

CHANGING YOUR CUSTOMER EXPERIENCE PROVIDER

Why, when, and how?

A Conectys made white paper



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INTRO

Many industries are turning to Business Process Outsourcing (BPO) providers to improve Customer Experience (CX) services. This trend is driven by the need to enhance operational efficiency, reduce costs, and increase customer satisfaction without significantly investing in resources and technology.

According to the Grand View Research Report on CX Management, "the global customer experience management market was valued at USD 10.65 billion in 2022 and is expected to expand at a significant compound annual growth rate (CAGR) of 15.4% from 2023 to 2030. The growth can be attributed to the mounting importance of understanding customer behaviour and their preferences, which drives various brands and organisations to implement customer experience strategies".¹



As more businesses recognise the importance of providing customers with positive and consistent experiences across all touchpoints while prioritising their needs, the CX outsourcing industry continues to experience rapid growth. Research and Markets confirms this in the report "Global Outsourced CX Market Report: Insights, Trends & Forecast" while providing data that "*the global outsourced Customer Experience (CX) market is anticipated to reach US\$81.5 billion in 2023, growing at a CAGR of 3.51% during the period spanning 2019-2023*".²

The document notes the growing demand for third-party CX support and predicts a bright future for BPO services. As more businesses focus on their core competencies, they can benefit significantly from outsourcing non-core functions, such as providing outstanding consumer experiences. New BPO players with unique value propositions are emerging, offering companies more options to diversify their portfolios. This allows brands a broad range of choices and an excellent opportunity to switch to a new BPO partner.

There are several reasons why an organisation may decide to make such a change. While many companies are content with their current BPO partnerships, certain situations may necessitate a shift. Common triggers for transitioning to a new BPO vendor include, for instance, poor service delivery, weak collaboration, support with strategic growth, and a desire to achieve better value for accessing new technologies.

This white paper provides a comprehensive guide to navigating the transition process from start to finish, including determining when a change may be mandatory, practical evaluation of the BPO partners, and identification of the potential obstacles. The document outlines best practices for mitigating risks and ensuring a successful transition, whatever the reason for the change.

In conclusion, it also examines the short- and long-term benefits of strengthening your vendor strategy.

WHEN IS THE RIGHT TIME TO CHANGE YOUR BPO PROVIDER?

There can be reasons why companies move and transition to new outsourcing partners. Ultimately, the need for better CX outsourcing may arise from one or a combination of various factors or other issues that occur over time.

Below are some of the most common situations that may initiate a change:

1. WHEN THE POOR QUALITY OF BPO SERVICES NEGATIVELY IMPACTS CUSTOMER EXPERIENCE

Maintaining a high-quality Customer Experience is a top priority for companies that refuse to compromise. These organisations understand the direct impact of CX on business, both in terms of revenue growth and brand equity. They strive to develop a collaboration with an outsourcing partner that goes the extra mile to provide adequate resources and optimal support.

McKinsey says, "Transforming the Customer Experience isn't about playing hard and fast. To succeed in the long game, companies need to manage it systematically. Doing it well is a game changer, which is why more than 70 per cent of senior executives rank CX as a top priority for the coming years".³



Regularly assessing Customer Experience effectiveness is crucial to understanding consumers' needs and identifying improvement areas. Analysing existing operations allows organisations to determine whether current services, processes, tools, and technologies already in place deliver the desired level of CX whilst uncovering critical gaps.

There are warning signs of decreasing CX quality, e.g., poor buyer retention, lower repeat business, reduced loyalty, declining revenue, and unmet consumer expectations. A new outsourcing partner should be considered if these are a growing trend and show no indication of improvement.

The key metrics below are the holy grail of modern CX performance monitoring:

Voice of the Customer (VoC): customer feedback and insights such as CSAT, NPS and CES, which allows for understanding satisfaction and loyalty levels.

