



CXFO BPO Industry Council Report

Report by



CUSTOMER EXPERIENCE
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CXFO BPO Industry Council Report (Summer 2023)

29th June 2023

Introduction

We brought together industry leaders from the BPO Sector to discuss the biggest challenges they are facing right now.

The key topic areas which we covered were:

- **A review of the recent CX Outsourcers Mindshare event** and the key themes which came out of it.
- **Threats:** Mid 2023, what are the threats that will impact our CX BPO Industry and therefore impact our jobs and our people? What do we do to mitigate change models?
- **Opportunities:** What new roles are we bringing into our businesses, or see a need for, and what are the roles we no longer need but are unsure on how to evolve them?



- **Cash in an envelope:** If you were given £1m each, and you could invest it in anything in your business where would it go?

This report highlights the main points that were discussed during this council's session.

Contained within this report are the opinions and perspectives from a number of top professionals in the BPO industry, who provide valuable insight into the current situation in the sector.



Key highlights in the report include:

- BPOs have operated as generalists for so many years, and now need to promote themselves and the industry as the specialists and experts that they are. BPOs have to remember that they are the experts in their field.
- We need to be bringing people that are experts in certain fields, such as AI to help keep BPOs at the forefront when it comes to knowledge.
- BPOs, are where Marketing teams used to be 15 years ago. Organisations need to directly show the correlation between what they are doing and revenue generation.
- Data and behavioural scientists are also needed within BPO organisations to understand the sentiment of the customers on the phone and do this in real time.
- We need to look at existing Contact Centre Agent roles to see if they fit the contact centres of the future. The front line advisor role needs to be redefined.
- Organisations need to think about how they can keep employees engaged and develop their skills, especially at team leader level where there is a scarcity of resource.
- Technology has to be embraced but also has to blend correctly with the human touch.
- It is about finding the best solution for the client and their budget. This often means that budgets lead to offshore solutions. So how can we get the UK market back to where it used to be?
- Technology should also be used to enhance the employee experience, not necessarily take the job of people.
- As the job gets harder and the pressure increases there is the need to do the best thing for the people. Even if this is at a cost.
- There needs to be honesty internally and externally to create a partner ecosystem.
- Service levels need to be mapped correctly to hit and match KPIs.
- We need to start promoting the industry fully but externally, not internally.
- The Customer Experience Foundation (CXFO) BPO Industry Councils continue to be a safe place for collaboration and knowledge sharing among BPO companies.



Cash in an envelope: If you were given £1m each, and you could invest it in anything in your business where would it go?

There was a clear theme around 'people' when this question was asked. When it came to investment in the BPO space, many attendees agreed that money should be spent around recruitment, retention and training staff. After all, people are one of the most important things in a BPO organisation. It can also be spent on CRM and Operations training and performance management.

Organisations need to think about how they can keep employees engaged and develop their skills, especially at team leader level where there is a scarcity of resource. There is a high rate of attrition within the industry meaning that there can be frequent turnover, which makes it more challenging to maintain a stable pool of team leaders.

Some BPOs at the Industry Council would like to invest in technology, but the right technology at the right time, and not make it feel like a stop gap. It should also be used to enhance the employee experience, not necessarily take the job of people.

They need to look at what the use of technology means for the skillset of agents and how BPOs operate. This applies to the front office and the middle office too. Employees of the future need to have different skills to those of the past. The costs for this technology need to also be built into the target operating models.

Technology has to be embraced but also has to be blended correctly with the human touch

There is also a need for more personalisation so the money could be spent on supporting advisors with the right technology for this. Investment is also needed to create better educational awareness of the new technology to take away the fear factor.

Technology has to be embraced but also has to be blended correctly with the human touch.

Investment in middle management can be a challenge here in the UK but if BPOs look overseas this can help with retention and progression of those middle managers.

Sustainability of the industry is also a huge challenge at the moment. Technology has the potential to help and the realistic impact will be seen in the next five years. But, as we have discussed at our other events, technology is not always the silver bullet that many think it is.

Industry Insights



How much does it cost to train a Contact Centre Agent?

The training required for a Contact Centre Agent can vary based on the specific needs of the company and industry. Below are some common areas of training and an approximate cost range:

- Induction and Onboarding: £500 - £1,500
- Product/Service Training: £300 - £800
- Customer Service Skills: £200 - £600
- Technical Training: £200 - £500
- Soft Skills Development: £150 - £400
- Compliance and Security: £100 - £300
- Specialised Training (depending on industry, agents might need specific training such as medical terminology, financial regulations etc: £300 - £800
- Ongoing Training: £100 - £300 per year

We need to be bringing people that are experts in certain fields, such as AI to help keep BPOs at the forefront when it comes to knowledge.

