

THE ULTIMATE GUIDE TO OUTSOURCING

How to choose the right contact center
and other service providers



By Jürgen Thom & Marcel Elshoff

Foreword

For years now, there has been a clear trend towards outsourcing business processes and, in many cases, whole business functions to external providers. The advantages, after all, are clear: paired with lower costs, the easier access to skilled workers and additional capacity promised by outsourcing allows companies to concentrate wholly on their core competencies. In view of this tempting prospect, who wouldn't want to join thousands of other companies in outsourcing?

In many projects in recent years, we have seen just how beneficial outsourcing can be. Often, the client company and its outsourcing provider become long-term partners who, working together, improve service quality and free up internal capacities for core activities. We have, however, also seen how difficult outsourcing can be. When it comes to outsourcing customer contact, for instance, many of our clients encountered difficulties: the call center sector can be hard to navigate, and finding out the right information about its many, many providers is often a challenge.

One of our clients put it this way: even after flying halfway around the world to visit call centers and see them with their own eyes, when it came to selecting a service provider, they still felt that they had little else to go on other than their gut feeling. And indeed, as it later turned out, they made the wrong choice – taking a reputation hit and losing no shortage of time and money along the way.

In our view, the difficulty in unlocking the benefits of outsourcing lies in finding the right partner. That is why we set up Snubes: our aim is to help companies of all shapes and sizes find the right outsourcing partner for their needs. This e-book "The Ultimate Guide to Outsourcing" is intended to give you as a reader the best approach to this issue, tell you what to look for in a partner, and alert you to some of the potential pitfalls along the way. Once you've read it, you'll understand how to select the right call center provider – or provider of many other services, for that matter – and how to unlock the benefits of outsourcing for your organisation.



Jürgen Thom | Co-Founder & CEO

20 years of experience in the call center sector have made Jürgen Thom an expert in outsourcing. His focus is always on the very highest levels of quality and customer satisfaction. At Snubes, Jürgen heads Sales and Marketing, and is the key-account and partner management lead.

Marcel Elshoff | Co-Founder & CEO

With his extensive experience in business consultancy, Marcel Elshoff has a detailed understanding of both the risks and opportunities represented by outsourcing. At Snubes, his role is to lead development and optimization of the product and service portfolio intended to help all kinds of companies outsource in a successful and efficient way.



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1. The importance of selecting the right partner

When's the last time you bought a car? And when did you last buy a pair of jeans? In all probability, the time between now and your last denim purchase is measured in weeks: the average western consumer buys around six pieces of clothing a year. When it comes to buying cars, however, the numbers are inverted and it's not the number of car purchases per year, but the number of years per car purchase (on average: four to six).

Despite this infrequency, buying a vehicle is of course far more momentous than buying a pair of trousers. After all, if you're not happy with the fit on your new jeans, you can just put on another pair. If, however, you've been unlucky enough to buy an unreliable car which needs over-frequent servicing (and whose parts can stay on order for weeks...), then you'll know just how expensive, time-consuming, and nerve-wracking the whole experience can be.

There's a simple problem here: although buying a car is more important, most people have far more experience buying jeans. After all, you buy them far more often, and practice makes perfect. When you go to buy a new car, however, the whole enterprise can seem overwhelming – especially if it's your first time. For a start, you've got to get a grasp of the complex range of brands and models available at any one time; then, you face a choice between dozens of potential sellers, each with offers which all look great on first sight, but which actually vary strongly in terms of their pricing structure and terms and conditions. That, of course, is before you've even decided to take for a test drive or talked to a car buff in your friendship circle or family...

This is a well-documented phenomenon across a range of purchasing situations: cars, houses, insurance policies.

We buy the most important things in our lives far too seldom to develop an eye for the most important aspects of the purchase. This means that, when buying vehicles, properties, or insurance, buyers need reliable and relevant information – and need to know where to look for it. And even once they have carried out their research and given the decision all due consideration, we are often left with an uncomfortable feeling of uncertainty. **Is this one really the right one?**



It's not easy to pick the right provider.

For many people, this kind of uncertainty is something they face in their working lives, too. Anyone who is tasked with a major outsourcing project for the first time will also be concerned about the prospect of making the wrong buy – and rightly so, given that companies usually have a lot riding on outsourcing decisions. Opting to outsource customer contact and service to a call center, for instance, is a high-stakes choice, because in every study about how customers select their providers and stick with them

(or, of course, don't), good service is always top of the list. One of the largest such studies was conducted by PricewaterhouseCoopers (PwC) and produced all manner of intriguing results.

For example, 73% of the 15,000 survey participants named the customer experience as the key factor in choosing a provider, and more than 40% of them were also willing to pay a premium of up to 16% for good service. By the same token, a full third of customers said

that they would immediately switch from a provider they were generally satisfied with if they had just one bad experience. In other words: customers set great store by good service and have no qualms about punishing companies who don't come up to scratch.

73% of survey respondents report that customer experience is the key factor in selecting a provider.

Outsourcing to contact centers is demanding, yet full of potential

For this reason alone, choosing to outsource to the wrong call center can have a real and detrimental effect on the bottom line. So why take the risk of handing over a function as important as customer contact to another company? Well, many businesses don't actually have much of a choice. The fact that customers have such high standards when contacting or being contacted by companies means that businesses simply have to be able to handle enquiries in a professional manner, conduct productive sales calls, and deal with all manner of other things. Companies in the middle of strong growth – or who are looking to enter a growth phase – soon realise that customer relations are a key factor which, more often than not, is also one of their bottlenecks.



Call center quality is often a key element in customer decision-making.

This is where working with external service providers can make a real contribution – as long, of course, as they deliver quality. And quality is a multifaceted characteristic which cannot simply be measured in seconds until a call is answered or the number of new sales closures per week. Nowadays, customers have high expectations, and see no problem with switching between various channels, ringing up in the morning, using the chat function in the afternoon, and following up by email in the evening. In so doing, they have come to assume that each individual operative they are dealing with will be completely up to date with the current status. That, by the way, is why the term 'call center' is losing ground to 'contact center' (and why we will be using the latter term from here on in). After all, the images associated with the words 'call center' – banks of telephones; ancient PCs – are a world away from today's multichannel reality and from the range of tasks contact centers can now take on.

Due to their multichannel offering, 'call centers' are increasingly being referred to as 'contact centers'.

Another issue is the way the customer contact outsourcing sector is structured. Companies looking for a partner in this area quickly realise that complexity is par for the course. The European Confederation of Contact Center Organisations, a continent-wide umbrella organisation, counts around 35,000 providers with an average staff size of 74. This figure

is, by itself, quite bewildering, and includes everything from professional at-scale providers who employ skilled contact agents with industry-specific profiles down to shoestring operations for which the word 'call center' is perhaps a little too aggrandising.

