

Bringing offshore operations 'home' – without increasing costs

COVID-19 and the offshore contact centre industry

With the pandemic leading to the closing of many offshore contact centres, many companies are re-evaluating the risks of relying on offshore vendors for their contact centre operations.

At the same time, customer enquiries have not gone away. In fact, in some industries, such as financial services, customer contact volume has increased (e.g. queries relating to loan deferral schemes, hardship allowances, etc).

Organisations hit by this rapid change have been forced to adapt quickly. With certain staff experiencing lesser workloads, companies are redefining roles and cross-training employees to better meet demand, (e.g. training front-line bank branch or sales staff to answer customer phone calls).

Many Australian companies have announced plans to bring their inbound call centres home permanently, including for example Telstra and Westpac. These announcements have been well-received by customers, and more broadly in the community, as many tend to be sceptical around the quality of offshore services.

The trade-offs between onshore and offshore operations

Whilst there are significant customer service, call quality and business continuity reasons for bringing offshore operations back home, the key question for those considering the move is how to do so without adding cost.

The cost of contact centre operations can largely be considered as the product of two factors: (1) the number of contacts made and (2) the cost of handling each contact.

Over the past 30 years, offshore became an attractive option for businesses because the lower labour cost significantly reduced the cost of handling each contact. However, cost savings can also be achieved by reducing the number of contacts that require live-agent handling, through four main approaches:

1. Understand and eliminate the root causes of contact

The key to reducing unnecessary contacts into the call centre is to ensure product managers and other key stakeholders are held accountable for calls into the contact centre and why. Home-shored operations better facilitate a management focus on call volume and types thus driving efforts and initiatives aimed at eliminating the root cause of customer queries. To illustrate, we recently helped a distribution logistics company reduce calls by 15% during the pandemic by undertaking deep analytics into what is causing phone calls and eliminating drivers of unnecessary call volume.

2. Digital channels

The pandemic has led to an accelerated pace of the digital programmes, allowing for increased self-service. Often digital transformations are costly and slow to deliver improvements; however, the lockdowns forced the need for improved digital delivery with much quicker output. How was accelerated digital delivery achieved? One important lesson learnt through all this is that for agile to really work, especially in large established organisations, senior leadership must be involved in daily scrum sessions and participate in setting sprint goals – which historically was rarely the case.



3. Text channels and bots

Since March, there has been a near six-fold increase in Australians using platforms like Facebook Messenger, WhatsApp and SMS to communicate. Companies have dramatically increased self-service in these text channels by using AI and bots to respond to simple questions. More complex queries are handled by human operators – likely now Australian based. Customers find this method of communication acceptable as long as they have the option to connect to a live operator if desired.

4. Robotic Process Automation (RPA)

RPA is essentially the application of software to emulate the actions of an agent. The robots can be set up to automate processes that take clear data inputs and use them to follow consistent business rules. They work 24/7 and process enormous volumes with the speed and accuracy only a machine can deliver. In the call centre space, typical candidates for RPA often include taking and updating customer orders, updating customer information or providing customers with order status updates. Both customers and employees report higher satisfaction ratings, as a result of effective RPA implementation.

How to bring contact volumes home?

Once the decision is made to bring contact volumes home, the practical realities of putting a large-scale onshore contact centre on-line often takes up to 12 months. This is driven by two main challenges (1) finding a suitable location for the new facilities and (2) finding qualified staff to operate them.

With multiple large organisations all looking to onshore their contact centres, experienced staff are in demand. Faced with this challenge, large companies have opted to re-skill staff who might otherwise have been let go, and re-purpose existing facilities – thus offering a significantly faster and cheaper option than finding a ‘new home’.

If new staff is required, the challenge becomes selecting a location which has adequate availability of labour at a suitable price point. For example, regional towns in Australia or New Zealand can reduce costs by 15-20% compared to the major central business districts. The use of home-based agents is also an attractive option that can reduce unit costs by 5-10%, as well as increase productivity by 10+%.

The solution does not need to be ‘one size fits all’ – industry software can seamlessly stitch together contact routing and handling operations across multiple locations and multiple channels. However, getting these decisions right is key to driving effectiveness and efficiency in the new operations.

Conclusion

Considering bringing offshore operations back onshore offers significant benefits in terms of customer service, quality and business continuity. By focusing on reducing contact volumes, via a range of new technologies and intelligent analytics, the change may also be achievable without increasing costs.

About Partners in Performance

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About the authors



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