

The Benefits of Partnering with a Specialist Outsource Contact Centre

Table of contents



			. •			
-	0	C	ш		n	1
		L		u		, ,

Executive Summary Page 3

Section 02

Introduction Page 4

- The issue
- Our intention

Section 03

Common Concerns regarding Outsourcing page 06

- Offshore and onshore outsourcing [outsourcing, the British public and the UK economy]
- Professional concerns regarding outsourcing

Section 04

The Benefits of Outsourcing page 09

- Cutting costs
- Improving the operation
- Developing the company

Section 05

The Benefits of a Partnership with OpenContact page 14

Our values and ethos

- Our differentiators
- Case studies and client testimonials

Section 06

Conclusion page 19



Section 01 Executive Summary



As a specialist outsource contact centre with over thirteen years of professional experience, OpenContact is well placed to understand the benefits and concerns associated with outsourcing.

Many companies and individuals have taken a negative attitude towards the outsourcing industry and businesses like ours often suffer as a result. Accordingly, we thought it would be prudent to fully address this problem: to separate fact from fiction, and give a fair and detailed account of the industry that we are proud to be a part of.

This white paper has been written in order to:

- Address common concerns regarding outsourcing
- Study the benefits that can arise from outsourcing a customer service operation
- Outline how your company could benefit from a partnership with OpenContact

Through our experience and research, we have found that the benefits associated with outsourcing are numerous and go well beyond cutting costs. Outsource service providers have improved substantially over the past 5-10 years; as well as reducing expenses, we can now provide substantial service enhancements for our clients and catalyse positive change within their companies.

This white paper also serves to dispel the myths that have come to surround the outsourcing industry over the last decade, and explain how partnering with a contact centre like OpenContact can lead to a mutually beneficial relationship with many advantages.

Enjoy the report.

Fiona Brown CEO, OpenContact



Fiona Brown



Section 02 Introduction



The majority of companies in the United Kingdom rely on a good customer service operation in order to succeed. This is especially true of business-to-consumer companies, and also often the case for those that specialise in business-to-business operations.

However, delivering a high quality experience for customers often proves to be a burden for growing businesses. Every company looking to grow will have their own **long-term strategy** to consider; maintaining an efficient customer service operation quickly becomes a conflicting priority, which moves time and resources away from core objectives.

Whenever a company encounters this problem, the courses of action available to them are limited. Carrying on in the same vein means that customer service related responsibilities will continue to hinder the growth of their business.

To avoid this issue, some companies decide to develop an in-house contact centre. However, rather than saving time and resources, the investment required for this will inevitably drain both even further. Ironically, this solution exacerbates the original problem, and it can be years before any positive outcomes actually occur.

In the face of this predicament, outsourcing customer service responsibilities is a logical solution. The financial advantages of outsourcing have been widely publicised: outsourcing, when properly executed, can result in cost savings of anywhere from **20%** to **over 50%** [ISG 2013], depending on which study you go by. In a global survey of 351 contact centres, **76.3%** saw saving costs as a reason to outsource [Dimension Data's 2013/14 Global Contact Centre Benchmarking Report, © Dimension Data 2009-2013].

'The goal as a company is to have customer service that is not just the best, but legendary.'

Sam WaltonWalmart founder



In addition to this, **enhancing agent skill, increasing flexibility** and **improving service quality** were all given as viable reasons to outsource. Good contact centres are often able to use their relevant expertise and state of the art technology to improve the customer service operations of their clients. Despite this, many companies are still extremely hostile towards the concept of outsourcing. Roughly **82.1%** of contact centres globally are currently in-house, meaning that only **17.9%** are outsourced [Dimension Data's 2013/14 Global Contact Centre

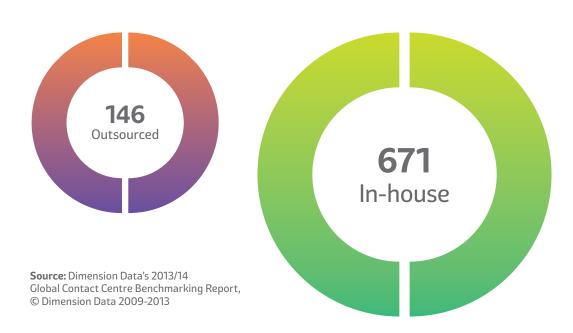
Benchmarking Report, © Dimension Data 2009-2013].