Having said that, real cowboy operators are not quite as frequent as many fear: in fact, the industry is better than its reputation. There is, however, an issue with providers who over-

estimate their own capabilities: there is no shortage of (sometimes excessive) optimism in a sector where "Don't worry, we can handle it!" or "It's not rocket science" are stock phrases. There are certainly contact centers who get blinded by the potential turnover to the extent where they lose sight of the complexity inherent in many service and sales situation. One of the many challenges in outsourcing to contact centers is identify over-optimistic providers before it is too late.

This is how to master outsourcing to contact centers

None of these issues represents in any way an unsurmountable obstacle, however. Quite to the contrary: anyone who acquaints themselves sufficiently with the potential pitfalls and unforeseen difficulties of outsourcing to contact centers – and with the potential opportunities – will be able to reach their goals. This guide is here to help you do just that.

To this end, our primary focus will be on helping you to structure your outsourcing process.

- We will walk you through your outsourcing project step by step, helping you to understand each phase – with particular reference to contact center outsourcing.

- We will, of course, also provide you with advice on how to deal with specific situations. There is no 'right and wrong' here, though, no 'gospel truth' for all companies in all phases.

- The questions we deal with here are, however, relevant to everyone who is outsourcing customer-contact functions.

That is why it is worth reading our guide.



Your outsourcing workbook

Enhance your experience of this guide with our helpful templates, organised in one handy outsourcing workbook to help you structure each and every step of your outsourcing project. Just keep an eye out for boxes with the Excel icon as you read.

[**Download the workbook**](#)

2. The benefits of outsourcing to a contact center

It's now official: business studies research has demonstrated that roughly every second outsourcing project is a failure – i.e. does not live up to expectations in terms of service and quality. In many cases, that's due to the choice of partner, and the consequences of outsourcing to the wrong contact center can be very serious: as the quality of communications deteriorates and customer satisfaction decreases, the reputation of the company suffers; then there is the financial loss represented by failing to achieve business goals as efforts must be made to rectify the project or switch to another provider.

If, however, an outsourcing project is successful – as it is in the other 50% of cases – then the advantages are substantial. A company which chooses the right contact center finds itself free to focus on its core competencies safe in the knowledge that its outsourcing partner is keeping the costs of its customer

contact operations under control while providing best-in-class communications capabilities, up-to-the-moment IT infrastructure, and access to trained personnel. Any fluctuations in customer requirements are handled well, contact numbers are manned around the clock, and enquiries from other languages are dealt with sans problèmes, sin problemas, and ohne Probleme. What is more, the contact center partner does this with the efficiency which only a specialised provider can offer.

In this guide, we want to help you increase your chances of landing in the happy 50% of outsourcing projects which, instead of failing, succeed. We will tell you how to make sure this happens. What you probably gather as you read is that **outsourcing customer contact and other business functions is indeed not rocket science, but does need to be thought through carefully and carried out with due care and attention.**



The five most common benefits of outsourcing to contact centers

1. Freedom to concentrate on core competencies
2. Better costs control
3. Easy access to professional personnel
4. Quick scalability in terms of team size and service times
5. Use of call centers' IT infrastructure and communication skills

3. Here are the phases in your outsourcing process



1. Requirements analysis

When do you need to start outsourcing customer contact and/or other business functions? What do you need to find out about contact centers and about your own requirements?



2. Goal-setting and specification

Why do you want to outsource and which goals do you hope to achieve by working with an external provider? How can you formulate them in a clear and precise manner?



3. Prospecting

How do you go about finding qualified service providers? What are the questions you need to ask them? And how can you verify the information they provide in their responses?



4. Selection and contract negotiation

What are your criteria for choosing a specific provider? How exactly do you reach a robust, mutually-beneficial agreement?



5. Kick-off and monitoring

What are the hallmarks of good cooperation? How can you tell if agreements are being kept to?

This guide will provide answers to all of these questions.

At the end, we will give you an overview of our services and explain where and how exactly we can offer you support in the process of selecting a contact center.

3.1 Requirements analysis

The starting point for any good outsourcing process is a detailed analysis of your requirements. This might sound obvious, but it's worth stating this clearly because it's easy to confuse analysing requirements with setting goals and defining specifications. Without a prior analysis of actual requirements, however, the goals set and specifications defined often end up leaving these requirements unfulfilled. Or, as Markus Grutzeck, Chairman of the German Contact Center Network, puts it: "As a company, I need to start by taking a good look at my whole customer acquisition and customer care processes in order to identify the areas where outsourcing makes sense. Otherwise, my chances of success are slim." As Grutzeck sees it, everything has to follow from this analysis: before there can be any talk of goals or specifications, organisations need to understand where there is even a need.

This internal analysis should begin by documenting the status quo. The questions to ask here are where the company currently stands in terms of customer contact, whether it is reaching its goals (and whether it is doing so at acceptable costs), and if there are any areas with a clear need for qualitative improvement. This realistic examination of the as-is situation is the basis for a realistic estimating of potential for improvements. Anyone who neglects to document processes as they currently are and goes straight into a brief runs the risk of setting off in the wrong direction from the start. Indeed, there is a nonnegligible danger that, if requests for proposals are sent prematurely, a wholly unnecessary outsourcing project will be embarked upon. So, if you haven't done so already: **start by analysing your requirements.**

A useful exercise at this stage is internal benchmarking. For young, small-scale operations, this may take quite an informal shape and consist primarily in talking about the current situation: in small teams, you can just ask your staff where they see weaknesses in customer contact and (this is key) what they are basing their observations on: Have they received negative feedback? Are costs for customer service starting to shoot up? Is the new customer flow suddenly drying up? In larger organisations, internal benchmarking is, of course, a more formal affair, structured to deliver insights which enable data-based decision-making. To do this, you need to define and examine departments active in customer communication along a range of criteria such as sales closures, time and cost to ticket resolution: the central question is whether set quality and costs standards are being kept to. At an executive level, the decision you need to take is strategic: to what extent is customer interaction a core competence your organisation has to deliver itself and to what extent can it and should it be outsourced.

In larger organisations, this phase in the process can prove to be lengthy, and even in far smaller growth companies, it's often surprising just how much time (and how much energy) it can take to really analyse requirements. **There is no way round it, however. Make sure that you don't skip the analysis or try to curtail its scope.** The data and facts you glean about the current situation and the insight about what needs to change are absolutely crucial to the next stage: without them, you will not be well prepared.



Analyse your requirements

This is 'Step Zero'. Before you can go about setting specific targets, you've got to know where target board is.

1. How is your company currently carrying out the activity in question (e.g. customer contact)?
2. What costs are being incurred?
3. To what service and quality level is the service being delivered?
4. Looking at this, what needs to change?

