

Outsourcing eCommerce Customer Support ***Second in a series of white papers on eCommerce Customer Contact***

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Introduction

The first white paper in this series examined the options available for supporting eCommerce customer contact, considering in-house, outsourcing, and Application Service Provider approaches. This paper specifically looks at evaluating outsourcing options.

Many “dot.com” start ups look to outsourcers to handle customer contacts. If you’re a dot.com, you’re moving at internet speed. You don’t have time to set up a call center in the midst of everything else you’re doing. And you’re focused on their core competencies.

Traditional call centers also face the challenge of supporting web users, whether you’re a bricks and mortar company or one that is based on “virtual” customer contact through a call center. But just because you’ve got the call center humming doesn’t mean you’re ready to tackle this new challenge. It requires new media, new technology, new staff skills, and new operational concepts. And the web doesn’t sleep, so you must think about ways to handle phone calls fed by the web in the middle of the night. So you may be looking to outsourcers – or if you’re not, perhaps you should consider it.

So You’re Considering an Outsourcer

There are two sets of players to consider in the outsourcing business: the traditional service bureaus who have been handling phone calls for years, and the new kids on the block who are building their business around web support.

Traditional Service Bureaus Making the Move to eCommerce

There are hundreds of service bureaus that are highly efficient at handling call center services – primarily phone calls and back office activities such as fulfillment. They range from single site companies with hundreds of agents, to multi-site centers with thousands of agents. They have sophisticated technology and can hire and train and staff all hours, and manage those resources well to deliver good service at reasonable price. They do what they do well. They include companies like West Interactive, Convergys, Harte-Hanks, TeleTech, and APAC.

To tackle the opportunity and challenge of eCommerce, many traditional service bureaus are adding people and technology to handle email, text chat, and/or web calls. They are hiring, training, and cross-training, both to support existing customers who want to add web interaction, and to attract new customers. They are building on their core competency of call center services by adding media options. They want to use *your* eCommerce business to help their own business grow.

These players are a likely answer for companies that already use them for call handling. Traditional call centers looking for someone who understands their needs may also turn to the

traditional service bureau for eCommerce contact handling. And perhaps start-ups that value experience, stability, and the significant resources that these companies offer will look here as well.

But for some dot.coms, the traditional players may not be the right fit. Do they really understand eCommerce? Will they play with start-ups, especially those that are venture capital based, have no call volume predictions, and can't guarantee a minimum volume per month? Do they handle all media, and handle it well? Or are they just getting started and adding capabilities as customers demand it, so that you may be the first with text chat or web calls? These are some of the key questions to ask.

New Kids on the Block Building a Business Around Web Support

There's a new kind of service bureau that's approaching the eCommerce support challenge from an entirely different angle. This group includes companies like Brigade, Eliance, PeopleSupport, Ziptone – names you may not have heard before, but perhaps you will soon. They are matching the culture of dot.coms, the speed of internet-oriented companies, and the “nimbleness” that goes with it. So they move fast to accommodate a new customer's need, have a “just do it” attitude, and are not steeped in traditional approaches or thinking. But it also may mean that they don't yet have the robust infrastructure or processes of a seasoned call center. It can mean that you are absolutely the first to do something with them – and you must help define it. And it may mean that they are just ramping up their staff – both to handle customer contacts and to procure and support the technology needed to operate effectively.

