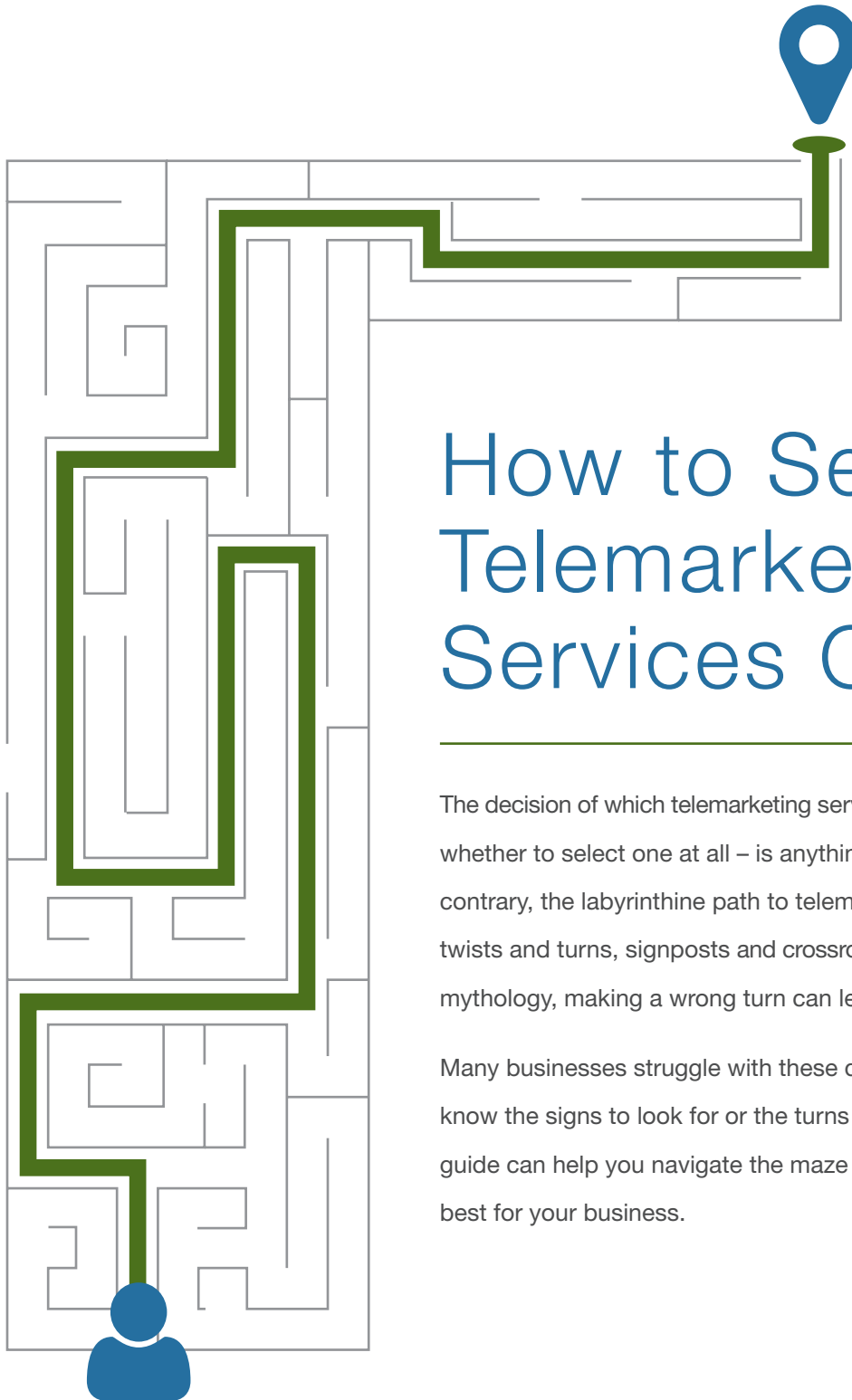


QUALITY CONTACT  
SOLUTIONS

*Your Outsourced Telemarketing Partner*



# How to Select a Telemarketing Services Company

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The decision of which telemarketing services company to select – or whether to select one at all – is anything but straightforward. On the contrary, the labyrinthine path to telemarketing success contains many twists and turns, signposts and crossroads. As with the Labyrinth of mythology, making a wrong turn can lead to a monstrous ending.