05

The United Kingdom is no exception. Few British industries are more misunderstood than outsourcing. **80%** of the British public do not think that outsourcing helps the British economy, while **22%** claim to actively dislike the outsourcing industry [NOA 2012]. This negative perception has undoubtedly 'rubbed off' on many businesses in the UK. In the corporate world, outsourcing is most often associated with cutting costs at the expense of service quality and control.

These are all misconceptions. Outsourcing as an industry is crucial to UK PLC and holds many more potential benefits for UK companies than simply cutting their costs. The next section of this white paper is dedicated to discovering why the outsourcing industry has gained a negative reputation and whether it is justified.

817 Contact Centres surveyed





OpenContact Sapphire House, Roundtree Way, Norwich, NR7 8SQ

Section 03 Common concerns regarding outsourcing



In their 2013/14 *Global Contact Centre Benchmarking Report*,
Dimension Data dedicated a section to identifying why outsourcing
relationships fail. They found that the most common reason was 'a lack
of alignment between the commercial and contractual agreement, and
what the client was hoping to achieve.'

Dimension Data concluded that when outsourcing correctly, 'you have a well-oiled machine that offers an equal, if not better, performance level than an in-house centre, but at a much reduced [cost] rate.'

Offshore and Onshore Outsourcing

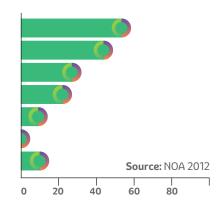
In the introduction it was established that outsourcing's 'image problem' is partially down to misconceptions among the general public.

So why do a sizable chunk of the British public dislike the outsourcing industry? And why do the majority believe that outsourcing doesn't help the UK economy?

A recent NOA study suggested that these two questions are fundamentally linked. 58% of the British public associate 'a major bank using a call centre in India' with outsourcing, but only 27% see 'a local computer company providing IT support to smaller businesses' as a comparable example [NOA 2012]. This is despite the fact that both are genuine examples of outsourcing. The public is prone to assuming that outsourcing necessarily means outsourcing offshore – a misconception that is damaging for onshore outsource specialists.

Which of the following do you think describe an example of outsourcing?

A major bank opening a call centre in India 58%
A sports brand setting up a factory in China to manufacture trainers offshore 47%
A Government department buying software licences from a French supplier 32%
A local computer company providing IT support to small businesses 27%
Hiring an accountant to help with getting your tax return right 14%
Lastminute.com selling holidays on the internet 6%





OpenContact

Sapphire House, Roundtree Way, Norwich, NR7 8SQ

None of these 15%

- t: 0844 576 0099
- e: info@opencontact.co.uk
- w: opencontact.co.uk



Outsourcing is the country's second biggest contributor to GDP, weighing in at **8%** (just behind the financial sector's 8.1%) and contributing **£21 billion** in income tax alone every year [NOA 2012]. This contribution to the British economy comes from the vast number of outsource service providers based within the UK.

It is true that 'offshoring' has been the more prevalent form of outsourcing this past decade. However, the industry has gone into decline in recent years. Only **8%** of companies with contact centre facilities included offshore outsourcing as part of their strategy in 2013, a drop of **1.3%** from the previous year [Dimension Data's 2013/14 Global Contact Centre Benchmarking Report, © Dimension Data 2009-2013]. The number of companies that included outsourcing in general as part of their strategy only fell by **0.8%**, indicating that **onshore outsourcing actually gained popularity during 2013.** Many big British companies have started moving their overseas operations back to the UK; most notably Santander UK, who did so in reaction to frequent customer complaints. BT and Aviva are also examples.

