

Telemarketing Outsourcing Analysis

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Note – This is one from a sequence of exercises from the Telemarketing subject outlined in the Strategic Marketing Process eBook. Download the free e-book www.growthpanel.com/marketing-tools/index.html and subscribe to this subject at www.growthpanel.com/versions/get-started.html to download from Growth Panel’s Intelligent Marketing Platform.

Some of the graphics in this PDF might not display properly.

If you’re considering launching a new telemarketing campaign, you’re probably faced with the build-vs-buy scenario. Building and managing a telemarketing team can be a labor- and capital-intensive process, and outsourcing can be an excellent solution. However, many small companies typically don’t have the sheer call volume to warrant outsourcing, or they may have very knowledge-intensive calls that are better suited to close in-house management.

This exercise will help you decide which is the best option for your situation.

Program Success Criteria

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it’s a flag that you may need to:
CALL COMPLEXITY	How much detailed product knowledge do your telemarketing reps need to be successful in the call?	<input type="checkbox"/> A great deal and it’s difficult to train and keep up (1)	Keep your program in-house
		<input type="checkbox"/> A lot although once they know it, it doesn’t change much (2)	--
		<input type="checkbox"/> Moderate, trainable, fairly consistent (3)	--
		<input type="checkbox"/> Fairly low (4)	--
		<input type="checkbox"/> Virtually none (5)	--
	How experienced and educated do your reps need to sound on the call?	<input type="checkbox"/> They are talking to highly educated, experienced people and they need to sound as if they are “on the same level” (1)	Keep your program in-house

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it's a flag that you may need to:
		<input type="checkbox"/> Moderately experienced and educated (3)	--
		<input type="checkbox"/> It's not important at all – the call is so basic that anyone will sound good (5)	--
	Does the rep need to speak with the decisionmaker on more than one call in order to move the prospect forward in the sales process?	<input type="checkbox"/> Yes, there are multiple calls that build on the results of the last one, and relationship is critical – it needs to be the same rep (1)	Keep your program in-house
		<input type="checkbox"/> Multiple calls are needed but it doesn't necessarily have to be the same person – and there aren't many detailed notes that the second caller will need to be successful (3)	--
		<input type="checkbox"/> Once we know who the decision maker is, it's one call (5)	--
	How much "post-call processing" (i.e. sending out customized letters, talking with individual sales reps, etc) is necessary after a successful call?	<input type="checkbox"/> A lot. The rep needs to be able to write a customized letter, enter a lot of detailed notes, and/or talk directly with a sales rep to educate him/her about the prospect and make sure the next steps are followed (1)	Keep your program in-house
		<input type="checkbox"/> A moderate amount but there is a high degree of personalization/interaction (2)	--
		<input type="checkbox"/> A moderate amount and it is fairly routine and trainable (3)	--
		<input type="checkbox"/> A low amount and it is routine and trainable (4)	--
		<input type="checkbox"/> Very little or none (5)	--
SCORE from the checked boxes:			[A]

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it's a flag that you may need to:
CALL VOLUME (outbound)	How many hours of calling do you need? (calculations assume 8 hour day and 21 days/month)	<input type="checkbox"/> 1-2 FTEs = <18 hrs/day = <375 hrs/month (1)	Keep your program in-house
		<input type="checkbox"/> 2-3 FTEs (2)	
		<input type="checkbox"/> 3-5 FTEs = 24-40 hrs/day = 504-840 hrs/month (3)	--
		<input type="checkbox"/> 6-10 FTEs (4)	--
		<input type="checkbox"/> 10+ FTEs = 80+ hrs/day = 1680+ hrs/month (5)	Outsource
SCORE from the checked boxes:			[B]

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it's a flag that you may need to:
CALL VOLUME (inbound)	By how much does your volume fluctuate and how manageable is that volume?	<input type="checkbox"/> Extremely low. Call volume is highly predictable and easily staffable (1)	--
		<input type="checkbox"/> Moderately low – call volume is fairly consistent, predictable and staffable (2)	--
		<input type="checkbox"/> Moderately high – call volume can vary substantially but it's predictable and staffable, and we have enough resources (3)	--
		<input type="checkbox"/> Very high and it's difficult to manage (4)	Outsource

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it's a flag that you may need to:
		<input type="checkbox"/> Extremely high fluctuation – calls typically come in response to PR or other marketing campaigns that generate substantial, unmanageable volume within hours or days of the campaign (5)	Outsource
SCORE from the checked boxes:			[C]

Success criteria	Explanation	Rating (the score to add is at the end in parenthesis)	If you checked this box, it's a flag that you may need to:
SPECIAL NEEDS	Do you have any of the following special needs?	<input type="checkbox"/> Intelligent call routing/queueing to send an inbound call to the best-trained available agent (4)	Outsource
		<input type="checkbox"/> Sophisticated call monitoring capabilities (5)	Outsource
		<input type="checkbox"/> Highly flexible call processing reports (calls receiving a busy signal, call length by rep, number of dials, number of connects, etc.) (5)	Outsource
		<input type="checkbox"/> Real-time shifting between high-volume inbound and high-volume outbound calls (5)	Outsource
		<input type="checkbox"/> Computerized dialing to improve productivity (4)	Outsource
		<input type="checkbox"/> Languages other than English and Spanish (4)	Outsource
		<input type="checkbox"/> 24/7 coverage (5)	Outsource
		<input type="checkbox"/> Capacity to handle extremely high call volume for brief or extended periods (5)	Outsource
SCORE from the checked boxes:			[D]

Now tally the scores from the charts above.

