

The value of partnership

Global financial turmoil is compelling service providers to re-evaluate cost structures and consider the benefits and flexibility of outsourcing. Outsourcing partnerships traditionally offer opportunities for cost savings and performance improvements. But collaborating with another service provider creates additional opportunities for innovation, promoting the longer term value of business transformation.

In the telecommunications industry, change is the one constant. Globalization, consolidation, convergence and rapid deregulation are redefining the industry, while the current credit crisis has created a new sense of urgency for business models that are both cost-effective and innovative. For a service provider, finding new ways to acquire customers and build revenue while stemming the tide of churn can divert focus and tax increasingly-constrained resources. As a result, partnerships become paramount. Having a partner with common values, complementary expertise and a commitment to innovation can drive success in a changing industry affected by an uncertain financial outlook.

To meet today's challenges, service providers are looking to reduce their operational expenses, improve process performance and drive customer satisfaction through service excellence. In an effort to strengthen their core communications business while managing costs and staffing levels, service providers are outsourcing select customer and back office support functions. All too often though, outsourcing focuses on narrow financial objectives. The true value of outsourcing comes from combining cost savings with new opportunities for innovation and business transformation.

Outsourcing as a strategic objective

According to Datamonitor's December 2007 research study, "Knowing your Contact Center Outsourcing Customer," contact center managers, in the telecom vertical, feel most comfortable outsourcing to either a regional provider or a telco. However, respondents still rated price as the number one priority when choosing an outsourcing partner, with geography, horizontal functional expertise and agent language capabilities following closely behind.

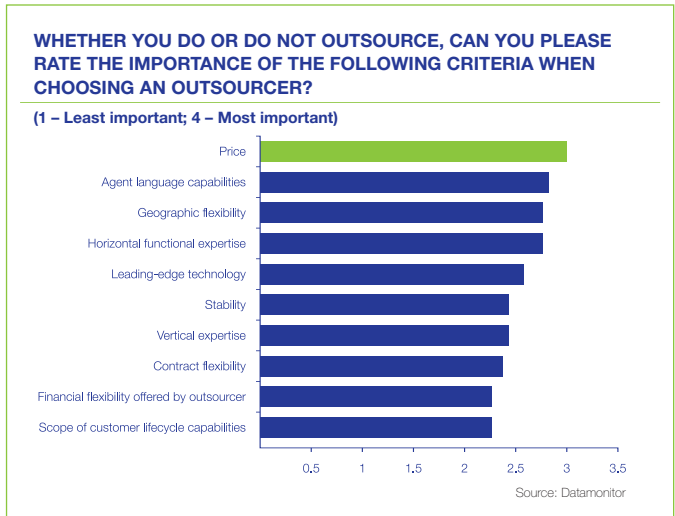
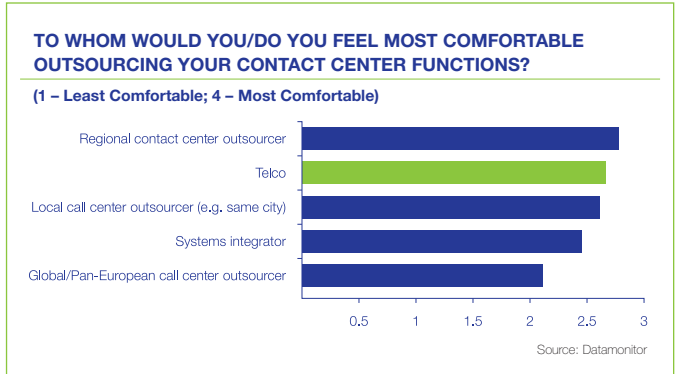
When asked about functions they were likely to outsource, respondents pointed to facilities management, billing and payments and agent training as areas of focus. Outbound lead generation, inbound complaint management and outbound sales appeared at the bottom of the priority list.

"The Datamonitor study shows that the carrier market still maintains a very traditional view of the benefits of outsourcing," says Brent Allison, Vice President, TELUS Partner Solutions. "It is evident that companies are maintaining a procurement-oriented mindset by outsourcing low value business functions. By embracing a partnership approach, service providers have an opportunity to transform core revenue generating processes."

By factoring a wider range of business goals and longer-term objectives into the partner selection process, companies can create the potential for a greater return on investment. For example, companies looking to grow through acquisition can pursue contact center consolidation with a partner to aid in the delivery of an integrated customer experience, providing a single point of contact for newly merged operations.

