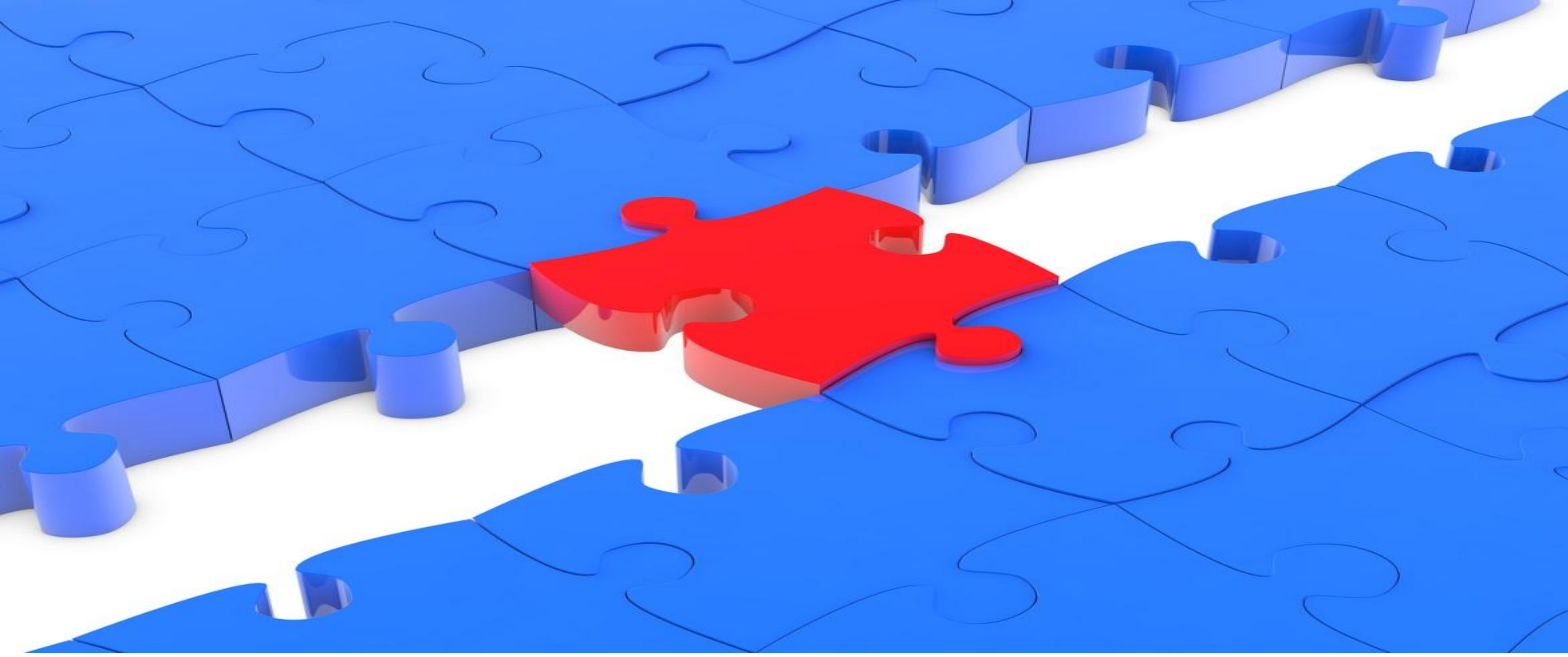
10 ESSENTIALS FOR A SUCCESSFUL OFFSHORE TRANSITION

(White Paper)

Insights from a real-life global outsourcing engagement

31WEST GLOBAL SERVICES

Web: www.31west.net | TollFree: (877) 262-5030
Email: sales@31west.net
LinkedIn | Google+ | Twitter | Facebook



