

FlexWork Blueprint No. 002

(Issue v.01 – 19/07/01)

Small scale virtual customer-care centres

Providing customer-contact services on a small scale and low cost basis.

This is one of a series of 'blueprints' designed to illustrate models of flexible working. It is designed for use by business advisors as a resource when providing assistance to SMEs who are investigating flexible working for their business, or whose business development might benefit from consideration of flexible working.

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1. Overview

This blueprint illustrates the use of flexible working techniques to design and implement a ‘customer care centre’, otherwise known as a ‘customer call centre’, on a small scale. It describes a typical context of need and context of usage whereby one company provides a telephone answering service, plus value added services, for others in the region. This generic case is derived from an actual case that operates as a profit-making venture in one European region and has done so for several years. Additional features are extracted from related cases and identities have been changed – otherwise the material is based on real experiences.

2. Rationale and Target Audience

Flexible working is changing the way that people work for their companies, and is also changing the way that people work with members of other companies. In addition, flexible working is changing how companies work with their customers. This blueprint provides a basis for implementation of remote customer-facing services whereby one company can provide customer-facing services on behalf of another. The potential benefits include benefits to the Client Company (who buy the service) and also for the Provider Company (who sell the service).

Client Company benefits:

- A full time customer contact point can be provided even if you do not have staff you can dedicate to this task full time.
- Routine customer-facing tasks can be handled cheaply and reliably and can save distraction of higher paid staff.
- Even small operations with no support staff can have a professional ‘front office’ presence for customer support, enquiries, and order taking.
- Outsourcing customer-facing tasks can reduce office space.

Provider Company benefits:

- Provision of customer contact services can be a new business or a new line of business using existing staff.
- Staff costs can be reduced by utilising unproductive time.
- Revenue can be increased through a new line of business that can be handled by customer-facing staff with significant unproductive time.
- External workers can be used to increase flexibility, reduce space, and allow provision of unusual levels of service in periods of demand.

All of the above benefits allow both the client company and provider company to make savings and to expand commercial potential.

3. FlexWork Usage Description

The 'usage scenario' for this blueprint derives from developments in a company concerned with teaching and promoting flexible working – the Mayday Telecentre. The key drivers and opportunities apply to any company with a similar profile who have no experience in flexible working, and also to new business startup. Any company with customer-facing staff who could provide services for other companies (extension of service portfolio) can adopt the model. It can also be implemented as a completely new operation.

3.1 Background

The Mayday Telecentre was formed in a remote area as a private company on a 'co-operative' basis, and its objectives were to promote flexible working, to train local people in IT usage and flexible working techniques, and to find flexible work opportunities for them.

The centre is based in a rural cottage within a small village and is equipped with several offices, a document centre (reprographics, printing, etc.) and a training room with a network of PCs. It has run courses in all aspects of IT usage but emphasised more routine administrative work, proof reading and editorial, and translation tasks, because these are more likely candidates for outsourced work.

After several years of operation Mayday were quite successful and had increased local IT competence greatly, as well as doubling the local employment level through remote work contracts of different kinds. Their involvement in National promotion of flexible work exposed them to a variety of trends in the area and they noted that 'customer call centres' were attracting attention for a variety of reasons.

Customer call centres typically organise work such that dedicated operators within the call centre handle calls for a large client organisation. The pool of operators for a large client can be dynamically adjusted (upward and downward) as demand changes. These operators are professionals trained to manage a wide range of customer-facing tasks, and can handle customer enquiries, requests for product information and brochures, making appointments, making marketing calls, and literally any task normally handled by 'front office' staff.

Mayday also noticed that if a client does not generate traffic at high enough volumes to warrant dedicated operators their calls are routed to an operator who handles calls for multiple client companies. The software used to manage this process switches the call to an operator, and also provides the appropriate screen display on their workstation. By this means the operator has access to all the information needed to process the enquiry, and information captured (e.g. for a visit by a sales person) is

entered at the call centre and transferred to the systems of the client. In that way a full record of activity is present in the Client Company for activation as if captured locally (contact details of enquiries, appointments, lists of people receiving product specifications, problems logged, etc).

It also transpired that many SMEs could not make use of this kind of service because the costs and service agreements were outside of their range. They could not generate enough traffic and the rates were too high. Yet Mayday could see that many smaller firms could benefit from outsourcing customer contact. At the smaller end, a local builder may not be able to afford to have permanent administrative staff and so relies on a mobile phone, but dealing with customers in the middle of building work can be less than satisfactory for both parties in the call! At the higher end, even a medium sized company may not be able to run a marketing campaign using available staff, and so may not exploit business opportunities that could provide benefit.

