

# CONTACT 1-2-1



Excellence. Flexibility. Affordability  
Contact Centre Solutions Made Easy.

**Australia: 1300 72 50 80**  
**International +61 8 8124 0600**  
**Web: <http://www.contact121.com.au>**

6 Steps Towards Outsourcing Success

Author: Joe Tawfik (Managing Director, Joint)

**Description:**

The aim of this paper is to provide Call Centre professionals with an overview of what steps to take when they want to proactively address business issues through outsourcing. The paper outlines 6 steps of the journey towards successful call centre outsourcing.

## Table of Contents

<b>SIX STEPS TOWARDS OUTSOURCING SUCCESS</b>	<b>3</b>
<b>Step 1: Look in the Mirror</b>	<b>3</b>
<b>Step 2: Find a Sponsor</b>	<b>4</b>
<b>Step 3: Blue Sky Ideas.</b>	<b>5</b>
<b>Step 4: Build a case not an inquest.</b>	<b>6</b>
<b>Step 5: Look for Entrepreneurs</b>	<b>8</b>
<b>Step 6: Act with Courage and Conviction</b>	<b>9</b>

## Six steps towards outsourcing success

This paper outlines six simple steps that lead to successful call centre outsourcing. This paper deals with the issue confronting all new call centre outsourcing projects. It addresses the steps required to proactively approach business issues through outsourcing and how to deliver a successful outcome for the business.

### ***Step 1: Look in the Mirror***

One of the most difficult things a call centre professional can do is admit that their call centre can be improved. Generally, the saying “if it ain’t broke, don’t fix it” is adopted, leading to complacency and average performance. Looking in the mirror is the first step towards successful outsourcing, and is essential if the call centre is going to make a substantial contribution in growing the business it serves. The first step that needs to be taken is a reality check of the call centre and what it contributes. The second part of this process is to explore the potential contribution the call centre can make to the business. It is not enough to say that a call centre is meeting its KPIs and therefore doing a good job. One thing that modern business has clearly taught us is that “good enough” is not enough anymore. Competition in markets has grown substantially and companies that survive are continually re-inventing themselves, doing business faster, better and cheaper. New competitors are always emerging with innovative solutions to old problems. The evidence is in blossoming companies like Virgin Blue and struggling companies like AMP.

This initial reality check for call centre professionals is the most important one and can also be the most difficult as you may not like the wrinkles you see in the mirror. These blemishes have been fashioned over years and are clearly the result of the environment. The important thing is that you take an honest and objective view of your call centre and its status quo. Call for outside help if objectivity is difficult. There are three key areas of review that should be undertaken:

1. Performance levels of current KPIs that have been set by the business
2. The overall cost of delivering the service, including the costs for support and infrastructure
3. The alignment of people, processes and technology to company objectives and values.

Once you have undertaken this review you will have identified gaps with the current delivery of services.

Once you have taken a snapshot of where you are at, it is time to start asking some forward looking questions. Start asking questions beginning with “what if...”. This second phase is facilitated through research. The Internet is a valuable resource for sourcing ideas. Begin by reviewing what the competition has done which has yielded positive results. Also look for benchmarking studies in your industry and get a high level understanding of the potential for improvement. There is no need to get too much detail at this stage. You should begin to feel excited about the possibilities and contribution the call centre can bring to the business. This process of discovery is critical if the call centre can evolve and become a valuable asset to the business.

## 6 Steps Towards Outsourcing Success

How can outsourcing help? Well this is the \$64,000 question. Some call centre professionals associate outsourcing with the closure of their call centre and the eventual loss of their job. This is the rare case rather than the common outcome. Strategic outsourcing is all about working in cooperation with a specialist outsource provider that has a unique skill-set. Overcoming the taboos associated with outsourcing and the fear associated with working with an outsource provider is essential to begin understanding the value that such a relationship can bring to the business. Keep your mind open to the possibilities of working with a strategic partner. Your forward-looking ideas about the call centre should identify gaps in resources, skill-sets and budgets. You can fill these gaps yourself or seek external assistance. By leveraging from the skills and resources of an external provider you will get where you are going faster. Making these changes faster than your competition is daring, yet essential for companies to survive and prosper.

