

The Race Back to Shore

The Help Desk Offshore Pullback & the Outsourcing Solution

By Anna Frazzetto, VP of Technology Solutions, Harvey Nash

2006 has seen many businesses swiftly sail offshore help desk solutions right back on shore. Powergen, the UK utility company, cited rising wages when it withdrew from a contract with call center operator Vertex Data Science this spring. In addition, Apple Computer Inc. announced this June that it is pulling back from plans to establish a customer support facility in Bangalore, India. Wages and the growing cost of business have been speculated as key reasons for the move with Apple spokesperson Steve Dowling said commenting, "We have decided to set up our planned support-center growth in other countries."

This call center retreat to the home shore in no way represents a grave blow to the greater offshore movement or to India's status as a top offshore destination. According to the TPI Index released this July, 2005's fourth quarter had the highest number of outsourcing transactions ever awarded. Additionally, India's outsourcing trade association, Nasscom, reports that call centers still represent up to 35 percent of the country's total back office business.

What the retreat from offshore help desk/call center outsourcing does underscore is the fact that both businesses and offshore providers are having the same realization: functions that require heavy client interaction are much better fulfilled at home. The fact that in the year 2000 call centers represented 85 percent of India's offshoring business (35 percent today) reveals how fast the realization has hit both today's clients and today's providers.

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A great many technical functions are ideal for offshore outsourcing, such as development and testing. The majority of the work occurs among technical experts while skilled project managers handle the client interaction. Help desk and support functions, on the other hand, require heavy and direct client interaction and multiple forms of communication. Even those running call centers near shore, find that any distance can be too far when running the client-centric help desk function.

When it comes to call center offshoring it is cultural differences—among businesses and among countries—that cause the greatest amount of

frustration. A recent poll from Accenture found that miscommunication and a lack of cross-cultural understanding are the main barriers organizations face when it comes to global sourcing and outsourcing. Two thirds of the 200 business executives surveyed said that miscommunication arising from cultural differences has caused problems when outsourcing.

In call centers, managers are used to hearing complaints. But, when caller complaints flood in about the call center, it's time to make a big change. That is exactly what many leading businesses have had to do. Memorably, Dell Computers in recent years had to reroute some of its outsourced tech support calls home to the U.S. because it was receiving so many customer complaints.

Call center communications are a tough business challenge without culture or language barriers. Customers calling in are usually frustrated, stressed out and often times angry. Add confusion to that unfortunate mix and you have the perfect recipe for disaster. It takes an informed, clear professional to sort through and fix problems and while international technologists from today's leading offshore locations are more than qualified to do this, communication mishaps run much higher when cultural and lingual (vocabulary, accent, etc.) differences exist. Time differences can also pose challenges. A support team that has opposite hours to those of the client base it serves can also have difficulty relating to its customers' challenges and needs.

The cost savings of offshoring are extremely attractive; however, those cost savings can quickly be negated by dissatisfied customers. If customers choose to change providers and/or products due to poor customer service experiences, the losses are even greater than the savings.

Location, Location, Location

Location plays a key role in many aspects of business and support is one of them. The right location and the right team equal a smart investment in customer satisfaction and retention. So what then is the ideal location of help desk support? Is it nearshore? Nope. It's even closer. The ideal location for help desk support is right at home at one of your business sites.

Great support belongs close to the business so that information, key updates and critical changes can rapidly be communicated to team members that are in direct contact with your customer base. However, on-site solution does not need to mean an in-house solution. In fact, the best solution is to run the help desk function at your own site and have an expert provider manage it.

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Managed service solutions allow you to have the support service well within oversight range, but also gives you the freedom to allow someone else to manage it. The help desk provider not only has the proven best practice methodology but is required by contract to maintain rigorous performance standards and client satisfaction levels. With the support service on-site, IT management and the help desk provider are also jointly focused on establishing ongoing efficiencies and improving the performance of a function that needs to always perform at tip-top levels.

The on-site location also allows you quick and critical insight into customer mindset and issues, helping you rapidly react to the needs of valued customers. If your call center is far from your business, so is much of your existing customer relationship management. Is that really a relationship that should be sent thousands of miles away?

Home Is Where the ROI Is

When it comes to providing world-class support solutions, home (or very close to home) is truly where they ROI is. Businesses must keep a careful watch on their help desk operations and on-site outsourcing allows for the best of both worlds: 1) an expert third-party provider that can cost effectively deliver help desk solutions and 2) very close proximity to

those serving and supporting your customers. Save the offshoring for the many technical and administrative functions that require minimal client interaction. Keep your clients as close to home as possible and they are more likely to remain loyal customers that continue to support your business and bottom line.

About the Author

Anna Frazzetto, Vice President of Technology Solutions for Harvey Nash, is an IT executive who has architected, implemented and overseen managed services and outsourcing initiatives at Global 1000 as well as mid-size companies. A BPO industry and subject matter expert, she has been responsible for the development and implementation of technology practices in numerous organizations and held strategic responsibility for managing data centers, help desks and networking practices. An acknowledged leader in the managed services and infrastructure management industries, Anna spearheads the development and implementation of IT solutions for Harvey Nash's network of nationwide offices.

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