



Scotland: A Hub for Business Process Outsourcing (BPO) Centers

By Danny Cusick

The context of the global business process outsourcing (BPO) sector is changing rapidly. No longer simply the answer to the question of cutting costs, customer contact, and shared service centers are now often – and rightly – seen as integral parts of a business. They influence efficiency and effectiveness; they convey brand values through customer contact; and in a time when every sector and every company in the world is in some stage of recovery from the global recession, contact centers are important drivers of economic growth.

The ingredients of a successful BPO hub are changing too. For world-class businesses, cost is part of the equation, but alongside many other factors. Scotland has a long and proud tradition of excellence in the financial and business services sector.

Today, with companies tapping our unbeatable combination of high-quality skills and competitive costs, the nation has become the ideal location and home to some of the largest contact centers in Europe. At the heart of Europe, within a short journey from the City of London, Scotland is able to serve a wide range of markets throughout the continent and from Central and South America to Asia Pacific, with the support of academic institutions, stable infrastructure, and advanced facilities. Its impressive record of success in the field has made Scotland an internationally recognized BPO location.

But we are not resting on our laurels. In Scotland we're taking a lead in ensuring what we have to offer meets the needs of the new business landscape.

First, we continue to invest in one of the most impressive and skilled contact center workforces in the world. With a world-renowned educational system and a ratio of greater than 20 percent of working-age graduates working in the shared services sector, there are more than 86,000 people employed within 400 contact centers in Scotland, meaning that one in every 30 employees works in a contact center. Due to the wealth of multilingual capability available in Scotland, the BPO contact centers feature a mix of 26 different languages in a wide variety of operations in a diverse range of sectors including financial services, telecoms, utilities, retail, technical support, travel, and media.

Second, this quality workforce is allied to an extremely cost-competitive environment. Labor market regulations in the UK, including working hours, are among the most flexible in Europe, and staffing costs are highly competitive. Scottish salary costs, including indirect social wage costs such as employer national insurance, are among the most competitive in Europe. And

companies will find that high quality workspaces at very competitive rates are aplenty in Scotland. Within minutes of large population centers in Edinburgh and Glasgow, investments have been made to make world-class contact center space available at a fraction of the costs of similar space in other capitals throughout Europe.

Finally, for call center personnel, Scotland has a well embedded training infrastructure developed by the public and private sector. Established in 1996, Customer Contact Association (CCA) is the professional body for the Call Center, Contact Center, and Customer Service Industry in the UK. Headquartered in Glasgow, Scotland, the CCA endorses training courses at three levels with a strict quality checking process at each level.

Furthermore, most colleges in Scotland have particular strengths in developing flexible pre-employment training courses geared to meet the specific needs of contact centers. A broad range of courses have been developed in conjunction with companies, colleges and local enterprise companies in Scotland. More than 42 colleges and 21 private training providers offer a variety of customer care courses, with five colleges offering specific Customer Contact Centre courses. In Dundee for example, the local college delivers courses which last up to 8 weeks, with a focus on customer care, telephone technique and IT skills all of which delivered within a call center environment within the college grounds. Additionally, many schools offer tailored programs in a variety of sectors—including hospitality, business, and retail. And in vocational programs for call handling, students are held to nationally recognized standards and assessed in the workplace to confirm competencies in supervising, managing, caller relations, quality of provision and health and safety.

Demonstrated by the number of corporations who have already taken advantage of the nation's innovative and highly educated workforce and wealth of expertise in this field, Scotland's dynamic business environment is proving to be the ideal shared service center location. Due to its advanced and cost-effective IT and telecoms infrastructure, competitive property market and highly-qualified workforce, Scotland has been chosen by companies including IBM, Morgan Stanley, Dell, O2, Iron Mountain, Eaton, Shell and NCR, as the hub for their service center activities.

For instance:

- The UK houses Dell's second largest business outside the US. The center offers customer sales and support for Dell's medium and large business and public sector customers. The project has led to the creation of more than 500 new jobs and is based at Glasgow's City Park.
- Twelve years ago, IBM set up a Pan- European technical helpline call center in Greenock, Scotland. Initially dealing with existing client users, it migrated to dealer and business partner support and also outsourced customer support. The call center services customers in 25 countries including Europe, the Middle East, and Africa, covering 23 languages with approximately 1000 foreign nationals and local multilinguals with over 1,950 people employed at the Scottish facility.

- Diversified power management company Eaton selected Glasgow as its location for shared service center operations in 1997 because of its growing reputation as a financial services center with a skilled and multilingual workforce. With approximately 110 staff skilled in Czechoslovakian, Polish, Romanian, French, German, Dutch, Spanish and Italian languages, Eaton's Shared Service Center in Glasgow serves all of the company's European operations and provides financial, IT and administration support to 43 operations throughout Europe and Asia Pacific.
- Iron Mountain, an outsourced records and information management services company headquartered in the U.S., opened its UK Financial headquarters in Livingston, Scotland in 2004. The company currently employs 55 people at its Livingston facility which handles all invoicing and ledgers for its UK operation. The opening represents the company's biggest European business processing investment and takes the total number of Iron Mountain employees based in Scotland to 320.
- For over 40 years, Shell has invested billions of pounds in its North Sea operations centered in Aberdeen, Scotland. Shell Finance Operations established its shared service center in Glasgow in 1998. The company's staff grew to 300 in the first few years of locating to Glasgow and currently employs nearly 700 people. The center covers 12 European countries handling finance and accounting for Shell's European companies. 15 percent of the workforce is multi-lingual in languages such as French, German, Spanish, Italian, Norwegian, Swedish, and Finnish.

In the current global economic climate, leading global companies are looking for a BPO partner that can deliver high quality service and cost-competitiveness. In Scotland, we've taken that challenge to heart, providing world-class contact center options to world-class firms.

Danny is the President of the Americas for Scottish Development International (SDI - www.sdi.co.uk), the international division of Scottish Enterprise and joint venture with the Scottish Government. Danny is responsible for all of SDI international business activities in the Americas. SDI has six offices in North America (Boston, New York, Chicago, Houston, San Jose, and Toronto) as well as representation in both Mexico and Venezuela. Previously Danny has served of Head of Scottish Enterprise's Financial Services Priority Industry Team, deputy chair of the Financial Services Implementation Group and head of SDI's Financial Services Trade and Investment team. He joined Scottish Enterprise from the private sector where he had various roles in business consultancy. A Graduate with a B.Sc. and PG.Dip. in engineering, Danny also has an MBA from Strathclyde University together with a Diploma in marketing from the Chartered Institute of Marketing.