This is only step one towards successful outsourcing. Before you take the next step you should hold-up the mirror, ask yourself some direct questions, be honest, and look to where the future may take you.

### ***Step 2: Find a Sponsor***

Our next step is to find a sponsor.

The role of an internal sponsor is equally important if you are to make any progress improving the call centre. The ability to identify the right type of sponsor is not always easy. You may have difficulty in finding this individual as they need to have a number of unique characteristics that are not easily identifiable or displayed in their work philosophy. Understanding the internal politics of your organisation is also critical to selection of your sponsor. Firstly, identify the unique characteristics of a good sponsor:

1. The sponsor needs to be sitting on the Board of the company or an equally senior level in the organisation.
2. The sponsor needs to have a vested interest in the success of the outsourcing initiatives.
3. The sponsor needs to have some maverick qualities. An individual who is going to maintain the status quo is unlikely to embrace any new ideas.
4. The sponsor needs to be open to new initiatives and have the influencing powers within senior management to convince them that your project is a worthy investment in time and resources.
5. The sponsor should have a background in call centres or outsourcing, or at least an understanding in the importance of customer service as a competitive advantage.
6. Last but not least, the sponsor needs to have demonstrated the ability to follow-through on new projects to completion. They need to be seen as proactive or else the project will be lost in the mix of all the other "good" ideas that are never implemented.

Think laterally about who this sponsor may be in your organisation. They often may not be your first and most logical choice; sponsors come in all shapes and sizes. Start by thinking outside the square, and ask questions such as:

1. Who within the organisation is feeling the most pain at the moment?
2. What are the burning issues within the organisation and who are they affecting?
3. Who is making the most noise about change at the moment?
4. Who is likely to reap the most benefits from the success of your project?

## 6 Steps Towards Outsourcing Success

5. Who has demonstrated the ability to influence other Board members and raise the profile of your project?

You will find yourself coming up with names of people who have different roles to those originally conceived. These people may be in HR, Marketing, Finance or IT. One of the critical elements at this stage is to ensure you do not alienate your immediate superiors or senior managers to whom you directly report. Get their buy-in at this initial stage and ensure that your superiors have the same level of commitment as you do. Explain your strategy to them and why you have identified the individual as a sponsor to the project. You may need to change your original choice of sponsor to get approval but the critical aspect is that you and management agree on who this individual should be.

The next stage prior to organising a formal meeting with your sponsor is to get your immediate superior to “shop” your project with them. The intention is to provide your sponsor with a high level understanding of your project and the likely benefits to be gained. This informal discussion is designed to gain their approval prior to creating a formal business case for consideration. There is no use wasting time beyond this stage if your sponsor provides immediate negative feedback. Treat your project like a new business venture and don't expect immediate acceptance from your first sponsor. You may have to try other sponsors before proceeding to the next step.

Once you have been successful in completing step 2, finding a sponsor, you are ready to undertake the most interesting stage towards outsourcing success: developing blue sky ideas.

### ***Step 3: Blue Sky Ideas.***

This next step is considered the most exciting towards achieving outsourcing success: blue sky ideas.

