

## Brave New Shores: Offshoring a Call and Collection Center



### Problem

Large U.S. financial institution needed to cut expenditures by \$30 million to remain competitive

### Solution

Alacer proposed offshoring the call center and combining debt operations to a COE

### Results

Saved \$17 million in first six months, \$20 million saved in next 13 months with related savings in infrastructure and hardware expenses

### Overview

A global marketplace, new technology and increased demand for shareholder value are just a few of the changes affecting today's financial industry. Faced with increasing competition, one of the five largest U.S. banking institutions asked Alacer to help it identify ways it might reduce expenditures by at least \$30 million. In an unprecedented move, the bank accepted Alacer's proposal to offshore its call center and collections operations and to streamline some of its collections processes.

### Challenges

There is probably no bigger operational challenge than moving customer service operations offshore – particularly when maintaining excellent service is a priority. Recognizing the myriad of challenges, particularly those related to inter-cultural exchanges, Alacer began the task by forming a cross-functional team of experts in collections, offshoring, risk, human resources and process re-engineering. These teams helped ease the transition overseas and ensured uninterrupted high customer service. Alacer then analyzed the call center and collections infrastructures before proposing a two-pronged solution: shifting all call center and collections activities first, followed by infrastructure improvements that included the creation of a common operating environment (COE) for unsecured and secured debt operations.

### Results

Alacer's approach was validated by the results: \$17 million in cost savings within six months of shifting the call center and collections offshore, followed by an additional \$20 million in savings achieved over a 13 month period. Additionally, unsecured and secured debt operations were combined, resulting in a reduction in infrastructure and hardware costs.