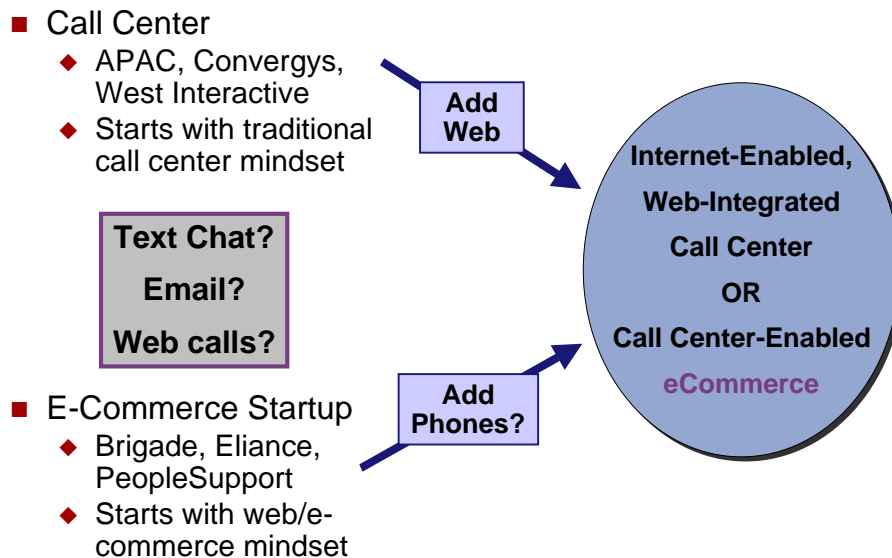
If you come from a traditional call center mindset, this may not sound appealing to you. However, if you're in an internet state of mind, it may sound perfect. An ecommerce service bureau can be an ideal cultural match. They can move at the pace you need to move, on your terms, focused on your needs. And they too want to use your business to help their own business grow.

What's interesting about these alternative providers is that some start with web and email handling – that is, after all, how most of us communicate via the internet today. But they've learned that the telephone can't be neglected. Many clients who sign up with them for email handling or text chat realize they need phone support as well. Or they need to integrate the phone contact handling in their own call center with the internet contact handling at the outsourcer. Or the outsourcer sees the business opportunity to be a single source provider of all outsourced media contacts – a much bigger pie. So they may be building core competency in web and email interaction, and migrating to the phones as well, or using partners for this more traditional piece. That phone interaction may not be integrated out of the gates, but it positions them well to handle integrated phone/web contact when clients are ready.

One Other Option

There is also a hybrid of the two approaches defined above. Some traditional service bureaus have set up new subsidiaries or partner companies that focus on eCommerce support, such as PRC Netcare. So behind a new and presumably more nimble company is an experienced outsourcer with significant resources. Perhaps some will succeed in delivering the best of both worlds.

Figure 2: Outsourcer Paths to the New “Call Center”



Evaluating Outsourcers

Vanguard has participated in the selection of an eCommerce outsourcing vendor for various companies in our consulting practice. One made their selection primarily on a cultural match – a dot.com start up that chose an outsourcer with little experience in general and almost none on the phones. But they loved the outsourcer’s attitude, flexibility, ease of doing business, and their commitment to mutual success. Another selected a vendor with experience, a proven ability to handle the contacts they hope to generate and the flexibility to ramp up as needed. This contrast shows the importance of defining selection criteria – the basis on which you make a decision and identify what is important to your company. Carefully defining criteria helps you pursue the right kinds of options, ask the right questions, and ultimately end up with the right partner. Partnership, capabilities, infrastructure, experience, focus, culture/attitude, flexibility, ability to meet a timeline – these types of criteria should be defined at the outset of any selection process.

And whether you’re doing a request for information or proposal or not, you should define the key requirements for the vendor to meet. Here are some of the things to consider as you define your requirements for an outsourcing partner in the eCommerce world:

1. Define the media you need - phones, email, text chat, web calls. What is your rollout schedule for each? In which media/mediums is the vendor most experienced?
2. Identify the types of calls you expect the outsourcer to handle. Is it technical support on a product? Technical support and navigation assistance for use of the web site? Customer service? Sales?
3. Define the scope and magnitude of what you need a partner to provide. Is it a complete outsourcing, or will it augment your own call center? Similarly, is this a short term fix, or a long term plan?

4. Clearly define how a partner's technology needs to integrate with and interact with your own technology and processes. Do you care about which systems and tools the vendor uses? Do you want them to use any tools you already have or have plans for?
5. Define your requirements for performance criteria, quality programs, call flows and workflows, and information flows.
6. Define the information an outsourcer should feed back to you and the form you expect to receive it in. Define the contact tracking records and reports that you expect the vendor to deliver, or the direct access (over the web!) you expect to such information.
7. Define the type of training required– both at startup and on an ongoing basis. Will you provide the training, or do you expect the vendor to do it? Are you going to use desktop tools, traditional training, or are you looking for an innovative vendor who offers sophisticated web-based training?
8. Determine if location matters. As the use of eCommerce is quickly evolving, some companies want to be able to work closely – literally – with their partners. While location hasn't mattered much historically in phone call outsourcing, the fast paced world of eCommerce seems to create a need for proximity for some.