3.2 Goal-setting and specification

Before you write your first email to a contact center, you should use this phase to get a clear picture of the goals your organization is pursuing in outsourcing and what the specification is which potential partners need to fit. If this level of clarity is not reached prior to the prospecting phase, then both you as a client and any potential partners will be negotiating in a vacuum, and this entails considerable risks. "Defining the scope is the most important thing," says Markus Grutzeck, "but many companies looking to outsource are unaware of its importance." Nobody understands this danger better than Grutzeck: as well as heading the German association for contact centers, he also runs Grutzeck-Software GmbH, a company providing CSM and call-center solutions.



**Defining the scope
is the most
important thing.**



Before drafting the specification, however, your first step should be to refer to the requirements you identified in the preceding stage and set some goals. Here are some examples of realistic targets which can be pursued by outsourcing functions to a contact center:

- **Increased standardization and scalability:** Are you having trouble recruiting staff for your customer contact or is the amount of inbound calls fluctuating to a high degree? Contact centers can offer more flexibility while maintaining a consistent customer experience.
- **Improved quality:** Do you want to further improve the standard of service for your existing customers or acquire new business in an even more efficient way? Contact centers can offer trained personnel for an enhanced customer experience.
- **Reduced costs:** Are you looking to save the costs you will incur in setting up an

internal contact center? By outsourcing the function, you pass on the responsibility for infrastructure, operations, training, and development to a service provider. This allows you to put a more reliable figure on costs from your end and indeed reduce costs due to the efficiency savings a specialised external contact center provides.

- **Stronger focus on core competencies:** Is customer contact an important part of your business, yet one which is not as essential as other areas? If so, by outsourcing customer-facing operations you can strengthen your focus on core competencies without lowering quality.

Once you have identified your goals, then you need to get 'SMART' about them: **s**pecific, **m**easurable, **a**chievable, **r**ealistic, **t**imely. Here, Markus Grutzeck places specific emphasis on quantifying goals, explaining that, from his point of view, "scheduling appointments" is not a detailed enough target: "50 appointments scheduled per week" would be a more appropriate goal. Realistic goals set to this level of detail are only possible, of course, once you have carried out a thorough requirements analysis and garnered insights about what levels of service and performance your customer contact operations are currently delivering.

"The client has to be very clear about what exactly it is they want," agrees Andreas Hartwig from contact-center operator Invitel GmbH. "It doesn't help to talk about 'quality' in a general sense; it needs to be measurable." That means setting overall goals, but flanking them right from the start with detailed requirements: "If we're talking inbound calls, then the parameters are call volume, languages, service hours, and response times." In addition, Hartwig recommends going another level of detail down: "What system does the client want us to use? How do we need to connect to it? What kind of telephone system is the client currently using and are we expected to use it, too? And what skills do our call operatives need to have?"

Seen from the client side, Nicoletta Tschakert, Head of Consumer Service & DTC Manager at Hollister Incorporated, also underlines the importance of staff skilling in the specification. A former contact-center manager herself whose years of experience in the sector led to her being asked to take on Hollister's outsourcing in this area, Tschakert points out that a specification should go beyond the level of knowledge call agents are expected to have: "soft skills such as empathy" and "the company culture" ought to be included, too. Doing so helps both the client and the service provider to recognise early on if they are right for each other, saving time and, in many

cases, unnecessary outlay as the outsourcing process goes into the next phase.

Even the most simple elements in the specification are useful in eliminating unsuitable candidates early on. "The size of the call center should be a good match for the size of the client company," says Andreas Hartwig, "because smaller projects can get lost in a larger call center and smaller operations often have trouble resourcing larger projects (e.g. staff, IT, data protection)." This is why technical specifications and all data protection requirements should also be formulated in detail at this early stage.



Define your specification

Answer the questions in our *Define your specification* worksheet and get a speedy overview of the most important requirements for your specification.

[Download the worksheet](#)

KPIs as part of goal-setting

As important as KPIs are in setting goals for outsourcing, it is essential that they are well thought through. The Law of Unintended Consequences is, after all, always near at hand. On the one hand, explains Markus Grutzeck, "KPIs need to be precise so that both the client and the call center can agree on how 'success' is defined." On the other hand, he cautions, "because they set incentives, KPIs need to be considered from every angle." He shares one example of how KPIs can achieve the opposite of what they are supposed to: "If I, as a client, stipulate quick processing of inbound calls in order to maximise the number of calls taken, the result is often that operatives cut callers short to stick to the time limits. Customers get the feeling that

they are being fobbed off and this lowers satisfaction."

This is one of the reasons that this phase is so key: before you set any of the (highly necessary) specific goals, you need to think very carefully about what type of performance indicator actually represents an improvement for your customers. To develop the example given above: in many contexts, it would be counterproductive to set short calls processing as a target; customers would most likely prefer a high number of calls and good support with their issues. This would translate into KPIs such as service levels, response times for email enquiries, and high percentages of tickets resolved.



Make your goals measurable

Think long and hard about where the targets you set might lead. What would really represent an improvement for you and your customers?

“Be careful what you wish for”, as the old proverb goes, “because you might end up getting it.” But if you take the time to really distil the factors that you want improved and the reasoning behind this into a set of goals and a clearly-worded specification, then you’ve got every reason to be confident about progressing to the next phase.

3.3 Prospecting

Now that you’ve identified and analysed your requirements and described them in the form of a specification and clear goals, you’re ready to go into the next stage of the process: looking for and finding a suitable provider.

This search is made up of three phases:



Research

In this phase, you develop an overview of the market as it currently is and identify potential service providers. At the end of this scouting and sourcing exercise, you should have a longlist of partners who could represent a good match.



Preliminary selection

Here, you start by contacting providers on the longlist and asking for details about them (RFI, or ‘request for information’); you can then compare the responses you receive with your specification and goals. The aim is to use this phase to sieve out providers who are not suitable, leaving a shortlist of eligible partners.



Offers

In this last phase, you procure offer documents from the providers you have shortlisted (RFP, or ‘request for proposals’). To do this, you supply them with a detailed tender brief to which their offers need to respond.

In medium-sized companies and larger corporate organisations, RFIs and RFPs are well-established business processes with documented steps. For younger companies in rapid growth, however, this may be the first time a tendering process needs to be worked through. Even for experienced outsourcers, however, in the specific context of contact centers, it can be difficult to tell what the most important issues at play are. So regardless of your level of experience with tendering, we would recommend reading the following section.

Research: scouting & sourcing

At the start of this phase, it's back to basics: you need a telephone, a computer, and a notepad. You use the phone to call people you know who have already outsourced functions to a contact center and ask them for their experience. Is it going well? Can they recommend any of the providers they know (or, equally important, caution against them)? Next, use the computer to head to providers' websites to get a first impression of your own. Then use the notepad to jot down names which look like they could be a fit: this is the beginning of your longlist.