Many businesses struggle with these decisions because they don't know the signs to look for or the turns to make. But having a proper guide can help you navigate the maze and reach a solution that works best for your business.

# Executive Summary

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Selecting a telemarketing services company involves navigating a maze of issues and decisions, the first of which is whether or not to outsource your telemarketing at all. But a path can be found through the confusion by considering each turn carefully and enlisting the aid of a professional guide.

First, consider if outsourcing is a good fit for your business. Factors such as cost, culture, complexity and integration all play a role. The cost of handling telemarketing in-house extends beyond personnel and can include things such as technology, administration and rent. Outsourcing costs can follow a variety of pricing structures, affecting the decision to keep things in-house or outsource.

When you add in all the costs, an in-house operation may cost you money rather than saving you money.

Once a business decides to outsource, choosing the right telemarketing vendor can spell the difference between triumph and disaster. The size of vendor to choose depends on the size of the campaign, and one that's too big can be just as bad as one that's too small. Location, and the accent of the agents working in a particular location, can also come with pluses and minuses.

Supervision – particularly the front-line supervisor – can make or break a campaign and should be seriously evaluated when selecting a telemarketing vendor. Likewise, call centers can take various approaches to quality assurance, but a commitment to quality is imperative.

Navigating the maze of decisions surrounding the process of selecting a telemarketing services company can be simplified by bringing on a managed outsource provider as your guide. A managed outsource provider can help you select the best call center for your business, set up the program and training, play a role in quality assurance and deliver in-depth reports.



# Start with In-house vs Outsource Decision



As you start your journey, the first crossroad is whether to outsource at all. Do a quick assessment to decide if your outbound marketing contacts are well-suited for outsourced telemarketing. Among the many factors affecting that decision, take a look at four primary areas.

## Cost

Is your company in a high-cost labor market? Does your company structure require an internal department with expensive benefits such as profit sharing and premium health insurance? Is your rent per square foot expensive? If you answered yes to any of these questions, it may be worthwhile to look at an outsourced call center.

But how does the quoted cost of outsourced telemarketing compare to the cost of building a team in house? You need to identify all the cost components to ensure an apples-to-apples comparison.

## There's more to it than salaries, bonuses and commissions, such as:

- **Capital expenses, facilities and equipment, especially for new space.**
- **Recruitment and training, including downtime as new resources are brought up to speed.**
- **Vacations, healthcare and other benefits.**
- **Opportunities lost while managers and sales teams coach telemarketing staff.**

## Culture

Has your company successfully used outsourced telemarketing before? Has your company outsourced any business processes before? Is your company centralized or decentralized?

In some companies, everything is done internally and centralized. That could be a negative for outsourced telemarketing. But that's also where vendor selection comes into play because every call center is different. If you conduct a proper Request for Proposal (RFP) and visit potential call centers, you can find one that fits your culture.

## Complexity

If the teleservices program requires a high degree of sales skill with a wide range of complex products, it may be better suited for an internal team. Outsourced operations are most successful with less-complex programs. Ask the vendors you're considering to provide an example of their work that may be similar to yours.

## Integration

The last factor is the need for integration with other departments or teams. If a high degree of integration is required, it may be best to keep the program in house.



# Understanding the Costs of an In-house Telemarketing Team



As you delve more deeply into the primary factor of cost, consider carefully these five components that affect any comparison of in-house vs. outsourcing.



**People costs** include salaries, taxes, benefits and costs of managing, supervising and training.



**Overhead and administrative costs** can vary significantly. Some companies are allocated costs from “corporate” that they must pay monthly. This can be based on head count or on revenue generated by the department. This typically includes senior management and shared services such as human resources, payroll and accounting.



