

The old stereotype of outsourcing being about cutting personnel costs by using a low-cost offshore provider just isn't accurate any more. Today, outsourcing is about partnering with an expert to manage and perform critical but non-core business functions.

Outsourcing — a partnership approach



Jeffrey Puritt: as the rate of change accelerates, it is unrealistic for service providers to satisfy all customer expectations on their own

The current recession has challenged companies to focus their constrained resources on their most critical core business functions — the things they do best that bring value to their customers. Many companies have discovered that some of their non-core functions consume huge amounts of capital and management attention, and that they may lack the necessary scale to deliver the quality of service they need at a competitive cost.

As a result, outsourcing functions, such as contact centres, are once again high on the agenda. However, communications carriers cannot afford to evaluate outsourcing solely in cost reduction terms.

Carriers want assurance that customer service will meet and exceed expectations, that end-users will receive consistent, high-quality service and that transformative outsourcing solutions will help them achieve and sustain competitive advantages in their core markets.

"Today's situation is similar to the 1980s recession that originally spawned the IT outsourcing industry," explains Jeffrey Puritt, president of Telus International, a company which provides a range of contact centre, IT and business process outsourcing solutions to enterprises and service providers around the world.

"The benefits and flexibility of outsourcing are being realised as heightened competition and declining consumer pricing exerts pressure on carriers to be more efficient."

Efficiency in times of financial turmoil is one element that makes outsourcing attractive today. However, there are underlying trends in the telecom industry that will make outsourcing increasingly relevant even once the recession ends.

"More than ever before, our industry is at the forefront of the way people live their lives — how they communicate, collaborate, learn and consume entertainment," says Puritt.

"And, our customers' expectations have radically increased. Telecoms consumers expect great coverage wherever they happen to be in the world, and access to outstanding customer service with just one call to a central service number. But as the rate of change accelerates, the more unrealistic it becomes for service providers to satisfy all of those customer expectations on their own."

Puritt adds: "Even carriers with large labour pools and extensive resources recognise the need to automate and outsource select functions so they can focus on their core business. They also recognise that the best approach is to find the right partner to collaborate, innovate and ultimately, create longer-term value through business and process transformation."

Puritt believes Telus International is well positioned to serve carrier clients in particular, because it can draw on the experience of its parent company, Canadian carrier Telus, setting it apart from many other providers of outsourced services.

"Telus understands the telco market and what it takes to deliver effective customer care, technical support and directory assistance," he says. "We have invested in carrier-class infrastructure and we control, end-to-end, all the IP attributes of our services. We deliver carrier-grade reliability, security and expertise."

"We can also draw upon our experience serving the outsourcing needs of other industries, including energy and utilities, financial services and consumer electronics, and look for ways to share best practices back into the operations of our carrier clients."

Puritt points out that finding the right balance and then leveraging the economies of scale and scope is critical to success. “When you keep all of your operations in-house there’s a tendency to over-engineer — whether that means over-provisioning on operative seats, power supply or storage, or to under-staff to save costs. When you’re a service provider for others as well as for yourself, you can build resilience across the requirements of all organisations involved.”

There’s a temptation among providers of outsourced services to try to be all things to all clients, but Puritt is clear about the areas in which Telus International excels. “We focus on areas in which we have expertise and natural affinity such as high-quality customer care, technical support and back-office administration,” he explains. “However, we offer a broad portfolio which also includes inbound and outbound sales support such as activations, feature enhancements, and up-sell and cross-sell services.”

Even so, Puritt rules nothing out. “To lead this industry we need to support our clients in their quest to deliver a superior customer experience that is efficient and cost effective. We’ve remained focused on adding services that represent a natural extension of, or are complementary to, our core capability in customer acquisition, service and retention.

our global presence,” says Puritt. “Complementing Telus agents in Canada, we now have over 7,000 agents in the Philippines, 2,700 in Central America and expect to grow to 1,000 agents in the US. We also have a Korean IT outsourcing operation that serves its domestic market and gives us IT development capacity.”

Telus International’s recent expansion to the US and Central America offers customers multi-site, multi-country and multi-language services. This gives clients easy access to a global talent pool of agents while also enhancing the business continuity of their contact centre operations.

“Having a global footprint is essential,” explains Puritt. “With location diversity we’re able to provide the quality services and solutions our clients expect and demand.”

That demand can be wide as end-user customers seek one-stop support from their communications provider. “For instance, a customer in Texas wants to play an online video game but can’t get connected so he calls his provider for technical support,” explains Puritt.

“The power goes out and he calls to find out what’s happened and how soon it will be restored. He then dials directory assistance for the address of a new take-out restaurant that just got rave reviews. While waiting in line for his order, he calls to get his smartphone enabled with the video game he was enjoying at home. Today, all four of those interactions could well have been answered in a Telus International facility.”

Providing complex, outsourced services on a global basis is a must, as service providers and their customers become increasingly sophisticated.

“If you’re serving a carrier, there’s certainly an expectation of having savings delivered by wage arbitrage, but of equal concern today are issues of privacy, security and sustaining or enhancing the level of customer service provided,” adds Puritt.

“They recognise that it’s counter-productive to save x dollars on operating expenditures if the customer experience deteriorates and they lose x + y dollars in revenue.

“Our clients know, when calls are taken by our people, that customer interaction is treated by the operative as their own business,” he says. “The capability and accreditations of our staff are a point of differentiation. More than 700 are Six Sigma certified and that’s reflective of the growing trend of having highly trained, highly knowledgeable staff. Further setting us apart is the fact that our agents have deep telco expertise. When operators take advantage of our outsourcing solutions, they leverage the same agent skills and experience already used to support millions of Telus voice, internet, data and video customers.”

Working with Telus offers more than an outsourcing arrangement. Telus takes a partnership approach with their peers in the telecom sector.

“The real advantage for Telus is that our carrier operations are focused in Canada so we don’t compete with US, Asian or European service providers in their home markets,” he adds. “That means they’re comfortable with us delving into their operations and sharing best practices and providing trusted advice as a truly strategic, innovative outsourcing partner.” ■

“The capability and accreditations of our staff are a point of differentiation. More than 700 are Six Sigma certified and that’s reflective of the growing trend of having highly trained, highly knowledgeable staff. Further setting us apart is the fact that our agents have deep telco expertise.”

“We’ve added Spanish language services and are starting to do more around business process outsourcing, including solutions for order assignment and enrolment processing, data entry and cleansing, account management, commission payments, fraud prevention and verification, billing exceptions and collections.”

As an integral part of a large, established telecommunications company, Telus International has enjoyed significant year-over-year growth as demonstrated by its five-year revenue and EBITDA compound annual growth rates of 29% and 30% respectively.

This growth is expected to continue as competitive pressures encourage service providers to outsource.

Puritt sees significant opportunities around outsourcing activity. The first is to derive meaningful efficiencies for Telus’s domestic operations. “With Telus International’s call centres handling some routine work in mature areas of Telus’s business, efficiencies are created that free up capital and staff, allowing Telus to focus on growth engines like IPTV and the next generation of wireless broadband,” he says.

“The second is to extend our value proposition to other carriers throughout the US, Europe and Asia, to leverage our expertise and innovation so that they can realise their own efficiencies and domestic growth.”

Growing Telus International’s footprint is also essential to its competitive edge. “We are expanding