

## Live from DMA Teleservices Conference: An Onshore Look at Offshore

**June 2, 2004** –The benefits and detriments of offshoring business resources was the topic of a seminar presented today at The DMA's Teleservices Conference in Palm Beach, FL.

Co-hosted by Hayley Weinper, senior VP of sales and marketing at Influent, Inc., and Dan Berman, chairman of Concentra Solutions, the session opened with a look at both the good and bad points of offshoring.

Weinper listed the advantages of offshoring, including cost savings, quality enhancement, so-called "follow the sun" coverage and increasing access to a multi-lingual talent pool.

She also noted that offshore costs are generally cheaper than in the US, saying that the average costs for offshoring can run from \$15 an hour overseas, to \$20 an hour in Canada, compared with \$25 an hour here in the states.

Weinper also noted that "quality enhancement" must be taken into consideration, pointing out that frequently "less expensive does not mean less quality." She also said that offshore facilities can rival domestic offices "where a sales culture exists."

Still, she cautioned that strategic focus must be placed on recruiting and training, and operations management. But she also emphasized another strength of offshoring is "access to multi-lingual talent pool," pointing out that in the Philippines, "almost 100 percent of the workforce in call centers are college graduates.

But Weinper also said that there are some concerns that must be taken into consideration, including a possible deficiency in English language skills, cultural differences, accessibility to the physical site, the strength of the infrastructure, and concerns about the local economy.

Dan Berman cataloged both positive and negative aspects of offshoring. He began by noting that offshoring can offer a lower cost, multi-lingual speakers, and the option to replace in-house facilities.

But he also mentioned that there are pitfalls and risks inherent in such a move, including the fact that "many offshores are startups, financial stability is hard to verify, management is green, and the learning curve is longer."

Still, Berman continued, "startups can be aggressive; the technology is new; employees may not have bad habits, and usually the process is stronger to compensate for lack of experience."

Asked about the costs involved, Berman noted that offshore activities "generally cost less, but there are hidden costs." He said that "training may need to be revamped, travel costs plus time costs need to be figured in, and quality assurance is always a question."

Berman concluded by mentioning that while it does have its advantages, "offshoring takes a lot more effort than expected, and can be more expensive than you think."

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