Outsourcing higher value functions including lead generation and sales to skilled partner agents focused on those activities as their core competency can enable quicker market penetration and response to changing market conditions. In addition to targeting external processes, outsourcing can also produce internal efficiencies that drive transformation.

By outsourcing functions including service desk, companies can ensure 24/7 expert support globally through a single point of contact. Having the expertise and technology investments of an outsourcing partner can also speed the launch and adoption rates of new software applications and tools designed to streamline processes and workflow as well as improving employee productivity.



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Choosing a partner

When contemplating an outsourcing relationship, there are many factors to consider. First, and most importantly, it is essential that you maintain strategic control over key aspects of your business, even if they are being staffed and managed by outside resources. That level of control has a direct correlation to the team assigned to your business by your outsourcing provider.

It is important to look for a partner that can provide leadership in the outsourcing process – from engagement to implementation to post-launch. A multi-faceted team should work to understand your business, drawing on resources that combine managers and support professionals. You also want a direct link between your team leader and executives in the outsourcing organization to ensure that your business priorities remain at the forefront.

In any partnering scenario, openness, communication and collaboration are critical. It is essential that you share your vision of potential results or end state rather than dictating how things should run and expecting a simple transfer of current functions. For innovation to flourish, it is critical to target opportunities for transformation up front and then use process efficiency to support that change while driving cost improvements as a necessary offshoot. Access is also important. For outsourced agents to create new revenue streams, they need to have full interaction with your products. That way, your products can be integrated into the training process so end user scenarios reflect how you want agents to represent your products, business and brand.

Choosing a partner with a formalized program management approach that integrates measurable accountability is also vital. That methodology should touch every stage of the solution process from project scoping to implementation and launch. It is also important to choose a partner that has the commitment and capabilities to pursue ongoing innovation in its business, and as a result, in yours. Companies that invest continually in seat capacity, broadband infrastructure, training processes and facilities enable the rapid launch of new programs or seamless scalability to support changing business requirements.

Applying expertise

TELUS, a leader in the Canadian telecommunications market, has honed its unique partnership approach through lessons learned during its own transformation. TELUS' outsourcing portfolio reflects a depth of experience from integrating various acquisitions and streamlining complex operations. The solutions, e.tools and telecom process services that drive TELUS' success are available to other service providers through a consultancy or managed service.

To support its rapid growth, TELUS also turned to an outsourcer for enhanced flexibility. Today, both onshore and offshore centers provide quick and seamless sales and support services for TELUS customers and employees. TELUS' collaborative partnership with its outsourcing partner culminated in its purchase and subsequent rebranding as a TELUS operation. As a result, TELUS' clients gain the advantage of the combined strength of these two leaders, accessing unprecedented innovation and proven best practices.

"Through sharing our experience, our expertise, our ability to execute, TELUS is selling measurable results that carriers can take confidently to their own customers and employees," adds Allison. "We work with our clients at the strategic level to design solutions to address their key business drivers. Whether our clients are outsourcing billing functions, customer care, operator services or software applications, TELUS delivers an integrated solution. And we are best in class – with Benchmark Portal certification for our offshore centers and our top ranking in the U.S. and Canada by The Paisley Group for wholesale directory assistance, we're the outsourcing partner our peers trust."

Many of TELUS' clients come to the partnership with a priority of balancing economic benefits with meeting or exceeding current quality and performance metrics of internal resources. And that is the focus of TELUS' outsourcing business. Clients can lower their costs and reduce the need for capital investment. But more importantly, when viewed as a strategic objective, outsourcing can improve operational performance through process transformation. One such client, a leading wireless carrier, was looking to address skilled staffing needs for new wireless programs. It also wanted to integrate redundancy by diversifying outside of North America. And it wanted to reduce operational costs while maintaining the integrity of its brand in customer interactions.

Starting with 35 offshore TELUS agents, the company's mobility program grew to 322 within a year. TELUS places consistently in the top three of the client's seven contact center sites. The TELUS center is a top sales performer, often exceeding the 16 percent conversion rate goal for postpaid subscribers acquiring new calling features. It is also best performing in Client Service Time (CST) by three percent. In addition to sales and service performance excellence, TELUS has also enabled an operational costs savings of approximately 35 percent.

"We invest in our people, facilities and processes and we've been recognized by the industry as a leader and innovator," says Allison. "Our partnership approach derives from our belief that outsourcing is an opportunity for transformation. When our clients share their metrics and show us that TELUS is enabling them to do business better, faster and more cost effectively, we know that we are solidifying outsourcing as a viable strategic pillar with long term impact rather than a purely financially driven operational decision."

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