Finally, make sure you obtain start-up costs and full explanations of the costs. Start up costs can vary *widely* from vendor to vendor and are often defined in very different ways. Define how contact handling is charged: per contact, per FTE, per minute, per shift. Find out if 800 network charges, T1 costs, or other requirements and licensing fees are included or are additional costs. And make sure you understand the minimum charges.

The Challenges

Real challenges exist not only in finding the best outsourcing partner for eCommerce support, but in defining your requirements as well. These challenges may make it hard to *definitively* select the perfect partner. They may make it difficult for the vendors to give you a realistic price. And they may even make some vendors refuse to bid until you can prove your mettle in eCommerce. So accept the challenges, and be flexible.

But be prepared to respond to tough questions by tackling the following challenges:

- Unknown volumes: Can you predict how many calls, emails, or text chats you will trigger by providing the capability to make contact from a web site? It is unlikely. Take your best guess, get started, track, and adjust. Monitor volumes and tie growth to events (marketing, rollouts, etc.), so that you get smarter at predicting volumes quickly.
- Potentially rapid start-up: You may be tasked to get eCommerce up and running quickly. (After all, we're moving at net-speed.) When you "turn on" eCommerce customer contact capability, it may quickly start to generate a large volume of contacts, depending on how it is marketed and positioned. And if your rollout is on a nationally available public web site, a pilot is a bit of a challenge.
- Dynamic environment with changing needs: eCommerce media, the volumes, the processes, the products and services supported, the web site, and the technology often change as they're being implemented. It's a world of change so put a stake in the ground and get started. You can't wait until it's all well-defined and stable.
- Links to partners: Many web sites link to and depend on partners for other products and services, advertisements, fulfillment, etc. The links and their impact on the part of the

contact being outsourced must be planned for and executed carefully. Links to partners add another dimension of complexity to the contacts.

- Finding someone who “gets it”: The last challenge may prove to be the biggest decision factor. Finding the right partner, who understands your business and what you’re trying to accomplish with eCommerce customer contact is key.

These challenges are also strong reasons to outsource in the first place. Better to arrange a good partnership than divert scarce resources to procuring and implementing equipment that you’re not certain about, to handle volumes and activities that are difficult to define and certain to change.

Finding a Good Partner

Finding a good partner is key to outsourcing success. And as with any partnership, there are tradeoffs. It’s unlikely you’ll find someone extremely nimble who also has tons of experience and embedded infrastructure and processes. It’s also unlikely (at least currently), that someone will be both expert at handling phone contacts, and expert at handling text chat or email. And you may need to make a tradeoff between price and speed to implement. Weigh the importance of your selection criteria and requirements for guidance.

Whatever you do, and however fast you’re doing it, take time to conduct reference checks and site visits. Nothing is more valuable in getting a real feel for this very important partnership. Where possible, ask questions and get answers in writing. For a short list of possible vendors (or the conditionally selected partner), sit down face-to-face with the account manager. Listen to reps take calls and watch them use their technology. Meet with the trainer and human resources staff. Talk to the technology staff about their current infrastructure and their plans. Look at sample reports and shadow their quality assurance staff. Then, and only then, embark on a contract if it feels right.

And finally, as you go to negotiate that contract, seek flexible terms. Remember, the business of eCommerce doesn’t sit still. Your company may grow tremendously. You may change the role that the outsourcer plays. You may be acquired by a company that has their own multimedia customer contact center (or outsourcing arrangement). You may decide to bring customer contact in-house as you change your marketing strategy, or grow and evolve. So anticipate the possibilities and make an arrangement that works. Outsourcing vendors that are serious about eCommerce should recognize these same possibilities, and be ready to define an arrangement that will work for both companies’ success.

Closing

The eCommerce outsourcing model for customer contact is new, and presents some interesting challenges – whether you’ve been at the “call center” business for years, or are just embarking on it. And although it is moving at net-speed, you must take the time to get it right. The right outsourcing partner may be the key to your eCommerce success!