Customer satisfaction surveys: direct feedback collection through surveys or questionnaires conducted via e-mail, phone, online, or in-person.

Customer feedback metrics: insights on customer retention rate, repeat purchase rate, and customer lifetime value (CLV) showing customers' satisfaction with the company's products and services.

Employee experience metrics: a valuable source of information on employee engagement and satisfaction levels (ENPS) and team performance (XLA), essential for creating positive customer experiences.

Processes efficiency measures: the company's agility and performance when responding to customers (FRT/RR) or resolving their inquiries (FCR).

Social media monitoring: a valuable source of information about customer opinions, sentiments, and feedback.

Another fundamental aspect of successfully assessing CX services is thoroughly emphasised in Gartner's latest research project. Relying on VoC dashboards and reports is not enough to drive customer-centric decisions. Instead, the ability to analyse VoC data and turn it into actionable insights encourages customer-centric behaviour across the organisation.⁴

2. WHEN A STRATEGIC BPO IS MISSING

There are also situations when organisations have a broader range and more complex needs to respond to. Even when enjoying working with an existing vendor, they seek additional capabilities and consider a change to achieve them. These may include:

- Expanding into new markets.
- Sourcing a multilingual worldwide talent pool.
- Strengthening position in a specific industry.
- Implementing and blending innovative technologies.
- Achieving flexibility in operations.
- Modernising existing services to extend competitiveness.

Therefore, in such circumstances, companies may seek a BPO partner with a fresh approach, necessary resources and expertise and consider a challenger outsourcing model which fosters competition significantly. These may result from the need to:

- Gain expertise in a specific industry or line of service.
- Reorganise delivery footprint according to more suitable talent pools.
- Leverage advanced technologies such as artificial intelligence and machine learning to enhance Customer Experience.
- Streamline operations or plug in an easy-to-use, inexpensive BPO CX-friendly CRM system.
- Find an outsourcing provider that acts as a true partner, not solely as a transactional vendor.

IS CHANGING YOUR BPO PARTNER ALWAYS NECESSARY?

It is valid to question whether changing BPO provider is the right choice, as there are often downsides to consider. Before deciding, organisations should precisely determine if their current partner can make the necessary adjustments and take the partnership to a new level.

Switching to a new outsourcing partner can be a complex and costly process that requires considerable time and resources. Therefore, it is worth considering alternatives before planning it, such as renegotiating the current partnership or bringing in additional resources to address the issues. When evaluating its options, a company should consider the existing provider's track record, expertise, willingness to collaborate, accessibility to key stakeholders, and ability to adapt to changing needs.

However, the only option is sometimes to initiate a change when there are no other viable solutions with the current BPO vendor. This may be for reasons such as the inability of the outsourcing partner to deliver specific resources or its significant incompetence. These may include:

- Insufficient expertise in a specific industry or a limited understanding of the client's business and customers.
- Limited ability to provide a holistic CX strategy, including a broad scope of services and tools.
- Restricted geographical coverage to support global expansion.
- Incapacity to produce data-driven, hyper-personalised solutions that result in premium customer services.
- Poor communication, such as limited access to information, lack of focus and even negligence.
- A "one-size-fits-all" approach is manifested by inflexibility and lack of personalisation, which results in a poor value proposition.

WHEN A DECISION HAS ALREADY BEEN TAKEN

Finally, when transitioning to a new BPO provider is the company's goal, it is crucial to carefully select and evaluate potential vendors' human and technical capabilities, operational and technological assets and that all-important cultural fit. The following steps should identify challenges, risks and potential disruptions and determine the best practices for managing the process and taking it to a good place as seamlessly as possible.

When all these steps are met, a transition does not have to be a daunting undertaking. Instead, it may present itself with fluidity, resulting in gained time to adjust details and re-shift directions. Consequently, this can deliver significant benefits for both partners, such as faster improved efficiencies, cost savings, and enhanced customer, agent, and team experience.