Whether you're an expert outsourcer working at a major corporate or someone new in a management role leading the first outsourcing project for a fast-growing scale-up outfit, it's hard to overstate the importance of asking around in your network at this stage of the process. After all, anyone trying to get a handle on the Europe-wide customer contact center market with over 35,000 participants will need to start somewhere. What is more, talking to people who have already outsourced is an invaluable source of information on how cooperation with contact centers actually works in real life, how dedicated providers really are, and how the process is structured elsewhere.



No network? Talk to the experts.

What if you don't know anyone who can provide insights in to dealing with contact centers? Snubes experts are there to help you and are happy to share their more than 25 years of industry experience with you – no strings attached.

[Book your free consultation](#)

The next step in this first phase is to carry out your own appraisal of potential suppliers. At this stage, the most important tools at your disposal are publically-available sources of information:

- **Company websites:** This is the place to get a first impression of the size, location(s), and specialism and experience of a contact center. The company website should also list the services the provider offers and give references and certifications. It can also be a good idea to read through any press releases or similar news updates: if there are frequent changes in management, for instance, or in ownership, this is a reason to exercise caution.
- **Google, Glassdoor et al:** Employee reviews can be revealing – and sometimes needlessly malicious. Yet even when taken with the customary pinch of salt, if there is an accumulation of negative reviews on websites like Glassdoor, TheJobCrowd, or other 'rate my employer' sites, this is cause for concern – especially if the reports are specific, detailed, and credible. These kinds of review sites certainly give a good impression of how (de)motivated employees at a contact center might be.
- **LinkedIn:** Business network LinkedIn has become a general go-to source in all industries, and this is true of contact centers, too. If the heads of the provider are listed on the network with their company affiliation, this is a good sign; take a look at their profiles and see how long they've been in post for – the lower the management fluctuation, the better. And as a general rule, at least 10% of the overall headcount should be identifiable on LinkedIn.



A checklist with exclusion criteria is helpful in compiling a preliminary selection.

So, at the end of this phase, how long should the longlist be? Primarily, this depends on how big your company is – and how detailed your specification is. A corporate able to mobilise an entire team to identify potential partners will probably be able to examine more contact centers than a smaller organization, but may also have extremely exacting criteria,

leading to a shorter longlist. In a young company where potentially one person is charged with prospecting, this will be quite different. In other words: the long list should be as long as it needs to be. **The most important thing is to, even at this early stage, only list providers who, on preliminary inspection, appear to match the specification.**



Your virtual notepad

Use our easy-to-navigate list to collate all of the contact centers you look at. Just go to the *Potential providers* worksheet in our outsourcing workbook.

[Download the workbook](#)

Preliminary selection: using an RFI to get details

In this phase, the aim is to get more detailed information about potential partners by contacting them; their responses should help you to eliminate providers who appear to be less suitable than others. In general, the best way to conduct this exercise is to send a request for information (RFI) to longlisted companies – usually in the form of an Excel spreadsheet which they are asked to fill out. The larger the company looking to outsource business functions, the more important this stage is: medium-sized and especially corporate organisations frequently have guidance to respect and not infrequently a range of set exclusion criteria applying to all potential partners. Smaller companies operating without these kinds of defined standards can take a more informal approach to the RFI phase (e.g. asking questions by email) or, in some cases, simply skip it.

The focus of an RFI is on information which is not publically accessible, but which is important at this stage of the process – especially to corporates: company size, tools and software used, number of active customers, etc. Outsourcing managers who conduct a thorough RFI save potential partners and not least themselves a great deal of time spent writing and assessing

offer documents which can, due to an exclusion criterion, never lead to contract.

A well-written RFI should, however, always include fields for information in the public domain, too. You may have already found details about the company, and so the RFI is a great opportunity to see whether the provider is consistent and conscientious: are the responses to the RFI and the publically-available information coherent?

What details should an RFI for contact centers list?

- Company description
- Contact persons with contact details
- Legal notes (data privacy statement, non-disclosure agreements, etc.)
- Web links (website, social media profiles)
- Company size (number of employees, annual turnover)
- Client base (number of clients, key accounts, turnover figures, references)
- New business and contracts terminated
- Turnover by sector
- Company presentation
- Overview of competitors
- Tools & software scope

When whittling your longlist down to a shortlist, it's important to think about exactly how you intend to evaluate the answers you receive to your RFIs. If the responses to hard-and-fast criteria like staff headcount are too far away from your specifications (or indeed from figures communicated elsewhere...), this

is clear grounds to eliminate the provider. Another way to proceed is to aggregate all responses which can be given as figures or yes/no responses into a benchmarking matrix; not infrequently, doing this produces surprisingly precise rankings as a basis for shortlisting potential partners.



RFI: yes or no?

The RFI is an optional step in the search for contact centers which aims to generate a preliminary selection of providers without requesting a full offer from each one. Whether it is a necessary part of their outsourcing process is something for each company to consider.

The way you evaluate soft criteria such as references, however, has a lot to do with your particular approach. By way of general advice, Andreas Hartwig from Invitel GmbH recommends assessing the extent to which the contact center response "is personalised to your company and appropriate to your request. A good response might include references to similar contracts, for example, or to your specific industry," he adds. As someone who runs a contact center, his view of it clear: "From our perspective, it's about making sure our client is satisfied. For that reason, we share with potential clients references who can tell them what working with us is like. I prefer," he smiles, "to let other people talk about me rather than tell everyone how great I am."

Here, too, however, Markus Grutzeck has a word of caution: "If a call center is already working with another company in the same industry as you and offering the same service, then you've got to expect there to be some level of transfer – and ask yourself whether you are comfortable with this." In his view, it all comes down to the following dilemma: "Yes, you certainly can benefit from the experience generated by a competing company who is also a client of the contact center. Are you happy for them to benefit from you, too, though?" Another caveat Grutzeck has about relying all too heavily on references is as fol-

lows: "You should consider giving call centers who are new on the market and highly motivated a chance even if they don't have much by way of references." Why? "Because often, they have a more innovative approach than established competitors."

So reasons to strike contact centers before they get to the shortlist can become apparent simply be holding them up against the specification or may, in contrast, only become clear after some more consideration. At this stage too, it is important keep the results from the preceding phases of analysis as well as goal-setting and specification in mind: doing so will ensure that it is really only providers who are capable of making a qualified offer who make it onto the shortlist.



From long to shortlist

Did you use the *Potential providers* worksheet? If so, just highlight the potential providers who have made it onto the shortlist.

[Download the workbook](#)

Offers: using an RFP to get bids

Once you have a shortlist, you send a request for proposal (RFP) to companies on it, a formalised way of asking them to bid for the contract. In this phase, you produce tender documentation providing details of your specification and, most importantly, a brief covering the exact services you are looking to contract out. It is this tender documentation that companies then use to provide a binding offer.

