be wary of cheap and inexperienced providers

When you choose to delegate a function as important as offshore customer care, a circumspect evaluation of potential partners is vital. Don't solely consider what your company needs from a vendor today, think about what it will need a year or five years from now. Your culture, problem-solving approach and management style should closely match. Optimally, the relationship will become a lasting partnership that will change and grow with your company. If a provider's support price sounds too good to be true, it probably is - below certain price thresholds, you may be dealing with inexperienced or fly-by-night operations. Make sure you do your homework on your prospective partner's business pedigree and corporate governance, with emphasis on their tenure in call center operations and the local market.

## Watch your hazard exposure

Leveraging offshore resources brings new capabilities, but it may also expose your organization to a variety of new hazards. When heading offshore or selecting an offshore outsourcing partner, you can minimize your hazard exposure by critically assessing operational backups, monitoring capabilities,

anticipatory system intelligence, fraud prevention practices, crisis communication and command structures. To ensure business continuity and uninterrupted customer support, your company or partner must provide significant system, facility and connection redundancies. Your customers are on the line - literally and figuratively - thus backups (especially links and system mirrors between domestic and offshore operations) are essential to delivering a smooth, positive experience that earns customer loyalty.

## ***Maximizing Rewards***

Companies with offshore experience cite the following compelling benefits and tips:

### **Find a skilled, dedicated and economical labor pool**

One of the foremost benefits of taking service offshore is increased access to high-quality, cost-effective labor. The most attractive offshore locales are English-speaking, educated and urban, yet exhibit such significant underemployment that their wages average 30-70 percent less than U.S. wages. Among the most popular of these locations are India, Canada, Mexico, The Philippines and The Caribbean.

### **Leverage partners for access to best applicants**

Establishing relationships with reputed corporate brands, local businesses and government officials will encourage top labor to migrate your way. Agent positions at leading offshore centers are highly coveted jobs that garner the best applicants and years of loyal service. Thus, in addition to salary savings, top offshore locations exhibit extremely low staff turnover rates, which translate to training and recruitment savings.

### **Select a region with socio-economic and political stability**

Given the state of world affairs today, it's more important than ever to carefully consider the stability of the economic, political and social structures within any region you consider. Also, some governments are openly investing in call center training and infrastructure to woo employers

(including subsidies, tax holidays, duty exemptions and other incentives), while other countries erect countless bureaucratic barriers to entry.

## **Identify a location with rock-solid infrastructure**

Cities with redundant global telecom, utility and transportation infrastructure and connectivity are well-suited for international customer support. Tier 1 cities in offshore and nearshore locations are ideal, but may reach call center saturation quickly. Tier 2 cities carry additional infrastructure risks (power, telecom) and may require more investment to ensure reliability.

## **Invest in agent training and cultural understanding**

Seamless service to domestic customers from offshore locales requires investment in extensive training, accent neutralization and cultural education. Some offshore locations are better suited for supporting certain regions of customers - for instance, UK customers find the Indian accent quite palatable, while American ears prefer Filipino. Investments in stellar support and vernacular speech training will deliver clear returns in customer satisfaction.

## ***Sharing the Risks and Rewards***

Hundreds of companies are realizing the superior value of offshore contact centers - and most aren't taking the plunge alone. Establishing an outsourcing partnership is the fastest, most reliable approach to serving customers offshore. Datamonitor's Brian Huff asserts, "The best way for a Western company to reap the benefits of the Indian call center market is to partner with a company with an established Indian presence." The popularity of offshore outsourcing is growing rapidly, spurring innovative relationship models with blended domestic, nearshore and offshore support. Companies that understand and embrace the research and investment required for successful offshore sourcing will reap great rewards, while minimizing risk.

# About Sitel

Sitel is a global Business Process Outsourcing (BPO) leader that meets clients' customer care and transaction processing needs by providing world-class solutions from over 60,000 associates in 155+ facilities located in 27 countries.

Sitel provides clients with the strategic insight, scale and diversity of offerings to ensure the best return on their customer investment. For more information, please access [www.sitel.com](http://www.sitel.com)



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