The first thing we need to do is stop thinking that it is an outsourcing project. To do so would be to prematurely arrive at conclusions. Having no preconceived ideas about the outcome is an important aspect during this discovery phase. Remember, we commenced the journey by taking a good look at what we were providing and then asked the question: “what if?” Assuming we wish to improve the value of the call centre to the business we need to keep in mind what is defined as valuable. Well, in business it's really quite simple. There are only two valuable initiatives:

1. Increase profits
2. Reduce costs

In the recent Contact 1-2-1 White Paper on outsourcing I identify these two business outcomes as either:

1. Above the Line values
2. Below the Line values

Generally, above the line values are related to initiatives that increase profit for the organisation whilst below the line values are directly related to reducing costs. The less adventurous path is to devise solutions that reduce costs. Unfortunately, most senior executives are conservative and need immediate and visible benefits. Opting to reduce costs is valuable to any company but can also be short-term and unable to provide solutions that truly differentiate the business in the marketplace. Above the line values

## 6 Steps Towards Outsourcing Success

have the greatest potential. The values they provide are not as easily measurable as those directly related to costs but their value to the organisation can be longer-lasting and more rewarding. Having solutions with a combination of both types of values is a powerful offering and will add weight to your business case.

Where do you start? The answer will vary based on individual circumstances and preferences. A good starting point is to research the Internet for some ideas. There are great resources available from a number of call centre specific sites. Look in the archives section for White Papers, articles and industry reports. You can narrow your search by targeting call centre initiatives specific to your industry sector. I suggest beginning by doing a wider search to enable cross-pollination of ideas from other industry sectors. My favourite search engine is Google.com. Another avenue is to invite people who you consider are experts in the field and share ideas with them. An outsource provider, like Contact 1-2-1, is more than willing and capable of providing substantial input during this phase. Consultants can also contribute but are likely to charge you for this time. This is also a feasible option but ensure that you have clearly defined objectives as your discussions can easily evolve into evaluating which CRM application to install in your call centre. Haven't got the time? If you have followed the steps correctly you should have senior management sponsorship for this stage of your project and part of the deal is that you have time allocated for research and development. In short, make the time. It's an important phase and will form the foundations for your entire project.

Gather your research on the possible different directions your project make take. The next step will be to summarise all 'your' ideas in a simple matrix. This table should provide a one line summary of the type of solution you have found interesting and then:

1. The possible benefits to the company
2. Any research highlighting a precedence for the expected ROI from the solution
3. Any research confirming the value provided to other related companies

Arrange a workshop with the key stakeholders that have been identified. Do not focus too much on how you would deliver the solution. This will only hamper the creative process. After you have noted the possible benefits you will need to rank each solution in terms of its potential value to your company. This can be achieved by measuring the solutions against the key company goals. Ensure that you invite a maverick to your workshop to ensure you can identify possible objections or obstacles to your ideas. It will be important to gather this information before you advance to the next stage.

### ***Step 4: Build a case not an inquest.***

In this section we discuss the next step towards outsourcing success: ***building a business case***. One of the failings we have in Australia is that, as a nation, we often over analyse to the point of paralysis. Executives feel the need to build a business case that is akin to an 'inquest' rather than a commercial document. This is not only visible in the call centre industry but across most other industries. Projects are often delayed or permanently shelved because the business case is complex, not easily understood, or missing vital information needed at senior management levels. The first thing that needs to be understood is the single purpose of the business case is to:

1. Gain budget approval to commence the delivery aspect of the project.

## 6 Steps Towards Outsourcing Success

Every company will have its own take on what a business case should look like and it is important to first understand these ground rules. Ensure that you have a clear understanding of what your audience expects to see in the business case. In simplistic terms your audience is likely to be interested in the key fundamentals of your project:

1. A summary of your project and the benefits it is likely to generate for the business
2. The basis for your assumptions: research conducted to-date.
3. How much is it going to cost?
4. What is the return on investment?
5. How long will it take to achieve this ROI?
6. How many resources are required to implement this project?
7. What are the associated risks with the project?

Keep your business case simple and to the point. Make sure the benefits are clearly highlighted and the risks are supported with counter measures. All projects have risks no matter how complete your business case is. The simple rule is that whenever you undertake a new project there is always a risk it will fail or not achieve its full potential. When highlighting the risks in your project you should make your audience aware that one of these risks is not starting the project at all. Business is about taking risks and the one thing that modern business has taught us is that it is riskier to do nothing than to make changes and try and better your position in the market. If you do not attempt this then you can be assured that your competitor will do it. Why risk losing your position in the market due to complacency?

