Trends in Call Center Outsourcing

By Andy Hardin, EVP of Operations for AnyHour Solutions

Trends toward outsourcing in general have picked up speed again since the recent recession as firms seek savings and a reduction of operational complexity. In today's volatile economy, where companies must save on operational costs to keep up with their competition, call/contact center outsourcing has gained significant traction. According to Avaya research, industry statistics show that global call center and business process outsourcing (BPO) services have been growing at over 10% per year since 2005.

Call center outsourcing has ushered in a radical paradigm shift in the way organizations consider traditional customer service. With the introduction of new technologies, businesses in all manners of industries are finding that they can better serve their customers without sacrificing the fiscal and human resources necessary to host these tasks in-house.

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North America definitely has the largest share of the BPO market, followed closely by Europe, Asia Pacific and central and Latin America, Middle East and Africa. Interestingly, many of these markets that outsource services also are home to expanding outsourcing industries.

Outsourcing and off-shoring are often used synonymously; however, they are quite different. Outsourcing refers to sub-contracting a process to a vendor who is often located within the geographical boundaries of the same country. Off-shoring, on the other hand, refers to the situation wherein the sub-contractor and the outsourcing company are situated in different countries.

Call center outsourcing services have transformed the global business landscape – especially for small to medium-sized companies. These organizations are enjoying the associated cost savings of lower agent turnover/hiring/training costs, infrastructure costs and other overhead costs. They can redeploy greater amounts of capital towards business growth strategies while concentrating on their core business.

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However, the off-shoring aspect of call center outsourcing has come under heavy criticism from many state and local governments and large numbers of frustrated consumers. Case in point: the CFI Group's Call Center Satisfaction Index survey showed that callers who believe the contact center is located outside the U.S. rate their satisfaction with the call center experience 26 points lower on the index's 100-point scale and are almost twice as likely to defect compared to those who assume the call center is in the U.S. The bottom line is that any company that isn't putting resources into making sure that the call center is delivering customer satisfaction rather than frustration is taking a huge risk with its customer asset.

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Another survey by New York-based Compass Management Consulting found that increasing wage costs, inadequate customer service and consumer discontent are some of the elements contributing to the erosion of economic benefits initially realized through off-shoring. The analysis of 50 onshore and offshore call centers found the cost benefits of off-shoring decreased significantly over a three-year period, compared to onshore operations where targeted improvements were implemented.

While call center outsourcing has increased by massive proportions over the last decade, the good news is the backlash against off-shoring is bringing jobs back to America, while improving caller satisfaction numbers and creating more loyalty for businesses that utilize high quality American call center outsourcers.

Outsourcing has become a mainstay in so many industries simply because it helps them contain costs while boosting profitability. However, the extent to which an operation outsources is often influenced by factors other than profit and loss projections. Outsourcing returns are sometimes best counted not only in dollars and cents but also in terms of efficiency and bandwidth. Outsourcing often enables smaller organizations to focus on core competencies and objectives, which is a win-win situation – employees and customers are both happier.

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This trend toward increasing use of outsourcing for not only the call center, but for many different business processes, has certainly not been lost on the credit union industry. A key ingredient for any successful contact center operation includes proper integration of people, processes, and technology. More and more credit unions are turning to third party call center providers who can effectively and seamlessly integrate these three critical items in order to help achieve an entirely new level of member service and satisfaction.

Companies such as ours, AnyHour Solutions, have seen, over the last year or two, a significant increase in the number of credit unions now willing, and quite eager, to evaluate the efficiency benefits outsourcing can bring to them, both operationally as well as financially.

About AnyHour Solutions

AnyHour Solutions (www.anyhoursolutions.com) is a highly flexible, adaptable provider of comprehensive, 24/7 contact center services for credit unions via our AnyHour MSR and AnyHour Loan-By-Phone services. Our purpose is to help our credit union partners to enhance service to their members, increase loan volume, and reduce operating expenses. AnyHour Solutions has been providing contact center services to credit unions for just under 20 years, longer than any other company. Highlighted by the industry's most experienced staff of agents and a turnover rate under 10%, our contact center goal is to provide "Service They Will Remember." In addition, AnyHour also provides online loan application functionality as well as a full suite of mortgage processing services for credit unions. For additional information contact Steven Holmes, VP Strategic Development, at 888.622.8696, sholmes@anyhoursolutions.com.

To obtain a copy of our most recent white paper entitled *Cost Comparison of Insourcing vs Outsourcing Contact Center Services* please send your request along with name, title, and CU name to Steven Holmes at sholmes@anyhoursolutions.com. We'll send it right over.