CONTENTS

OVERVIEW

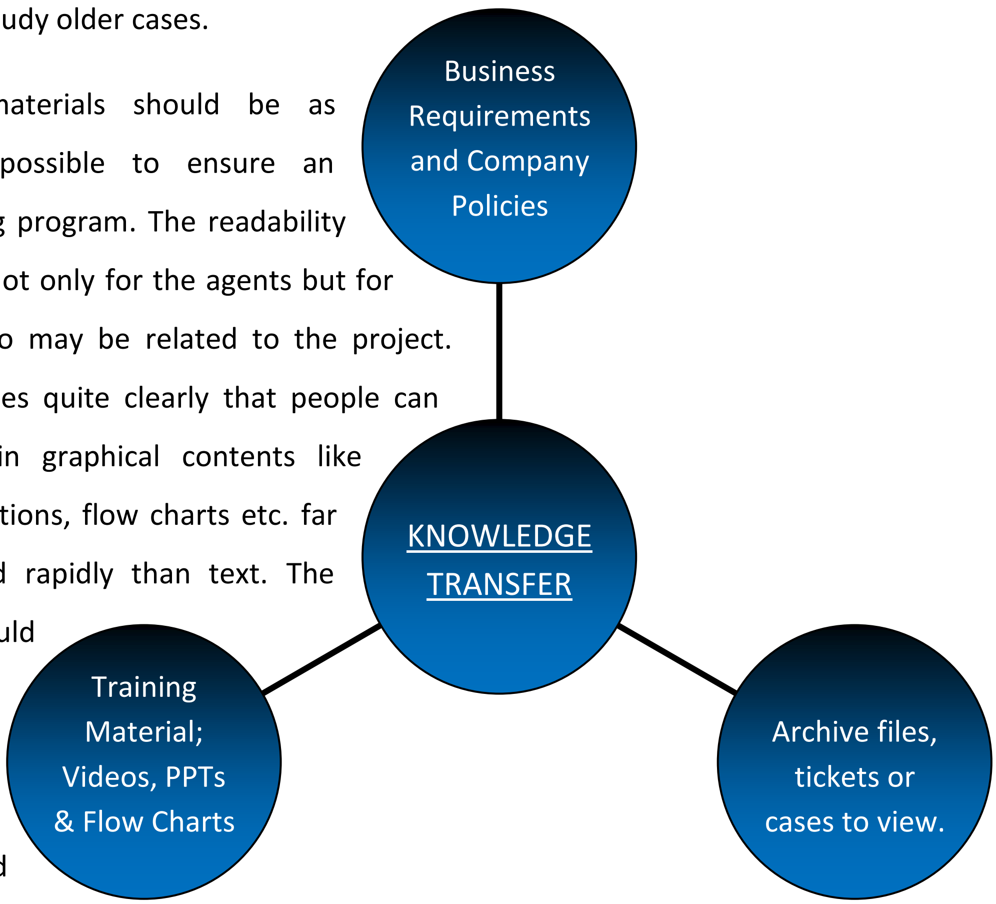
The hot pursuit of excellence in business has always involved smart solutions. Outsourcing is one such business solution. It's a strategic decision which could give a company the free hand required to seize opportunities for refining processes, improving competencies in the market, increasing flexibility, and expanding the business. The benefits listed above are but a few of the many that a company could derive in a stable and prospering economy. Furthermore, during times of turbulence like The Great Depression or an economic down run, outsourcing could be the lynchpin that helps a company reduce costs, generate cash flow, and shed low-value operations.

The true value of an outsourcing engagement depends greatly on the ability client as well as the vendor to plan and execute effective outsourcing transitions. Discussed herein below are some key factors responsible for a successful transition.

I KNOWLEDGE TRANSFER

Once the pre-sales formalities are complete the step that follows is transition. The most important aspect In order to facilitate a smooth transition is the knowledge transfer. When outsourcing a business section or a project, the client and the vendor have to be on the same page on matters such as operational requirements, policies, training etc. The client should provide complete and updated training material, along with some similar archive files to study older cases.

