



**WHITE PAPER**

## How Small-Midsize Businesses (SMBs) Level-up on Customer Experience (CX)

Part 3 of this Series shares how strategic outsourcing can be used by SMBs to scale efficiently, while levelling up on customer experience and service.



Growth is never simply a case of expanding operations to achieve economies of scale – it's also about levelling up and improving on customer experience and service, which for most SMBs is a key competitive differentiator.



### **HOW OUTSOURCING CAN HELP SMBS LEVEL UP ON CX AND COMPETE WITH EVEN THE BIGGEST PLAYERS:**

If you're running a small-mid-sized business (SMB), then you'll know that managing the ebb and flow of business growth can be a massively challenging task. Landing a large new client or contract can push your SMB to suddenly needing the rapid deployment of skilled human resources, processes, technology, platforms and management to underpin the business growth – none of these are typically quick deliverables in an SMB. On the flipside, one bad foot-fault and the loss of such a key account can shut your business down.

For every SMB, the challenge lies in finding the balance between scaling and growing the business, while limiting the take on of more risk in what remains an uncertain and volatile economic environment. Most critically is that growth is never simply a case of expanding operations to achieve economies of scale – it's also about levelling up and improving on customer experience and service, which for most SMBs is a key competitive differentiator. It's an undeniable fact that a great customer experience drives business growth. And the reciprocal is also true. It's important to understand that growth can be an incredibly disruptive force and if not well managed and planned, it can affect every single aspect of your business, putting pressure on your staff, resources, quality controls, finances and customer relationships.

For the longest time, large corporate businesses have turned to outsourcing to help them through these growth spurts, and even contractions. Outsourcing has typically been associated with big business with deep pockets, huge technology infrastructures, large multinational workforces and even bigger customer bases.



## **WHY HAVE SMBs BEEN SLOW TO JOIN THE OUTSOURCING REVOLUTION?**

Historically, outsourcing to a BPO provider has not been an easily recognised solution for SMBs, for many reasons. For a start, if you're an SMB that sits in a specialized or niche market segment where customer relationships are far more personal and CX is your key competitive differentiator, then the how, what and who to outsource to becomes that much more complex, and daunting.

Another limiting factor is that many of the long-established BPO providers are themselves very large, multinational behemoths – and will not take on smaller SMB accounts as it's not profitable based on their models, which are singularly focused on achieving economies of scale based on volume. Very few, if any, will consider setting up a team of 20 or 30 agents needed on an SMB account as it's simply not profitable for them. Others will try and push their own formulaic process and systems designed for large scale outsourcing programmes that may not be the right fit for the CX demands or culture of a smaller business – which typically demand a far more personalised approach to CX, and employee experience (EX) for that matter too!

On the flipside, the smaller, niche BPOs willing to take on smaller contracts may not have the track records yet of larger counterparts, which inevitably means more selection risk for the SMB.

Another key reason is that finding, vetting and managing the relationships with a BPO partner typically demands serious and sophisticated internal management time and people with experience in managing those relationships and processes, which many SMBs simply do not have in-house. While there may be thousands of BPOs around the world, they vary dramatically in terms of skills and competencies, industry specializations, language proficiencies, cultural fit, size, technology and CX capabilities. In fact, even for large corporate players, research conducted by Knowledge Executive on behalf of GBS World surveyed over 360 global business buyers from Australia, Canada, the UK and the US, and revealed that finding the right BPO provider is anything but straightforward. It often takes buyers between three months (48%) and six months (7%) before they find a right-fit supplier. Just over 56% of respondents in the GBS World research indicated that they struggled to shortlist just five best-fit BPO service providers.

When you combine these factors with the risks associated with managing the ongoing operations with a BPO partner, it's clear why so many SMBs had until recently considered outsourcing to be a stretch too far.

However, in very recent years, any preconceived ideas of outsourcing only being within the ambit of the corporate behemoths have given way, thanks to a new breed of niche BPO partners working in specialized markets and

willing and very capable of working with SMBs – most notably in customer experience outsourcing – what iContact BPO refers to as BPX.

CX outsourcing requires a far more specialized third-party provider, one that draws on CX best practices and externalizes them. And it's this specialization and niche approach that has now opened up a whole new world of BPX to SMBs that allows them to level up on customer experience and compete head on, even with the biggest industry juggernauts.

When done well, BPX brings significant benefits to SMBs in terms of better and newer technology, process enhancements, quality management, workforce flexibility, access to specialized people skills, economies of scale, multichannel customer service channels and superior customer experiences.