What about the financials in your business case? At this stage you may not have the precise costs of your project. This is not a negative but rather a tactical step towards ensuring your project gets off the ground. It is easier for senior management to sign-off on a project with budget limits than it is to sign-off on a purchase order for a project they have just been acquainted with. The key to presenting the financials is to provide a range for the dollar figure you are seeking and to equally provide a range for the expected return on investment. Make sure the mathematical equation is conservative rather than ambitious. There is nothing worse than establishing false expectations for senior management from the onset. This will lead to disappointment and embarrassment down the track for all stakeholders.

What time-frames do you apply for your business case? This question is best answered by the motivators for the project you are presenting. If the business is suffering some immediate pain and your call centre project is addressing short-term pain then senior management will want to see a short-term ROI. Don't take the short-sighted approach when presenting your time frames. It's true that many senior managers want to see quick wins but at the same time these quick wins should be balanced with some longer-term benefits. A retention based call centre program is likely to yield more longer-term benefits than a program designed around cost-cutting. A business case that has solutions which provide benefits over the shorter, medium and longer terms is likely to have more appeal than one which is limited to one particular time frame. Again, the key is to ensure that you do not set unrealistic expectations and that your audience is aware of the associated risks.

Ensure that your business plan is presented to your superior first before your sponsor sees it. They are likely to provide some input about how to present certain aspects of your business plan or how to phrase certain ideas. Expect to be asked questions about your business case and don't be afraid to say you do not have all the answers at this stage. Remember the key to success is to convince senior management of the need to

change, the cost of not changing, and the benefits of changing your current call centre approach.

### ***Step 5: Look for Entrepreneurs***

Once you have gained approval for your business case to improve your call centre it will be time to find people that will help execute your plans. I am focusing on people rather than companies because one of the biggest traps we can all fall into is to select popular brand names without examining the skill set or experience of the people you will be working with. This section examines step 5 towards outsourcing success: **look for entrepreneurs**.

Putting together a successful team to execute your plans is critical to the success of the project. The importance of selecting the right people can not be underestimated. We have previously mentioned that your project for improvement has to be compared to starting a new business. It has all the hallmarks of establishing a new enterprise:

1. Ensuring your reasons for starting the business have solid foundations
2. Finding a sponsor to believe in what you are doing
3. Brainstorming of ideas to determine your competitive advantage
4. Securing the funding relative to risk
5. Selecting the team to start your new venture

Your project has the characteristics of a new enterprise because its objective is not to maintain the status quo rather to do something different that will improve the current position. These characteristics of your project require you to seek out entrepreneurs rather than managers. Entrepreneurship is a subject that has had recent attention in most business schools as the quality most valued when establishing or growing a business. The subject has been taboo in Australia because of its association with names such as Alan Bond and Christopher Skase. Fortunately, entrepreneurship has nothing to do with criminal behaviour or deception. The subject has more to do with qualities that will be required to make your project a success. A good entrepreneur will have the ability to:

1. Successfully innovate
2. Draw on past experiences to create improved outcomes
3. Apply theory to execution
4. Understand and evaluate risk and return
5. Effectively coordinate resources to achieve an outcome
6. Commit to time frames, remain focused and;
7. Be flexible towards changes

When you accept that these qualities are essential in some, not all, of your team members you will slowly come to the conclusion that you will need external people to your organisation to assist you in the project. A successful entrepreneur is also one that is generally a specialist in their field and has the ability to quickly identify what will or will not work. This leads us to working with outsource providers who can display these qualities. Contact 1-2-1 has worked hard at creating an entrepreneurial culture and approach towards its clients. This is not easily achieved in larger organisations that may have rigid processes that stifle creativity and flexibility.