The training materials should be as illustrative as possible to ensure an effective training program. The readability should be high not only for the agents but for anyone else who may be related to the project. Research indicates quite clearly that people can grasp and retain graphical contents like videos, presentations, flow charts etc. far more easily and rapidly than text. The client should define the hierarchy and proper training material should be provided for each hierarchy. Needless to say, tools or approach towards a case used by supervisors will be different from that of an agent. Hence, the training material for a supervisor has to be more illustrative than that of an agent. Once the knowledge transfer is complete, it is the duty of the vendor to conduct proper and effective training sessions for better understanding of the process.



II SYSTEMS INGRESS

Every business has its own unique system in this regard. Let's consider a hypothetical scenario of a technical support team. Now, let us begin by listing down the kind of tools they might use in their day to day operations.

1. Ticketing System: To log the conversation between the customer and the agent.
2. Knowledge Base: Internal Encyclopedia for agents to navigate steps by step information on issues relevant.
3. Remote Access Software: Allowing the agents to remotely access or control the customer's computer.
4. Escalation System: Allows the managers to look into the escalated systems.

In essence, there have to be systems in place based on each hierarchy and the access needs to be provided based on the roles, responsibilities and access restrictions. Providing access to the systems in the initial stages helps the vendors train themselves and the agents on how to use the system. In some cases it also allows them to go through some archived files using the system in order to get a clear picture of the kind of support expected by the client from the vendor.

III SPOC

Single Point-of-Contact (SPOC) is a person or department where all day-to-day communications are channeled through. Typically for IT Services, this would be the Service Desk. This ensures that the vendor is able to contact trained client staff about common queries or issues and the resolution is coordinated and dealt with expediently.

Reasons for establishing an SPOC:

• This stream-lines the flow of information between clients and the vendor.

• A single person to contact regarding repairs and projects will minimize the confusion for vendors.

• There will be lower duplication and overlapping of requests from multiple requesters.

• This will facilitate a smooth transition for training and communication with a smaller group of users.

• As the vendor strives to improve feedback and status updates regarding work in progress, it will be more efficient to communicate with a single person.

Responsibilities of an SPOC:

The SPOC begins by developing a prioritized list of issues to be dealt with in the project. Once the priorities are set, root causes of the issues are uncovered.

Based on customer response, we have categorized the possible root causes into these sections:

- Any issue that causes the customer to call and can be eliminated;
- Any issue that causes the customer to call and cannot be eliminated and are deemed to require an immediate response;
- Any issue that causes the customer to call and cannot be eliminated and are deemed not to require an immediate response.

This allows you to focus resources effectively. If the cause of such calls can be eliminated then it should be a high priority of the organization to fix it.

IV EXPEDITIOUSNESS

Service delayed is service denied. This part is necessary not only for the smooth functioning of the processes, but also essential for customer satisfaction.

In most cases, vendors are the ones handling direct customer contact. Waiting for and answer can be arduous for a customer. Generally, the questions have simple answers and can be easily handled by the agents. But in cases where indulgence of the client is required, the customer has to wait until the vendor gets the information from the client which then has to be passed on to the customer. In such scenarios, the response time of the client is of great importance.

Prompt response from the client helps the vendors get updates and increase real-time resolutions for the customers which in turn creates consumer loyalty and earns great goodwill. Delay in responses from the client's end leaves the vendor as well as the customer waiting. It is the responsibility of the vendors to train the agents on any updates from the client immediately and also maintain an Internal Knowledge Base so that the agents can have access to the information at all times and the query is not repeated to the client.

V ESTABLISHED QA SYSTEM

It is very important for the vendor to have a most effective and result-oriented Quality Audit (QA) System. A solid Quality Audit system helps

companies achieve the highest levels of customer satisfaction and keep employees motivated at the same time. It also helps a company identify weaknesses of their support staff members and to address them.

Common quality criteria include such things as:

- Use of appropriate greetings and other call scripts
- Courtesy and professionalism
- Capturing key customer data
- Providing customers with accurate and relevant information
- First-contact resolution (FCR)
- Accuracy in data entry and call coding
- Grammar and spelling in textual communication (email and chat)

Regular feedback and calibration sessions will ensure that the agents are on the same page with the client's objectives and deliver their best.

