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## Outsourcing Trends in Down Economy

### **Offshoring backlash**

Scott Lyons, president of service bureau Extend Communications, has discerned an offshoring backlash. More companies are realizing the almighty dollar isn't everything, he says, and want to make sure they can follow through on the service.

“When we are talking with potential clients, they are saying you don't have any offices offshore right? Your staff is not going to be off in some distant location. You are here in Canada or North America.” So there is an awareness of the service issues that have happened with some of the larger companies.

Extend is an inbound service bureau, although it does a small amount of outbound calls that are related to inbound projects. It maintains 56 seats across three call centres in Brantford, Cambridge and Georgetown, ON. It has more than 700 clients, but only a handful are American.

Extend has a solid base of clients so the recession hasn't resulted in clients going away or going under, says Lyons. The only real impact has been a reduction in client call volumes. “From September through to the end of last year, we saw some call volumes start to drop as our clients weren't as busy as they had been over the summer and the first half of last year. This year, it has already recovered to about 85 to 90 percent.”

Existing clients are looking to improve the value they get from their outsourcing, he says. Extend with a strong service focus, is priced at the higher end of market rates. “Because we bill work piecemeal per minute, we will often be more competitive than others who are trying to do a flat rate, or per transaction or per call basis. But we don't see a lot of really shopping around for better pricing.”

### **Communications bridges**

Both existing and prospective clients these days have approached Extend to help bridge their communications needs while they temporarily downsize internally, he says. It may take the form of some companies no longer wanting to provide staff 24/7. Real estate companies may want Extend to handle their weekend calls. Others may want it to serve as an off-premise receptionist redirecting calls back into company offices.

“It's important in this type of economy to make sure if you are looking around to cut costs that you're not doing it in a way that affects the service. It's all that more important to make sure that they are

really servicing the customers they do have as best they can.” Some companies will say they can't afford a full-time receptionist anymore, but don't want to go to an auto-attendant or some IVR system either, he says. They want live answers. “Then we can help them find a lot of efficiencies in their other areas as well. So they end up staying on with us as business grows and the economy comes back.”