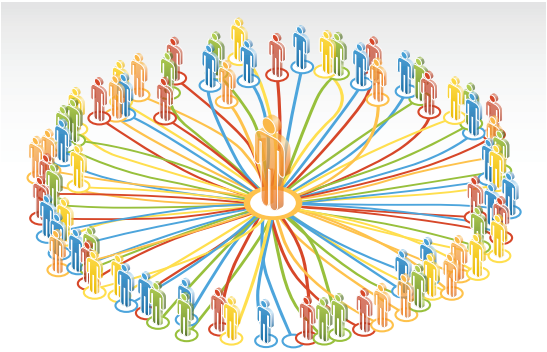




Multi-country telemarketing: centralise or decentralise?

How to choose which way to go

Celsius International
Les Cardoulines – B1 I 1360 Route des Dolines I Sophia Antipolis I 06560 Valbonne, France
T +33 (0)4 9294 4000 F +33 (0)4 9294 4001 W www.celsiusinternational.com E info@celsiusinternational.com



Multi-country telemarketing: centralise or decentralise?

HOW TO CHOOSE WHICH WAY TO GO

Multi-national corporations who want to run the same telemarketing campaign in several countries have two basic options: centralising the whole process in a single multi-lingual call centre or decentralising it to local call centres in each country.

Which is best? As so often, it depends on your actual needs.

ECONOMICS

Let's start with the economics. Due to the additional costs of recruiting and retaining an agent team consisting of speakers of different native language (and, to a limited extent, also higher telephone costs), multi-lingual call centres will generally charge more per agent-hour than their conventional cousins. On the other hand, identifying, briefing and setting up a single call centre will inevitably be cheaper than doing the same with several.

So let's look at a scenario or two. We've assumed that the average cost per agent-hour in single language call centres in Germany, UK and France is €32 – in Celsius' experience, UK may often be a little higher and Germany rather lower, but €32 is in our view a reasonably realistic round number. But multi-lingual call centres, in areas where expatriates are available (for example, Paris, London or perhaps near the language school 'hotspots' on the south coast of the UK), are in our experience more like €40 per agent hour.

Now let's assume two B2B outbound programs. One is to call 1,500 companies and obtain contact names, and the other to contact 15,000 organisations to confirm data and generate leads. The costs involved are not too difficult to calculate. For our smaller program, centralised is likely to be at least 17% cheaper because set-up and reporting costs (yours' as the customer as well as what the call centre charges) offset the higher call rate per hour (see table on next page).

	Centralised, multi-lingual call centre	Three decentralised call centres
Set-up and agent training and briefing charges	€2,000	€6,000
Cost per agent hour	€40	€32
400 calling hours required for 1,500 completed contacts	€16,000	€12,800
Program reporting and management	€1,000	€4,000
TOTAL COST	**€19,040**	**€22,832**

But for the more substantial campaign, the economics reverses, with the decentralised campaign now 16% cheaper:

	Centralised, multi-lingual call centre	Three decentralised call centres
Set-up and agent training and briefing charges	€2,000	€6,000
Cost per agent hour	€40	€32
5,000 calling hours required for 15,000 completed contacts	€200,000	€160,000
Program reporting and management	€5,000	€12,000
TOTAL COST	**€207,040**	**€178,032**

So small campaigns often work out cheaper when centralised, but as soon as the campaigns grow, the economics show that decentralised is the answer.

But we suggest there are at least two other significant factors….



AGENT RECRUITMENT AND RETENTION

First, let's understand something fundamental. When recruiting and retaining telemarketing agents, all call centres want the same things. Agents should be competent, motivated, experienced and undemanding as to salary, yet flexible when work is not available. That way, they can offer their customers the right service at the right price and make an adequate (or in some cases, good) profit.

But in a multi-lingual call centre, another factor comes in – does the agent speak the language you want to native level?

Very clearly, the pool of competent, motivated, experienced, undemanding and flexible agents in any given country who also speak a required language is infinitesimally smaller than those who speak only the native language of the country. And therein lies the problem for all multi-lingual call centres – scalability. Finding and retaining a core number of agents can be done – but what happens when a large program comes along? Recruiting for the right language becomes the priority, with competence, motivation and experience taking a distinct second place.

So not only are the economics against more than small programs being run centrally, but agent quality is also a very significant factor in running medium and large sized programs to a decentralised plan.

LOCAL SALES AND MANAGEMENT

If you are a smaller business which does not have your own sales management or sales teams in each country, you won't need to consider this. But if you do, remember that your local sales manager and his team is going to be receiving, or at least seeing, leads or at any rate data which has been collected in another country (probably that of 'head office', to make it worse!) by a call centre which he or she has never seen and by agents who he or she suspects are not speaking with the right accent.

Since sales in almost all companies are slightly suspicious of marketing, the credibility of the centralised program tends to be in doubt from the start – and it only takes one or two honest mistakes to 'prove' it.

Celsius' experience is that getting local staff into the call centre is the solution. It usually builds an agreement on both sides that 'we can help each other' and a sales manager tends to think, when confronted with a 'wrong' lead, 'I need to brief them better' rather than 'bl…… marketing' – a much more constructive frame of mind.

So while it's not economic to get local sales (or marketing, for that matter) involved on smaller, centralised programs, if you can get them into a national call centre in a decentralised campaign, you'll be in the right direction from the start.

SO WHICH WAY TO GO?

We'd suggest that if your need is for a small campaign (say, less than 500 calling hours in three countries or less than 1,000 in seven), decentralised is the way to go. This can even be the case if you are running a number of smaller campaigns which require different questionnaire design, call centre briefing and agent training for each one (although we find this to be quite rare in practice).

But once your campaigns get bigger, or if you are trying a pilot which you expect to scale up, we suggest you calculate the economics and allow for our two less tangible factors – and go decentralised.

ABOUT CELSIUS

Celsius helps our B2B multi-national customers to gain the best return on their marketing investment by increasing their prospect and customer value. Our direct marketing and database solutions enable them to understand better their target markets, improve sales performance and broaden market coverage throughout Europe and, in many cases, beyond.

We cleanse, enhance, develop and manage customer and prospect databases for our customers and then help them to put them to work – using telemarketing and e- and postal-mailing. Our customers include SAP, Microsoft, Symantec, Continental AG, Cisco, Autodesk and outside the B2B sphere, BMW.

Our main office is in France's 'Silicon Valley' at Sophia Antipolis, not far from Nice, where our staff includes ten different nationalities and speaks thirteen languages.

To learn more, go to www.celsiusinternational.com or call Coraline Sidney on +33 4 92 94 40 00.