There are three primary methods to monitor quality:

- Live Agent Monitoring
- Data Monitoring
- Test Calls

The quality assurance system compares high levels of reliability, competence and delivery quality with the level of customer satisfaction.

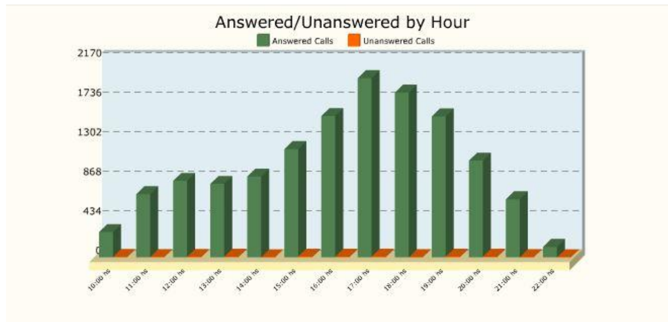
VI REPORTING STRUCTURE

Every company demands a seamless and consistent approach across all channels when it comes to customer service. The constant need for real-time intelligence that allows a company to make informed business decisions and proactively adjust to trends is met by an efficient reporting system.

Prime Benefits:

- Measure average response and resolution time for customer service requests and track the performance of support agents across multiple channels.
- Anticipate and plan for peak support hours and adjust self-service content to be more effective.
- Real-time reports help to keep the parameters like Average Handling Time (AHT), Wait time, etc. in place.

Reports also allow the client to keep an eye on the performance of the contact center and advice necessary changes if required. The reports are mainly made for a certain intervals of time like daily, weekly, monthly or in real-time. Report analysis provides valuable insight into the customer base and total control over your business.



An effective reporting tool should have the options to create chart or graph forms, options to export the data to excel and give real-time as well as historical data based on the company needs.

VII SECURITY & COMPLIANCE

Compliance means that your systems are secure, and customers can trust you with their sensitive information including personal details, credit card information, etc. Compliance with data security can bring major benefits to a company; on the other hand failure to comply can have serious ramifications.

Compliance is an ongoing process, not a one-time event. It helps prevent security breaches and theft of confidential information.

As data compromise becomes ever more sophisticated, it is increasingly more difficult for a company to stay ahead of the threats. As a vendor, one should constantly monitor threats and improve the industry's means of dealing with them.

Compromised data negatively affects consumers, merchants, and financial institutions.

Just one incident can severely damage the reputation of the company and the ability to conduct business effectively. Account data breaches can lead to catastrophic loss of sales, relationships and standing in your community, and possibly other negative consequences not least of which are Lawsuits, loss of contract, Payment card issuer fines, and cancelled accounts.

Both the client and the vendor should have a secure channel of communication and data transfers. Most VPN software provides security and anonymity at very low costs.

Quick steps to security:

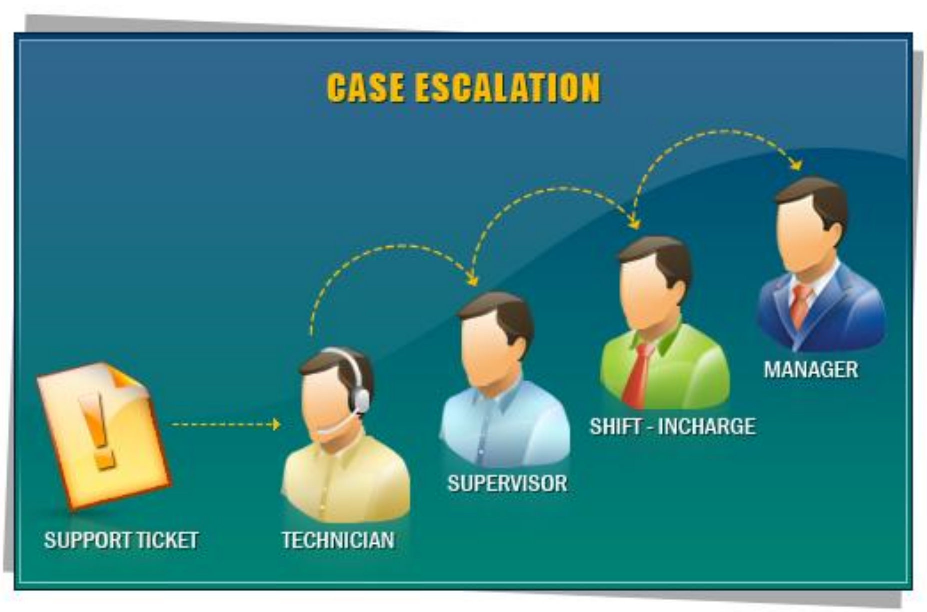
- Do not save any sensitive data in computers or on paper.
- Use a firewall on all networks and PCs.
- Make sure your wireless router is password-protected and uses encryption.
- Use strong passwords.
- Be sure to change periodically default passwords on hardware and software.
- Teach your employees about security and protecting cardholder data.

