MicroSourcing

Offshoring customer service

In this eBook we discuss why you should consider offshoring your customer service, why it's crucial for you to be delivering the best experience possible as well as what to expect when offshoring customer service representatives in the Philippines.

THE IMPORTANCE OF CUSTOMER SERVICE

Did you know that 2020 is the year for customer service to overtake the importance of product and price as a key brand differentiators? This means that your customers are likely to choose your business for better customer service over a business that potentially has a better product than you. So, what does that say about customer service?

Customer service essentially has the power to make or break your business - it's key to business success. By delivering top-notch customer service your business can increase customer retention and acquisition rates which will ultimately lead to improved margins and profitability.

Customer service is evolving. Fast.

And you have to keep up.

We're now seeing many online companies provide exceptional levels of 24/7, multi-channel customer service. It's becoming the norm; your customers now expect you to do the same. Which means you'll need to get creative, because you don't have the same resources at your disposal as the Amazons of this world.

Plus, it's not as simple as it used to be. There are a lot more platforms businesses need to support these days, including:

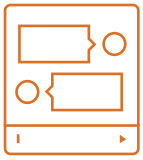
Social media

Blogs

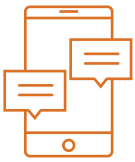
eCommerce order processing

Email

Phone inquiries



Online chat



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As a result, customer service has evolved from 9-5 on business days to 24/7, 365 days a year. Leaving customers with little patience when expecting a response. A recent survey suggested that a third of people who leave a comment on your social media page expect a response within 30 minutes. The remaining expect a response within the day. Businesses need to meet that expectation and react quickly in order to provide the best service and remain competitive.

If you want to keep up with customer expectations and thrive in this new environment, you'll need to invest in smarter tools and approaches - like offshoring.

WHY OFFSHORE YOUR CUSTOMER SERVICE

Every savvy business operator has considered offshoring. Between globalization and the ever-increasing cost of local labor, you'd be crazy not to. But, when customer service is at the forefront of your business, it's natural for you to be hesitant about sending it offshore.

However, customer service lends itself really well to the offshore model. It's usually a high volume activity - quite repetitive and process-driven. Plus, customer service roles can often be hard to fill onshore.

All of these factors mean offshoring your customer service is a smart choice. You get...

Lower cost labor
Access to enough support staff on hand to manage the volume, respond quickly, and reach all your platforms at once.

Skilled employees
Filipinos see customer service as a career path and you can hire experienced team members for a fraction of the cost.

Longer support hours
You can cover more timezones in your location when you offshore to the Philippines.

Better customer service
Your dedicated offshore team can focus 100% on doing what they do best: providing an amazing customer experience.

The option to scale faster
The lower cost means even small businesses can afford to provide top level, hands-on customer service, so they can confidently expand their business, knowing they have the capacity to handle new inquiries.

Hiring onshore customer service is challenging

Providing good customer service is challenging for businesses at any stage or size. But small businesses can find it especially hard to deliver the service quality their clients and customers expect. The most common reasons are:

- Onshore staff are expensive - statistically speaking, labor costs are the second-biggest expense for most businesses
- You need a lot of people
- You need to invest in them (and their training)
- Onshore customer service teams can suffer disproportionately from high turnover rates.

No doubt you're already painfully aware of these difficulties. But you may not be aware that offshoring goes a long way towards solving a lot of these challenges.

WHAT TO EXPECT

We've all heard the horror stories, and we've all been on the receiving end of terrible offshore phone support. But the truth is, those experiences, while not uncommon, are by no means a good representation of what outsourcing can really do. Done right, an offshore customer support team can not only save you money, but can also deliver measurable service quality improvements including:

Increased efficiency

Increased quality of output

Improved margins

Overall business growth

Being prepared is a key component that will ensure your outsourcing journey is 'done right'. To help, here's what you can expect when hiring an offshore team of customer service representatives in the Philippines.

Why the Philippines?

The Philippines is one of the largest English speaking countries in the world. This means that language barriers aren't an issue when offshoring to this particular country. Filipinos also have the tendency of being loyal, hard-working and honest - three characteristics that make for an excellent customer service representative.

Hospitality is also a big part of the Philippines' economy, so most existing industries are already customer service oriented. Not to mention the fact that large multinational American and Australian companies have invested in customer service personnel and training in the Philippines for decades, meaning the Philippine labor market is now rich and skilled in talent. And at all levels - junior, intermediate and senior. This means you can quickly set up a team, with all the experience you need, and they'll hit the ground running.