In this phase, as – or indeed: more than – in others, it is essential to go into detail. When it comes to describing the expected scope of service, you should leave nothing unsaid and, building on the goals set in the second stage of the process, you shouldn't have too much difficulty in stipulating precise details of the services to be delivered. Yet surprisingly often, contact centers receiving RFPs complain that the expected service package is not clearly defined in the tender documentation; not infrequently, key information such as the order of priority of individual items or even basics such as metrics defining the service level required are left out.



Produce an RFP in a few clicks

Our *Requirements definition* worksheet helps you detail your specification and so can also be used as an RFP.

[Download the workbook](#)

Without a detailed description of the scope of service, no contact center can be expected to cost their proposal in a way sufficient to produce a serious offer. By the same token, when you compile and send out an RFP with clear and detailed stipulations, you have every right to be suspicious of overly-speedy responses. After all, however transparent you have made your requirements, it would be nothing short

of a miracle if a potential contractual partner were so sure of their offer that they didn't even enquire further about at least one or two details before producing a legally-binding offer document. Quick-fire offers can be a sign of the excessive optimism widespread in the industry – or, worse, of a provider who plays fast and loose.

"I think it's crucial that someone from the call center gets in touch with the contact person and asks questions so that they can really understand what the client company's needs are," says Nicoletta Tschakert, for example. "This personal contact is important for both sides," says the former contact-center manager turned client-side outsourcing lead – i.e. someone who knows both sides. "Actually having a conversation is the service provider's way of making sure that a potential client understands what its requirements are." And for the client, it's an opportunity to get a firmer impression of the contact center: **"Is the chemistry right? Does the provider really get what's important here?"**

"As the client company, I would expect the service provider, having received a request, to get in touch for a person-to-person exchange," confirms Andreas Hartwig, Invitel GmbH. "From my perspective as a provider, I see it as my role to act as an expert guide for my clients and offer them advice – especially if this is their first time outsourcing functions to a contact center." Markus Grutzeck concurs: "Call centers shouldn't just be service providers; they should be more like sounding boards." This phase, Grutzeck explains, is where it quickly becomes clear whether the contact center really understands the client requirements and whether its offer responds to them adequately.



Call centers shouldn't just be service providers; they should be more like sounding boards.



If all goes well, at the end of the RFP phase, you should have a range of offers filed by qualified providers responding precisely to your

requirements, your goals, and your specification. This marks the end of the prospecting stage: now, it's time to take a decision.



Evaluate the cultural fit

Even before you get your first offers, you can start evaluating contact centers on your shortlist from the moment you start talking to them. Just use the *Provider evaluation* sheet to make notes about how well your organizational cultures match each other.

[Download the workbook](#)

3.4 Selection and contract negotiation

When it comes to selecting one provider over others, how should you go about taking a well-founded decision? There are two main factors at play here. On the one hand, you should carry out an exact evaluation of each offer returned on your RFP: Does it really match the goals set in all respects? Is it tailored to your company and does it take full account of more complex requirements such as cybersecurity and data protection? Or does it read like it's been cobbled together from boilerplate text? "An absolute no-go," emphasises Nicoletta Tschakert, "is sloppiness: poor spelling, substandard grammar, or erroneous costing." This preliminary evaluation may also produce some early front-runners if their offer includes elements which will add value. Last but not least, you can sort the offers received by price and by terms and conditions.

On the other hand, however, it's about feelings. Yes, you've read that right: feelings. (And no, this isn't an agony aunt column.) It is

wrong to assume that feelings don't have a place in outsourcing processes, especially in larger organizations at corporate level. **That's because in customer service and sales, every time customers and companies come into contact, emotions are in play:** nowhere is this more obvious than on the telephone, yet emails and chats sent in customer service can also be quick to elicit positive (and just as quick to provoke) negative emotions. When you are outsourcing customer contacts, you are outsourcing interaction between two people and not the production of metal bolts.

That's why the saying "**Happy call operatives make happy customers**", a common trope in the industry, is more than just an empty slogan; and that's why every expert you talk to recommends making personal contact with providers during the prospecting stage, talks about the "chemistry" between potential partners, and rates a site visit as essential.



Apply the right criteria to evaluating offers

It can take days, sometimes even weeks to reach a decision on which contact center to enter into negotiations with. When selecting your provider, make sure to include not just the offer, but every contact with the contact center: emails, calls, in-person meetings, and your site visit. Use our *Provider evaluation* sheet to document your insights and then compare contact centers.

[Download the workbook](#)

Nicoletta Tschakert recommends the following process for analysing providers who file offers:



1. Evaluation

The first step is to apply an evaluation matrix to the offers you have received. You can then invite the contact centers who have compiled convincing offer documents to a meeting.



2. Meeting

This meeting gives contact center representatives an opportunity to provide deeper insights into how they work and, ideally, to provide some impulses of their own in the process. Not unimportantly, they will get to know your company – the company on whose team they will be if they win the contract.



3. Site visit

This final step is where you go to the provider's call center. Even if the provider works on a primarily remote model and only has a few operatives in the office, just the overall feel of the space can be revealing; at larger call centers, the overall atmosphere is often clear from the moment you step inside.

[Go to the Evaluate providers worksheet](#)

"A site visit," says Markus Grutzeck, "is where you will get some clues about whether the contact center's agents will be able to identify with your company as a client and get a feel for the overall business culture there." Grutzeck, too, talks of "chemistry: what is the mood like between staff members? Are they nice to each other?"

Contact-center operator Andreas Hartwig agrees: “I can only say: ‘Go on a site visit. Talk to the people there. That is the most important thing.’ It’s also a great opportunity to find out things that, although they aren’t included in the offer, might have a bearing on the contract,” he adds. By way of example, he raises the issue of staff loyalty programmes: “Contact centers need to see their operatives as their most important asset, because in the end, it is these operatives who create value for the customer – e.g. by cross- and or upselling.” In Hartwig’s view, skilled personnel can even turn a call that starts badly into a sale: “If a customer rings to complain about a product, well-trained and highly-motivated agents might be able to come up with an alternative product as a recommendation.”

“

Go on a site visit. Talk to the people there. That is the most important thing.

”

Here, Hartwig talks about “proactivity” as an important criterion: “A call center should be able to offer ideas and make suggestions about how to optimise operations.” Markus Grutzeck, too, sees potential for the best contact centers to stand out against competitors: “As a client, there is nothing to stop me asking call centers to pitch their own ideas for the project. **Their pitches then give a good idea of how innovative, experienced, and empathetic the provider really is.**” Another important factor in Grutzeck’s view is the personal rapport with the provider-side project lead: “This person is important because, if the client opts for their company, it is the project lead who will manage operations. So the chemistry should be right here, too.” Nicoletta Tschakert agrees, and adds a mismatch between personalities here to her list of “no-gos” – closely followed by a mismatch between how the contact center presents itself to the outside world (e.g. in its offer document, in the ‘Our philosophy’ section of its website) and how it really appears on closer inspection. “Take

note of how the company talks about its staff,” she advises, “and keep an eye out for anything that sounds disrespectful.” Clients, too, should be sure to show respect towards contact-center staff from day one, as Andreas Hartwig explains, and recommends mentioning staff retention initiatives early on: “Think of providing promotional items, for instance, or regular buffet brunches on site.” In his view, successful contact-center outsourcing projects are understood as partnerships – and in partnerships, both parties have to put in work.