Professional Concerns

There are more legitimate concerns that some companies have with the prospect of outsourcing operations. Here are the most common:

Loss of Service Quality

It might seem inevitable that, by moving part of your operation to another company who are not as knowledgeable about your product, the quality of service will drop. However, one must remember that outsource service providers specialise in great customer service; it is both their business and their top priority. More and more studies are showing that most customers value quality of service over price¹ and contact centres are aware of this, making it unlikely that they will cut corners in order to save money. The best will dedicate time to learning about your company and product; their industry experience, combined with this knowledge, can improve your service's quality long-term.

Failure to Accurately Represent the Brand

This connects to the previous concern; an outsource agent who is not as familiar with your company could be less capable of effectively representing your brand. However, outsource agents are trained across a large number of clients and have plenty of brand-representing experience. This often gives them an edge over in-house staff and, when they have been sufficiently trained on your product or service, they can become extremely valuable custodians of your brand.

¹ 55% of customers are willing to pay more for a better service [Defaqto Research 2010]. A customer is 4 times more likely to defect to a competitor if their problem is service rather than price related [Bain & Co.]



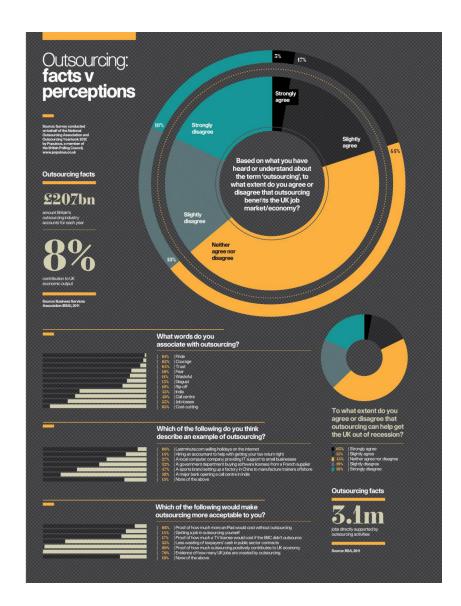


Loss of Control

Outsourcing an operation inevitably means giving up some degree of control. However, the best contact centres will still allow you as much control as you require and unlimited access to your operation, while removing the distracting necessity of constant supervision.

It's too Complicated

There is always the concern that bringing another company into your operation will lead to complications that will make running a business more difficult. While it is true that initially outsourcing an operation might require an initial investment of extra time and energy, there is no reason why this should persist in a healthy outsourcing relationship. In the face of short-term complications, it is important to bear the long-term Return on Investment (ROI) in mind. The service disruption is temporary, but the financial benefits will go on for as long as the partnership lasts.



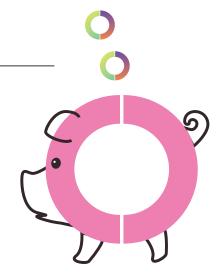
Source: Raconteur 2012 (infographic) / NOA 2012 (research) [As originally seen in the 'Outsourcing Business' special report published by Raconteur on June 11, 2012 in The Times newspaper (UK)]



Section 04 The benefits of outsourcing



This section focuses upon the most notable benefits of partnering with a specialist outsource contact centre, as opposed to using an in-house team. Ultimately, running a modern, high quality contact centre is expensive – economising on the costs will inevitably reduce the quality of service. This poses a dilemma for companies that are simultaneously focused on other business ventures. Contact centres, as customer service specialists, do not have to face this dilemma.



Cutting the Costs

First addressed is the most cited advantage of outsourcing customer service operations – cost cutting. The majority of research indicates that a company will experience tangible financial benefits when they outsource. The ISG concluded that companies in general can save up to **50%** from outsourcing portfolio segments. Their research goes on to confirm that the **majority of companies who outsource contact centre operations to onshore locations experience average run-rate cost savings of 20-25%** [ISG 2013]. Onshore outsourcing can cut a company's costs significantly, without moving the outsourced operation too far from home.