**Technology costs** include computer hardware, software and phone equipment.



**Telecommunications** is typically a cost per minute plus the monthly cost for telecom infrastructure.



**Rent expense** is typically the square footage used by the internal call center times the rent factor.

*The last factor is the need for integration with other departments or teams. If a high degree of integration is required, it may be best to keep the program in house.*



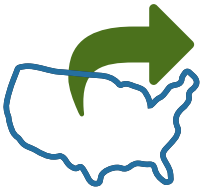
# Understanding the Costs of an Outsourced Telemarketing Company



There are four typical pricing structures for outsourced telemarketing vendors.



**1. Hourly pricing** is the most common and will vary based on the complexity of the program and the skill level of agents.



**2. Offshore pricing** can vary dramatically, depending on if the location is near-shore (such as Mexico or Costa Rica) or in India or the Philippines.



**3. Hourly plus commission or incentives** would most often comprise about 75% to 80% in hourly rate and 20% to 25% as commission or incentive.



**4. Pay for performance** is most often used for large programs with proven track records. Most outsourced vendors won't accept pay for performance unless the track record allows better than average revenues for the hours the vendor will put into the program.

**Most outsource providers include all overhead and ancillary services in their fee model.**

**Baked-in costs will include:**

- **Telemarketing staff recruitment**
- **Benefits (industry average is 17% of W-2 income)**
- **Commissions paid to telemarketing staff**
- **Training and certification**
- **Facilities, including rent and furniture**
- **Hardware and software**
- **Telemarketing system licenses**



# In-house vs Outsourced Telemarketing Services Cost Comparison



To bring more clarity to the potential chaos of cost comparison, here's a quick Telemarketing Services Cost Comparison Worksheet for outsourced telemarketing vs. in-house.

**Salary or Rep Rate is often stated in terms of "Per Hour" when priced by an outsource provider.**

| Cost Component                                 | Outsourced Provider  | In-house Costs |
|--|--|----------------|
| Recruitment                                    | Included in Per Hour Rate  |                |
| Benefits Load (17%)                            | Included in Per Hour Rate  |                |
| Commission                                     | Included in Per Hour Rate  |                |
| Training & Certification                       | Included in Per Hour Rate  |                |
| Facilities (rent, furniture, etc.)             | Included in Per Hour Rate  |                |
| Hardware (computer, phone, etc.)               | Included in Per Hour Rate  |                |
| Software Licensing (CRM, dialing system, etc.) | Included in Per Hour Rate  |                |
| Total cost per sales rep                       | Should be \$28 to \$38 per hour, depending on if you are outsourcing B2B or B2C telemarketing and depending on complexity of program |                |

*Continued on page 7*



Because most telemarketing service providers charge per hour, convert your internal costs to a per-hour basis. For example, if you pay a rep \$50,000 per year, the per-hour cost would be \$25 (\$50,000 divided by 2,000 hours per year). If the CRM licensing cost is \$1,000 per license, the CRM license cost per hour would be 50 cents (\$1,000 divided by 2,000 hours per year).

That should give you a good starting point for navigating this turn of the maze. When you add in all the costs, the in-house option may cost you money rather than saving you money.

Also, outsourced telemarketing costs vary over the long run, compared to the high fixed costs of hiring and laying off employees. Organizations should consider program risk and the value of risk management when comparing in-house and outsource costs.

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***Outsourced telemarketing providers should offer real economies of scale.***

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Finally, remember that a narrow focus on costs can be misleading. Outsourced telemarketing providers should offer real economies of scale, not just cut-rate services that underperform and defeat their clients' purposes. Organizations should never forget the real benefits on the other side of the ledger: increased sales results.

## Outsourced Telemarketing Vendor Selection

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The telemarketing vendor should be a traveling companion on your journey to success. So, choosing a vendor isn't just a question of what makes a good call center but also what makes a good call center partner. Several key factors should be considered.

