

When I'm calling you

Call centres are the key to doing better business by telephone, as companies the world over are proving.

Journalist Andrew Emmerson visited a Dutch consultancy to discover the attraction of this **new technique**.

IF YOU NEED ADVICE, THE BEST person to ask is an expert, and preferably an impartial expert. In the field of call centre planning, an established company is the IT consultancy and systems house Origin, based at Utrecht, in the Netherlands. A year ago the company set up a special competence centre for telebusiness applications and now has the broadest experience in the technical operations of running and installing call centres, as well as allied topics such as Workflow systems and the Internet. Heading this function is consultant Marion van den Brink.

"Our business is booming in the Netherlands," states Marion, "but we are also supplying our expertise to clients in Austria, Belgium, Germany and the United Kingdom. We assist them to plan call centres and help them solve problems, although we are not involved in the actual implementation process."

But what are call centres and what's their attraction?

Introducing call centres

Call centres are the modern method of handling large volumes of telephone calls to or from customers (see panel, Call Centres Defined). Most call centres are provided for dealing with the public, but this is not always the case. Call centres can also be used as in-house help desks and as a central information resource, for example in insurance companies so that brokers can give clients a better service.

The justification of call centres is first and foremost financial. Prime

cost-savings come from more productive use of the phone system: a given number of agents can handle a greater number of calls, whilst the number of telephone lines rented can be matched exactly to the level of business handled. There are further economies of scale from concentrating a sales or service operation in a single co-ordinated operation; as well as the attraction of providing a single point of contact for customers, avoiding the need to pass customers on to another agent. This last issue is also important; organisations can use call centres to improve customer service

dramatically and thus secure a competitive advantage over their rivals.

Agents are provided with comprehensive computer and communications facilities in order to handle enquiries efficiently. Computer screens provide agents with the information they need and carefully structured scripts are often used to ensure no points are missed. The use of scripts gives greater control over what is said and when, which avoids unstructured responses and promotes a businesslike impression in customers' minds.

Marion points out that call centres give their users one other unique advantage – a universal presence. In combination with national and international toll-free telephone lines,

call centres can be located anywhere that happens to be convenient and cost-effective. Some countries offer subsidies to encourage new call centres, but finding qualified staff is also vital. Multinational organisations have discovered that the linguistic skills of the Dutch make the Netherlands an ideal location for international call centres and more than 60 are based in that country. There is even active competition between cities there to promote their unique advantages in this respect.

Cultural differences

Although call centres have proliferated most widely in the USA, other parts of the world – Europe in particular – are catching up fast. "There are," Marion explains, "some major differences in the way call centres are exploited in these regions. Probably the majority of call centres in North America are used for selling by telephone; distances are greater there and ever since the pioneering days of the New Frontier, Americans have been used to buying from catalogues. They

Prime **cost-savings** thanks to a more productive use of the phone system

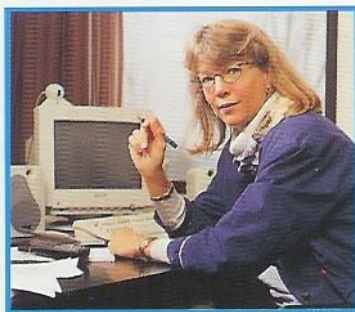
are also used to being telephoned by sales people, whereas Europeans tend to consider this an invasion of privacy."

Telesales operations from call centres are now a highly developed business in the USA and companies have learned that many customers can be persuaded to make additional, unintended purchases, which of course means increased revenue for the vendor. Accordingly, agents are prompted on-screen with information that may lead to an additional sale.

The European experience

Marion is quick to point out that in other parts of the world this approach may not be so welcome, and the European Parliament is currently working on a Distance Selling Directive which would outlaw unsolicited telephone calls and also make telephone sales invalid if the customer subsequently objected.

Accordingly, most European call centre operations concentrate on handling inbound



Marion van den Brink, consultant at Origin.

calls. Hotel reservations, travel services and mail order shopping are obvious applications for call centres, but so are the special response bureaux catering for television viewers who are reacting to television advertisements or charity appeals. Financial organisations are major users of call centres; the direct selling of insurance is now a highly competitive business sector in Britain, whilst savings banks in the Netherlands and Germany have achieved huge growth through the use of call centres. Even entertainment services and the infamous sex lines are major users of call centre technology.

There are also applications for call centres in the public sector. The Citizen's Charter in Britain has made service a major goal for government departments and public utilities, and has set specific targets for speed of answering phone calls.

