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OPINION 2006: Year of the Call Centre?

Call centres have come a long way in the last few years but what does 2006 have in store for them? Tony Hayward offers his predictions

While 2004 was probably the year when call centre off-shoring went through the roof, 2005 has, in my mind, seen different fortunes for the off-shore industry. There has been talk of the rapid growth rate in the Indian market slowing down, and a number of high profile cases of data and monetary theft through Indian call centres that bring the basis of the decision by many companies to off-shore into question.

I wonder if Citigroup's management have asked themselves whether nearly half a million dollars would have been stolen from its customers by rogue agents if its call centres had remained in the US?

That's not to say that all off-shore call centre agents are untrustworthy; on the contrary. But I do think that these highly publicised cases of theft raise a key question. How many companies really know what is going on in their off-shore call centres? Doesn't the geographical location, cultural difference and lack of integration create greater and unnecessary risks to the business?

Would you happily damage your credibility in order to save money, or would you pay more in order to maintain and improve your credibility? Which matters to a business most? Companies who off-shore call centre operations are in danger of damaging their name purely for short term efficiency gains. But the good news is that more of them are now remembering the importance of the former – that credibility comes first.

In my mind 2006 will be the year of on-shore outsourcing. Outsourcing will still exist but the trend will shift to less long distance and more close to home. This will allow organisations to reduce the risk of outsourcing while still realising its benefits. With data protection laws becoming ever more stringent across the globe, companies will need to reduce risk; sending sensitive customer data far and wide will become considered bad practice and not in the customer's interests.

A more tiered approach to call centres will emerge, with more integrated and flexible combinations of in-house call centres, for the most data sensitive and mission critical activity, local outsourcing for semi-sensitive activity like outbound marketing, and off-shoring for non-critical activity like customer enquiries.

Another trend for 2006 is that call centre management will change significantly. As these departments move from being a carbuncle stuck on the side of the organisation to being a cross functional department supporting every area of the business, they will become a much more attractive place to work. Organisations will be ensuring that their brightest managers are in call centres, enabling the call centre to work effectively towards the goals and performance indicators of the business.





The call centre management role will also develop, from being one of keeping the engine room running, to being in the driving seat, steering the most effective course. Naturally this is good news for existing call centre managers as it gives them significantly new scope in their careers.

As call centres come closer to home and become a more integrated part of the business, they will become an increasingly critical source of information to other areas. As a result we will see departments working in partnership with the call centre to achieve their goals. For example, a risk manager in a financial services organisation may work very closely with the call centre on the effective launch of a new credit card, to ensure that the new product maximises customer loyalty but minimises the risk associated with over-selling on a discounted offer.

So we may see some management changes and increased collaboration in our call centres but what about the agents? In order for 2006 to really be the year of the call centre, something needs to be done to reduce employee turnover. One of the biggest challenges in turning the call centre from a necessary but large cost to the business into a major profit centre is the cost of staff turnover and its impact on quality of service. Attrition in some call centres is scarily high, which suggests motivation is not. In this case more needs to be done to manage, motivate and retain high quality agents and teams in an effective manner.

The three predictions above actually point to the fourth and final, which is improvement in call centre performance management. Measuring the performance of off-shore call centres is difficult; it's just harder to see what's happening within another company, on a day to day, hour by hour basis. Bringing the more sensitive and strategic call centre roles back on shore will help companies to monitor performance.

However as I have said we will also see a more tiered approach; more diverse call centre structures with combinations of in-house, locally outsourced and offshore. To truly manage performance, companies will need performance management systems that span all call centres, and outsourcers must be ready to integrate with the systems and processes in place within their customer's organisations. Only then can senior management get a true picture of call centre effectiveness.

Changes in management, more integration with the business and an effort to reduce staff turnover will also drive call centres to manage and measure performance. There will be a greater need to justify their presence against the key performance indicators of the business and offer specific answers to questions about the effectiveness of campaigns, teams and agents.

Note the key word here; above all, the year of the call centre rests on the industry becoming measured on effectiveness and not just efficiency.

All the best for 2006.

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