### **Choose the right pond for your fish**

Is bigger always better? It depends. If you need a single call center to staff a 200-seat credit card sales program, a company that has two centers at 50 seats each just won't work. But if your program needs 10 to 20 seats, the center that can staff that 200-seat program may not be the way to go.

Will your campaign become a small fish in a big pond? Will it be assigned to an overworked account manager who sees your new pesky program as more of an an-

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***Will your campaign become a small fish in a big pond?***

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noyance than a new partnership? What is a small fish to one company can be a game changer for another that will put everything it has into making your campaign successful.





## Location, Location, Location

Like using local telephone numbers for

Caller ID to improve answer rates, having a call center in the right location can make a difference in a campaign's success. Having a call center in the wrong location can lead you off the path to success and in the direction of disaster.

If the majority of your agents have a heavy accent, that call center may be perfect for a program calling into a market that also heavily uses that accent. However, you're probably less likely to fit a campaign calling into any other market. There's more flexibility with accent-neutral agents. Choosing an offshore vendor may result in cheaper rates but may hurt sales and the overall customer experience.



## Supervision

The supervisor position is the most difficult job in the call center industry. The supervisor is most responsible for driving team performance, constantly pushing, coaching and motivating, guiding the team toward success. Having a good supervisor is everything. Having a bad one can be disastrous. This position is also the most difficult to evaluate if you can't see the supervisor in action.

Most interaction your business will have with a call center will be through an account manager, so when you visit a call center in person, spend time with the front-line supervisor. See if the team is responding to that supervisor and focusing on the most important areas.

However, even the best supervisors need support. A call center may have an incredible supervisor and a team of 12 agents on an island all by themselves. Is the quality assurance staff also coaching the team so it's not all on the supervisor? If the program has a lot of moving parts, is there a program manager managing the dial strategy effectively, or is that on the supervisor's plate as well? Does the supervisor have more agents than he or she can reasonably manage? A supervisor for one program can handle 12 agents, another possibly seven, depending on the program.

Understanding that the supervisor is a critical role, it's important that the right person is in that position and receiving the proper support.



## Quality Approach

Without a commitment to quality assurance, the goals of your program can get lost in a maze of other interests. But different companies take different approaches to quality monitoring. Some have a quality department separate from the operations staff. An organization with a separate department obviously holds quality in high regard, and keeping this kind of department separate from operations ensures an unbiased approach to quality. Operations people can have the highest regard for quality, but campaign results are their first responsibility. For a quality assurance department that's separate from operations, quality is the number one priority.

Under the typical model, each call center has a quality assurance manager tied directly to operations, and the call center supervisors and QA manager all report to the call center manager. Under this model, everyone is completely aligned with expectations, and QA and operations work in conjunction with each other. With a separate QA department, feedback is often passed from QA to the supervisor to the agents, so feedback can get diluted or lost in translation.

So, which is the right way? Both ways have their pros and cons, but when evaluating a call center, you have to determine if the center is committed to quality assurance and if the process that organization has in place works well for them.

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***If the person doing quality assurance is also the supervisor, call center manager and IT person, there may not be a proper commitment to quality.***

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When monitoring with a client, a quality assurance manager should lead the session rather than an account manager. The quality assurance manager is the one constantly listening to the program and delivering feedback, and the client should know that person is capable in that role. When it's a first session with a call center or a launch of a big program, the account manager should attend and add value, but the quality assurance manager should lead the session.





# The Role of a Managed Outsource Provider



What's the role of a managed outsource provider? There are a lot of pieces to the puzzle that make up that answer. Managed outsource providers sort out those pieces, managing the work from A to Z.

A managed outsource telemarketing provider acts as your guide through the telemarketing maze. We find the most compatible call center for the calling campaign and then provide that call center with the ongoing tools, guidance and direction to be successful and hit client goals.