Criteria	If your score is very close to the low or high number, check the box beneath it.			Did you check any warning flags to choose in-house vs outsource?
	Enter your score in this category	Lowest possible score	Highest possible score	
Call complexity [A]		4 <input type="checkbox"/> In-house	20 <input type="checkbox"/> Outsource	<input type="checkbox"/> In-house <input type="checkbox"/> Outsource <input type="checkbox"/> Neither
Call volume (outbound) [B]		1 <input type="checkbox"/> In-house	5 <input type="checkbox"/> Outsource	<input type="checkbox"/> In-house <input type="checkbox"/> Outsource <input type="checkbox"/> Neither
Call volume (inbound) [C]		1 <input type="checkbox"/> In-house	5 <input type="checkbox"/> Outsource	<input type="checkbox"/> In-house <input type="checkbox"/> Outsource <input type="checkbox"/> Neither
Special needs [D]		0 <input type="checkbox"/> In-house	37 <input type="checkbox"/> Outsource	<input type="checkbox"/> In-house <input type="checkbox"/> Outsource <input type="checkbox"/> Neither

The flagged boxes are especially important criteria that can sway your decision one way or the other.

Number of in-house boxes checked		(8 total)
Number of outsource boxes checked		(8 total)
Are your needs leaning more toward	<input type="checkbox"/> Keeping in house	<input type="checkbox"/> Outsourcing

If you're still not sure about the direction to take, here are additional benefits to outsourcing.

BENEFITS OF OUTSOURCING	Identify how important these benefits are to you (H, M, L)	H, M, L
Staffing	▶ Fully-trained reps on staff	
	▶ Management in place	
	▶ Can better handle variable call volume	
	▶ Can often handle 24/7 call volume	
Infrastructure	▶ Hardware, software, and phone systems in place	
	▶ Most have redundant systems that are less likely to experience downtime	
Expertise	▶ Telemarketing experience in a variety of industries	
	▶ Experience in list management, testing campaigns, developing scripts, and managing reps to peak performance	
Cost	▶ May be more economical, especially in cases with variable call volume	

BENEFITS OF OUTSOURCING	Identify how important these benefits are to you (H, M, L)	H, M, L
	▶ Pay for what you use	
Startup time	▶ Typically faster startup once the vendor has been selected.	

Challenges of outsourcing

CHALLENGES OF OUTSOURCING	IDENTIFY HOW IMPORTANT THESE CHALLENGES ARE TO YOU (H, M, L)	H, M, L
Staffing	▶ You don't control the hiring or training of reps	
	▶ You don't oversee management on day-to-day basis	
Infrastructure	▶ You won't have access to call data on a real-time basis	
Expertise	▶ Reps probably won't gain high level of expertise due to turnover	
Cost	▶ You'll pay for program management on top of the telemarketing hours	
Startup time	▶ Your reps will have a learning curve	

If you decide to keep in-house, move forward with the call volume, staffing, management and equipment projections. Even if you decide to discuss your needs with vendors, the results of these exercises will help you as you evaluate the services and pricing they can provide.

VENDOR SELECTION CRITERIA

If you've decided to talk with vendors, the next step is to document your needs and identify vendors who specialize in the type of program you'll be running. [Vendor Selection can help] Use this worksheet to outline the parameters of your telemarketing program for potential vendors.

Program Overview

You can provide this information to the prospective vendor.

Campaign Overview – who are you calling and what are your objectives?

What are your goals in the program?

Call complexity: Describe the call in as much detail as possible.

Projected call volume (per month)

Special requirements: Are there any additional requirements?

Timing: When will the campaign begin and end?

IMPORTANT VENDOR QUALIFICATIONS

Check all of the criteria that are important to you.

Are there any particular industry specializations or skill sets that you are looking for?

Is a regional or foreign accent (or lack of accent) important? Note any locations you would not consider.

Are you willing to consider an international call center? (see below)

PROS	CONS
<ul style="list-style-type: none">▶ Potentially substantial cost savings	<ul style="list-style-type: none">▶ Can the reps convey your brand image?▶ Accents may be difficult to understand▶ Foreign reps may have difficulty understanding nuances of the English language and establishing rapport▶ Call quality may be compromised