Official Name:
Republic of the Philippines

Geography:
Archipelago of 7,107 islands

National Languages:
English, Filipino

Population:
109.6 Million

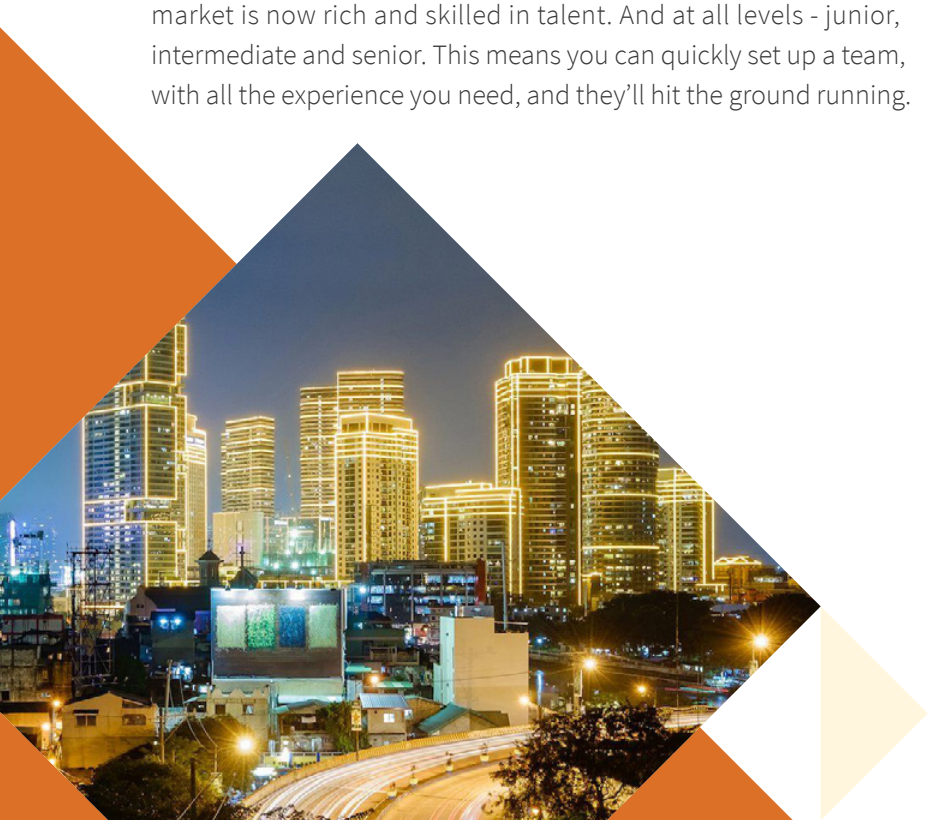
Currency:
Philippine Peso

GDP:
$379.8B (2019)

Labor force:
41 Million

Literacy Rate:
97.95%

Top Universities:
University of the Philippines
Ateneo de Manila University
De La Salle University
University of Santo Tomas



Talent acquisition

Hiring the right talent for the job

Your outsourcing provider should be running a rigorous recruitment process to identify the strongest candidates in the pool. Skills and language testing should also be conducted before you're involved in the recruitment process. This will ensure that you have a high quality talent selection to choose from. From there, here is how to ensure you're choosing the right candidate.

Firstly, spend enough time interviewing each candidate. And don't just focus on their skills; make sure they're a good fit for your company culture too.

Secondly, after you've finished interviewing each candidate, provide detailed feedback on why they passed or failed. This will help your recruitment team filter your candidates in future.

Finally, make sure you have clear KPIs in place. Once you've hired and trained your new team member, they'll rely on you to communicate your expectations for the role. By giving your staff clear and measurable indicators of success, you'll motivate them to meet (and exceed) your expectations.

It's also important to note that monitoring your changing needs is crucial. This is often overlooked once the business fills their first allocation of offshore roles, but it's equally as important as defining your needs up-front. Wherever you employ, at home or offshore, you'll have staff turnover, and it's important you learn from your experiences, and adapt your needs, expectations and approach accordingly.

Training

In theory, training offshore employees shouldn't take any longer than training onshore employees, so between 2-3 weeks depending on the complexity of the role. There's a common misconception that your offshore team members will come trained and ready to go. And while they do come trained, to an extent, this particular misconception is what causes a lot of negative outsourcing experiences. Your outsourcing provider should provide your new staff members with HR and operations orientations, which includes a site tour and initial systems testing.

Once completed, training is then handed over to you for company orientation, systems training, an introduction to your products and services, and workflow training. This training period will depend on your individual business needs and the types of roles you're filling.