## **HERE'S WHAT SMBS SHOULD LOOK AT IN THEIR BPX JOURNEY TO LEVEL UP ON CX AND COMPETE EFFECTIVELY:**

- **The Cloud has changed everything** - The evolution and significant cost-reduction in cloud computing means that more cloud-based CX platforms are accessible and affordable for SMBs. The days of hefty IT infrastructure, server rooms and expensive software as part of the outsourcing journey are long gone – certainly good news for SMBs.
- **Look at the value, not the 'price'** – while SMBs can anticipate savings up to 70% with outsourcing, the value-added services that the right BPX provider brings to the table can prove immeasurable and goes way beyond the basic metric of 'price'. Think advanced digital tech and multichannel service platforms, productivity management tools, Software-as-a-Service (SaaS), innovation in process and training, compliance, data security and hands-on leadership which go well beyond the commoditized services of price and language.
- **Responsiveness is key** - SMBs are looking for BPO partners that can help them build adaptive, responsive and resilient customer service models that can upscale and downscale in line with challenging economic environments without taking on more risk.
- **Customer Journey Mapping** – Look for an outsourced CX partner that has expertise in helping your SMB to map the customer service journey collaboratively, infusing the brand experience with the customer experience, helping you navigate your customer journey in the context of a changing digital dynamic.
- **Skills shortages** – Most developed markets are experiencing serious skills and labour shortages. Consider the cost of finding and

retaining skilled people in the US given that the country is sitting with less than a 3% unemployment rate. Coming from a country like South Africa which is grappling with a youth unemployment rate of nearly 70%, the contrasts are stark. South Africa as a BPO destination for SMBs has a deep pool of labour and great talent for rapid scale as and when needed, with strong English proficiency, enabling communications infrastructure and full redundancy built in.

- **Customer Service and CX are dominating outsourcing**
  - Our US clients find tremendous value in South Africa's BPX offering
  - we are not the cheapest in the world and it is not our intention to be, instead we bring unrivalled value through our experience, great people skills and labour arbitrage, empathy and excellent English language proficiency, backed up by data and analytics capabilities and multichannel service technologies at a very competitive cost.
- **Multichannel and Omnichannel BPO providers are in demand** – We're seeing a significant redesign of BPO services that incorporates more tech and AI, automation and hybrid work models with the traditional voice-based service. Work with an experienced BPX provider that brings these service channels together for you.
- **Flexibility** – Typically, when a SMB is building their outsourcing model for the first time, the needs and technology requirements are not always distinctly defined - there is a need to build the strategy on a 'discovery' basis, rather than enforcing a pre-determined playbook that may not be a good fit.
- **Collaboration and Shared Successes** - Besides the major customer service and support improvements that a BPX provider can bring to the table, there is also CX best practices, systems and processes that are shared and collaborated on - from the development of new training materials, the latest software and technology, to productivity tools. Every CX enhancement should be shared and implemented in a consultative process.
- **Proximity and Distance have become less important** – What is important is whether your BPO provider has a solid track record and experience in managing, training and supporting your operations remotely, no matter where they find themselves in the world.
- **Industry vertical expertise** – Your SMB may have specialised outsourcing needs - think screening of medical records, insurance claims processing, research and surveys, financial services and so on. Seek out the expertise of a niche BPO provider that not only specialises in such functions, but has direct experience in servicing clients in the same industry vertical.

- **Language and Accent** – Some countries are very accent-challenged, and while the language requirement may be English for example, other factors to consider is whether the agents speak clearly and whether the accent is comprehensible. Can the agent clearly understand the customer and vice versa?
- **Cultural Affinity** - Will the agents of your BPO provider be able to build a rapport with the customers they serve, and be able to pick up and run with the many cultural nuances of your market?
- **Consider working with an experienced third-party BPO facilitator** - A trusted outsourcing facilitator will have extensive experience in different markets and geographies with many BPO providers and can provide referrals and partner selection options that integrate with your technology outsourcing and digital transformation strategies. When embraced strategically, such a facilitator puts in the hard yards both in terms of expertise, market reach and time to help your business expand sooner with a proven outsourcing strategy and process, avoiding the hurdles and pitfalls along the way.
- **A strategic framework for CX outsourcing** - get more guidelines in our White Paper series which provides a strategic framework for CX outsourcing that dramatically simplifies this complex decision-making process [here](#).





## IN CONCLUSION:

By working with a BPX partner that brings together the best of multichannel customer service channels and practices, refined quality management techniques, latest technology and the best people, it's absolutely possible to bring a far more sophisticated edge to delivering a great customer experience for your SMB. Partnering with the right BPX partner will reduce costs, improve CX, grow the bottom line, and most critically, provide the scale and support needed to act rapidly wherever, and whenever market opportunities arise.

The next Paper in this series will unpack how SMB, CashCo Financial Services achieved scale while levelling up its Customer Experience and service.

**About iContact:** iContact has years of experience serving international clients across multiple time zones, notably in the US. Our success grew organically, not to be the biggest, but from a love and commitment to serve our clients, nurture and develop our people, and consistently delivers extraordinary customer experiences!

For more detail visit [www.icontactbpo.com](http://www.icontactbpo.com)

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