These savings occur because so many expenses are eliminated by outsourcing. When developing a contact centre, the main costs to consider are the **initial capital outlays** and the **ongoing overhead expenses**. Set up costs for a modern contact centre can easily run into six figures for systems alone. If a growing company wants to set up a functional in-house operation, they will need to invest in **new staff** (who must then be trained in contact centre customer service), **new equipment**, a **new infrastructure and new technology**.

That is just the beginning – the customer service industry is constantly evolving, which means frequent new investments, as well as paying for maintenance. Contact centre staff must be monitored and coached, the infrastructure gradually expanded and the technology constantly updated. Failure to commit to any of these enterprises will eventually render a company's customer service operation obsolete.

Source: NOA 2012





As specialists in customer service, outsource contact centres do encounter all of the same costs. On the other hand, they have had longer to develop their facilities, do not have any conflicting business ventures to consider and can spread their costs effectively across a range of clients. By outsourcing to a specialist contact centre, companies can have access to the **best staff, infrastructure and technology** without having to personally make the required investments.

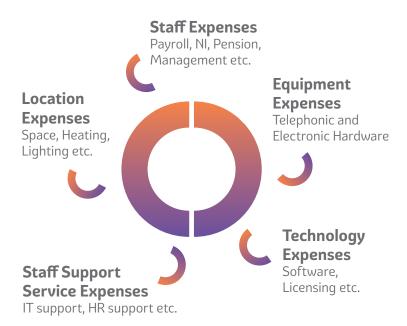
The cost of the hiring an outsource contact centre's services is usually far less in comparison to setting up an in-house team; long-term savings can serve to either increase a company's cash flow or be reinvested back into their business.

Seasonal businesses, that only experience high customer contact volumes during certain months, stand to financially benefit the most from outsourcing.

Outsource centres can charge their clients on a 'per contact basis,' ensuring cover during busy periods without overcharging for the quieter months.

This removes the need to hire additional seasonal staff and invest in technology which is costly all year round.

Estimated Expenses For Running A Contact Centre



Overall Annual Cost = approx. £30,000 - £45,000 per agent

For a contact centre with just 5 agents, that equates to £150,000 - £225,000 a year

Alternatively, OpenContact charge roughly £30,000 a year for a contract that covers 50 calls a day, all year round, answered by a greater number of staff.





Improving the Operation

Historically, in-house contact centres were the top performers when it came to efficiency and customer satisfaction. However, that has changed over the past decade. In a recent report, the ISG stated that 'in contrast to in-house operations, service providers have been improving scale, efficiencies, processes, platforms and supporting tools and technology' [ISG 2013]. Meanwhile in-house capabilities have improved at a much slower rate. Outsourcing customer service now often constitutes a service upgrade, which brings with it a sustainable competitive advantage.

Furthermore, outsource service providers usually possess **superior technology** – a competitive necessity in the customer service industry. The majority record 100% of their calls and collect statistics that allow extensive analysis of operations, all in order to monitor and improve service quality. Furthermore, by being partnered with a number of clients from a variety of industries, outsource contact centres have extensive access to a **vast network of technical knowledge**, which they can also frequently contribute to.

Regardless of these technological capabilities, a contact centre's prime asset is always its agents. On average, outsource personnel possess better customer service skills than their in-house counterparts – they have more experience with a wider variety of clients and are subject to higher quality training on a more frequent basis. It is also worth considering how representing numerous clients makes an outsource contact centre agent's job more interesting. In contrast, in-house staff experience very little variety in their work; this can breed lethargy and boredom, which customers eventually begin pick up on.

That just goes for the present. In all likelihood, the gulf in quality between outsource and in-house contact centres will grow over the next 5 years. This prediction is based on the findings of Dimension Data in their 2013/14 Global Contact Centre Benchmarking Report.