A common concern when we discuss training is 'how will I be able to train my team if I can't sit with them'. A fair concern but also one that is quickly forgotten about once we explain how it works.

Outsourcing wouldn't be as easy as it is today without technology. By utilizing online communication tools such as Skype or Zoom, you are able to train your offshore team exactly how you would if they were sitting in the office next to you. You can screenshare and record your sessions so that your team has something to refer to if they are lost on what to do.

After that, if you want to add extra people to a team, or you want to add an entirely new team, the training process becomes even faster due to the processes and documentation that's already been put in place, such as the recorded Zoom sessions.

Tech

Realistically, all your offshore team needs is a desktop, a webcam, a headset, access to web conferencing software and a reliable internet connection. However, it's the technology that you decide to use internally that will determine the efficiency of your team.

We always recommend for our clients to integrate a cloud-based program if not previously used before. Some common cloud based programs include, GSuite and Dropbox. These particular programs allow you to share and collaborate with your offshore team whenever, wherever.

We also recommend that you integrate a project management tool like Monday or Asana to track deadlines and deliverables. These entry level programs are so easy to use and can make a real difference to your teams output.

Technologies required to support an offshore customer service team

All outsourcing companies handle this differently. We let our clients choose whatever systems they want, and usually they just stick with whatever they're already using. Then they benefit from familiarity, and they can ensure their onshore and offshore teams work together seamlessly.

Of course, your provider should also be able to help you choose a new system to suit your business model and objectives. But, make sure you ask them to provide evidence showing how much experience they have in VoIP, CRMs, email platforms, chat systems and back-end website access.

It's also important to note that the tech you decide to use should remain updated at all times. This will ensure maximum productivity and will eliminate any risks associated with communication delays or disruptions.

Infrastructure

The Filipino government invests heavily into the BPO industry every year, meaning the infrastructure in the Philippines is of high quality.

There are 5 major internet service providers in the Philippines so it's crucial for you to check that your provider has a leased line to a few of these. This will ensure that your communication is streamlined between your onshore and offshore teams.

Structure

The ideal team and reporting structure

This all depends on the size of the team. For a smaller team, you may need to hire more senior staff upfront. This is what a lot of start ups do - and also clients that are trying offshoring for the first time, before expanding. This approach is also very helpful as you grow, because the senior staff can eventually take on the leadership roles and train junior staff.

If you're hiring a larger team upfront, it's a similar approach, but you should first look for people who are experienced in leadership and management, not just in customer service. This will ensure you have streamlined communication and reporting, and that someone in your offshore team can help you screen and interview subsequent roles, and focus on effective team engagement, culture and retention.

It's also worth considering whether your managers should be located onshore or remote.

Setting up a 24/7 team

We've seen plenty of businesses do this successfully, once they get a few essentials in place.

First, you need to account for extra staff to cover the hours needed, after all 24 hours per day is a fair bit more than the standard 9-5. Plan ahead for holiday, sick leave, and turnover by having at least a few extra staff available to cover any vacancies, depending on the size of your team.

Cultivating great team culture

Another important thing you can do is to cultivate a great team culture, which will minimise turnover. This is about more than just providing a competitive salary, bonuses, commissions, and incentives (although these are important). Treat your customer service team as your employees and communicate with them regularly. Take the time to plan team building activities, invest in their training, hire internally and provide opportunities for promotion.

Your team will reward you with increased productivity, greater loyalty and ownership of their role - important factors for any team to succeed, but especially a 24/7 customer service team.

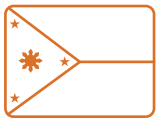
Common mistakes

Underestimating the time and effort involved in getting set up
There might be more to the process than you think. Putting aside extra time to plan your recruitment, set up IT, and create a strong foundation for your team to operate on are essential tasks for setting up an effective offshore team.

Skipping performance reviews
Your staff look forward to regular performance reviews. It's a chance for them to become aware of areas they can improve on and be rewarded for their good performance. Apart from monthly scorecard reviews, we recommend mid-year and annual performance reviews for your team members to keep them motivated.

Choosing the wrong people to manage a team
Team leaders need to be able to delegate, report, train and solve problems. But just as importantly, they must have good people skills.

Treating remote staff as different
Businesses that treat their remote teams as separate to their local employees are missing an opportunity to integrate skills and personalities they could really benefit from. Take the time to meet and personally interact with your offshore team, plan team building activities and listen to their ideas.



