

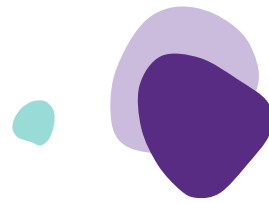


# Insourcing, Outsourcing, or Offshoring?

A Cost Analysis



# Offshoring vs. Outsourcing

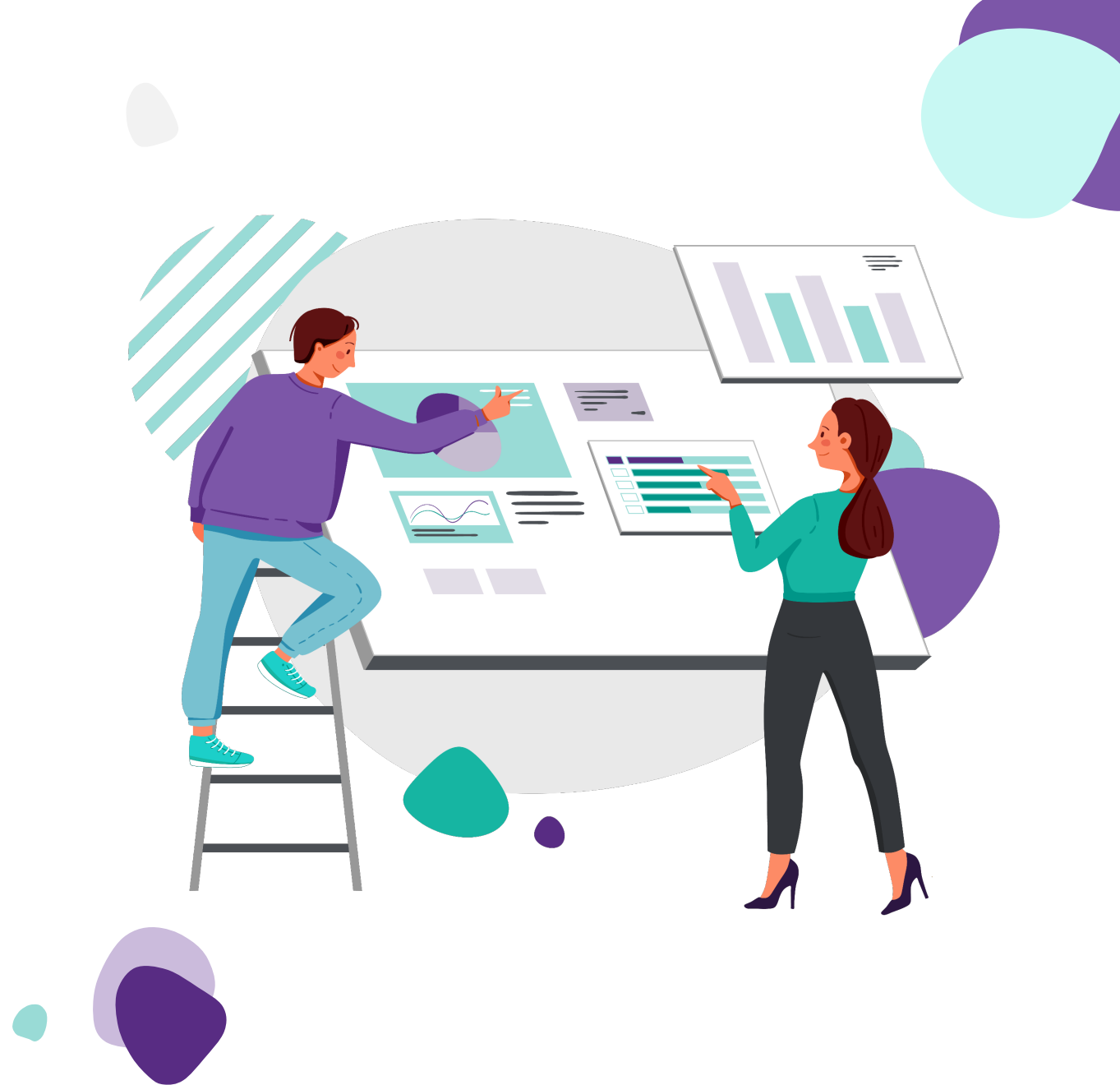


# What's the Difference?

People often confuse outsourcing with offshoring (setting up call centres in other countries to take advantage of cheap labour). But not only is **offshoring often unethical**, it also has the potential to damage your brand; offshored customer service usually **can't compete on quality**.

