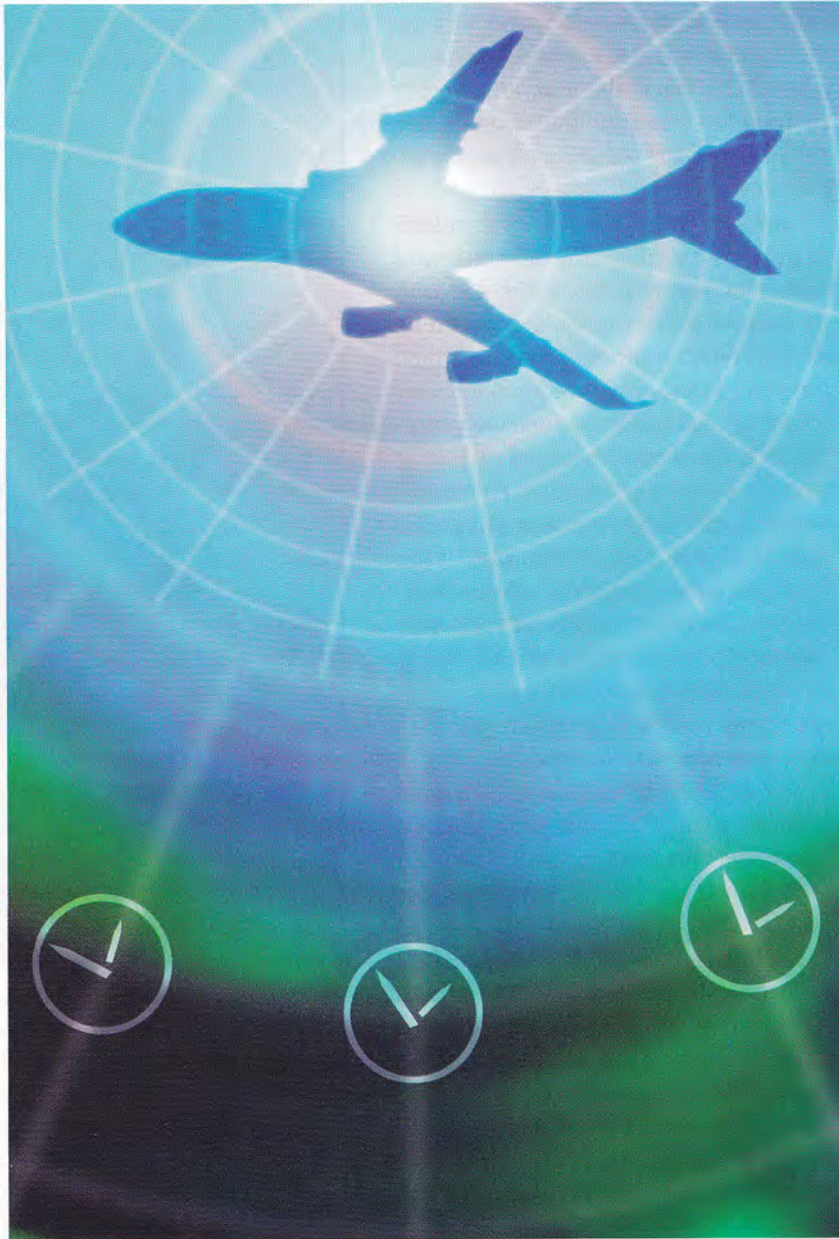


# broader portfolios enhance your **OUTSOURCING** options

Here are three key developments in call center outsourcing you should know about.

► **WHAT'S THE BIG NEWS** in call center outsourcing? One way we could answer this question would be to refer to deals that involve large outsourcers. According to our definition, a call center outsourcer employs agents who communicate with customers on behalf of the outsourcer's clients. The larger the outsourcer, the more agents it employs. Given our definition of call center outsourcing, one of the most significant recent deals is **ClientLogic's** acquisition of **Sitel** earlier this year. As a result of the acquisition, the combined company, now known as Sitel, numbers more than 65,000 associates in 28 countries.

Mergers among large outsourcers are newsworthy, but we believe the three most important trends in call center outsourcing lie elsewhere: the emergence of call center outsourcing in Latin America; the broadening of outsourcers' technology portfolios; and a move among outsourcers away from specialization.



## Trends in Latin America

Given that outsourcers strive to serve their clients' customers from as many places as they possibly can, it makes sense for outsourcers that assist their clients' Spanish- and Portuguese-speaking customers to open call centers in Latin America. For example, **Atento** and **Digitex**, both based in Spain, maintain call centers in Central and South America.

By contrast, outsourcers based in the United States aim to establish or broaden their presence in Latin America through partnerships with or acquisitions of smaller firms that are located in the region. During the past year, for instance, **NCO Group** acquired Star Contact, a Panamanian outsourcer, and **Sykes** acquired Apex, an outsourcer based in Argentina, to expand their respective operations in Latin America. In some circumstances, outsourcers prefer joint ventures, as is the case with the Indian outsourcer 24/7, which collaborated with **Transactel**, a Guatemalan outsourcer, to set up a call center site in Guatemala City.