OpenContact's Technology

Our systems include:

- 90 channels of first-class ISDN telephones
- 128 telephone extensions
- O Bespoke IVR routing
- Skills based routing and call queuing
- Blanket call recording
- O Computer telephone Integration
- Comprehensive call logging/ reporting
- Virtual server infrastructure
- Resilient internet connections

Norwich, NR7 8SQ



Dimension Data findings

The majority of contact centres are currently **multichannel operations**. This means that they offer customer contact options through a number of different channels (phone, email, webchat, SMS, social media etc.) However, soon multichannel will not be enough. Customers are beginning to expect these contact channels to be integrated, which will enable them to move seamlessly from one channel to another without interruption. This is known as **omnichannel capability**. Contact centres will soon have no choice but to improve their technical knowledge and IT systems in order to accommodate an omnichannel operation.

In their executive summary accompanying the report, Dimension Data add 'an omnichannel capability will become a necessity – customers will expect, and accept, nothing less.' This poses a problem for inhouse service providers, who are already falling behind when it comes to contact centre technology. Omnichannel operations will become a necessary aspect of customer service within the next five years, and outsource contact centres will lead the way as providers of this service.



Source: [Dimension Data's 2013/14 Global Contact Centre Benchmarking Report, © Dimension Data 2009-2013]

What is Omnichannel Capability?

Providing multiple channels of contact, which allow the customer to move seamlessly between them.

Example: A banking customer could begin an authentication process with his bank via a mobile app, and then connect through the app to a contact centre agent to finish the verification – authentication is maintained across multiple channels.





Developing the Company

Outsourcing particular operations can even benefit areas of the company that remain in-house. Some of these benefits are direct and to be expected; others are indirect and can come as a surprise, yet they have been noticed time and time again.

The most prominent of these benefits are **improved business focus** and the **freedom to redirect company resources**. With customer service responsibilities outsourced, companies no longer have to worry about constantly managing an in-house operation, ensuring cover from a severely limited number of staff or planning ahead for sickness and other similar inconveniences. Instead, management and staff will be able to concentrate once again on the ventures which made their business prosperous in the first place; the removal of constant supervision and fixed labour costs will allow them to redirect time and money back towards those pursuits. Furthermore, companies in this position will experience **increased flexibility:** recovered time, money and resources can be committed to moving the business in new and exciting directions.

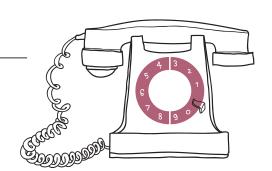
Outsourcing's indirect impact is that it can initiate a **catalyst for positive change** throughout the rest of the company. Companies that outsource often gain access to the same network of technical knowledge that their outsource partner benefits from, giving them the chance to adopt and apply new practices. Dimension Data add in their report that **'analytics will need to be placed across all channels'** in the contact centre of the near future, a fact that most modern outsource contact centres are already well aware of. The detailed reports and statistics made available to companies by their outsource provider can prove to be invaluable – this should motivate companies to place analytics across their remaining in-house operations.



Section 05 The Benefits of a Partnership with OpenContact

It goes without saying that OpenContact can do all of the above for your company. The case studies and testimonials at the end of this document testify to that.

However, we can also do more.



Established in 2000 and based in Norwich, **OpenContact** is an outsource contact centre that specialises in premium quality customer contact services. We have a diverse portfolio of clients from a variety of industries and a management team with over 70 years of combined experience.

We offer a wide range of customer contact management services. These range from **overflow** and **out of hours** support, where our agents will compliment your existing team, to **totally outsourced** operations, where we will service all of your contact centre customer service needs. Our contact hours are extensive; we open 7 days a week, 364 days a year and are willing to go even further if one of our clients require it. Furthermore, our services are scalable - **our clients only ever pay for what they use.**

The contact solutions we provide will empower both your potential and your existing customers to make the right choices and 'buy' from you for life. We are proven to increase performance metrics and are experts at differentiating on sales, service and customer experience on behalf of our clients.