We need to be bringing in industry expertise to integrate it more with the customer needs, and building that expertise with the use of data. There needs to be an equal split between business development and tech experts.

With advancements in automation and artificial intelligence, BPOs are increasingly relying on technology to streamline processes and minimise human intervention. This shift may reduce the need for a large number of team leaders, as some tasks can be automated or managed through digital tools.

Technology could be used more to eliminate fraud.

Another area people wanted to focus investment on was Quality. Including a big focus on leadership in South Africa for example. It is about the focus being on leadership and doing the job right.

If investment is put into getting quality and performance right and getting really integrated into the clients business and the brand, then you are in a much better position. Organisations have to get the base quality and performance right first.

Investment in acquisition and having more capacity for growth was also mentioned. Companies need capacity but they still can't get people in the doors. The UK needs a very different approach to overseas.

There should also be investment in procurement and educating the market on everything that BPOs can do. A 'BPO University' was mentioned.

Opportunities: What new roles are we bringing into our businesses, or see a need for, and what are the roles we no longer need but are unsure on how to evolve them?

If AI and technology continues to change so many areas of the industry, we need to look at existing roles to see if they fit the contact centres of the future, and create new roles where needed. This doesn't mean existing staff will lose their jobs, it will mean re-training them to do a slightly different role based on the needs of the customer.

Stress and the mental health and wellbeing of staff was a topic of conversation with some saying that they have psychologists onsite to help employees. As the job gets harder and the pressure increases there is the need to do the best thing for the people. Even if this is at a cost.

Industry Insights



How much mental health support in there in the workplace?

- 1 in 6.8 people experience mental health problems in the workplace
- 12.7% of all sickness absence days in the UK can be attributed to mental health conditions
- Better mental health support in the workplace can save UK businesses up to £8 billion annually
- 35% of British employers have not spoken to their staff about mental health and wellbeing over the past year
- The Mental Health First Aid programme is delivered by an active community of licensed providers in 24 countries and to date, over 4 million people worldwide have been trained.

When you look at the current front line advisor role, do we need it? Is it at risk? If so, those people will need to be retrained. It is about redefining what the role should be doing based on customer needs.

The job titles which have been discussed at previous sessions have been around Digital Advisors/Experts, or Member Happiness. Solutions Architects was even a suggestion during the BPO Industry Council. Either way, the general consensus was that the front line advisor role needs to be redefined to suit the nature of the people we want to employ by making it more attractive, and also with the needs of the customer.

They need to be data enabled service advisors and organisations need to think more creatively in order to attract staff.

Data and behavioural scientists are also needed within BPO organisations to understand the sentiment of the customers on the phone and do this in real time. BPOs have access to huge amounts of data, but are they using it to the best of its ability? Do they have the right resources and staff to deal with this data and analyse it properly?

Strategic Account Managers could also be an areas of exploration in terms of roles. This is where organisations would tell the senior leadership team what they are hearing from their customers.

All organisations need a Strategic Plan. This needs to outline the goals, objectives, and strategies to achieve sustainable growth, competitive advantage, and operational excellence. It also needs to provide a roadmap for the organisation's future direction and guides decision-making processes. This plan really enables organisations to get under the skin of the customer.

If roles within the contact centres need to change, what does this mean for commercial models? It can happen at speed in some sectors, so how do BPOs keep up with the pace?

Buyer requirements can be an opportunity and a challenge. Do they know what they need to buy and how to implement it?

BPOs have to remember that they are the experts in their field and have the capability, the technology, the experience and the resources to take clients on a journey and make a fundamental difference to what their customers receive. BPOs need to show how they are the experts and what they can bring to the table.

They have to show that they are better than their clients in certain areas of business. Have the attitude of 'this is what we do, and we are specialists. We are experts'!

When it comes to the Public Sector, some BPOs would like to invest this money towards digital inclusion and providing platforms to get more value. BPOs need to show clients how they can deal with digital inclusion.

Digital inclusion in the Public Sector refers to ensuring that all individuals and communities have equitable access to and meaningful use of digital technologies and services provided by government organisations. It aims to bridge the digital divide and ensure that everyone, regardless of their socioeconomic background or geographical location, can participate in the digital age and benefit from digital services offered by the Public Sector.



Industry Insights

Digital Inclusion

Digital exclusion affects millions of UK citizens. Every day, people are unable to access the internet because they do not have the connection, device or skills to get online. This digital divide is undermining efforts to improve UK productivity, economic growth and socio-economic inclusion. Cost of living challenges are also exacerbating the problem for the most financially vulnerable.



