

What is the best CX outsourcing strategy for your company : single or multi-sourcing?



Let's get started!

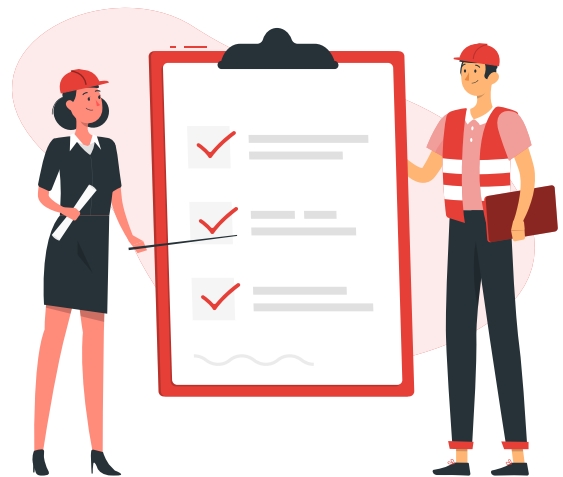
# Contents

1. Intro
2. Benefits of multi-sourcing
3. Why multi-sourcing?
4. Drawbacks of multi-sourcing
5. How to choose a multi-sourcing provider
6. Tips for managing multi-vendor, outsourced CX operations
7. How does Conectys fit into all this?

# Intro

BPO (Business Process Outsourcing) was conceptualized back in the 1950's, came to fruition in the 1990's and by the 2000's was a universal component of corporate strategy. The multi-sourcing model appealed to the large corporations with global reaching, complex Customer Experience (CX) and Trust and Safety (T&S) operations. However, it increasingly became the norm and today companies large and compact, allocate 3-5, sometimes up to 10 vendors to each project.

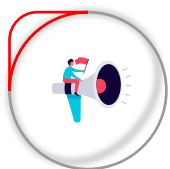
Do companies take decisions according to their specific needs and the benefits and pitfalls of each model or do they follow the trend?



# Benefits of multi-sourcing



**Expertise:** This must be a prevailing criteria when choosing your sourcing strategy. Specific vendors have unique competences and insights that your business needs e.g., expertise in Western European markets, industry specific expertise or line of business expertise (E.g., customer care, social content moderation, etc.). They become an obvious “go-to” choice for that knowledge and ability. Start by listing the expertise that is essential for the utmost quality of your service.



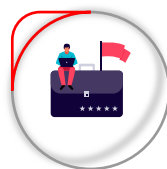
**Language, localization, and time zone coverage:** Partnering with multiple vendors is theoretically unavoidable if your needs are global, which means that you require your care delivered across an ample selection of languages and time-zones. Both CX and T&S require far more than the ability to master the technical components of a language, as many customers prioritise cultural affinity and white-glove care, over native language proficiency. Any one vendor will find it more difficult to deliver services in some specific languages or regions. Multi-sourcing simply widens the range of solutions on offer.



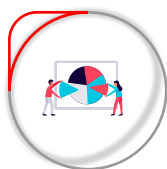
**Business Continuity | Risk Management:** Servicing your customers across multiple vendors means less exposure to risk when a single vendor has their own issues or cannot help you, for instance scaling unexpected hypergrowth. Single sourcing, a powerful approach in a stable environment, can amplify exposure to risk (e.g., supplier's default) in the presence of uncertainty. Remember the cautionary idiom “putting all eggs in one basket”?



**Financially Advantageous:** Multiple vendors are brought in for strategic, operational, and geographic reasons, but also because they may be more cost-effective than a single vendor, depending on the specificities of each project. Vendors in competition are incentivized to look for efficiencies which translate into financial benefits for the client, but this does not always result in cost-efficiency. Thus, we always collaborate with partners to clarify the drivers shaping the operation. As we discuss in the next section, less costly can bring about efficiency issues.



**Innovation:** Would you design innovative solutions to improve the value of your product, the CX and decrease costs, if there was no competition? Such rhetoric serves to point out that multi-vendors bring in different perspectives and compete to innovate on behalf of their customers. Multi-sourcing keeps your partners “on the ball.”



**Top-notch results:** Multi vendors compete to innovate, because this leads them to improve their services, resulting in your Customer Satisfaction (CSAT) and Net Promoter Score (NPS) going up, winning your business user loyalty and longer Customer Lifecycles (CLCs). Multi-sourcing should reduce eventual complacency as partners compete to achieve the best results to gain more business.



**Speed and Scalability:** When you need to scale big and fast, a single vendor finds challenges, even if they are a colossus of BPO. With multi vendors you stand the chance of orchestrating a dependable scaling plan, as deployment is based on the optimal capacity of each partner.

## Drawbacks of multi-sourcing

Some companies may however decide to implement a single-source strategy for their CX operations, outsourcing their business to one vendor that covers a broad mix of languages, knows their desired markets, has vertical track record, a robust technology stack and demonstrable solid tech integration competencies, in addition to a history of industry recognition.



Focus on high-quality, bespoke solutions and extraordinary service are meaningful currency in a one-size-fits all world landscape. On the other hand, companies opt for multi-sourcing, because decisions are often based on deferment of risk.

At Conectys we have seen it all and advised companies to do both, shift from multi-sourcing to one partner and vice-versa. What we are concerned here is with helping you to choose what best suits your business.

**Higher management complexity:** Working with different organisations means complexity at various levels. With outsourced CX partners diversifying from the low-cost call centre “bums on seats” approach, to a more specialized and CX driven service, brands must manage yet another level of complexity, vendors with different value propositions and operational structures. This requires larger, more qualified overhead resources.