CHOOSING THE RIGHT BPO PARTNER: HOW TO CONDUCT A THOROUGH EVALUATION PROCESS

Choosing from the numerous BPO providers worldwide can take time and effort. These vendors vary in size, specialisation, value proposition, operating models, range of services, technology, and more. Finding a vendor that meets your needs within a reasonable budget is imperative but requires thorough research. Only companies with the necessary resources and skills to deliver customer experience empowerment should be shortlisted for further evaluation.

When seeking a new BPO partner, you may browse industry publications, websites, and online rankings or even ask for business referrals. Another option could be to seek the guidance of specialised consulting firms that understand the BPO market and can advise on the most appropriate providers to meet your requirements.

It is worth emphasising that there are two distinct groups of BPO companies:

1. Traditional providers who offer high-volume solutions for lower-complexity programs.
2. Specialised firms that deliver higher complexity programs and specialist domain knowledge that focus on modernising CX operations while integrating AI, creating self-service solutions, and providing premium services.

Ultimately, the success of your partnership with a BPO provider hinges on the quality of your engagement and the type of collaboration model you establish. Finding a provider that aligns with your unique needs and can offer consultative cooperation for the long haul is essential. To do this, it is important to determine whether you need a creative partner that can challenge the status quo and engage you at a strategic level or a supplier of agents that only offers a simple transactional service.



According to the Everest Group's Survey on Portfolio Strategies in Outsourcing, firms increasingly recur to specialist BPO providers. They aim to mitigate talent sourcing challenges, ensure access to experienced, industry-oriented, de-risk exclusive outsourcing relationships, assimilate brand advocacy, value expertise, and modernise services via innovative, simple-to-deploy technology. This survey shows a 53 % growth in hiring specialist BPOs against a 42 % increase in traditional outsourcing partners.

CRITICAL STEPS FOR SUCCESSFUL BPO PROVIDER EVALUATION

Following a few critical steps while processing the BPO vendors evaluation, you can set yourself up for success and make informed decisions at every undertaking stage. These include the following:

STEP 1

The definition of the requirements is an essential step in the BPO vendor transition process, as it sets the foundation for the entire undertaking. It should cover processes, outcomes, performance metrics, technology, talent, location strategy, languages, channels, IT needs, governance, etc.

STEP 2

Vendor research using specific criteria such as size, profile, industry specialisation, services and technology, sourcing methods, geographical range, expected pricing level, brand awareness, references, case studies, and cultural fit etc.

STEP 3

Shortlisting the right companies to be invited for your Request for Proposal (RFP) process while clearly articulating all the expectations and requirements.

STEP 4

RFP preparation and distribution to achieve an objective evaluation of all vendors, ensuring a fair side-by-side comparison between companies and maximising the chances of selecting the right partner based on the same criteria and with competitive pricing.

STEP 5

Due diligence on the shortlisted providers involving thorough evaluation of their assets, such as experience and expertise, certifications, technology and infrastructure, security controls, cultural fit, financial stability, management practices, flexibility and scalability, product attributes, technical staff, recruiting policies, agent engagement, skills and development, safety, and performance measures.

STEP 6

Site visits to further assess the providers' capabilities and performance by experiencing them first-hand while interacting with staff, testing systems etc.

THE FINAL MILESTONE: SUCCESSFULLY NAVIGATING CONTRACT NEGOTIATION

When the right BPO provider is selected, the final milestone before the transition journey can start is navigating the contract preparation and ensuring its successful completion. It is essential for both parties to fully understand all the terms included and agree to the contract provisions. This is the basis of a fruitful, efficient partnership, free from confusion and misunderstanding.