A site-visit to a potential provider is the best way to get a real feel for the work-place culture and atmosphere.

There are two relatively simple things Hartwig would consider deal-breakers. Firstly, **“the call center’s own customer service should be exemplary.”** When dealing with your company as a potential client, the provider should make an impression consistent with the level of customer service it is promising to deliver: “That means being easily available, responding quickly and offering good advice, and keeping to deadlines and service levels.” So, in other words, any discrepancies between theory and practice that become apparent from communication during the offer phase should be a warning sign. Secondly, transparency is the watchword: good contact-center operators will always include access to real-time KPIs online in their proposals.

Must-haves and no-gos when selecting contact centers



Must-haves

- A good match in company cultures
- Personal contact between potential provider and client
- 'Chemistry' between both parties
- Respectful attitude towards staff
- Exemplary customer service provided to client



No-Gos

- Poor ratings and reviews on portals such as Google
- Sloppy offer documents (e.g. with spelling mistakes, bad grammar, errors in costing)
- Discrepancies between information on website, in RFI and offer document
- Communication lacking in transparency

Once you have filled out your evaluation matrix, have hosted pitches from potential providers, and have carried out site visits with the two or three front-runners, the first moment of truth hoves into view: it's time to take a decision.

At this point, you'll need to get buy-in from all key stakeholders in your company. Ideally, they will have already been brought into the process at an early stage and kept up to date on progress, allowing you to get their approval at short notice. Nevertheless, it's important to hold a final meeting to sign off on the decision: by presenting the preferred provider to all stakeholders and reaching consensus, the decision for one provider will enjoy long-term acceptance.



Make the right decision

Our *Evaluation overview* sheet summarises the entries in the *Provider evaluation* sheet, giving you a template for your final stakeholder meeting.

[Download the workbook](#)

Contract negotiations: the moment of truth

Now, it's time for the second moment of truth: negotiating and then signing a contract. As mentioned above, KPIs and access to them are a major component in all contact-center outsourcing agreements, and these go beyond the obvious metrics stipulated by clients such as availability and service levels; the provider, too, is entitled to write their own

targets into the contract – e.g. a clause on the level of precision required of forecasted call volumes. As a client, you agree to put a number on how many contacts you expect in a given period of time, and this provision is just as important as stipulations on standards of availability and services inasmuch as the provider cannot uphold them if call

volumes prove far higher than forecasted. What is key for both parties is that processes for monitoring and quality assurance are laid out in detail: **how will the contact center track its own performance and what kind of reporting will it provide to the client.**

For agreements covering inbound contact, another essential element in any contract is clear, comprehensible agreement on how tickets should be raised, processed, and closed. If, for instance, the contact center will be dealing with complaints, there needs to be clear contractual provision for how support tickets are to be prioritised: e.g. in high-priority cases, email or written replies need to be sent within six hours, and within 24 hours for lower-priority tickets.

A contractual agreement can also stipulate how and what contact-center staff communicate, providing things like codes of conduct, sample dialogues, and scripts for call operatives; for emails, contractual provisions can range from a general obligation to try and close all cases wherever possible down to textual details (e.g. UK/US spelling, grammatical preferences, set phrases). Overall, the general proportion of tickets which should be closed is an important variable in all contact-center outsourcing contracts: whenever issues cannot be dealt with during the first contact and customers have to write or call a second or third time, customer satisfaction starts to suffer – as does the cost calculation, with more calls leading to more man-hours and, by extension, to higher staffing requirements. In view of this, it's important to set a

realistic quota of tickets to be closed per contact.

Bonus/penalty clauses are one way of dealing with this issue recommended by many familiar with the sector. In principle, these are easy to formulate: if KPIs are kept too or exceeded, the provider is entitled to a bonus; if it misses targets, it pays a penalty. As in earlier stages of the process, however, Marcus Grutzeck warns of the danger of counterproductive incentives: "Take 'length of call': if operatives spend longer speaking to individual callers, this often results in higher levels of customer satisfaction. If, however, this metric anchored in the contract with a bonus for longer interactions, call agents might try and keep customers on the phone for longer than necessary. **So while bonus-penalty clauses can be useful contractual provisions, their potential effects need to be carefully considered.**"

Moreover, Grutzeck advises leading by example and offering the best possible conditions to the provider – including when agreeing prices. Partnership is the watchword: "The client should try to generate win-win situations. In pricing terms, this might mean combining hourly rates and commission models. What is more," he adds, "if you've opted for a service provider because they offered creative solutions for reaching your goals, then obviously your willingness to innovate needs to extend to the contract itself, too." That means being prepared to accept proposals from the contact center as an expert in the area.



Essential parts of the contract

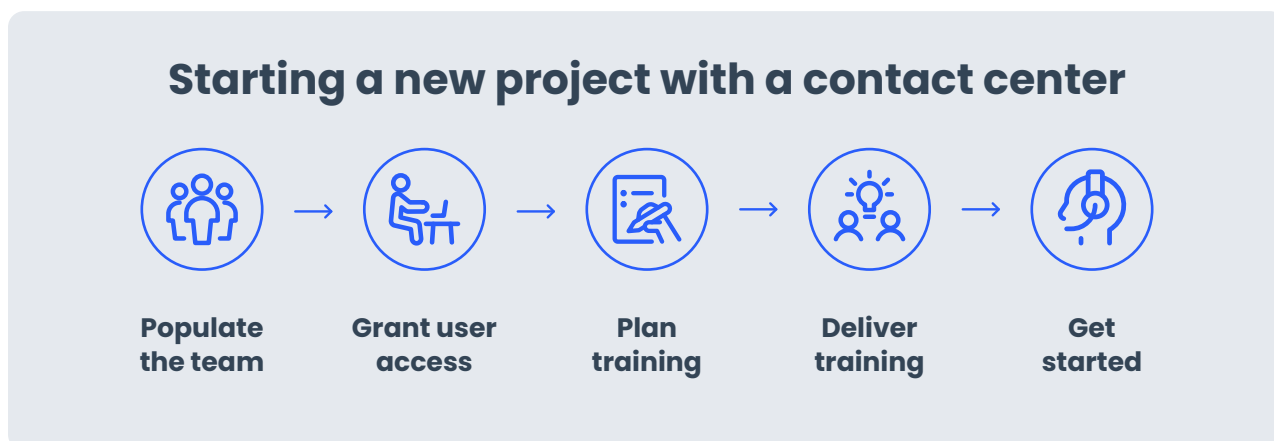
1. Target KPIs
2. Volumes forecast (in customer service)
3. Measures for monitoring and quality assurance
4. Stipulations of specific processes and guidance (e.g. dealing with tickets)
5. Bonus/penalty structures (if applicable)
6. Price model

3.5 Kick-off and monitoring

So now the ink on the contract is dry – as is the bottle of bubbly you’d been saving for the occasion – and now, it’s down to business. What do you as a client need to do and what does the contact center need to put in place for things to get started? Who should be included in the process and at what stage? And what has to happen once the project is up and

running? Read this section to get answers.

