



Key Areas to Consider when Selecting an Outsource (BPO) Service Provider



By Rod Jones

Key Areas to Consider When Selecting an Outsource Contact Centre Provider

In the contemporary business environment, and specifically in the context of contact centres, organisational drive is often to cut or reduce costs, increase efficiencies, increase revenues and profit, manage or mitigate financial and brand and reputational risk; all while driving customer satisfaction and optimising the overall customer experience.

To achieve these objectives, some organisations are recognising the advantages and benefits of outsourcing some or all their contact centre processes to specialised outsource service providers or BPO (Business Process Outsourcing) specialists.

Preliminary Requirements

Making sound decisions and selecting the most appropriate BPO provider can consume an inordinate amount of management time and organisational resources. Making hasty or impulsive decisions must be avoided at all costs. After all, it is imperative that a true outsource service provider should become an intrinsic extension of the organisation. The business relationship must be architected to last a long time, and the benefits to both parties should be substantial and sustainable.

In the final analysis, the decision to appoint a specific provider must be based on organisational compatibility, the well-proven experience and reliability of the provider, the long-term cost effectiveness of the relationship and ultimately, the measurable benefits of enhanced or improved customer relationships.

Assuming that your organisation has been through a rigorous process of ascertaining and fully understanding the implications of outsourcing all or part of the customer interaction activities, a good starting point would be to clearly document the specific requirements of the proposed project to outsource the contact centre.

An in-depth assessment or audit of the organisation's existing call centre or contact centre operations will be an essential start to this process. Ensure that you and your colleagues have a clear consensus view of how it is envisaged that an outsourced service provider or BPO will improve, enhance or benefit your organisation.

Bear in mind that whilst there may be certain elements of cost-savings by outsourcing, cost shouldn't be the primary driver. The contact centre outsourcing project motivation document should clearly state all the other considerations and clearly stated requirements.

Be as specific as possible. Clearly define your organisation's current contact centre operating model. Be very clear about the centre's current metrics, KPIs, and other performance measures, and state precisely where and why the organisation is pleased or displeased with current stats. Also be specific about the performance measures that you would expect any outsource service provider or BPO to deliver.

1 Cultural Fit

Irrespective of the essential financial, business and legal negotiations that will manage the 'housekeeping' of the outsource or BPO arrangement, it is vital from the outset that the outsourcing client organisation and the provider have a high degree of cultural compatibility. Issues such as Vision, Mission, Goals and Ethical Standards are critically important and should be well aligned between the two organisations.

To be able to assess if the prospective provider's culture is compatible with your organisation, review the providers' client references with a fine toothcomb. Cross-check all referees and carry out exhaustive research to establish credibility and reliability.

Spend a good deal of time visiting the prospective provider's contact centre operations; particularly if there are multiple sites. Formally interview executives, managers, supervisors and even agents. Listen carefully to what they have to say. If staff and managers are passionate about their employer, there's a good chance that they will be passionate about your company, your brand and your brand's reputation.

2. Security & Compliance

Security and Compliance have become critical issues for most organisations, particularly those operating in any regulated verticals such as banking, insurance, various other financial services, medical services, telecommunications and other sensitive sectors. Depending on your organisation's industry, in addition to the raft of statutory or regulatory issues, carefully check other requirements such as Payment Card Industry (PCI) compliance and other necessary certifications. Also, be comfortable that the prospective outsource provider is fully compliant with any data protection or personal information protection legislation or protocols.

The providers' data and operational security provisions and standards must also be fully investigated. Data backup, business continuity and disaster recovery processes, facilities and procedures should be thoroughly investigated.

3 Technologies

In recent times there has been considerably more emphasis placed on increased levels of technical sophistication and resources in the endeavour to support all aspects of the Customer Experience; specifically, in the contact centre or customer interaction centre.

Nowadays it is imperative that BPO and outsource contact centre service providers can adequately demonstrate their commitment to deploying true leading-edge technologies to adequately support their client's Cx strategies and tactics. This will certainly include the ability to service the client organisation's customers with a comprehensive omnichannel platform. In addition, the provider should be able to show significant investments and capabilities in the fields of interaction and analytics, social media integration, process automation (Robotic Process Automation - RPA), workforce management and initial deployments of artificial intelligence and ChatBots.

Organisations considering outsourcing of their contact centre operations will also be advised to review the BPO or operations' overall connectivity, voice quality, system redundancy, backup and other technology-related Disaster Recovery and Business Continuity issues.

4. Performance Management & Reporting

How the outsource provider motivates and manages the overall performance of the operational contact centre, and how performance is monitored, measured, analysed and reported on, are critical aspects of the proposed relationship.