A contract between a company and its outsourcing partner should include several key elements and cover the scope of services to be provided. It should consist of precise service level agreements (SLAs) that specify expected performance levels, as well as pricing and payment terms, completion dates, and provisions addressing data protection, confidentiality and safeguarding intellectual property rights. *Following McKinsey's advice, "contracts should also define qualitative behavioural expectations for the service centre to avoid focusing solely on efficiency".⁶*

Lastly, once the contract is signed, the implementation may begin. This involves setting up systems and processes to ensure smooth communication and collaboration between the client and the provider.

According to Deloitte's insights, "It is recommended to include individuals from your business and IT teams, those responsible for daily project management, and individuals in charge of account management and service delivery when stress testing a contract. This will help ensure that the contract accurately reflects your best interests in various scenarios, after which the contract can be confirmed and put into action".



FACING CHALLENGES AND MITIGATING POTENTIAL RISKS DURING THE TRANSITION PROCESS

Transitioning to a new BPO provider is a significant challenge for any organisation. Project implementation challenges vary widely and may include, for example, the need to involve complex operations, hire and train multilingual agents in multiple locations, navigate comprehensive regulatory environments, manage large-scale budgets and resources, integrate diverse technology systems, handle sensitive data or coordinate with several stakeholders across different time zones and cultures.

COMMON RISKS AND BEST PRACTICES TO MITIGATE THEM

The potential risks of such a transition should be addressed with a thorough due diligence process. The team should also leverage best practices processes to deal with the additional, unforeseen risks that will emerge.

The continuous monitoring and evaluation of the transition will allow your teams to identify and address any unexpected threats. Zealous project planning, optimal communication, and a clear understanding of expectations are paramount in effectively minimizing and managing the risks of lifting and shifting an entire operation. Blending this careful management with your best practices will secure you a successful transition to a new CX outsourcing provider that will, in due time, allow your teams, customers and stakeholders to reap the benefits of your enhanced operation.

Examples of potential risks and ways to eliminate them efficiently:

POTENTIAL RISKS	BEST MITIGATING PRACTICES
POOR QUALITY OF THE TRANSITION PROCESS	Ensure the new outsourcing partner can deliver relevant best practices, insights, and people dedicated to the transition management and execution.
DIFFERENT VIEWS OF THE PROJECT AND MISUNDERSTANDING	Provide a clear definition of the project's scope, roadmap, and guidelines for the transition team to follow, and communicate regularly with all stakeholders throughout the transition process.
DISRUPTIONS, DELAYS, OR OTHER ISSUES THAT CAN ARISE DURING THE TRANSITION PROCESS	Create a solid, customary, detailed "modus operandi", including the definition of all the transition stages and their objectives, as well as the determination of all the critical deliverables, timelines, resources, technology, and desired outcomes.
DATA SECURITY BREACHES DURING THE TRANSITION	Establish clear data security protocols and a chain of custody, and continuously monitor data transfer throughout the transition to ensure that all data and systems are migrated to the new provider following appropriate data security and privacy policies.

LACK OF ABILITY TO REACT QUICKLY IN CASE OF UNEXPECTED ISSUES

Provide and expect regular updates and status reports, which enable you to address arising concerns or problems and have contingency plans in place.

KNOWLEDGE GAP

Enable adequate, fluid knowledge transfer from the previous BPO provider to the new one. Ensure your current partner can access all the training materials and documentation required to deliver high-quality services.

DISRUPTIONS TO BUSINESS OPERATIONS

Before go-live, test and validate systems and processes. Include user acceptance testing to ensure that everything is working as expected.

POSSIBILITY OF STAFF ERRORS OR OPPOSITION TO CHANGE

Provide training and support to employees to make them fully prepared for the transition. Monitor performance closely in the weeks and months following the change to ensure smooth and successful implementation.

POTENTIAL THREATS, ESCALATIONS, AND PERFORMANCE DECREASE

Ensure the safety and continuity of CX operations by introducing a comprehensive Business Continuity Plan (BCP) that identifies potential threats and outlines appropriate remedial actions. This plan should consider a range of probable scenarios and establish protocols for responding to emergencies.