VIII ESCALATION MATRIX

Escalation Matrix needs to be defined carefully during transitions. For a successful transition, active contribution from each department (say, HR, operations etc.) is needed. Hence there is a need for a proper escalation metric in each case. The client as well as the vendors should have proper communication details like name, email address, and phone numbers to each of the SPOCs. A simplified escalation metric increases other metrics like FCR, SLA in various ways.

The Escalation Metrics can be issue related, such as:

- Systems Related
- HR related
- Operations Related



It is essential to remember that maintaining a senior management contact between client and

provider enables issues to be escalated and resolved without the emotion that may occur at operational levels. It will help manage changes to the transition project, transition plans, contract, etc. in a formal and professional manner.

IX TRUST

Service providers offer their standard approaches to transition as part of contract proposals and negotiations. These approaches often appear very similar, using the same words and phrases. However, the quality of supporting documentation, methodology and content may vary significantly. Independent of the provider's methodology, the quality and experience of the assigned provider or transition manager tends to have the greatest impact on how the project will be approached and managed.

Ultimately, success of transition depends on interpersonal relationships, especially between the client and provider organizations. There are several techniques that enable the client organization to maintain control during the transition and build the trust it desires.

- Implement a governance meeting structure, with frequent (at least weekly) joint client/provider progress meetings.
- Maintain senior management contact between client and provider. This enables issues to be escalated and resolved without the emotion that may be present at operational levels.
- Monitor and manage service provider delivery performances against the contract deliverables and obligations analysis described above. This is a very powerful tool that helps ensure that commitments (from both parties) are not lost and forgotten.
- Document client approvals and joint agreements formally using documents (that are filed and accessible) rather than e-mails.

X PATIENCE

Rome was not built overnight. It takes time for a project to settle down with the project in hand. During the first few weeks, large scale knowledge transfer takes place on each level (like operations, HR, etc.). The provider/vendor needs to make sure that key roles are assigned to the most eligible employees. The functions require careful design and assignment of individuals to roles.

There should be a robust process of selecting key personnel from the clients. This requires not only individuals with the required knowledge but also people with positive attitude and commitment. Patience is very important for both the client as well as the vendor end to facilitate a smooth transition. The questions asked should be answered immediately and in a palatable manner to ensure that process updates are in place.

CONCLUSION

This only grabs the pith and substance of a successful offshore transition. There are some additional aspects to focus on and there are still a lot of things that are difficult to describe in a transition method. For instance, respectful behavior between the two parties is always personal and situation-dependent. But what we have provided here are transition keys and directives to organize a smooth transition and to mitigate the main issues that may arise.

During the entire transition and operation, both parties should work together based on the principles of partnership. Of course, it is all about business, but to achieve a transfer of a lot of knowledge in a short period of time and to run a project efficiently, it is necessary to work very closely together and to be able to trust each other. It therefore, would not be trite to say on a concluding note that the key to transition lies in the amalgamation of technical systems and interpersonal dynamics.