As soon as you have reached agreement and signed the contract, you need to organise a kick-off meeting in which you and the provider agree on deliverables and remits. The next steps are as follows.



- **Populate the team:** In this first step, the contact center refers to your specifications and compiles a team of operatives who will be assigned to the client brief. Although the contract center has the responsibility for populating the team, the client company can ask for a list of team members at any time; in some cases, the provider and the client may agree for the latter to sign off on individual contact agents.
- **Grant user access:** The list of team members is the basis for the client to grant members of contact center staff the accesses and permissions to client systems required.
- **Plan training:** Here, the client needs to think carefully about what the contact center team needs to learn. In many cases, there will already be established internal training protocols – especially in inbound service situations. How have cases been dealt with thus far? Then again, the point of outsourcing customer contact is frequently to improve it, and this may influence the contents of agent training; often the contact center itself will have interesting contributions to make at this stage.
- **Deliver training:** Depending on the size of the project, training is delivered either to team leads, who in turn train their staff, or to whole teams. Training may take place online, on-site with the provider, or in client spaces. Often, the final stage of training is for operatives to deal with test cases which show whether they have absorbed the knowledge required.
- **Get started:** Once all these steps are complete, it’s time to schedule the switch. Frequently, there is a soft ramp-up, with a pilot project the first part of operations to go live; this is then evaluated so that final adjustments can be made before the full scope of agree volume is implemented.

From the moment the project starts, Nicoletta Tschakert sees establishing a personal rapport between everyone involved as a key priority. In the outsourcing project she has led for her current employer, her way of doing this was to bring people to-

gether: "Before the project began, we invited the call-center team to our offices so that they could get to know our staff. Then, on the first day of operations, I was at the call center to support the team as they got started."

Monitoring: keeping track of the project

The first visit, where you stop by to introduce yourself and meet the team, should definitely not be the last. Clients who are regular visitors to their contracted contact center build up a stronger relationship with the project lead and with staff – and, importantly, provide a forum for informal exchanges. Relationships to providers which get started on a cordial note of partnership make it easier to offer feedback and work on quality assurance later down the line.

Quality assurance, by the way, is also part of the provider's remit. Good contact centers always run their own monitoring programs, generally with team leaders carrying out spot checks on how their staff are dealing with tickets (e.g. listening in to calls, reading over email correspondence), ensuring that both the content and form of their communication meets the standards set during training. The results are then passed on to the client.



Regular monitoring and reporting are essential elements of managing outsourcing to external providers.

These results are compiled by the team lead and should include all of the statistics and metrics laid down in the provider-client contract. The contract generally stipulates the frequency of reporting, and it is often the case that this frequency is amended at a later date, e.g. from daily reports during the project start phase down to weekly summaries if things are running smoothly.

It's important not to misconstrue monitoring and reporting primarily as triggers for contractual penalties. Of course they do have an inherent disciplining function, but – especially during the early stages – their main role is to act as an early-warning system for any hiccups. After all, even the most successful projects rarely move through to full capacity without at least a few teething difficulties.

Indeed, only time can tell if hiccups early on are temporary in nature or harbingers of a systematic lack of quality. What is always a good sign, however, is when the contact center is always willing to take time to hear client concerns: regular meetings, good availability, and constant contact are the preconditions for a climate in which criticism and suggestions for improvement can be made and received in a constructive way. You should also plan to allow for potential additional training if persistent quality issues prove to be due to a lack of preparation on the part of provider-side staff; regular refresher courses should also be scheduled throughout the project run-time as these are both the best prophylactic against drop-offs in quality and an ideal forum for front-line staff at the contact center to report back about their day-to-day work for you. This kind of approach is a great way to glean useful information and suggestions for how to optimise.

Just as they were during the decision phase, team leaders remain the key figures here. Ideally, the provider-side manager on your project will be a motivated, committed individual with an enquiring mind; this person will have strong sector-specific knowledge, work independently, and offer feedback, acting as a conduit in both directions and communicating between parties in a wholly transparent way. Part of a team-leadership role is a

willingness to admit to mistakes. Bad signs are frequent changes of team lead or people who seem unsure of themselves: if you see this happen, then – despite your best efforts in previous stages – you may have made the wrong choice of provider. This eventuality is unlikely, however: **anyone who structures their outsourcing project in the way we have described here maximises their chances of finding the right provider first timer round.**