A Blended Bureau Model

Our multi-skilled agents are trained across a number of different clients/brands and the call flows are spread across the team in order to provide maximum efficiency. This allows more calls to be answered than if our agents were only trained on one or two specific clients.

A High Quality IT Operation

Our systems are excellent, and we have a great deal of experience with developing bespoke technology for our clients and integrating client-based systems with our own.

Professional Consultancy Experience

We have gained a wealth of experience from our partnerships with major UK brands and will always be happy to share this for your benefit.





Our Values and Ethos

We are a **family-run business**. The company was established in 2000 by Ron Pollin and is now managed by his daughter Fiona Brown, a longstanding member of OpenContact's management team. This family ethos has spread throughout the rest of the company and has produced a robust, reliable and personable contact centre environment that we are immensely proud of.

Thanks to this ethos, OpenContact has one of the lowest staff turnover rates in our industry - just 10% in an industry where 22% is the average. The variety in work increases job satisfaction among our agents, which translates into great customer service. Our excellent staff retention rate means that you, as a client, will retain the investment you make when initially training our team.

We are also experts at building strong relationships with clients, as well as with our staff and customers. As our partner, you will be treated to an open, honest and professional service, complete with dedication and reliability.

The choice between outsourcing and remaining in-house is rarely an easy one, but with OpenContact you get the best of both worlds. You will receive the aforementioned benefits associated with outsourcing, while still maintaining the control, intimacy and ease of communication that you currently enjoy with your inhouse team. We aim to become an extended part of your family, and for you to become part of ours. We will do our upmost to support you wherever we can, sharing your business objectives and becoming effective custodians of your brand.

Our Differentiators

'The answer is yes, now what is the question?'

O We never do 'off the shelf' solutions

Our contact solutions are designed to fit each customer individually and benefit you, not make things easier for us. We will always try to provide you with the bespoke solution that you desire.

O Extended services

We are always willing to provide additional services, from database management to mail and fulfilment services, and much more. This is demonstrated in the following Dogtag case study.

Q Quick reaction to client demands

Our location ensures that we always have access to a large pool of talent in the city and beyond. We can expand quickly when needed and have done in the past, as you will see from the following Go Ape case study.

O Commitment to the Client

We recommend regular review meetings, conference calls and visits, so that our clients always know what is happening with their operations. We also encourage you to get involved with training our agents, to ensure that we are conveying the true tone of your company.

O Firsthand Experience

When possible, we will look to have our agents experience your product or service first-hand, so that they can display knowledge and genuine enthusiasm when interacting with your customers.connections





Case Study: Go Ape!

The Company

Go Ape! is an **award-winning forest adventure course** of rope bridges, tarzan swings and zip wires, all set high up in the trees. Since opening their first course in 2002, Go Ape have built one of the fastest growing companies in the UK and currently have **29 courses spread across the country.** They have also diversified in the activities they offer and now run 'Tree Top Junior' courses, 'Zip Trekking' and 'Forest Segway' adventures.



Inevitably Go Ape experience a **high level of seasonality** with their business. Their courses are generally closed over the winter months, with peak levels of demand during the summer and over the bank holidays, hence why they opted to outsource. However, they needed a contact centre capable of reflecting the confidence and enthusiasm that is essential to their brand.

The Solution

Go Ape decided to appoint OpenContact and we subsequently had all of our staff enjoy the Go Ape experience before handling any calls. Now our agents are all able to advise Go Ape customers with enthusiasm, having experienced one of their courses first-hand.

In the past 10 years, OpenContact have become responsible for all of Go Ape's **telephone booking services**, **customer enquiry handling** and **back office administration**.

Go Ape now see all of OpenContact's management and staff as important members of their team, a vital part of their internal structure and co-guardians of the Go Ape brand. Go Ape have greatly appreciated OpenContact's ability to match their considerable growth over the last 10 years and our commitment to continue doing this long into the future.