MISCOMMUNICATION AFFECTING CX QUALITY

Maintain ongoing access to critical information related to outsourced processes and agreed-upon outcomes while engaging in discussions about potential areas for growth.

SUCCESSFUL TRANSITION AND EFFECTIVE POST-IMPLEMENTATION GOVERNANCE

The success of the change ultimately depends on meticulous planning, clear communication, and dedication to constant advancement. When all requirements are met and best practices are adhered to, a secure and seamless transition delivering the anticipated benefits can be executed competently and productively.

However, the process continues after implementation. To ensure sustainability, close collaboration, diligent service quality monitoring, and constant improvement are critical in the post-transition phase. By continuously investing in developing your CX strategy and leveraging the expertise of the new outsourcing partner, you will unlock even greater value and drive long-term growth.

THE IMPORTANCE OF A GOVERNANCE MODEL

Establishing a collaborative and strategic partnership with the new BPO provider can help the organisation to identify opportunities for growth and improvement and to develop customised solutions that meet its evolving needs. This involves implementing an appropriate Governance Model that promotes transparency and deeper integration between the partners. Key components of this model can include:

- Defining the roles and responsibilities to ensure that each party is accountable for the partnership's success.
- Establishing open communication channels that are tailored to different stakeholders and embedding shared project management tools to ensure effective messaging and information distribution.
- Scheduling regular meetings with the outsourcing partner at different management and operational levels to facilitate ongoing review and discussion of current performance, achieved results, joint planning, goal setting, shifting strategies, escalating issues, quality audit calibration, and any other relevant topics.
- Enabling constant monitoring of the contractual service level agreement (SLA) with specific metrics and tools to ensure it meets the specified KPIs and follows the privacy policies and regulations.
- Introducing progress reporting and automated notifications when service levels fall below the agreed-upon standards to quickly identify and address issues on time.

SUMMARY

As the demand for CX outsourcing continues to rise, it is becoming increasingly common for organisations to transition to new BPO providers or even adopt a multi-sourcing strategy with more than one outsourcing partner in a specific business context.

Providing excellent Customer Experience (CX) cannot be overstated. A well-crafted and efficiently executed CX strategy can establish a stronger connection between a company and consumers, cultivate loyalty, grow retention, and boost brand awareness. Consistently delivering exceptional experiences that evolve to meet buyers' expectations can lead to expanding the customer base and increased revenue.

As per McKinsey insights, "Companies that effectively organise and manage Customer Experience can realize a 20 per cent improvement in customer satisfaction, a 15 per cent increase in sales conversion, a 30 per cent lower cost-to-serve, and a 30 per cent increase in employee engagement".⁸



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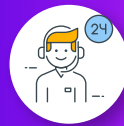
A FEW WORDS ABOUT CONECTYS

Conectys provides bespoke Customer Experience (CX), Trust and Safety (T&S) and Digital Experience (DX) services and consultancy to global brands. We are proud of our global talent community across a delivery footprint in regions like EMEA, APAC and the Americas, innovative proprietary technology stack, and deep expertise in all domains of designing and implementing modern customer service operations.

Key Conectys' services are:



Trust and Safety: hybrid content moderation across online platforms, social media, gaming, and the metaverse according to brand and social safety guidelines and regulatory requirements.



Multilingual Customer Experience: 24/7/365 customer service and tech support across 35+ languages.



Digital Transformation services: RPA, NLP, Chatbots, automatic translation chatbots, sentiment analysis, voice-to-text, etc.



BlueTweak— a BPaaS agnostic platform that powers your CRM.

Globally disseminated in top BPO locations and with 18+ years in the industry, Conectys is large enough to be a safe partner and experienced enough to be a specialist yet of the right size to be flexible, dynamic and entrepreneurial.



CONTACT US

Would love to connect with you to discuss how our team at Conectys can help enhance your Trust & Safety and Customer Experience services.

LET'S TALK!

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