But outsourcing is not the same thing. With companies like FM Outsource, you can outsource your customer service to a **UK-based team of highly skilled, quality-assessed, and brand-aware advisors**.

But **FM Outsource is still cheaper** and it all comes down to quality. We can match and often raise the quality of your current insourced operation and that, ultimately, ends up saving you money.



# The Problems with Offshoring



## Knowledge

Understanding a country, a market, and a business is the key to good customer service. Often, offshore employees **don't understand the nuances** of a country, such as what may be considered polite or impolite, etc. This can lead to **misunderstandings when interacting with customers.**



## Language Barriers

Offshoring is infamous for this issue. Language is incredibly important when it comes to great customer service. If your advisors and customers are **having trouble communicating**, interactions are going to take a lot longer to resolve and be a lot more **frustrating for your customers.**



## Ethics

There's no denying it: offshoring has a bad name. **Poor working conditions, low pay, and bad quality service** are all synonymous with Offshoring. And this reflects badly on your brand; **81% of customers disapprove of brands that offshore.**

# Quality vs. Cost: Why Not Both?



# Quality Saves You Money

**Outsourcing costs less than both offshoring and keeping your customer service in-house.** This is often through making rates as low as possible, creating a race to the bottom. But, at FM Outsource, we do it by making sure our customer care is of the **highest quality possible**. We are customer service experts with the best technology and the best teams. By boosting your efficiency and productivity, we can funnel that extra time back into your operation, saving you money.

## Transformation

↕ 55%

Transformation looks different for every company, but we usually **migrate around 55% of our client's contact volume to more effective channels.**

## Productivity

↑ 35%

With our expert knowledge, we can boost your productivity by 35%. Doesn't sound like a lot? That's **4 extra contacts an hour, per advisor!**

## Efficiency

↑ 100%

We are 100% more efficient than our average client. We **resolve customer problems in just 1.1 messages.**

