



Customer Interaction Solutions



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Establishing Call Centers in the Philippines: Avoid the Perils, Align with the Culture

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Leveraging the cost-effectiveness of a global workforce is an ongoing priority for leading multinational corporations. While the opportunity for increasing efficiency and profitability is tangible, leading companies face challenges in reaping all the benefits of their off-shore locations. The process of bringing a call center facility to fruition is a complex one. In developing regions, opportunists are often rampant. With the growing drive to delve into the most emerging of regions, companies must plan and execute well to avoid common pitfalls including inexperienced and unreliable contractors, inflated prices, and untimely delays and other debacles.

As leading companies explore new locations, they are often venturing into regions where their brand is completely unknown and where business process outsourcing (BPO) has a growing presence. A successfully designed international call center must leverage best-practices to generate optimum cost-savings; reflect the multinational's brand; and be attractive to the region's top professionals.

With the global BPO services sector valued at \$569 billion, and projected annual growth rate of 7 percent until 2007, according to Gartner, regions across Asia, Eastern Europe and, increasingly, Africa are poised for further investment. India is the tip of the iceberg. The Philippines, which boasts a highly educated, English-speaking and motivated young professional workforce, has been doubling the number of people employed at call centers since 2001, according to a recent article in ITnetcentral, a Philippines-based technology magazine. The target staff for such

centers is the growing number of recent college graduates and young professionals.

Serving as project managers and design-development experts for a leading multinational oil and gas company establishing a new BPO and call center, our firm entered the Philippines for the first time two years ago. Since then, we've seen increasing numbers of U.S. companies establish centers in the region. The underlying mission of our project was to create a center that generated increased operational efficiency for the company and leveraged the professional talent in the region.

Avoiding the Perils

Learning from one's mistakes is a nice consolation prize. But creating a call center more efficiently, and poised to attract target employees does not mean a real estate executive is forced to make major mistakes. Planning should begin with defining the scope of the project and the timeline. The next step is getting on the ground and scouting for sites, partners and local resources. And scouting is a combination of listening, interviewing and following leads – researching reputable resources with a track record. With the right regionally-based team, a project can truly reap the benefits of the local economy. But, the inverse is also true – the wrong team can increase costs by 50 percent or more. In truly emerging regions, unfortunately, this is not all that uncommon. In some cases, inflated costs will not become apparent until well after the paint has dried and the carpets have been laid.

While regional expertise is essential, relying solely on it can result in projects that don't necessarily meet your multinational's objectives. European and U.S. approaches to space programming, material selection, lighting and many amenities common in typical Western environments are far less common in the Philippines. At this point in the region's evolution, leveraging a U.S.-based team to collaborate with local resources is the best bet for creating a truly multinational work environment. And, it's a win-win for both sides of the equation because Philippines-based architects and designers are very excited and interested in learning from and with their Western counterparts.

When evaluating sites, the solution must align with both the corporate objectives, and attract the types of workers the company is seeking to employ. In the Philippines, the focus for our recent project was to find a pre-existing professional building that fit the image of the multinational and was also a prime location for locals. Upon review of several options we selected the RCBC Plaza, the largest and most modern office development in Makati City. It combined all key amenities: parking, restaurants and shopping. Security was also a priority. Manned entrances, surveillance systems and exterior structures inhibiting the ability of cars to pull-up close to the façade of the building were all a priority.

Managing Projects to Completion

To get a call center/BPO up and running, strong project management that leverages technology is key. Securing local IT support is critical to setting-up the initial systems for communication. To create greater efficiency, a basic collaborative software is helpful and should be accessible to all key team members.

To expedite the schedule on the first phase of the project, we employed the design-build method—essentially executing the design and building of the facility in one phase. With a more generous time allowances on other phases of the project, we took a more traditional approach.

Local design firms can be qualified via pre-packaged RFI / RFP packages using a basic intranet site. Once local contractors and vendors have been properly screened via a Request of Information, RFPs can be issued for hard information. To follow is online bidding of contractors that ranks each firm's bid. This technique is a common one in Asia and will be familiar to reputable contractors.

Once contractors, vendors and other service providers have been selected, a collaborative deliverable timeline can aid in the management of deadlines and objectives. Working remotely, we create systems that call for daily updates and weekly conference calls to maintain the schedule.

Culture is Critical

Beyond the logistics, regional culture is critical. With numerous multinationals moving into downtown Makati City, what can a company do to attract and retain coveted employees? In many cases the section of the city that makes the most sense for your project also has made sense for other BPOs. While it's true, the professionals in the region are very excited and anxious to work on behalf of a leading company, they are also often making personal sacrifices – like working on an American clock and schedule. Typical turnover rates in U.S. call centers soar as high as 33 percent, according to Mercer Human Resource Consulting. Some experts speculate that rate is nearly 100 percent in India's outsourcing hubs.

An employee's environment is important for retention. In any call center hub the design and comfort of the facility can create an edge for retaining talent. The intangibles of motivation, culture, environmental norms, colors, styles – all becomes important during the planning of a new facility. Anything that can be done to connect and serve the future employees is poised to pay-off. Turnover costs money in terms of lost skills – skills that could potentially be snapped up by other multinationals on the block.

Our objective was to take our experience in designing corporate environments and create a work environment that captured the distinct quality of a leading multinational, while incorporating cultural norms specific to the Asian culture. Our project, as with all call center projects, leveraged a highly efficient floor plan and workplace strategy, yet, it was designed in concert with regional Asian furniture and

materials. Due to cultural influences, these environments tend to be more open with less physical work space than U.S. environments. The project also incorporated numerous green building materials, a rarely employed strategy in the region. Green elements included the use of carpet incorporating the U.S. Green Seal Standard for content and low-emitting materials, energy efficient lighting, and furniture components that were manufactured to be recycled.

Many elements of the project, including furniture and fixtures, were imported from regional suppliers in China, Korea and Malaysia. Custom modular walls were constructed locally to serve as vertical electrical and communications cableways and incorporated bamboo stalks molded in eco-friendly resin panels. The use of red and yellow accent colors, which are predominant in the Asian culture, were used to create a high-energy environment.

The region continues to emerge and evolve to support expansion by multinationals. Without well-versed assistance when creating a new facility, major corporations can face numerous setbacks. Planning, organization and observation can combine to create an environment that works within the Asian framework. When developing offices and facilities internationally, the space needs to align with the people, and the way they work, to achieve the real objective. Our work environments in Makati City don't look like call centers in Houston, Texas, but they do possess an international quality and leverage best practices in ergonomics, accessibility and productivity— essential to any multinational workplace.