Careful planning is vital

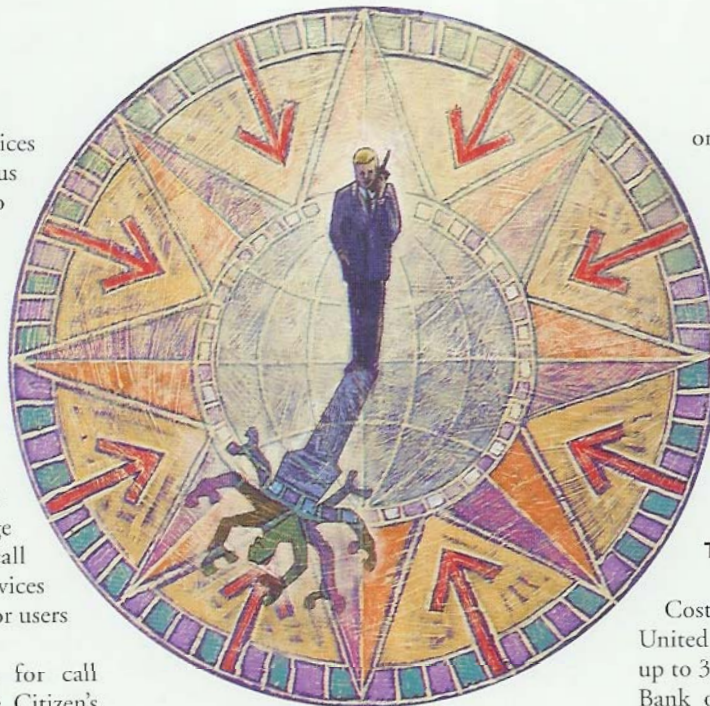
There is absolutely no doubt that call centres can play a vital role in contributing to company profits and in improving customer service. The benefits are not automatic, however, and adopting the technology without a clear implementation plan is unlikely to achieve the expected results.

Organisations contemplating introducing a call centre should set out in advance the objectives they expect to achieve, the scale of operation they intend to run and whether further expansion is likely. Only then should they start to consider the various options available.

Organisational changes are inevitable, not just in working methods but also in the whole way of doing business – a broader strategy must be devised, embracing the need to tailor company culture to this new means of doing business.

The cost implications will be significant, whilst the scope for cost reduction is crucially dependent on the strategy underlying the move to the use of call centres. Providing a single point of contact is only effective if the agent who answers the call is able to complete the transaction satisfactorily. Satisfying an enquiry may well require a number of separate actions to be taken by people who are dispersed across an organisation, whereas the aim of a call centre type of operation is, that a single phone call should suffice to settle all these details. Empowering call centre agents – providing the tools to allow them to process enquiries fully – means stripping out layers of processing.

Without previous experience of introducing a new operation of this scale it may be impossible to secure the benefits



expected. Accordingly, outside help from an expert consultant may well be vital to the success of the changeover.

Whilst the front runners are prospering as a result of call centres, others are still undecided on how to exploit this new technology. Some of them may decide to outsource their call centre requirements (there are many call centres which handle calls on an agency basis, whilst temporary hire of call centre facilities is also possible). Remarkably, however, the greatest bulk of organisations have yet to get the message.

A recent independent survey in Britain revealed that although 87 per cent of retail organisations claimed customer care was a board level issue, many were not yet

organised to make the best use of technology. In this sector, nearly 40 per cent of customer information is held only manually and cannot be accessed rapidly, whilst only ten per cent of these companies claim to have integrated data and communications.

It is for this reason that Marion believes the potential for call centres is so considerable; it is still early days and the future looks bright.

Tangible Benefits

Cost-savings can be dramatic. In the United Kingdom, productivity increases of up to 300 per cent have been claimed by the Bank of Scotland, whilst a debt recovery firm's collectors now contact more than 200 defaulters in a day compared with fewer than 60 previously.

In the USA, the computer company Tandem cites the case of a system it installed for an electricity supply company; its client now claims savings of 3 million dollars per year and managed a full payback on its investment within four months. Another company quotes the experience of a bank using automated dialling systems which it supplied. In the first year of operation, accounts handled rose by 33 per cent, promises to pay rose by 65 per cent and all this was achieved with existing staff. These may be exceptional cases but they are certainly indicative of the technology's potential. ■

CALL CENTRES DEFINED

The term call centre is best used to describe the location at which 'business by phone' is conducted. Customer contact system is the name often given to the supporting infrastructure – a combination of telephone and computer systems – that is required to support business conducted by telephone effectively and efficiently.

Physically, the call centre is a dedicated resource, designed to manage the making and receiving of a large volume of telephone calls. It is not 'just' a fancy telesales bureau, nor a fancy name for an automatic call distribution (ACD) suite; far more technology and business planning – and also a clearer understanding of strategic objectives – are involved.

Because the purpose of these calls is predictable, computer assistance can be used to enhance the efficient handling of the conversation. Call centres are staffed by specially trained people (generally called agents) equipped with telephone facilities and using a computer screen to access or input information. Other technologies may be added. For example, voice processing can be brought in to initiate or complete the call (such as with Directory Enquiries) and, in the future, multimedia technology could be used to support the agents. But the distinguishing feature is that all these elements are integrated into one seamless whole.

Typical applications for call centres are telesales, order processing, customer service and debt recovery. In many cases the calls handled are all outbound or all inbound, but combined inbound and outbound call centres also exist.

The various call centre systems on the market vary in sophistication and in the degree to which they can be integrated with existing computer and call-connect systems. Potential customers will therefore need to examine and specify their needs carefully and then select suppliers accordingly.