



Making the Case for Insanely Great Customer Experience Solutions Delivered from the Philippines: Why There & Why Now?

A Frost & Sullivan Market Insight
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Commissioned by
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INTRODUCTION

This Market Insight will explore the many advantages of outsourcing customer management solutions from the Philippines (PI). Readers will understand how one service provider, operating from the PI, is making significant investments to transform the trifecta of people, process and technology into a competitive advantage for clients. This report will discuss the net effect of high employee engagement on business operations and the global impact on company culture, branding, and efforts to lower agent attrition and increase overall customer satisfaction.

It is important to note that the comments, insights and opinions expressed in this assessment are those of Frost & Sullivan and have been developed through its proprietary research and analysis. The expressed opinions in this Market Insight do not necessarily reflect the views of the service provider cited in this document. The author of this study has traveled extensively to delivery sites in the Philippines and includes his personal observations and perspectives on customer care delivery.

WHY THE PHILIPPINES?

Some have called the Philippines “the call center capital of the world.” The Republic of the Philippines offers an optimal combination of economic, cultural and educational factors, making it an excellent location for centers of excellence and business process outsourcing (BPO) companies. Listed here are just a few of the advantages the Philippines offers to multinational enterprises:

Access to Global Talent. The Philippines has a young, highly educated workforce with versatile skill sets and diversified backgrounds. Filipinos’ cultural hospitality, English proficiency, accent neutrality, and exposure to Western consumer culture are universally acknowledged.

Communication Skills. English is one of the official languages of the Philippines and it is used as the primary medium of instruction in the country’s education system. Filipinos are trained to speak with a neutral accent and have a better command of the language compared to other non-English-speaking countries.

Infrastructure. Modern, high-end office buildings, long-term leases and space are readily available in the Philippines. Alorica, for example, recently built a world-class, state-of-the-art facility dubbed “Alorica by the Bay” (Pasay City), keeping its employees and clients at the center of the building design.

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<https://www.youtube.com/watch?v=ALtN9wbqh1I>



This new delivery site is a standalone, 16-story building that can support approximately 4,550 employees. It services clients in the communications, media and entertainment, financial services, retail, consumer goods and healthcare verticals.

There has also been a rapid development of BPO call centers throughout Tier II cities in the Philippines, including site locations in Cebu, Davao, Dumaguete, Clark (Angeles City), and Baguio.

Innovative Technology. Across industry verticals, technological advances in service delivery have been met with wide adoption in the Philippines, contributing to the economic success and growth of the BPO industry.

WHY ALORICA?

Alorica is a global leader in customer experience solutions with 19 delivery locations across the Philippines in Manila, Central Luzon, Davao, Ilocos Norte and Cebu. With a 30,000+ agent seat capacity, Alorica is the second-largest BPO in the country. Over 35% of Alorica's global workforce is located in the Philippines.

Innovations in Agent Hiring

Alorica utilizes a robust, high-capacity recruiting and hiring engine using automation. The automation drives speed, agility and volumes. It serves as a “first-round” interview and candidate engagement tool, handling audio and video responses that capture fluency and articulation. This automated chatbot service was embedded in the Alorica Philippines Facebook Fan page. Alorica’s unique online platform can manage simultaneous inquiries around the clock and has yielded the following results:

- 7,000 to 10,000 chatbot interactions per month.
- 3,000 candidates interviewed in three months.
- 84% cost per hire reduction.



See how it works: https://www.youtube.com/watch?v=ciSB3gMpH_g&feature=youtu.be

Alorica’s Employee Referral Program is tremendously successful in helping identify the most qualified candidates. With 43% of Filipino new hires coming from referrals, Alorica’s employees have become the most effective recruiters and brand ambassadors.

Ability to scale

One of the most difficult agent recruiting tasks is managing short-duration programs, ramping up and down and changing program requirements as needed. For example, Alorica hired 5,100 employees in one month, fulfilling a client's need for headcount for a seasonal program.

Alorica has created an environment and culture to attract employees and clients in the millennial "new economy" sector with a robust combination of voice and non-voice work types at scale.

NEW MODELS: ADVANCED AGENT TRAINING

What Sets Alorica Apart from other BPOs in the Philippines?

Microlearning. Aimed at the new wave of millennials, this just-in-time (JIT) training approach delivers training content when an agent needs it. This new training tool set offers bite-sized modules that are focused on specific learning outcomes. For example, it can consist of 5-10 minute videos that are easy to digest. They can be delivered independently or in specific timeframes. Microlearning has clearly proven to improve the transfer of knowledge for new employees and has reduced overall training time by 80% per person.