Another way outsourcers gain access to labor and local expertise within Latin America is by subcontracting with other outsourcers that are based in the region. In Guatemala, the business process outsourcing firm Capgemini hired Transactel to answer calls for one of its clients, the utility TXU Energy. Transactel assists Parago, which manages rebate programs, by handling calls from customers of three of Parago's clients: BellSouth (now AT&T), Circuit City and Dell. In addition to outsourcers, Transactel also works with businesses that directly serve consumers. These clients include, among others, the data storage companies Imation and Memorex, on whose behalf Transactel provides customer support.

At the same time that outsourcers from Europe and North America are expanding into Latin America, outsourcers headquartered in Latin America are looking to grow as well. Such growth initially occurs within the region. Transactel, for example, employs a total of more than 900 agents among four locations. They comprise three centers in Guatemala's capital, Guatemala City, and one center in El Salvador's capital, San Salvador. This year, Transactel plans to set up additional centers in Panama and Nicaragua. Digitex, which employs 1,714 agents throughout Central America, is looking to expand into Brazil.

As you consider whether to work with outsourcers that manage call centers in Latin America, don't assume that these outsourcers can only serve Spanish-speaking customers. Increasingly, Latin American outsourcers, such as Guatemala City-based **Asistencia Global**, whose services include answering requests for roadside assistance, communicate with customers in both Spanish and English. Atento, a call center outsourcer whose parent company is the Spanish telecom firm Telefonica, employs some 125 agents in Guatemala who help US Airways' English-speaking customers with lost luggage or other issues with baggage claim. Many of the consumers Transactel assists, including customers of Imation, Memorex and TXU Energy, only speak English and are not aware they are communicating with agents from a Latin American outsourcer.

In our upcoming coverage of site selection and offshoring, we'll tell you more about services available from outsourcers in Latin America and in other emerging locations for call centers.

## The Role of Technology

The key selling point of a call center outsourcer is how well it communicates with its clients' customers. But the types of technologies an outsourcer offers does make a difference. That's because outsourcers can help their clients decide not only which customer care operations to outsource, but also which operations to automate.

An example of such an outsourcer is Omaha-based **West**, which has the technological infrastructure to employ a team of at-home agents through its *West at Home* service, as well as speech recognition and other automation tools through its *West Interactive* division.

One area in which West has grown has been with regard to notification services. These services inform consumers, typically by email or through automated messages by phone, about the status of flights, deliveries or mortgage applications. Notification is ideal for processes that are subject to unpredictable delays, like flights, or that entail multiple stages of completion, like mortgage applications.

Like other providers of speech tools, West Interactive lets you automate how you gather information about callers, such as their contact information and payment details. In addition, West Interactive enables you to include an automated cross- and up-selling process as part of your method of handling orders by phone. As with automated notifications, you can't always predict how customers will respond to automated promotions, which is why West Interactive gives you the option of allowing customers to reach live agents in case an automated system isn't sufficient to answer their questions.

Cincinnati-based **Convergys** also gives you access to at-home agents, who work either directly for Convergys or as independent contractors. What's more, the outsourcer helps you auto-

mate certain types of calls by offering tools that enable customers to use a speech recognition system to look up account information, place orders, pay bills, activate services, change addresses, find locations of companies and receive answers to frequently-asked questions.

We provide further information about speech service providers in another article within this issue, and we'll cover hosted call center technologies in the next issue.

### How Specialization Drives Innovation

Many outsourcers begin as specialists but flourish by broadening their services. Consider the example of Princeton, NJ-based **AnswerNet**, an outsourcer that started out as an answering service. Through acquisitions, most recently those of two outsourcers — Proxy Communications and RSVP Call Center, whose clients include catalog and online businesses — AnswerNet continues to expand its range of services and the number of industries in which it offers these services.

Even more prevalent is the transformation of outbound telemarketers into outsourcers that know how to communicate with, and don't only pitch to, their clients' customers. An example of this kind of outsourcer is **American Customer Care**, whose interview you can view on [callcentermagazine.com](http://callcentermagazine.com)'s video archive section (look for American Customer Care in the March 15 episode).

Most critical to the growth of outsourcing is a new mindset. Outsourcers have become ever more willing to go outside of their organizations, and even acquire other outsourcers, to gain expertise they believe their clients can't do without.

Just as outsourcers have blurred the distinction between inbound and outbound services, they are also moving beyond their comfort

zones to introduce capabilities that were once only available through specialists. Yesterday's risky ventures are today's standard services.

One of the best illustrations of this trend is that at-home agents have become mainstream, and more large outsourcers tout their ability to provide access to at-home workforces. We can attribute technological advances to the emergence of at-home agents as a component of outsourcers' services. But at-home agents wouldn't be viable if there weren't already evidence to show that it's the quality of the workforce, and not only the technology, that makes an investment in at-home agents worthwhile.

Although we've described a trend among outsourcers away from specialization, it is precisely this trend that makes specialists so important. The specialists are the firms that take on the risk of incubating new services that other outsourcers come to adopt. It would be fair to say, for instance, that Convergys and West have been able to justify their decisions to maintain at-home workforces because of the pioneering efforts of companies, such as **Alpine Access**, **Arise Virtual Solutions** (formerly known as Willow CSN), **ARO** and **Working Solutions**, which identified the types of infrastructures and compensation methods that work best for at-home agents. The economies of scale of large outsourcers, coupled with the innovations and regional expertise of smaller outsourcers, are essential for disseminating best practices in customer care throughout the world. ●

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