## Cost

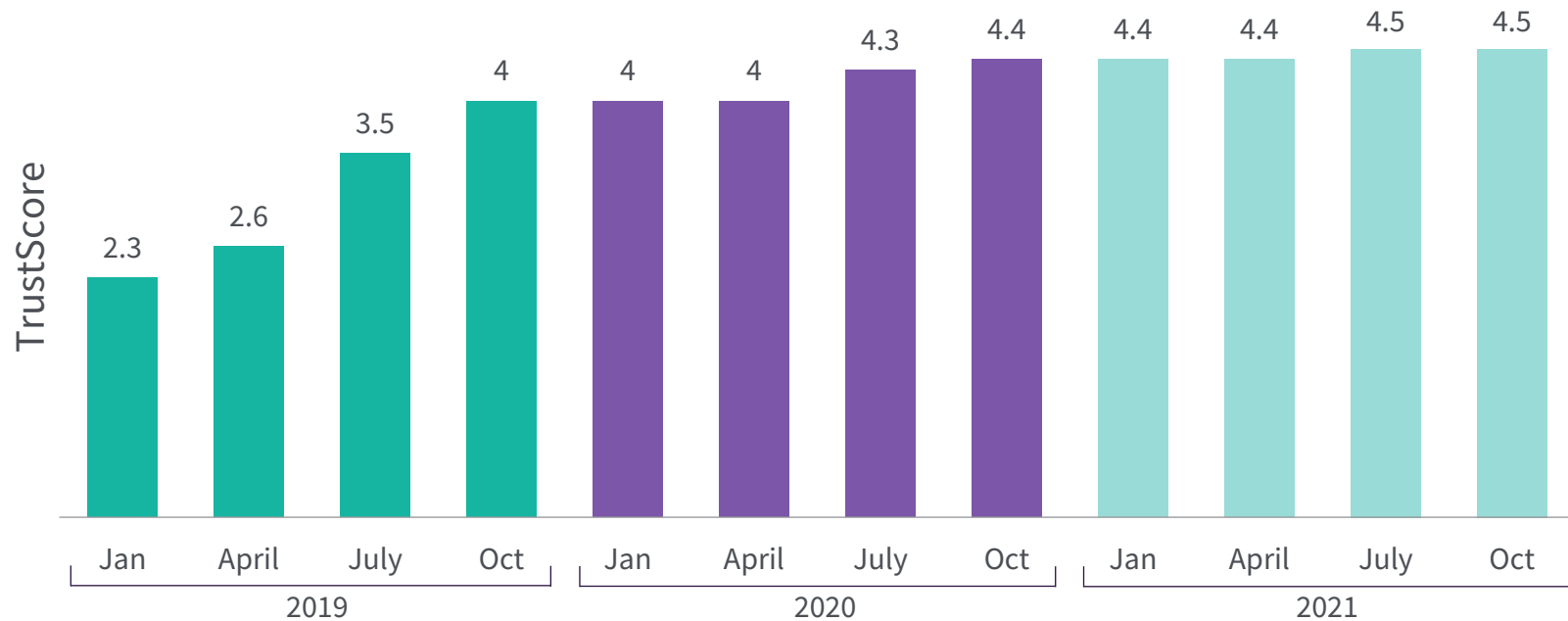
↓ 215%

We'll **roll all your costs, such as shrinkage, into one flat rate.** This all results in a cost saving of 215% (400% if you're moving from offshoring!).

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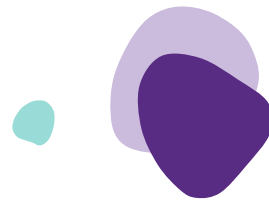
# 91% Review Score Increase

When Client A partnered with FM Outsource in January of 2019, their TrustScore was sitting at 2.3. By October of 2019, their score had already risen to 4 – **an increase of 74% in under a year** – and they’ve been steadily improving ever since. Despite the impact of Covid-19 on delivery times and contact volumes, Client A’s scores continued to improve all the way to 4.4 throughout 2021. That’s **an increase of 91% in just two years**.



Prior to 2019, TrustScores worked on a 10-point system. For ease of viewing, we have converted historical TrustScores for Client A into the newer 5-point system throughout this study.

# The Cost Savings





# The Cost of Your Operation

So, keeping your customer care in-house is better? Well, this is where an outsourcer comes in. It may initially seem like it costs more, but we must consider efficiency and productivity holistically. Instead of looking at contacts per hour and first contact resolution (FCR) in silos, we use them to calculate the time spent on each customer's problem or query. When we do this, we can see that **offshoring costs the most** because the quality of their service is usually low.

	Insourcing*	Offshoring*	FM Outsource**
Minutes per Problem	12.27	35.63	4.40
Cost per Problem	£3.71	£5.81	£1.17
Cost per Annum	£480,000	£755,000	£180,000

With FM Outsource's Professional Tier, you could save as much as

**£300,000** per annum

just by making the switch.