1.7 million

The number of households with no broadband or mobile internet access in 2021.



2.4 million

The number of adults unable to complete a single basic task to get online, such as opening an internet browser or using a mouse.



5 million

The number of workers who will be acutely under-skilled in basic digital skills by 2030.



£63 billion

The amount overall digital skills shortages cost the UK each year.



1 million

The estimated number of people who have cut back or cancelled internet packages in the past year due to affordability issues.

Source: publications.parliament.uk

Another area of opportunity which was recognised was the support of the Customer Experience Foundation (CXFO) when it comes to BPOs. This could be taking key challenges to Government and how to get a seat at the table with the governing bodies. CXFO also need to help the sector when it comes to best practice and most importantly the underrepresentation of the market, especially when it comes to awards.

Where are the awards specifically for BPOs? How do we ensure they get recognition?

We need to start promoting the industry fully but externally, not internally. Opportunities exist when it comes to KPIs too. BPOs sell on values and doing the best thing for the customer. Service levels need to be mapped correctly to hit and match KPIs.

When BPOs look at transformation it needs to move to more of an outcome and values based model rather than staffing levels. It is about looking at the behaviour of the customers and keeping them as informed as possible.

There is a cynicism around BPOs being a one stop shop. There needs to be honesty internally and externally to create a partner ecosystem. Investment in people is a critical component for this. Companies need to invest in CX Transformation personnel. And data analysts to stay ahead of the game. BPOs have operated as generalists for so many years, and now need to promote themselves and the industry as the specialists and experts that they are.

Procurement in the Public Sector was brought up as a challenge, but also an opportunity, and the fact that we have built and created a lot of these problems and challenges. More honest conversations with procurement teams are needed to enable change.

As has been mentioned in a previous CXFO Leaders Summit, the CX industry (including BPOs) are where Marketing teams used to be 15 years ago. Organisations need to directly show the correlation between what they are doing and revenue generation. It is about showcasing the added value BPOs can bring to a client's business.

Threats: Mid 2023, what are the threats that will impact our CX BPO Industry and therefore impact our jobs and our people? What do we do to mitigate change models?

Overseas outsourcing was discussed as both an opportunity and a threat. Is it the BPOs or the clients that are pushing into Sub-Saharan Africa? Is it that some BPOs are pushing this in order to win business, as the cost per head is lower. Some clients are stipulating that any outsourcing needs to be within the UK but BPOs putting in bids that are sometimes still pushing to going offshore.

Are we driving customers offshore? Why would organisations want to outsource in the UK where you can't always attract or retain staff vs in overseas where it is seen as a real long term career and status. More companies are going straight to outsourcing overseas as they are seeing the quality levels and staff retention, especially in Cape Town for example. They also have better attrition rates and tenure.

It is about finding the best solution for the client and their budget. This often means that budgets lead to offshore solutions. So how can we get the UK market back to where it used to be?

Restoring the UK BPO market to its former position requires a combination of strategic actions and industry collaboration including:

Government support and collaboration

This is an area where CXFO are looking to support BPOs going forward. This can include targeted funding programs, research and development support, and industry-specific skill development initiatives.

Industry-academia partnerships and training

Including designing specialised training programs, internships, and apprenticeships to bridge the skill gap and meet industry demands.

Focus on innovation and technology adoption

UK BPOs need to continue to embrace emerging technologies and automation solutions to improve efficiency, enhance service offerings, and stay competitive.

Enhancing digital and data security

By strengthening data protection and privacy regulations, BPOs can help assure clients and customers that their information is secure when outsourcing to the UK.

Marketing and promotions

Another area where CXFO are committed to helping the industry to highlight the advantages of outsourcing to the UK, such as a skilled workforce, cultural compatibility, and time zone advantages.

Talent development and retention

BPOs in the UK need to create clear career pathways, offer competitive compensation packages, and foster a positive work culture to attract and retain top talent.

Strong customer focus

BPOs in the UK need to demonstrate value to clients by offering customised solutions, domain expertise, and superior service delivery.

Collaborative industry efforts

The CXFO BPO Industry Councils continue to be a safe place for collaboration and knowledge sharing among BPO companies.





Industry Insights

Why do you / would you NOT outsource your customer contact?

Source: [Customer Experience Foundation](#)

42%

Loss of
Control

36%

Trust

14%

Business
Disruption

8%

Market
Awareness

By implementing these strategies and fostering a supportive ecosystem, the UK BPO market can regain its competitiveness, attract investment, and position itself as a leading destination for outsourcing services.

