

Chapter 9

Resilience and Outsourcing Call Centers Offshore: A Case Study

This Chapter seeks to demonstrate that holistic thinking is required when outsourcing in business. Failure to think of the whole picture may lead to Information Infrastructure, in particular, being corrupted. It emphasizes the primacy of Information Infrastructures over other Infrastructures in the private sector. Call centers are Information-Infrastructure-dependent businesses that have been increasingly outsourced over recent years. This Chapter will be an example of how to encourage a strategic approach to Information Infrastructure, as opposed to a tactical approach to a business issue. This should help the distinction between resilience, recovery, and continuity.

The future is not known for sure – so what sort of industries there will be is not known for sure either. What is known is that it will be a bit like today, only different. This has been the story of development so far. In telecommunications the pace of change has been so fast that we know that this is likely to have an impact on the “different” bit of this statement.

The technology exists today for us all in the “connected” world to regulate our homes, order goods and services, transport ourselves, and communicate with others by use of our mobile phone. In the “connected” world individual’s hierarchy of needs has come down to the need to earn money to buy and pay for a mobile phone – then everything is possible. This, of course, is the case for the still privileged few. But the actual numbers of this privileged few will shortly outnumber all persons living at the turn of the twentieth century. This few is an enormous number of people – enormous numbers (however relative), as Stalin said (qv), have a quality all of their own.

Call centers are pivotal to this “connected” world. They are the means by which everything will work. They can be automated or “human” – either way they have to be reliable and be, above all, user friendly. They must also make money.

As English is the majority language for the privileged communicators (this does not mean all users of mobile phones – but those who increasingly use Information Infrastructure to run and organize their lives) it follows that call centers must major in English. It will be some years yet before China, for example, develops the tastes of the American, Japanese, or European middle

classes and this is where the money is: over 70% of the world's GDP and more of its disposable income.

A telecommunication infrastructure is also a requirement. This does not just mean a satellite receiving station and/or a switching station. It means a sophisticated fiber optic and wireless infrastructure supported by appropriate disaster recovery and support services.

The biggest single risk factor in locating a call center is available personnel, closely followed by disaster recovery. Such centers and infrastructure require large capital investments. They cannot *safely* be located in areas of high political or economic risk.

The support services required for such operations are varied. They run from the computer service team on 24 hours standby to replace critical items to the market research companies looking at forward buying trends in the market place. Such a combination of skills can only be found in relatively few sophisticated markets. The more call centers the more of these types of services are required. These are not "unskilled" jobs – they demand high-tech or high-marketing skills or a combination of both.

Few long-lived call centers have closed, and most have got bigger and added further services.

In summary an international call center must:

- Have a market and a product
- Have a low cost base, but access to high quality services
- Have a reliable and user friendly environment
- Have English as the lead language
- Serve the major "disposable" income areas
- Have an infrastructure and disaster recovery services
- Have a labor pool
- Be located in areas of low political and economic risk
- Have high-tech and high-marketing skills to hand.

(N.B. Practical experience in places like Utah, Colorado, Leeds, Dublin, Amsterdam demonstrates that, unfortunately perhaps, these requirements all need to be met in the immediate geographical area and cannot be "telecommunicated" in! (A paradox, but one worth remembering!))

Cost is critical not only to the development of call centers but also to producing the new "embedded systems" and the marketing tools required to ensure the continued development of the call center. House builders and household goods makers are reluctant to take the risks of using such technology because, although they are relatively slight, the costs involved erode already tight margins on products. A further paradox therefore is that the only areas to locate call centers and associated future products are in relatively low labor cost areas, with access to high tech areas. These areas are to be found in relatively few areas of the USA and Europe. If the other factors required in location mentioned above are included, then the potential locations become even fewer.