Whilst striving to achieve optimised Customer Experience effectively and efficiently (and at minimum cost) is at the core of the purpose of outsourcing, it is vital that the outsourcing organisation has a thorough and on-going understanding of the BPO provider's operations. Aspects such as recruitment practices (specifically, impact sourcing and inclusive hiring practices), induction, training, incentive programmes, quality monitoring, coaching, mentoring and disciplinary process are all vital elements of the providers' operational dynamics.

Ask the providers to share with you details of important metrics such as Average Speed to Answer, Service Level, Customer Satisfaction Scores, Net Promoter Score and First Contact Resolution. Specifically, carefully examine current and historical stats and look for indications of continuous improvement. Also investigate how operational reporting is presented and whether you as the client will have on-line access into real-time and other statistics and reports.

5. Capacity and Flexibility

Customer interaction volumes and processing times can be unpredictable and volatile. Often, volumes can increase dramatically as a consequence of certain marketing interventions, social media activities or other factors that are often difficult or impossible to predict. When considering an outsource provider, ensure that the operation has the capacity and the flexibility to ramp-up and to scale down in response to company activities or market-driven demands, whilst maintaining contracted service levels and other KPIs.

6 Quality Assurance

It is imperative when evaluating the resources and services offered by a BPO or outsource provider that a great deal of attention is focussed on their quality assurance strategies, processes, procedures and supporting technologies.

Ensure that the providers' understanding and definitions of 'quality' and how this is managed and measured within their respective operations is aligned with that of your organisation. This is particularly important as very often 'quality' is interpreted very differently from one operator to another and it could be vastly different to your organisation's expectations.

As the outsourcing client, your executives or managers will need to have direct and easy access into the outsourcers' QA systems and reporting tools. After all, they are going to be engaging with your customers and responsible during interactions for your organisation's brand and reputation.

7. Proven Experience & Areas of Specialisation

An organisation seeking to appoint an outsourced service or BPO provider is advised to seek one that has a well-proven track record as well as certain experience or expertise in your industry or sector.

Specifically look for the operator's primary focus areas. For example: In-bound or outbound calling, sales, collections, IT support or specific language skills. Is the operator focussed on the domestic or regional markets or do they have nearshore or offshore experience? Can they provide the full range of services that your organisation currently needs or might envisage needing in the future?

8. Management Team & Financial Stability

When assessing prospective BPO or outsource providers it is advisable to carefully review the track record, experience and any specialised knowledge or skills that the business owners or senior executives or managers have to their credit.

It is also important to review the tenure of the management team. A stable team is a dedicated team. Overall, does the senior management team have the expertise to drive service excellence on behalf of your organisation?

It is also most strongly advised that an important aspect when considering a provider is the financial stability of the company. How long has the company been in business? Who are the principle stakeholders or investors? If necessary enter into an initial non-disclosure agreement and get access to the past three or four years of audited financials. Also ask for a list and contact details of the company's top suppliers. Review these trade references and interview senior managers representing these suppliers.

9. Industry Recognition

Membership of widely recognised trade or industry associations or bodies and active participation in industry-wide activities such as conferences and awards, are clear indications that the provider is dedicated to the BPO and Global Business Services (GBS) outsourcing industry. Engage directly with association officers to confirm the proposed providers credibility within the industry.

10. Size Counts

Most BPO providers will state that all clients receive the same dedication, care and attention, irrespective of the size of their account. The reality, however, is that in most instances, the larger (and more profitable) of the BPO's clients will receive more focus and attention. It is therefore important to understand from the outset where your company would fit into the BPO's operation. Will your organisation merely be a small fish in the provider's big pond, or will you rank amongst their 'top' clients?

Next Steps

Once your organisation has been through an astute feasibility study and the decision-making processes and elected to outsource all or part of the customer contact or customer interaction activities, selecting the most appropriate BPO provider is a critical business decision; one that will undoubtedly have long-term and far-reaching consequences for your business.

Seek an operator that is not merely a 'least cost vendor' but a genuine strategic partner; one that will work with you and your organisation to build a long and mutually beneficial business relationship; an intimate and synergistic alliance.

Professional Services

With well over 40 years of regional and international experience in the contact centre industry, I can provide a broad range of professional services to organisations investigating or embarking on a project to outsource their call centre or contact centre.

- In-House/Outsource feasibility study
- Baseline assessment or audit
- Drawing-up of functional requirements
- Request for Information documentation
- Request for Proposals (or Price) documentation
- Identification & Due Diligence of prospective providers
- Development of Evaluation Criteria and Evaluation tools
- Facilitation of introductions, site visits and preliminary discussions



*“I help Decision Makers
make Good Decisions about Contact Centres”*®

 rod@rodjones.co.za

 +27 (0)82-568-9976

 www.rodjones.co.za