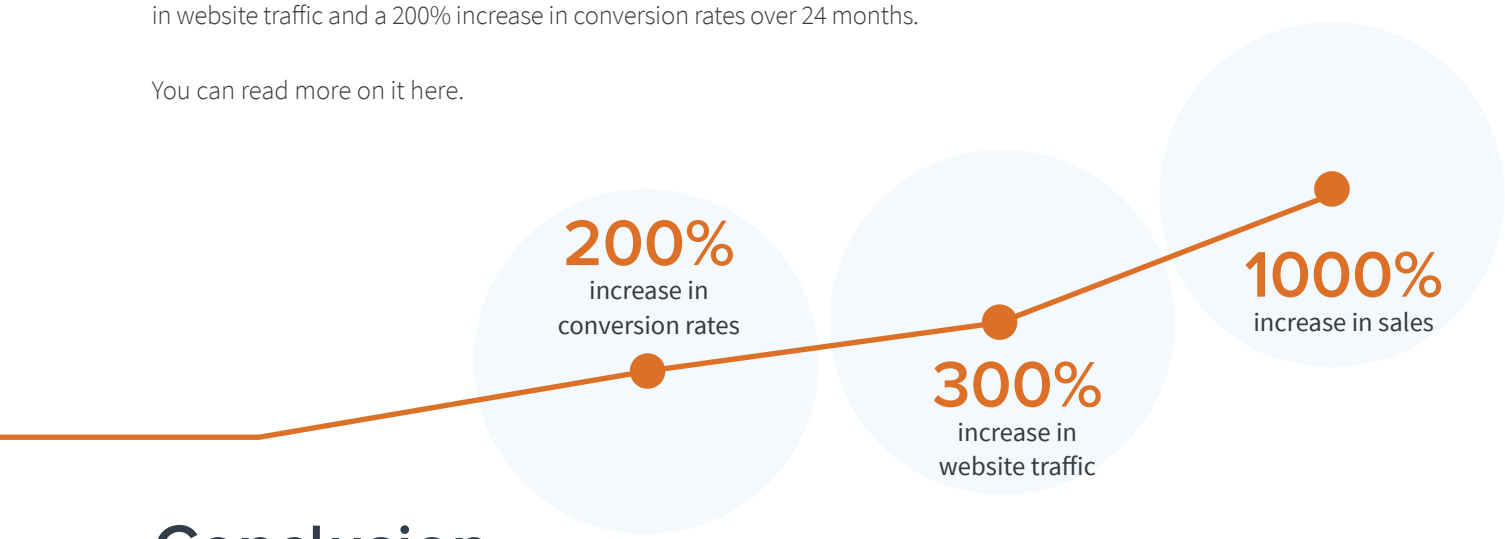
Not learning about the Filipino culture
Although it's important to integrate your offshore team with your local team, your offshore staff will respond differently to your communication and management. Understanding the Filipino culture and values will go a long way in preventing miscommunication and keep your departments running smoothly.

Real life results

One of our clients has a team consisting of 23 full-time staff ranging from customer service representatives, digital markets, logistics assistants, content managers, analytics and graphic designers. Their goal was to improve user experience on their website by delivering the best service possible.

Since hiring their first offshore team member in 2018 our client has experienced a 1000% increase in sales, a 300% increase in website traffic and a 200% increase in conversion rates over 24 months.

You can read more on it here.



Conclusion

If you do decide to outsource your customer service, here are a few things you need to consider:

1. Number one is if you're using an outsourcing company, don't just look for a service provider. Look for a partner. It sounds cliche, but they have to understand how your business works. Your history, key processes, offerings, and services. They need to know where you come from and where you're going. They also need to be clear and upfront about their process, timelines and requirements.

2. Number two is process calibration. Ideally you should be doing monthly call monitoring or transaction observation sessions to determine if the transactions your offshore staff are actually handling are what you thought they'd be handling, and consequently whether your job descriptions are accurate.

3. Number three is quality candidates over quantity. This gives you low turnover rates, and better productivity and efficiency. But more importantly, it gives you better service quality (potentially even better than you have now, from your onshore team). When your customer service staff are emotionally intuitive communicators, they're better at understanding customer needs, reading between the lines with customers who aren't specific, probing for more information, solving problems, coming up with solutions, and generally keeping up with the demands of the job.

4. And number four is be very specific with your job descriptions. Wherever you hire, the only way you'll know you've found what you want is to know what you want to begin with.

Outsourcing your customer service can come with its challenges, but with the right provider your business will be on its way to providing the best customer service in town.

For more information, please visit our website or contact us today:

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