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Telecom Law:

Outsourced Call Centers – Hope on the Horizon? Ya Mon...

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Let me begin by saying that I'm not a fan of call centers. Generally, I think that they exist not to provide service to customers, but rather to insulate companies from those customers they're in business to serve.

Anyone who has to wade through layers of menu choices, repeatedly provide account information and call back more than once to get the help needed can vouch for the fact that the experience is rarely satisfactory and frequently infuriating.

Truth be told, one of my very first jobs was as a customer service agent at a major financial institution, so I have some experience on the front lines of this area of telecommunications. I learned very quickly that no one ever calls to say "Thanks a lot, my bill looks terrific this month."

People call when there are problems and they frequently assume that those problems are the agent's fault. This is neither accurate nor fair. From personal experience, I can report that those customers who were nice on the phone, regardless of the extent of the problem, were likely to not only get a speedy response from me, but also on occasion more than they were owed. Those who were nasty and unpleasant frequently got way less.

Given that the person initiating the call is more often than not at some level of annoyance (I don't know if with current technology calls can be color coded like our national state of alert system, but such information would be very useful), it's not surprising that turnover of customer service agents is high.

This is one of the many reasons, besides cost (which is certainly the driving force), that have motivated many large companies have moved their gigantic call centers overseas where, from the company's perspective, in addition to saving considerable expense on the wage front, it can hire and retain a more tolerant work force.

But as any forward-thinking business operator knows, it's not always about cost. Those decision-makers who have moved or outsourced call center operations to Asia



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and Europe (primarily, but not exclusively India) are no doubt aware of the huge problems associated with language, culture and geography that have created significant challenges.

According to David Grill, principal, the Marlboro Park Consulting Group in Montclair, New Jersey, an expert in call center applications, "the reality is that overseas based agents are often limited to handling the most basic transactions, and that anything more complex (which means those with the most aggravated customers) needs to be escalated to a supervisor or manager. Ironically, those 'second-level' personnel are often based in the U.S."

However, some of the entities that have considered outsourcing call centers now have a new option — the Caribbean. In fact, in an article from the September 2, 2007 Jamaica Observer, the hottest growth industry in Jamaica is telecommunications.

The market has slowly been deregulated, creating opportunities for competition, both in terms of equipment and services.

Like Asia and the U.S., Jamaica and the rest of the Caribbean hold title to a highly motivated work force. Also like Asia, the cost of doing business is considerably lower than it is in the U.S. Unlike Asia, the cultural differences between the Caribbean and the U.S. are far less great, thus making the experience for customers much less foreign and much more customer-oriented than with an agent who says that her name is Mary and who's clearly based overseas.

Certainly the drive to move customer service functions overseas has largely (ok...almost exclusively) been driven by cost. It's simply cheaper to have labor-intensive roles filled where labor costs are lower. Duh... But many companies in all sectors of the marketplace have begun to realize that there is a cost of pushing these functions so far away from the customer base. In fact, as recently as late August, the New York Times ran an article about Netflix

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that has opted to move its call center to Oregon and have it staffed 24/7 by live people. Netflix made this move in an effort to secure an advantage over its biggest rival, Blockbuster.

In one of the lakest comments I've read, the New York Times, in an article titled "At Netflix, a Victory for Voices over Keystrokes," (August 16, 2007) author Katie Hafner quoted Blockbuster Senior Vice President and General Manager for Blockbuster Online as saying that customers prefer e-mail to live agents.

My response to this is quite simply that if customers are comfortable using e-mail to communicate with the company, it's only because they've been given no other choice. Anyone who has ever been frustrated by menu limitations on a "contact us" or "customer service" website knows exactly what I mean.

The opportunity presented by Caribbean call centers is unique and full of possibilities particularly for those entities that find Asia and Europe simply too far away, and yet who need to provide call center support. Besides, convincing trainers and other senior management to visit the call center won't be anywhere near as challenging as it is now when these key personnel need to travel half way across the world. Just float the word "Caribbean" and such trips will no longer be viewed as a negative. Then everybody wins. And when the staff is happy, it's much more likely that customers will be as well.

Martha Buyer is an attorney concentrating in the practice of telecommunications law. Her clients range from Fortune 500 companies to small family-owned businesses where she has provided a range of telecommunications consulting and legal services, primarily geared to support corporate end-users working with carriers and equipment providers. Buyer can be contacted at martha@marthabuyer.com.