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Alien vs. Predator

With the presidential election a month away, one issue, offshoring, continues to embody Americans' anxieties about the future of their livelihoods.

By Joe Fleischer

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With the presidential election a month away, one issue, offshoring, continues to embody Americans' anxieties about the future of their livelihoods. For someone who is fortunate to have a job, being replaceable is scary enough. But the realization that one's work is reducible to a labor cost - the lower the better - upsets the foundation of one's existence. In call centers, it's especially difficult for people who serve and support customers to believe they have something valuable to contribute when their employers' staffing decisions seem to reflect how little their work is worth.

To make matters worse, offshoring, whether in factories or call centers, doesn't engender a better understanding of business cycles in a global economy. A more likely reaction, among the general public, is xenophobia.

According to a survey Call Center Magazine conducted with sister publication Managing Offshore, the most common problem customers said they encountered with offshore call centers was being unable to understand agents' accents. After difficulty with accents, the leading complaints among customers were that agents didn't seem to be well-trained or able to solve their problems. (You can find further details in our Research Corner in this and last month's issues.)

I suspect that customers' attitudes about offshoring influence their perceptions of agents' competence. Some customers may object so much to offshoring in principle that, in their minds, any agent with an accent becomes an inadvertent symbol of cheap, overseas labor that

preys on American jobs.

During the past few years, companies have tried to justify offshoring as a means of reducing labor costs. But customers don't care whether companies save money, even when companies pass their cost savings on to them. They care about service.

As Bill Taylor, co-founder of Fast Company magazine, wrote in the August 8 edition of The New York Times, "the harder companies work to make products cheaper and better, the less they seem to impress their customers."

The problem customers have with offshoring isn't that agents handle calls far away from them. Customers recognize that the consequence of being able to depend on 24-hour service or support is that call centers have to expand their workforces among more locations and time zones.

Customers resent offshoring because of its association with cheap labor. From customers' perspectives, offshoring is a reminder that companies can't or won't provide the best possible resources to assist them. Customers don't like being reminded they're not worth good service.

Perhaps the biggest problem with offshoring is how we think about it. Instead of reducing offshoring to a zero-sum game, so that the addition of jobs overseas automatically results in the loss of jobs in the U.S., it's more helpful to examine how the practice of offshoring continues to evolve.

In this month's Expert Opinion piece, Richard Mills writes that IT outsourcers, primarily those in the Asia-Pacific region, are extending their capabilities beyond providing technical support on their clients' behalf. Many of these outsourcers, he says, are promoting a much broader type of expertise.

The logic? Compared to other types of IT businesses, IT outsourcing, in Mills' view, has the largest potential for growth. What potentially hampers this growth, Mills proposes, is that IT and call center outsourcing are commodity businesses. When they offer the same thing, they compete on price. But if an outsourcer can handle customer service and support calls, for example, then the outsourcer can claim that its value comes from its ability to manage its clients' business processes in general.

In describing a trend from IT outsourcing to business process outsourcing, Mills, a vice president with Boyden, a global executive search firm, potentially charts a new direction for offshoring.

If we apply business process outsourcing in its literal sense, then we

change offshoring's dynamics. It's no great accomplishment to reduce staff or find places to pay them the least. But if outsourcers have the global reach to disseminate best practices in customer service and support wherever companies employ agents, then these outsourcers can contribute something valuable no matter where they're located.

Companies can't lose sight of why they're in business. In deciding where to employ agents, companies have to consider the cost of not serving customers effectively. A call center's return on investment doesn't result from importing the lowest-cost labor. It comes from sharing the most successful approaches - regardless of where they originate - to serving customers.
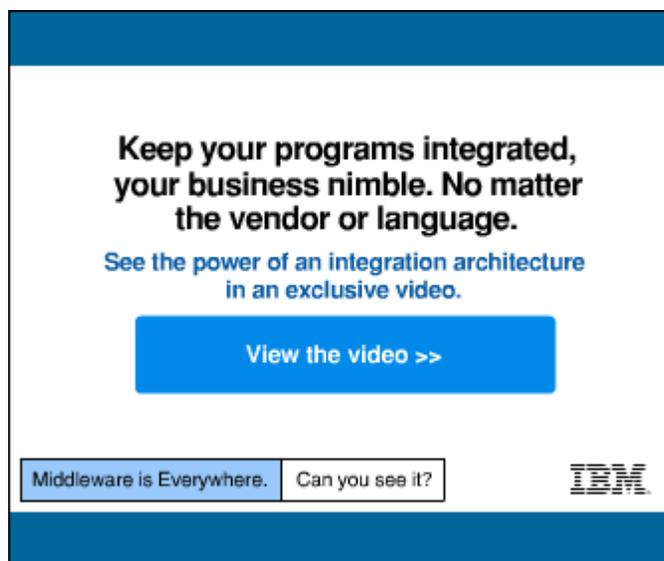
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