\*Based on industry average. \*\*Based on FM Outsource average

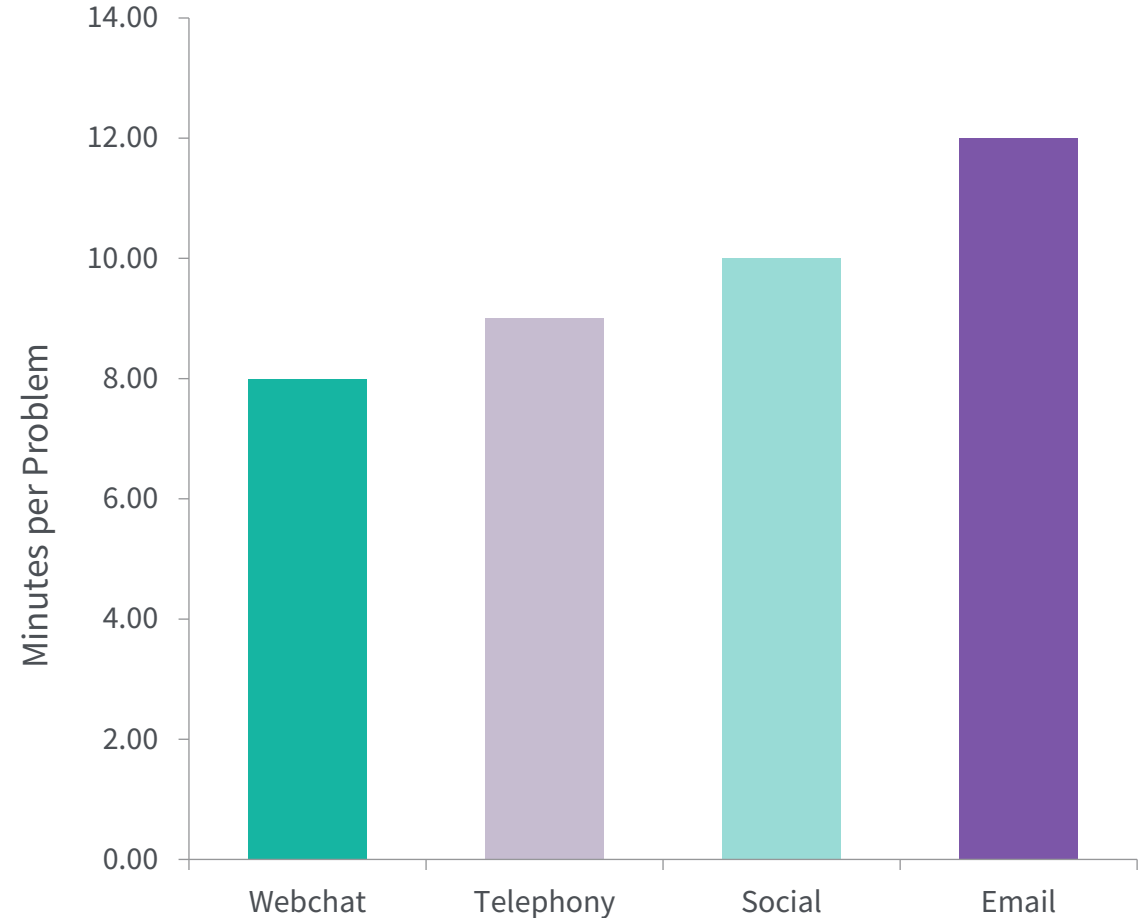
# Channel Migration

But FM Outsource can help you save even more! We will do a full audit of your operation and suggest ways to improve efficiency even more. This could be in the form of new technology, shift changes, or even new forms of reporting. But the biggest change comes from channel migration.

We see that calls per hour (CPH) on telephony is low and assume it's an inefficient channel. But, this is often not the case. It may take 4-6 emails to resolve a problem that would only take one phone call for the same customer.

But by looking at minutes per problem, we begin to see that some channels are more cost-effective than others. And these figures will vary, depending on the quality of your team. The better the quality, the higher your savings.

Based on a typical number of weekly contacts on each channel, you could save a further **£100,000 a year by optimising your channel mix**. When you work with us, we will conduct a full audit to maximise those savings even more.



# Yearly Cost Savings

With the combination of FM Outsource's expertise and knowledge, and a full audit to improve your operational efficiency, you could see even more cost savings. Based on an average of 2500 contacts a week for our Professional Tier clients, and an ideal channel mix, you could save as much as £400,000 per annum. But, with how customisable our service is, and accounting for your individual needs, your savings could be even more!



£400,000

per annum



*Insourcing, Outsourcing, or Offshoring?*

# The Finishing Touch

The feather in the hat? We're not just providing an operator to answer queries. We're not even just managing that operator, training them, and monitoring their performance.


We work alongside your business as partners, working to achieve your goals and long-term strategies. The way we see it, our fate is tied to yours. So, we make sure our years of expertise (and all the knowledge that comes with it) are baked right in.

We'll set the bar for extraordinarily good customer care, and help you get there.

 08081 697 627

 [Enquires@fmoutsource.com](mailto:Enquires@fmoutsource.com)

 [www.fmoutsource.com](http://www.fmoutsource.com)

 FM Outsource  
Imperial House  
79-81 Hornby St  
BL9 5BN

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