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# DON'T OUTSOURCE TO THE PHILIPPINES

UNTIL YOU HAVE ASKED THESE QUESTIONS





## **“When entering any form of business relationship, getting to know more about the other party through careful interrogation should be an instinctive prerequisite.”**

Even when hiring new employees, hearing the candidates answer difficult questions during the interview is key in deciding if they are a good fit for the job. The same holds true when outsourcing business services to low-cost regions like the Philippines.

As a business interested in outsourcing, one of the trickiest and most crucial tasks is choosing the right outsourcing provider, especially if it is your first time to outsource to the Philippines. The search for an outsourcing firm that will meet your business needs takes more than just waiting for firms to present their proposals. You need to take an active role in evaluating your provider's capability to meet your demands. This can only be done by asking the right questions.

Here are some questions that can guide you in selecting the right Philippine outsourcing company for your business:

### **How long have you been in business?**

When transferring a critical operation of your business overseas, the provider that will carry it out needs to show signs of long-term financial and operational stability. Its number of years in business can signify how it has effectively managed its resources despite the challenges it may have faced over time. The longevity of your outsourced operations will run the risk of being cut short if your provider does not have the experience earned through years of business in the outsourcing sector. You do not want a company undergoing on-the-job training at the expense of your clients.

### **What separates you from the competition?**

There are countless off-shoring companies in the Philippines that offer wide ranges of outsourcing services. Oftentimes, you will find similarities in the service packages that they offer. To help you decide, don't hesitate to ask about what makes them stand out. This will provide an opportunity for you to know what special features and customization options you can have in partnering with them.

Additionally, this will allow you to learn more about the benefits and compensation packages that they offer their employees, your agents. If the agents have great health coverage and plenty of other perks, your retention is likely to be very good. On the other hand, if the packages are sub-par and below what other vendors have disclosed to you, expect agents who are always looking for a better job. The distinguishing qualities of providers can also help you rank your shortlisted potential solutions providers based on the quality of agent they will attract.





## What is your attrition rate?

How the company values and manages its workforce speaks a lot about its ability to give you a quality team of agents. This can be quite challenging, since attrition continues to hinder the global call center industry. Once a call center company manages to pinpoint the *factors that cause attrition*, then it can easily present the loyalty of its employees as one of its strongest attributes. With less attrition, hiring and training new agents will not have a major impact on the overall quality of service. This also means that you don't have to worry about being understaffed once the project has started.

## How do you measure quality?

Quality assurance strategies are important in reinforcing effective outsourcing practices and correcting unproductive ones. Your outsourcing provider must have a systematic way of measuring the success of the campaign so that necessary changes such as skills reinforcement training, software upgrades, and work flow revisions can be made. The criteria used in measuring performance quality, including key performance indicators, must pass international standards to ensure global competitiveness. If the outsourcing firm you are in discussions with seems unable to easily present their own internal quality assurance protocol, this is a major red flag.

## Can you provide proof of full compliance with Philippine tax laws?

A company that fulfills its corporate taxpaying duties can guarantee a much smoother outsourcing experience. Since you invest considerable financial resources when outsourcing, you need to make sure that your money goes to a credible and responsible provider. More importantly, knowing that your provider is a responsible taxpayer can serve as a reassurance that your company's name won't be dragged into any tax-related legal issue.

Although proper tax management is commonly overlooked in negotiations, many western firms have begun the business day with the alarming news that entire overseas departments were closed indefinitely due to a government raid on an outsourcing provider for tax reasons. Along with the crippling impact to vital business operations, international news headlines are also not out of the question and being mentioned can carry severe and long term consequences.





## Are your software licenses up-to-date?

There has to be a dedicated time for inspecting software licenses. This is because of the legal implications and sanctions that the local authorities may impose on non-compliant companies. Piracy and commercial use of illegally purchased or unauthorized technologies are violations punishable by law and frequently occur and occasionally receive significant media coverage. Moreover, you must ask about legal subscriptions and licenses since they are effective ways of ensuring that your provider's software properties are current and undergo authorized system updates.

Like the aforementioned tax concern, proper software licensing can be easy to overlook. However, it is also just as likely for the computers to be confiscated on a routine inspection, shutting your operations down until your provider can replace the equipment, if operations are not suspended altogether.

## What is your capacity?

More than anything else, you need a company that can sufficiently cover your outsourcing needs. As such, it's best to let your potential solutions providers know the scale of your needs, particularly in terms of workforce, technologies, and projected goals. It's also important to inform your potential solutions providers about the possible seasonal changes that your business anticipates, such as massive increases in call volume during promotional periods and holidays.

Remember, the outsourcing company's resources are the main tools to be used in meeting the goals you've set once the campaign has begun. It is, therefore, important for you to assess if your provider can offer services without the risk of falling short. This is where redundancy becomes extremely important, if a provider is locked into a single location without much room for growth, your seasonal success could very likely be hindered by the ability of your provider to be flexible.

## What is the backup plan in the event of power disruptions?

The Philippines has proven to be a very dependable location for outsourcing, as it is the off-shoring capitol of the world. However, on average, the Philippines experiences in excess of 20 typhoons per year, making electrical blackouts a relevant concern. Your provider must be able to secure your time-sensitive operations by maintaining a support system that can protect you in emergency situations, particularly power outages.

Ask your potential solutions providers if they have a full-power diesel generator that can support the entire facility and high capacity UPS units. The core database must be strategically stored following backup and recovery or replication strategies in order to provide continued accessibility during downtime.





## What Health insurance coverage do you offer your employees?

The general well-being of the people manning your business operations will almost certainly affect their quality and productivity in the long run.

In the fast-paced world of call centers, agents are susceptible to stress-related health conditions that can prevent them from giving their best. In addition to the paid time off in case of illness and in-house health facilities, your provider must also partner with a dependable health maintenance organization (HMO) as part of its health insurance program and human resource management strategies. Aside from the need to be responsible for its employees, a company that offers the lowest possible health plan will not likely attract the highest quality of employee.

## Do you have any clients doing the type of work we want to do and can we speak with them?

If your potential solutions provider's answers to the previous questions don't seem convincing enough, the last course of action is to solicit feedback from references. By personally asking for the opinion of previous and current clients, you can gain valuable insight on the ability of your potential solutions provider to keep their partners satisfied. It's best to ask for references belonging to a similar industry as yours because their testimonial about the company's strengths and weaknesses will be relevant to your business needs. Just because a company that specializes in data entry has a pristine reputation does not mean that they will be the right fit for a company in need of a multilingual technical support solution.

## In conclusion

Outsourcing has become an essential component of the modern business landscape. With many companies turning to third-party providers in the Philippines, it is important for you to know how to guarantee a successful outsourcing partnership.

By asking your potential solutions provider these questions, you can have a more thorough selection process. Finding the right outsourcing provider is just the initial step in ensuring success, but it requires dedicated time and effort for you to be able to find the company that is ideal for your business needs.







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## ABOUT THE COMPANY

In 2006, Ben Davidowitz and Henry Chang founded Open Access BPO in San Carlos, California. This boutique, Silicon Valley styled firm specializes in call center and back office solutions. Currently, Open Access has more than 500+ employees operating out of its Philippine headquarters in Makati City. The company is dedicated to providing premium outsourcing services to businesses worldwide. Many reputable Fortune 500 firms have chosen Open Access for their customized approach in customer support, data entry, multi-lingual customer support, content moderation, e-commerce support, and technical support solutions.

Open Access BPO is dedicated to helping companies grow. It publishes white papers and case studies on the various aspects of outsourcing to aid business owners in better understanding the offshoring industry.

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