## Call Center Selection

Proper call center selection is vital. Every call center is like a person with its own strengths and weaknesses. While some have a broader range of expertise than others, none is a true expert at everything. Some call centers are great at inbound customer service, while others excel at outbound marketing to current customers and others are great at prospecting.

won't be engaged past that step. But a managed outsource provider puts the call center in the best position to be successful.

*Many clients might feel lost among the tangles of managing several outsourced telemarketing campaigns.*

Many clients might feel lost among the tangles of managing several outsourced telemarketing campaigns, but that's where a managed outsource provider comes in.

But everything that comes after call center selection can be rendered moot if you don't have the right partner, the right traveling companion, for your client or program. Most clients struggle with this process because they don't know what to look for. They look for all the bells and whistles but have a hard time seeing potential warning signs.

We take the hundred different pieces required to build a campaign and develop an all-inclusive package – a road map, if you will – for the call center to ensure that the program is launched in the most productive manner. This includes everything from the development of reporting to the creation of the script, data file layouts, compliance requirements and caller ID specifications.

## Program Setup and Training

Sometimes people confuse a managed outsource provider with a broker, but the two are completely different. A broker stops after call center selection and may not put the same effort into the selection process because they know they

During this process, initial key performance indicators (KPIs) are determined. This is important because outbound marketing sales teams thrive on reaching their goals. Goals should be challenging but not so challenging that they're unrealistic. Nothing will demotivate a team more quickly. In parallel with the program setup is the creation



of training materials for the campaign, and then comes the actual training for the program. This is a vital part of launching a successful campaign, but it's also important that training isn't one and done.

### Quality Assurance

We believe in the old saying, "Inspect what you expect." We know that our call center owner-operators have their own quality assurance teams, but it's important to listen to calls together every week to ensure that everyone is on the same page about what makes a great call. Additionally, quality assurance isn't all about listening to an agent to see if they checked off all of the right boxes. It's also about determining if the strategy is right. Are customers responding to that line in the script? What changes need to be made? There are a lot of do's and don'ts to navigate on the path to proper quality assurance.

At Quality Contact Solutions, we've created our own quality monitoring tool to identify coaching opportunities to help agents be more successful, which will make clients happier. The quality monitoring tool also allows managers to observe trends and make adjustments to improve their customer message.

### Reporting and Analysis

As a managed outsource telemarketing provider, we pride ourselves on having the very best client services team, which delivers top-notch in-depth reports to our operations team and our clients. When you've managed thousands of outbound marketing campaigns, the numbers can tell a story, both good and bad. The right reports allow the operations team to diagnose any potential potholes in the road and indicate where to look for solutions.

The problem could be contacts per hour, conversion rates or another issue, but the right reporting and analysis will allow you to determine why things have stalled and get you back on the path to success.

### Intelligent Urgency

Our team prides themselves on working every day with a sense of intelligent urgency. This is true in how we handle our relationships not only with our clients but also with our call center owner-operators. Urgency without a plan is chaos, and a plan with no urgency doesn't do anyone any good. It's not just about working hard but also working smart. It's not just about driving forward but also about knowing where to go. We care deeply about hitting our goals, arriving at our destination, and will put together a winning strategy and work tirelessly to make it happen.



# About Quality Contact Solutions

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Since 2007, Quality Contact Solutions has provided quality call center solutions that achieve sales results. We exist because the world is driven by sales. We deliver exceptional results because our company culture is vibrant and alive. Quality Contact Solutions offers services to make the most of your contact center dollars. We serve an array of verticals and offer solutions that apply to each customer, market and industry.



**Dean Garfinkel**  
Chief Operation Officer

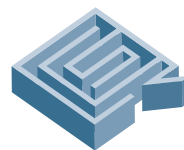
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We are known for being a world-class telesales organization and for providing exceptional results through our expertise in the industry. Quality Contact Solutions is solution-focused. Our goal is to provide an excellent customer experience for each one of our clients and customers. We make it easy to do business with us. Our core business is B2B and B2C telemarketing, lead generation and appointment setting.



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