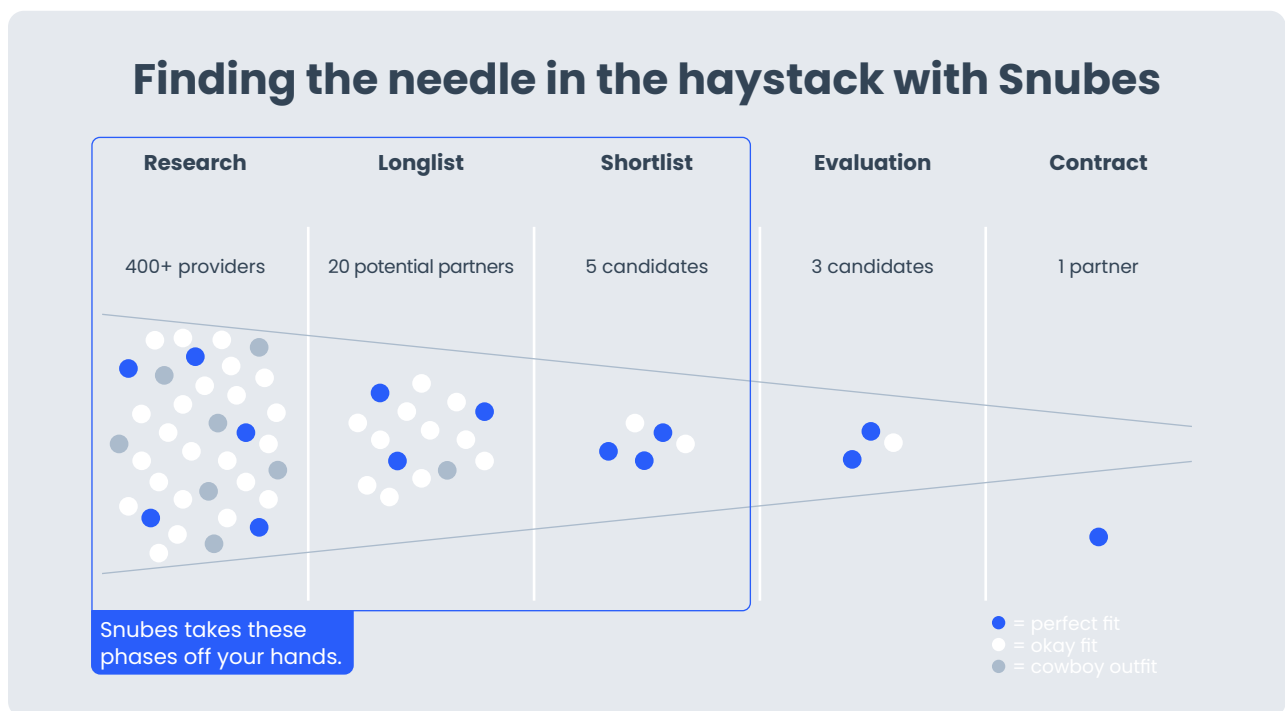
Partnership is the key to success

- Schedule regular meetings to discuss reporting and get a feel for the atmosphere.
- Offer call agents on your project a few little extras (e.g. goodies, buffet brunches).
- Be open to feedback from your provider – and give them regular feedback, too.

4. How to find the right contact center with Snubes

If you're looking for help finding the right contact center, Snubes has the technology, network, and expertise you need. How exactly do we add value? Imagine you conduct your provider search without support. First, you might spend a couple of weeks compiling a longlist of around a dozen contact centers who appear suitable. Then, you compare information about each provider available

in the public domain, which allows you to eliminate a few of them before you send out requests. These steps, too, take weeks. Eventually, you end up with a shortlist of, say, three providers who all seem plausible – but you're left asking yourself if, with over 35,000 contact centers in Europe, you might have missed a whole host of potentially suitable partners.



Snubes radically simplifies your outsourcing process, helping you through the prospecting and selection phase with our smart tools and experts industry knowledge. Why not use our support to help you define your specification, too, before we take the search for eligible providers off your hands? More or less immediately, we will provide you with a shortlist of contact centers who can respond to your needs, saving you a lengthy manual research

phase and individual analysis of each provider. Just skip straight to the shortlist and start contacting potential partners relevant to your project! What is more, combined with our outsourcing workbook, the customised offers you receive and our exclusive provider information will make it easier to compare your top candidates and pick the right one. The result: you can take a decision based on a comprehensive selection of qualified providers.

Five things Snubes offers to make your contact center search easier

1. Largest network of contact centers in Europe



Snubes maintains a database of over 400 verified providers of contact-center services. This is the largest network of its kind in Europe, encompassing partners in around 30 countries with over 50 working languages and covering a full range of functions: inbound calls, customer service, helpdesk, email response, appointment management, secretarial, online chat, and customer acquisition. This database is the ideal place to start your search for a contact center and saves you having to find out who providers are and what they offer.

2. Smart assistant for defining your specification

We can only find the right contact center for you if we understand what your needs are. That's why we offer a structured process with targeted questions which will help you to define a specification which contains all of the information contact centers need to produce an offer. So use Snubes to assess your needs, draft a specification, and keep tabs on which services you have requested from potential partners.

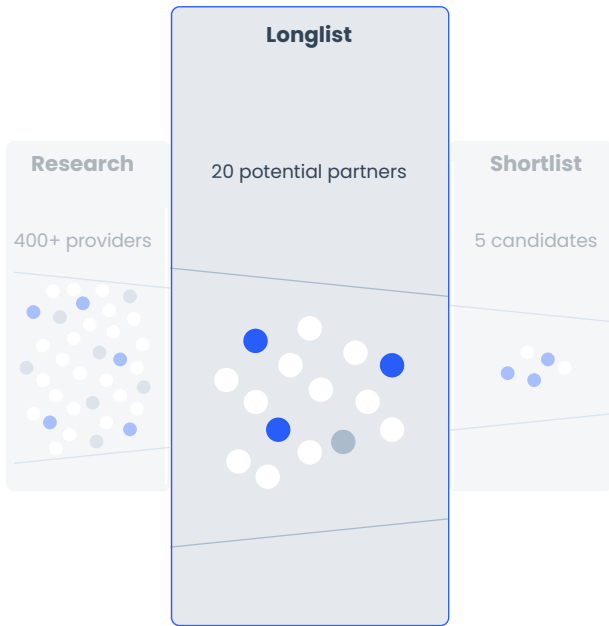


Draft the perfect brief – the easy way

Have you already filled out the *Requirements definition* sheet? If so, just transfer your specification online using the *Projects* section of your profile.

[Go to Snubes](#)

3. Contact center matching to speed up tendering



Using the brief you produce on our platform, we can then take the prospecting phase off your hands, searching our database for providers who match your specification. Our matching process uses artificial intelligence combined with the experienced eyes of our industry experts. First, our algorithm uses over 20 parameters to compare your requirements with the contact center profiles in our database; next, our expert team verifies the selection and adds its own recommendations. You then receive a customised shortlist of providers who are guaranteed to be able to meet your needs, helping you shorten the prospecting phase as we do the research and make a preliminary selection for you.

4. Suitable offers within days

At the click of a mouse, you can request offers from the providers on your shortlist; if providers have capacity, you can expect a response within a matter of days. This doesn't mean that you're going into this phase blind, though: we provide you with comprehensive profiles of the contact centers on your shortlist featuring all the information you would expect from an RFI – but without any of the lengthy manual requests you would otherwise have had to send and then evaluate. Use this information and the offers you receive tailored to your specification in order to gain an overview of relevant providers and evaluate them on the basis of additional information.



5. Service free of charge – and a strong negotiating position

The best thing for you about using Snubes? It's completely cost-free to clients! There is no gradation of 'free', 'pro', and 'enterprise' functionality: all clients get access to all functions without any hidden costs.

So how do we earn money? Through commission payments from our partners. That means that we only get paid if you as a client find the right contact center. What is more, we don't offer our partners sponsored listings on client shortlists: our recommendations are 100% neutral.

And using Snubes strengthens your negotiating position because you receive offers from several providers which you can compare.



Going into negotiations well prepared

Use the *Provider evaluation* and the *Evaluation overview* sheets to help you make a decision. They offer the best possible overview of individual suppliers and put you in a strong negotiating position.

[Go to the workbook](#)

Start outsourcing now

Do you want to go straight to Snubes and try our platform out for yourself? Just register for free, use all our functions, and get your outsourcing project started now!

We're looking forward to helping you in your search for the right contact center for you.

[Sign up for free today](#)