The reality is however that some clients want to stay offshore as it fits their budgets, and for some it does not work as it doesn't 'fit' their brand. Some organisations are happy to change their cost models to suit. The problem often comes back to transformation or solution design.

There is also a challenge with BPOs competing directly against the brands. Younger people are more attracted to working directly with the brands rather than the Outsourcers. If BPOs promote themselves in the right way, potential employees will see they will be working for the brands.

Why is more than half of the activity run by the client when BPOs are the specialists? A lot of this is down to loss of control over a huge part of their business. It needs to be more clear about the amazing work that the BPO industry does and getting the success stories out there.

A review of the recent CXOutsourcers Mindshare event and the key themes which came out of it.

We have listed below some of the key highlights and statistics that came out of the recent CXOutsourcers event in Glasgow.

Buyer requirements

When it comes to buyer requirements it has to be around the right messaging and influence. 65% of the market don't outsource. Why is that? The decision not to outsource is influenced by various factors including:

Cost considerations

Outsourcing certain functions or processes may be perceived as costly, especially when compared to in-house operations. Some businesses may opt to keep tasks in-house to maintain better control over costs and budgets.

Data security concerns

Where organisations deal with sensitive or confidential information (especially in the financial sector) concerns about data security and privacy may deter them from outsourcing. They may fear that entrusting data to a third-party provider could lead to breaches or unauthorised access.



CX Outsourcers: Post-Event Report



Download your copy of the
CX Outsourcers Report here

In-house expertise

Businesses with specialised knowledge and expertise in particular areas may prefer to handle those functions internally. They may believe that their in-house teams can perform tasks more efficiently or provide a competitive advantage. However, we have seen from many of our CX Roundtables, Outsourcers are now really embedding their staff in the brands they work for.

Company culture and identity

Some organisations view certain tasks as core to their identity or culture, and they want to keep them in-house to maintain control and alignment with their brand values. Again, as per the point above, many BPOs are fully rooted into the company culture of their client's brands.

Communication and control

Organisations may prefer to have direct communication with their employees, enabling more immediate feedback and collaboration.

Short-term contracts

Certain projects or tasks may require short-term solutions or immediate responses, making outsourcing less practical due to the time required for setting up contracts and relationships with external providers. This is easily avoided if these contracts are already set in place for those times where companies may need extra resources.

Regulatory compliance

Companies operating in highly regulated industries may have compliance obligations that necessitate keeping specific functions in-house to ensure adherence to legal and industry requirements.

Perceived quality and service levels

Some businesses may have reservations about the quality or consistency of service provided by external vendors, leading them to keep processes in-house to maintain high standards. The case studies need to be shared to show how amazing and successful the industry is.

Lack of vendor trust

A lack of trust in outsourcing vendors may arise due to past negative experiences or concerns about the vendor's ability to meet service-level agreements.

Change management concerns

The process of transitioning certain functions to an outsourced provider may be seen as complex and disruptive, leading companies to stick with their existing in-house setup.

BPOs need a voice!

CXFO needs to provide a voice to the government and a dedicated CX Community for BPOs. They also need a safe space to share views and challenges with likeminded people in the industry.

The latter is something which has already been put into place with a dedicated CX Community for BPOs set up, with invitations being sent out to leaders in the sector this month. This will be another safe space for sharing of challenges, ideas and best practice to make improvements within the sector.

CXFO confirmed that they will follow up on three key action points to be achieved by the next BPO Industry Council in the Autumn.

“ **BPOs need
a voice!** ”



A huge thank you to all who took part





CUSTOMER EXPERIENCE FOUNDATION

About Us

Customer Experience Foundation (CXFO) is proud to be the only CX and Contact Centre organisation offering information, advice, and support accessible to all.

We believe in a collaborative, supportive approach to improving CX as a profession as we continue our mission of making a difference.

We are run by CX practitioners and Customer Experience professionals. Our team has decades of experience leading and supporting Contact Centre and Customer Experience operations. All of the team started on the phones and have worked in almost every function across operations.

Our aim is to learn, understand, share, and promote best practices across all areas of Customer Experience and Contact Centres.

Our portfolio of online content and publications includes blogs and podcasts. We also have a number of innovative Face-to-face and Virtual events, are designed to provide the community with sound CX and Customer Service innovation, practical tips, advice, guidance and support from proven practitioners.

Our activity covers all aspects of what makes a great organisation, looking at Operational and Technical Delivery, Strategy and Implementation, Employee Experience, Leadership and People Development, and Culture and Well-being.

So, why not join us and become a member of this thriving community?

www.cxfo.org