Working with an entrepreneurial company can be a rewarding experience if the ground rules are understood by both parties. You should expect flexibility with this type of

organisation but not to the degree that it disadvantages the outsource provider. Expect them to take some risk in the project, but not all the risk. Understand that, like any relationship, it takes two to tango and there needs to be equal reward and risk on both sides.

Step 5 towards outsourcing success has highlighted the need to have entrepreneurial members on your team. You may find staff that work with you that display these qualities. Introducing external specialists will provide you with the added benefit of having fresh perspectives that will assist in the innovation and delivery process. It also enables you to mitigate some of the risk of the project to an external party thereby reducing your overall exposure. The key is to know where to look to find your entrepreneurs. There is a higher probability of finding them in companies with the right cultural attitudes and displaying minimal bureaucracy.

### ***Step 6: Act with Courage and Conviction***

In our final section on outsourcing success we examine a step that has not often been talked about in major project undertakings yet is essential for success: **Act with Courage and Conviction.**

A book titled "Vision, Values and Courage" by authors Snyder, Dowd, and Houghton draws conclusions from countless interviews with successful entrepreneurs. The book identifies that entrepreneurs come in all different sizes, shapes and dispositions and attempts to identify a common thread amongst all these successful people. The authors identify an intangible quality that all the interviewees had: their ability to act with courage and conviction was cited as important in determining their success.

Throughout the six steps towards outsourcing success we have compared the process to establishing a new business. The traits of starting a new business are:

1. An acknowledgment that things can be done in a better way.
2. A need to find a sponsor and someone to fund your project.
3. The development of new ideas from research and outside influences.
4. The need to put a business case to your sponsor and the people funding your project.
5. A need to put the right team together. A mix between managers and entrepreneurs was identified.

A number of business ideas and projects have never got off the ground because the instigators are unable to pull the trigger. Hesitation and procrastination are your worst enemies when attempting to get a new project off the ground. It will not matter how thorough you have been throughout the process, there will always remain an element of risk and doubt about the success of the project. The ability to acknowledge this risk and accept the possible downside is critical to moving on your ideas and project. Acting with courage and conviction will ensure you are able to carry through until completion. As project leader you will need to constantly display to your team that the benefits associated with the project outweigh the pain associated with the delivery of your project. To successfully achieve this goal you will need to be courageous, confident and results-orientated.

The ability to accomplish this task is not an easy one. Not every project leader has these qualities nor is it easy to display them when things are not going so well. Effective project management is a rare quality and should never be underestimated. We have

## 6 Steps Towards Outsourcing Success

seen over the past few years the high salaries that good project managers receive and I believe this is for good reason. Any good project leader needs to ensure that they only show concern about the outcomes of the project to their team members in a constructive or solution focused manner. Imagine how the campaign team of a politician would feel if in the midst of the campaign their leader meets with them to let them know that he is not confident of winning the election.

Conviction, confidence and courage are all infectious qualities. When the chips are down it will be important to display these qualities to rally the troops, retain focus and reinforce to them the benefits it will provide to the business. If you have followed the six steps correctly you should have a solid foundation to ensure you continue with the project until completion. It is a given that there will be pain along the way and all worthwhile projects can have their fair share of pain. All good project leaders understand and accept this and are able to avoid their team members becoming disheartened.

In summary, we have examined the six steps towards successful outsourcing. They were:

1. Look in the mirror
2. Find a sponsor
3. Blue sky ideas
4. Build a case not an inquest
5. Look for entrepreneurs
6. Act with courage and conviction.

Contact 1-2-1 is committed to improving the contact centre industry so that it can flourish. If you would like to know more about how Contact 1-2-1 can assist you in your outsourcing needs then please contact us on 1300 72 50 80 or email us at [info@contact121.com.au](mailto:info@contact121.com.au)