**Technology integrations complexity:** Technology fluidity is a major issue for our partners. The market is flooded with technological solutions as new Apps sprouting daily from both tech giants and cottage-industry players. Working with multi vendors means navigating your way across non-compatible systems and sometimes closed platforms, which will not integrate with yours and other vendors’ systems.

Most vendors are also dependable on third party tech suppliers.

**Contractual complexity:** When you pair your legal team with your vendors, you will wish that you had the power to state the rules across the board, but often this is not the case. Even global leaders of gigantic stature must compromise on legal boundaries imposed by national and international regulations. This is notorious in T&S where the legal framework is in its infancy, and the sector keeps on evolving.

**The Multicultural in Global:** Managing your vendors in an era of multiple cultures, requires that your team be conversant in identifying and working with the many types of cultures that you engage with. A brand aiming to expand globally must develop the skills to conform to a multicultural context and manage the differences in sensitive and synergistic ways.



**Financial Disadvantages:** Measuring the cost of a single vendor against a multiple vendor service is extremely difficult. As pointed out in the previous section, competition raises vendors' pressure to lower costs, but this may impact quality and capacity to respond, eventually driving a race to the bottom. Whilst the direct cost of multiple vendors may be lesser, the indirect costs that stem from a multi-sourcing strategy, bring about the drawbacks mentioned above, which may, all things consider, represent a bigger investment.

## Tips for managing multi-vendor,outsourced CX operations

**Outsourcing mature processes:** Unless your vendor demonstrates great operational knowledge, do not outsource processes that you do not master. Start by outsourcing processes that are mature and which your vendors can enhance.

**Don't have them compete for talent within the same geographies:** This has become an issue in multi-vendor outsourcing, specifically for some languages, which are historically more difficult to source. The fight for talent on the same market will unnecessarily inflate your costs. Build a CX operation that gives each vendor the possibility to be their best and see you as an aggregator and facilitator.

**Assign business scope and size based on performance:** Your business, like ours is reflected by numbers and ours are cost avoidance, productivity gains, CSAT, NPS, SLA's and ESAT rates. In other words, create a culture of measurement and visibility and add or extract volumes and you will see your partners reacting by correcting and seeking to add-value.

**Reward true care:** A transactional business approach is not enough in today's CX framework, especially when your users have a zillion platforms to praise or critique your brand. If you are lucky enough to come across vendors that pamper your users, that are forthcoming in coming up with improvements to add equity to your business, show them love.

**Know your company's limitations and your market's trend:** Have you outsourced previously? Have you made your business case for outsourcing the services and are you taking the leap for the right reasons? Do you know your market well? Is it flourishing and expected to continue to grow? Is your company at the right stage and deeply committed to relinquish some control?



## How does Conectys fit into all this?

We bring into any partnership two decades of experience, comprehensive technical expertise, and a history of innovation, gained in hundreds of projects for fortune 500 companies, hypergrowth tech disruptors and renowned institutions, such as the European Commission.

Team Conectys has successfully managed numerous Customer Experience (CX) and Trust and Safety (T&S) programs, both as a single partner and within a group of vendors, lifting and shifting entire operations, delivering a specific slate of languages, licensing our agnostic omnichannel Contact Center as a Service (CCaaS), providing system integrations for our partners' and other third party's systems, designing and implementing digital transformation strategies, researching, and opening production facilities in new locations to globally scale giants, the list could go on...



We are happy working within a single our multi-sourcing arrangement and keen to share data and best practices with our clients to deliver the best outsourced customer experience or content moderation. Our drive is to gain efficiencies on behalf of our partners, to improve their services and cost position, automate the functions that improve CSAT and ESAT and increase their customers loyalty and CLC.

Conectys is unique in the BPO industry. We are global, have been profitable from day one and continue to grow organically at 25%+ CAGR. We developed a fully integrated end-to-end model for modern CX and T&S operations, that only the colossi of our industry can offer.

However, we have remained independent, held on, and built on our culture of entrepreneurship, bespoke care, and pragmatism. Amongst the four types of CX providers, we tend to be ranked as a mid-size company. However, we offer your business a global footprint to scale from 14 locations, highly knowledgeable professionals with tons of experience, powerful BPO/CXO software to manage your operation and a digital transformation team that improves your bottom line. We grant our partners access to our decision-makers, and we are fully committed to developing synergistic relationships, where CX is seen as a driver of brand equity and not its poor parent.

Often, we are brought in as consultants by firms that are considering outsourcing for the first time or by huge companies that offer us contracts with a slice of work, for example with 6-10 languages in one or two regions and then ask us to expand their reach, many a times, globally and swiftly.

We enjoy a reputation as a niche provider of 1st class quality business process outsourcing services and are very invigorated when large companies and institutions seek our consultancy to design their whole CX and T&S services from a to z, to research and open production facilities in new locations or to create a training academy for their brand. Conectys has won over 20 awards and is regularly listed on industry analysts reports such as Everest Group's PEAK® Matrix for Customer Experience Management and Trust and Safety outsourced solution providers.

Overall, Conectys enjoys its status as a mid-size, flexible, consultative BPO specialist firm, which built a name out of contributing to innovation, and continues to appear in the top industry reports and awards podiums, competing with the colossi of our industry, despite delivering what they do and more, within a sensitive commercial framework.



We feel energized by this position  
and would love to meet you and  
discuss your business and what  
Team Conectys can do for your CX  
and T&S services.

Let's chat

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