OpenContact agents at Go Ape! in Thetford



Case Study: Dogtag

The Company

Dogtag is an award-winning travel insurance provider for action-minded travellers. They provide their policyholders with engraved stainless steel 'Dogtags' that act as ID, proof of cover and hold 24-hour emergency contact information.



The Challenge

In 2001 Dogtag opted to outsource their fulfilment operation, but they needed a provider who could operate their engraving machinery and provide **same day dispatch**, or next day at worst. Every Dogtag policy requires a laser printed policy document, individually engraved stainless steel Dogtags attached to a chain and a policy booklet.

The Solution

OpenContact **volunteered to take on this unfamiliar technology** in order to help our client, and also took on all of the labour-intensive assembly and packing responsibilities. Initially we took charge of a plastic card printer which we operated for Dogtag. We currently operate laser metal engraving machinery on Dogtag's behalf and are responsible for **Dogtag's entire fulfilment process.**

Dogtag and OpenContact have enjoyed a mutually beneficial partnership for over 12 years now. We have always been enthusiastic about the prospect of expanding our capabilities in order to support Dogtag's niche requirements and have shown a keen willingness to adopt new technology and machinery whenever required.





Client Testimonials

"OpenContact is very much part of the Go Ape team. We used to be with a much larger call centre but moved to OpenContact because they really cared about delivering a terrific, personal service to our customers. We haven't been disappointed." "OpenContact take the trouble to send all their operators to experience Go Ape before they take our customers' calls. Their enthusiasm and knowledge really comes across in the calls and our customers are convinced that they must be talking to in-house Go Ape staff. We couldn't do it better ourselves and have no desire to move anywhere else."

"OpenContact have contributed to Go Ape's success for several

years and we have always enjoyed working with them."

"We moved our business to OpenContact as we were unhappy with the service given by another provider of a virtual receptionist service... OpenContact have given us good reliable service and are an asset to our business."

James Lambert Managing Director Combat Paintball

Rebecca Mayhew Communications Director and Co-Founder Go Ape!

"OpenContact achieve the very rapid turnaround of client's documents, travel wallet and Dogtags which we promise and we can be sure of 100% accuracy. In the time we've been dealing with OpenContact I can't remember a single wrongly collated pack. They even run our stock control for us. OpenContact is a vital component of Dogtag's infrastructure and remain fully part of our plans for expansion into other markets outside the UK."

"The OpenContact partnership delivers high quality, effective and consistent service which allows for continued service improvements."

UK General Insurance

Dave Rice Director Dogtag Ltd.

"We are delighted to have OpenContact onboard to help us provide the highest level of customer experience for The View from The Shard. OpenContact's expertise in managing customer services for visitor attractions will help us to ensure that our quests have the best possible experience, even before they arrive."

Anders Nyberg Chief Executive Officer The View From The Shard



Section 06 Conclusion



We hope that you have found this white paper to be both informative and enlightening. The outsourcing industry's image problem often persists despite the great number of benefits associated with outsourcing, many of which are self-evident. We expect this white paper to dispel at least some of the misconceptions and myths that continue to haunt our industry.

We also hope you agree that, when it comes to collaborating with an outsource contact centre, OpenContact are the ideal partner. Our technological capabilities, professional prowess and bespoke solutions make us an excellent choice for companies looking to expand in size or increase revenue. The flexible structure we employ means that we are suited to all sizes of operation, from providing contact support for small local firms to handling every customer service requirement of a nationwide company.

If you are interested in OpenContact's services or would like more information that you were unable to find in this white paper, please feel free to either visit our website at **www.opencontact.co.uk** or call us on **0844 575 00 99**.

You can also follow OpenContact on Twitter **@OpenContactUK** and find us on LinkedIn **https://www.linkedin.com/company/opencontact**.

References

Dimension Data's 2013/14 Global Contact Centre Benchmarking Report © Dimension Data 2009-13

ISG's Contact Centre Outsourcing © Information Services Group 2013

NOA's The Public Perception of Outsourcing (http://www.noa.co.uk/ files/129.pdf)