Mayday decided to develop a low cost solution to be operated by firms of their size and targeted at SMEs who were not yet exploiting outsourced 'customer care' services.

3.2 Developing a small-scale customer care service

Mayday started by considering the 'essential model' of outsourced customer care. The basis is quite simple – companies employ 'front office' workers who can spend large parts of their day with very little to do. Yet they cannot be dispensed with because the maintenance of happy customers, and the acquisition of new customers, is at the heart of any commercial operation. It is also true that when the pressure is on due to special events, the available staff may not be fully able to cope with demand. Outsourcing customer care is a model by which companies effectively 'share' front office staff to reduce costs, and also to ensure that extra effort can be acquired to meet special demands when they arise – flexible customer care.

Staff

Mayday conducted a survey of local SMEs in their region and found that many employed someone to 'man the front desk' yet accepted they would only be working for a small amount of their time. (They also found that many people in such jobs were generally unhappy that they had to take on menial tasks to fill their time when they had been trained for something better). Mayday determined, based on what information they could acquire on likely service levels, that at the lower end (smaller firms) they could operate on a ratio of 1 agent to 10 small firms. At the larger end (medium sized companies) they could operate on a ratio of one agent to 2-3 firms.

Pricing

Mayday tested the market to ascertain likely acceptable cost levels and found that smaller firms might easily pay around 20% of full time staff costs, whereas larger firms were more concerned to define the actual service to be provided (levels of activity) and expected a negotiated price. Given the service model of 1:10 for supporting smaller firms, the cost model of 1:5 was extremely attractive and suggested plenty of scope for safety in operation.

Technology

Mayday looked at available small-scale call-centre solutions and noted that many were scaleable and based around a minimum configuration of a single PC multi-tasking several clients. This included call management, application management, and the possibility of including remote agents (people working from home to increase flexibility). They selected a solution from a US provider that was scaleable from 3 to 12 agents because it allowed for 6 remote agents, and their available office space for the new service could handle 6 agents on-site. They installed ISDN for its multiple line capability but could also have used PSTN telecommunications.

Training

A group of 3 people were selected for training from the pool of workers participating in the already operational telecentre. They were selected mainly on the basis of them wanting to do a course in Customer Care anyway. They reasoned that if the new service did not work out they would still have a marketable skill! On completion of the course (a short course provided free as part of an ESF training programme), they were then taught how to operate the call-centre equipment. As part of training they were assigned to handle calls for the first customer on a rota basis so that they each had a short period of operation each day for a short 'familiarisation' period while also conducting other remote work tasks within the telecentre.

3.3 Operating a small-scale customer care service

A key challenge for Mayday was that of finding customers. The first customers came from their pool of clients who already provided work for telecentre workers (administrative tasks, telemarketing, translation, data entry, web research, etc.). The initial tasks were not greatly different from established telecentre tasks, such as telemarketing (outward operations), but soon work appeared which was more 'inward'. This included receiving customer enquiries for product information, registering people for conferences, taking bookings for visits by sales staff, handling problem calls from product users and making appointments for repair agents.

The idea of developing a new line of work to make use of spare capacity has indeed generated completely new business, and has also created new services that are now being provided to existing customers. For example, the translation team previously handled a 'localisation' project for a German manufacturer of weighing equipment who was targeting new markets. Mayday offered to conduct a telemarketing campaign and found themselves to be suppliers of new sales leads which led to the establishment not only of a new market for their client, but also a new local operation creating further employment.

As part of an existing service company, the Mayday customer care service has provided additional work for a group who had under-used capacity. It has also created a new business idea being promoted to others (as a consultancy service) and has allowed Mayday centre workers to work from home. This latter feature has been an enormous boon, especially to women with family commitments, because the call centre has its quietest periods when they want to be busy elsewhere (start and end of day, and over the lunch period). They are free to work when the call centre needs them and they do not have to travel, or even work every day. The centre manager maintains a rota of workers and planned work periods, and can easily add someone extra if work levels get high or if someone drops out.

