6 FACTORS TO CONSIDER IF YOUR BPO IS STILL RIGHT FOR YOU

Outsourcing companies and the BPO industry in general, have grown exponentially over the past many years. It has flourished along with the rise of social media, automation, multichannel communication, and the drive towards robust customer experience. This trend has companies, with varying business needs, contracting with an external service provider. In this case a customer service business process outsourcing vendor (BPO). These needs can vary from basic HR, accounting, and payment processing services to more advanced needs, such as artificial intelligence for IT services or tech support.

Many BPO companies do a great job meeting every customer support or outsourcing service expectation. But what if yours does not? **What are the warning signs that it may be time to consider a new vendor?**

These are the 6 most frequent problem areas our contact center professionals see every day between client companies and their BPOs.

1. PERFORMANCE ISSUES

Before you hire a vendor, performance targets are usually folded into the RFP, discussed during the interview process, and written into the final contract. These stipulations regarding the specifics of what your BPO is expected to do and the outcomes that result from the backbone of the relationship. Whether this relationship remains healthy or not depends not only on your vendor fulfilling these commitments but also on their willingness to adapt to new targets and goals.

PERFORMANCE ISSUES CAN CROP UP IN SEVERAL AREAS:

1. **Metrics - KPIs - Reporting**
2. **Training Programs**
3. **Workforce Management**
4. **Technology / Platforms**
5. **Sales and / or Quality Goals**

If performance issues arise in any of these areas, vendor management should consult the contract and hold the BPO accountable as soon as possible. The longer performance issues hang around, the higher the risks to customer satisfaction and your brand's reputation.

2. COSTS ARE OUT OF LINE

Is your vendor giving you a fair shake when it comes to price? Sure, they may be adhering to the letter of the contract in terms of time clocks and hourly rates. But is the service you're paying for a good deal? Are the invoices accurate? And what is your vendor doing to squeeze the most out of each dollar you send their way?

Are they investing in new knowledge management platforms that speed agents along and give customers what they're looking for? Are they installing AI and automation for the repetitive tasks that slow agents down? How do they score on omnichannel integration?

If you sense you're paying too much or your ROI is too low, these are a few of the questions you should be asking. Dig deep into your vendor's processes and discover the gaps that increase your bill or cost you untapped revenue.

3. RECRUITING / ATTRITION CHALLENGES

Staffing problems can present in the form of an under-qualified workforce, high attrition levels, the inability to recruit and fill roles, or all of these. Your vendor should provide a weekly readout on their ability to hire and retain staff. They should also communicate any challenges that prevent them from hitting targets.

We've all experienced the frustration that accompanies a call with an agent who lacks knowledge or communication skills. High turnover exacerbates the problem as new agents typically need to ramp up through training before moving onto the frontlines. Speed to competency depends on the level of talent hired and the effectiveness of onboard training.

And if a shortage of agents persists because of high attrition or ineffective recruiting, customer experience takes a hit due to long hold times, excessive AHT, unsatisfactory resolutions, etc. Plus, employee experience suffers among the remaining agents because they are overworked, a negative feedback loop that fuels even more attrition.

4. CULTURE CLASH

Different companies possess different corporate cultures. Think of culture as a set of business personality traits. It's the feel of the company combined with the way work is handled. Culture may be driven by values or the lack of them. Though culture is intangible, it can be felt. Customers sense a company's culture when they interact with customer service. Culture is even more palpable to employees. They live it.

What's the feel of your company? Is it a "loose" organization or a "tight" one? Does it exude a customer-first approach? Is it upbeat, approachable, and transparent? Chances are that your company invests considerable effort to project the right image to your customers. Why? Because aside from great products and services, an appealing corporate culture cultivates brand loyalty.

Vendors are no different. You can feel their culture, and your customers can as well. The best vendor/client relationships usually feature two companies with similar cultures because a BPO should be a natural extension of your company. If your vendor does not project the same feeling your company has worked so hard to embody, you have a major disconnect.

If cultures between your company and your BPO don't align, you'll know it. Customer reviews, complaints, and sales figures will bear it out. Your vendor management team can also sense big differences in corporate culture. Symptoms may become apparent, like noticeable friction, delays, personality conflicts, or an overall sense that things aren't running as smoothly as they could be.

5. FRAUDULENT ACTIVITIES

Does your vendor have the right processes and systems in place to protect your company and your customers? Is anyone doing something they shouldn't?

For instance, one of our partners had a vendor with agents given access to a special perk meant for customers. The agents began using it for themselves. This situation cost our client thousands of dollars. The worst part was that the fraudulent activity wasn't even on the vendor's radar. Our client had to spot it and bring it to the BPO's attention.

In this case, the vendor clearly did not have sufficient checks and balances in place to protect the client company.

6. LINGERING CHALLENGES

Of course, no business operation or relationship is perfect. Any of the above problems could be a temporary blip on the radar screen. If dissatisfaction with your vendor has been called out and solutions have been applied, any temporary challenge will not last. The ones that don't resolve should be taken as warning signs.

How long is too long? This depends on the problem and the circumstances, considering short-term and long-term goals. In most cases, six months is a fair length of time to give a vendor to work out a kink. This timeframe could be longer or shorter depending on the scope of the challenge and the proportions of its solution. One thing's for sure, the longer problems continue, the more costly the damage.

COURSE CORRECTIONS

Now that we've identified a few of the main warning signs that it may be time to consider hiring a new BPO, let's focus on what to do to correct the course.

You have a couple of options:

- One, you can terminate your existing vendor relationship and find a new vendor.
- Or two, you can correct the shortcomings and continue with your current vendor.

Stay tuned for our complimentary eBook where we go in depth on how to decide which course of action is right for you and share best-in-class tactics to find your perfect BPO vendor to ensure their performance meets expectations and stays that way.