Gamification. Given that 42% of frontline agents fall between the ages of 20 and 36, Alorica's gamification program appeals to the millennial population. Alorica recognizes this demographics' responsiveness to instant gratification, achievement and social interaction.



Alorica in the Philippines utilizes gamification software to aid training and learning, applying game mechanics to non-game experiences to encourage high-value activity and loyalty while reinforcing a fun and positive culture. Alorica agents can keep track of performance metrics, earn points and redeem rewards, unlocking achievement opportunities that help drive improvement in individual performance. Benefits include:

- Accelerating mastery of client training material.
- Motivating users to catapult from acceptable performance to optimal performance.
- Supplementing current incentive programs.
- Driving deeper agent engagement for a more satisfying work culture.

Case in point: Alorica rolled out gamification for a retail client and saw an immediate positive impact on performance, accounting for a 15% gain in CSAT. After launching gamification, a digital media client saw attrition steadily drop by 74%.

A LASER FOCUS ON PEOPLE

Strategic Onboarding

Note this competitive differentiator: Alorica has developed and evolved a strategic onboarding framework and invested in a dedicated onboarding team to support the new-hire experience by engaging and enabling employees in the first 90 days of employment with the company. The outcome is a highly motivated workforce and significantly improved agent retention. Alorica's overall attrition is lower than the annualized BPO industry average of 70%. For example, Alorica has programs in the healthcare vertical with an annualized attrition below 30%, well below that vertical's average across BPOs.

Alorica's Career Development Path

Alorica promotes 70% to 80% of its frontline leaders and managers from within. The company employs training programs and certification paths for different levels of leadership:

- REACH 1 (Team Managers).
- REACH 2 (Operations Managers).

Alorica's most senior leaders conduct workshops and sessions with employees, dubbed the "Roundtable" series.



AGENT RETENTION AND COMPANY CULTURE

Making Lives Better with Alorica (MLBA)

Making Lives Better with Alorica (MLBA) is a non-profit 501(c)(3) charity organization in the US and a non-profit organization in the Philippines, Mexico, Canada and Panama, which are not subsidiaries or owned by Alorica. Some highlights include:

- MLBA chapters raise monies via fundraisers and payroll contributions. The local chapter board determines how funds are granted.
- 100% of all chapter contributions stay with that chapter.
- Alorica and outside donors donate all resources—chapter seed money; contest money; legal, audit and bank fees; volunteers; IT and admin support; office supplies; call expenses, etc.

- MLBA empowers employees on a local level (chapter boards), creating an Alorica community where the mantra is “Family takes care of family.”

Individual chapters are empowered to make decisions about granting monies to individuals or other non-profits agencies.

See how it works: <https://livesbetter.org/who-we-are/>

Why This Matters: Impacts on Attrition, Branding & C-Sat

Along with its MLBA local chapters, Alorica has also created Culture Committees and Culture Champions at its sites. The net result is:

- Stronger connections and sense of community among sites and their teams.
- Excellent employee retention, which is 30% higher for MLBA participants.

Alorica’s employee recognition and reward program appreciates employees in the company who provide exceptional results to customers and clients while exhibiting Alorica’s values.

Finally, Alorica’s Global Women’s Initiative champions amazing female “Aloricans” around the globe. This program provides a platform in which the Alorica community comes together to connect, support and develop current and future female leaders.



ANALYST PERSPECTIVE: KEY TAKEAWAYS

The Secret Sauce to “Insanely Great”

Listed below are just a few of the ingredients that are baked into the Alorica Philippines' DNA, making it an excellent choice for customer care, financial solutions, tech support, revenue generation and omnichannel solutions:

- State-of-the-art facilities in new-wave, modern cities.
- Upscale amenities, employee lounges, fitness centers, 24-hour clinics, sleeping quarters, access to public transportation, and safe, secure campuses.
- More than 2 million square feet of space.
- Competitive salaries and benefits.
- Robust career development programs.
- Strategic, innovative recruiting and onboarding solutions.
- Experienced, tenured, local leadership.
- Superior English and service skills.
- Outstanding brand reputation and visibility.
- A highly engaged workforce with “Family taking care of family.”

The Alorica Philippines team is highly educated—90% of company employees have earned a college degree and have excellent English skills. It's perfect for providing exceptional, or “insanely great,” end-to-end services to customers across all industries.

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