



Outsourcing the Outsourcing: The Importance of Selecting the Right Vendor Manager

By Jeffrey A. Milberg

With nearly 4% of all contact center agents serving U.S. customers outsourced to a near or off shore service bureau, and that number expected to rise by as much as 50% by 2008, off shore outsourcing appears to be an irreversible trend despite whatever political backlash it may have elicited recently and despite the political rhetoric heating up as the mid-term congressional elections loom. Now more than ever, the need for establishing management control in the early stages of sourcing is important for companies seeking to increase their return on investment (ROI). That taken, in their eagerness to get off shore initiatives up and running many companies fail to stress the importance and means for establishing such control. They do so at their own peril.

The need for value added vendor management has given rise to a new player in the outsourcing industry. The benefits of hiring a vendor manager may be obvious, in that they are similar to those conferred by outsourcing in general. More difficult to determine, however, are the selection criteria that should be considered when determining which vendor manager to hire.

Many organizations weigh the option of moving their own contact centers to off shore locations in order to lower their cost of operations and, simultaneously, increase their ROI. These companies recognize that while cost containment is important, basing the decision to move off shore purely on the availability of cheaper labor is short-sighted. For one thing, such a rationale ignores other critical factors such as call routing, quality assurance and monitoring, management, and control.

So how should a company looking to outsource go about selecting a vendor manager? I don't presume to know everything that informs every outsourcer's selection criteria – let's face it, different companies have different needs – but I can speak from experience and relate what a vendor manager looks for when selecting an off shore contact center for one of its clients. We look for a demonstrated expertise in the client's particular field, including prior experience working with similar clients. We make sure that a contact center seeking to service one of our clients has compatible infrastructure, including hardware, software, networking capability, and proper management tools. Additionally, we take the testimonials of organizations with needs similar to our clients' into account. That's because so-called "word on the street" is still one of the best indicators of who's doing what well, and who isn't.

Of course, if you want the word on the street, the best way to get it is to actually visit the street. Familiarity with one's product is a necessity in any industry and the better vendor managers will conduct on-site inspections of contact centers within their global networks prior to recommending one to a client. Additional periodic visits, especially during "ramp up" periods, may be warranted. Finally, organizational strength, size, time in the business, and reputation all are paramount considerations. Does the contact center being considered as an outsourcing destination for a particular client have adequate staffing, management structure, and what I like to call the "proper organizational demeanor" to handle exceptional contingencies, as well as normal operations, for that client? Visiting it is still the best way to find out.

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