3.4 Summary of observations

Mayday have found a flexible working solution that has delivered all of the benefits outlined in the introduction to this blueprint, and has enhanced their business potential enormously. They can work for clients in any location, and their multi-lingual capability means they can offer 'outward' services for literally any client. By addressing a market not covered by large-scale call centres they have created a new service offering which appears to have demand, at least in their region, and may have wider demand. The model can be implemented by any SME with staff who are under-utilised, or by a multi-site company who wish to integrate customer-care in one location either to minimise costs or to rationalise provision. It can also be set up as a new business venture. Staff training in customer care may be necessary, and training in equipment usage will be required but has been mastered easily by workers with basic PC skills. The service can be cost-competitive by virtue of the 'shared worker' model, and the technology is affordable (around 3 times the cost of a PC for a 3 person set-up reducing on a per-person basis to about the cost of 5 PCs for a 12 person set-up). Operation in a multi-service environment allowed this group to have an easy startup since there was other work for people to do as the service developed. It was also seen that the acquisition of customers benefited from their existing customer relationships.

4. Technology Notes

The technical features relevant to this blueprint include:

Call centre system – used to manage incoming calls, to route calls to agents, to manage applications and databases, and to transfer data to a Client’s own system. (See deployment advice for consideration of options).

Email – not greatly used in this blueprint, but has potential for extending a service to include email contact with clients.

Telephony services – requires multi-line capability available via primary rate ISDN (in blocks of 30 lines) or by other means (determined by local telecommunications provider).

Home systems – remote agent software operated on a standard PC using an ISDN connection as a single channel (same price as a normal phone call).

5. Business Structural and Process Issues

The key aspect of this blueprint affecting business structure and process lies in the ‘multi-tasking’ nature of the work. Whether the service is implemented as an extension of existing business using existing staff, or as a new venture, staff must not only train in customer care and system usage, but must also be flexible enough to manage a wide range of fairly routine tasks within a given work period. The ability to use external agents on an ‘as needed’ basis means that organisational structure can be minimised, but the addition of a manager to oversee this particular stream of business may be required. Impacts on existing process are harder to predict since it depends what existing business activities are in place. However, a detailed risk audit should be conducted to identify any unwanted effects requiring solution planning.

6. Deployment Advice

Staff for a customer-care service must be selected for their ability to deal with customers in a wide range of scenarios – from simple information and advice to problem solving and marketing. These qualities may not be found in single individuals, and it may be that some people can be assigned to some tasks but not others. Training in ‘customer care’ is on the increase everywhere and is essential for this kind of work.

Customers may want a simple replacement for their own enquiry service or may want more complex services including marketing, data capture, transfer of data to host systems, etc. The complexity of service may have impacts for both staff selection and for service organisation. Clear targeting of specific service offerings will help general planning of operational features.

Technology is a key issue in this type of service and there are many options to be explored in the market. In the case of systems, there are many offerings but care has to be taken in selection for a number of reasons. First, support may be hard to obtain if there is not a local agent. Second, the system may not be approved for connection to your regional telecommunications. Also, your local telecommunications provider may

be able to offer 'managed services' which means no call-centre technology has to be purchased, and the 'virtual call centre' system can be managed from your premises in the same way as a local system. Costs and benefits of different systems and approaches should be examined carefully.

Services have been described in this blueprint, but literally any service operated by customer-facing staff can be implemented as an outsourced service. For example, municipalities have outsourced a 'one stop shop' operation to centralise all citizen-contact work, while some Charities have also opted for call-centre handling of their public contact and campaign functions (marketing). The possibilities are limitless, and are all based on the essential model of 'shared staff resources' to reduce cost and increase capability.

7. Related Cases

The web site at <http://www.flexwork.eu.com> includes a wide set of cases, technical briefings, and advisory documents. A large number of these are relevant to the themes in this blueprint. Items of specific interest include:

Regional cases:

Nor.pdf - Creating work and enterprise - teleworkers, telecentres, and SMEs.
DTI.pdf - Save Transport, Time and Energy: Work at Home some Days a Week.
Cepadite.pdf - Employment for People with Disabilities through Telework .
Scot.pdf - Opportunities for work and enterprise; knowledge work and call centres.
Aragon.pdf - Networking, collaboration and communication - telework and centres.
Exel.dat.pdf - Excel Data: Denmark's first satellite office

Technology Cases:

c14 - Careline software and home care services
c17 - Bringing broadband to SMEs (SME collaboration)

8. Related Information Resources

The web site at <http://www.flexwork.eu.com> includes links to a large number of online resources, many of which are relevant to this blueprint. Resources of particular interest include:

<http://www.flexwork.eu.com/> – general flexible working resources

<http://www.gilgordon.com> – general flexible working resources

<http://www.eto.org.uk> – general flexible working resources

<http://www.flexibility.co.uk> – general flexible working resources

<http://www.telecommute.org> – general flexible working resources

<http://www.tca.org.uk> – telecottages and telecentre association

<http://www.regen.net> – regional regeneration partnerships

<http://www.isdac.org> – disability and access to work and society