

Virtual call centers bring offshoring alternative

Rather than send work overseas, many U.S. companies staff virtual call centers with home-based agents

By Denise Dubie, Network World , 02/20/2008

When it was preparing to introduce American air travelers to a new U.S. domestic carrier, ExpressJet Airlines faced a tough decision: staff customer service and airline-reservation call centers with low-cost offshore agents, or hire American workers, potentially for more money but who'd offer higher-quality customer service.

"We were launching a brand-new airline offering domestic flights across the United States. Though money was a consideration and offshoring internationally can be the cheapest option, we knew we couldn't be successful from the start without excellent customer service," says Trish Winebrenner, vice president of marketing at ExpressJet, a domestic carrier based in Houston that worked with Continental for about 15 to 20 years before it decided to spin out its own start-up airline business late in 2006. Winebrenner was given the task of getting a call center, which would handle the airline-reservation and sales system, off the ground in less than four months so ExpressJet could be in business by spring 2007.

That's when Winebrenner considered a third option: outsourcing call-center operations to Alpine Access, a company that staffs virtual call-centers with home-based agents, or teleworkers, to provide customers with flexible staffing options.

Alpine Access and other providers, such as LiveOps, West Corporation and Working Solutions, create virtual call-center operations that tap talent pools not always available to traditional, physical call centers. The virtual-call-center provider hires and trains employees based on customers' needs and business models. Such companies as Dell, J. Crew, JetBlue, 1-800-Flowers and Office Depot have announced publicly they moved call center operations located overseas back to the United States to boost customer satisfaction and take advantage of untapped employment resources in America.

"The primary reason companies send work overseas is to save money, but if your customers are having a terrible experience on the phone with, say, an Indian agent, then you are losing much more in terms of customer service," says Chuck Wilsker, president and CEO of The Telework Coalition, a Washington, D.C., organization that promotes telework through education and legislative efforts.

According to research firm Datamonitor, many western companies are more reluctant to offshore call-center services than they were in the past, partly because of "concerns around agent quality, location stability, infrastructure and data protection." And while establishing and operating domestic call centers proves to be exorbitantly expensive for many companies, Datamonitor says home-based agents offer higher quality at a low cost that makes it a feasible option for American firms.

"[Virtual call center] providers are in a position to offer potential clients a home-based solution, which would present the security of an agent [who] resides onshore, who has been vetted in terms of security and quality, and who uses a western-standard communications network," a Datamonitor report reads. "This can also be done at a lower price than for an agent [who] works in a brick-and-mortar facility. Therefore, the prospect will be in a position to save on the domestic-agent price while recouping a high-quality end-user interaction," the report adds.

Not only can virtual call centers provide American firms with U.S.-based agents -- reducing customer-service worries associated with offshore workers -- the outsourced option prevents companies from spending on rent for call-center facilities and investing time in recruiting, hiring and training call center agents. In addition, using agents hired to work from home means attrition rates tend to be lower. Virtual call centers established by U.S. providers also let American firms hire from a broader pool of potential employees.

"Virtual call centers employ part-time working parents, differently abled citizens, retired individuals, military veterans with disabilities -- all of whom might not be a perfect fit for a standard call center, but make great employees when offered the option to choose their hours and work out of their homes," says Rose Stanley, the work-life practice leader at WorldatWork, a Scottsdale, Ariz., nonprofit professional association focused on human resources issues. "Staff turnover goes down," she says.

ExpressJet's Winebrenner says her company experiences just about 5% attrition, which Alpine Access says is about standard among its 235 agents across the United States. "I think that is very low for our industry, and the reason is [that] all the elements that might drive you from leaving a job -- bad hours, long commute, inflexible working conditions -- aren't a factor," she says.

Virtual-call-center providers work with clients to set up training sessions to educate agents on the clients' business and services. The training typically is performed via the Web in virtual classrooms, but Winebrenner says she felt very connected and involved in the process of detailing for Alpine Access ExpressJet's key performance indicators and call quality measures -- which she also believes is part of the ExpressJet's success. In the offshore scenario, she says she

would have had to travel overseas often to make sure the facility and staff were up to snuff -- another reason the perceived cost-savings a company can realize with offshoring are misleading.

"Offshoring ends up being the cheapest option in terms of straight, upfront costs, but if you compare it in the long run to the amount of time and money it takes to maintain customer satisfaction or sustain customer loyalty, then offshoring could end up costing more," Winebrenner says. "Money was not our primary motivator, because saving some costs in offshoring wasn't worth potentially losing customers."