

Sintra, Lisbon, Portugal, 25<sup>th</sup> and 26<sup>th</sup> May, 2009

## Post-Conference Press Release

### 5th CCPortugal International Conference

On the 25<sup>th</sup> and 26<sup>th</sup> of May, 2009, in the magnificent setting of the Penha Longa hotel in Sintra (Lisbon), over 260 delegates, decision-makers and other key stakeholders from 12 industry sectors, converged to participate in the works of the 5<sup>th</sup> International Conference of the APCC with title: *The upside of a downturn: strategic responses to the crisis*.

The event was by all accounts a resounding success in terms of contents and organization as well as learning and networking opportunities.

The current global financial crisis poses tough challenges but it also presents great opportunities for the Contact Center industry. This was the key thrust of the conference.

As per the opening remarks of Pedro Champalimaud, President of the APCC, the current crisis hides three silver linings:

1. Economic downturn and unemployment is likely to contribute to lower staff turnover and a more stable HR environment
2. In times of crisis companies need to find cost-effective ways to gain and retain customers and this is likely to boost demand for the Contact Centers industry
3. The ability to measure and control most aspects of contact center operations gives executives scope for continuous efficiency gains

The first speaker of the first day, **Dr. Catrina Wallace**, presented an engaging **review of Contact Center Outsourcing practices in the Asia Pacific region** where the industry, despite the crisis, continues to grow at rates of up to 20% a year. The key take-away point is that this global crisis is bringing a renewed and urgent need to reduce operating costs and outsourcing is seen as a highly effective response to cut costs anywhere from 20% to 40%. Outsourcing does indeed bring its own challenges linked with the perceived loss of control and service quality and potential brand damage deriving from customer backlash against outsourcing jobs in a climate of crisis. Nevertheless the potential benefits of outsourcing offer great scope for tangible and durable savings even as contact centres start their evolution from cost to profit centres.

**Ariel Cohen**, expert on Geopolitics and Energy Security, offered his **overview of the energy markets** and how the current crisis is stabilizing the energy demand. The recent and tremendous fall in oil prices is likely to stay until the economic climate recovers. Nevertheless the underlying fundamentals of demand and supply still apply. The emergent markets like China and India will be placing huge energy demands on the producing countries and an energy gap is ever more likely. To compound this, extremely volatile geopolitical issues coupled with ever larger investments over extremely long timeframes is likely to result in oil prices climbing back to an average of 80-100 US\$ a barrel when the economy eventually recovers. What can be expected is the relative gain of importance of gas and other alternative energy sources. A bright note can be expected for the Portuguese speaking countries like Brazil, Angola and Mozambique who are likely to become significant players in this new energy market.

A sumptuous lunch was followed by two highly engaging round tables in which a number of experts and executives contributed their perspectives and insights on these important themes. **The first round table on Flexible Working Practices**, moderated by Pedro Champalimaud President of APCC, raised many interesting points including the need to balance flexibility with coaching & development as well as how to align employees rights and management needs.

**The second round table on Delocalization**, moderated by the CEO of Teleperformance Portugal João Cardoso, focussed on four success case studies. The first two cases provided a great example of how new contact centers were set-up in responsive and business-friendly provincial municipalities willing to attract contact centers investment. The other two cases reported the successful experiences of EDP as well as the attraction of foreign investment by CISCO in Portugal for its European support center.

Closing the first day of the conference **Gregg Stocker** made his compelling case on how to **avoid the corporate death spiral** by recognizing and eliminating the signs of decline. A long list of all-powerful corporations are now in a deep crisis. This is the spiral of decline: as sales fall and profits shrink management typically reacts by cutting costs by delaying or pulling the plug on any activity that does not have a direct impact on the bottom line in the short term. This leads to morale of internal and external stakeholders to drop resulting in the death spiral to accelerate. When this happens the management enters in crisis-mode and takes decision that compound the issue. This is how even companies apparently successful may be weakening their immune system and lowering their defences against external shocks that eventually will precipitate the death spiral. The presentation went on to describe how to proactively manage the health of the organization by systematically addressing each of the six warning signs: Lost focus on purpose, number obsession, supplier squeezing, undervalued employees, poor maintenance and operational fragmentation.

The day was closed by a cocktail followed by a magnificent dinner and the APCC Portugal Best Awards celebration.

The second day was opened by the first intervention by Manuel da Silva, from the sector's union who reminded the audience that there is still work to be done to improve the perception of careers in the contact center industry as well as improving conditions and standards for the workforce.

**The round table on HR Best Practices** was kicked-off with the 2008 report by the Great Place to Work Institute Portugal. The speakers went on to offer their perspective on best practices across the areas of recruitment, training and development. The take-away point is that companies should be focussing above all on people as they are the true key to reduce staff turnover as well as improving overall quality and satisfaction.

**Dr. Amantha Imber** held a highly interactive and inspiring session about science-based **creativity** and left the audience four practical techniques to boost creative-thinking: a modified brainstorming group idea generation called 'shifting', an approach for identifying and crushing assumptions, the suggestion to involve external people in creative processes and a trick to get into a creative mode by squeezing the left fist.

Following the exquisite lunch the afternoon session was opened with the **round table on specialized services**. Contact Centers started off dealing with high volume low complexity interactions, but thanks to the inherent ability to measure and improve performance, greater sophistication and specialization has become possible. This input stimulated a debate on how to

reconcile the fundamental quest to standardise and industrialize interactions with customers with the increasing complexity of services and products dealt with by contact centers. Participants differed in their opinions but all agreed that better technology, training and people development opportunities are instrumental in the development of contact centers as they come of age.

**Ron McLean** got participants to actively join him in his session on **how to prepare for the upsides of the downturn**. His point is that when the upturn comes it will be those companies that used this time to prepare and reinvent themselves that will come out as the winners. He challenged the audience to strive for excellence. Truth is that excellence is not so easy to find out there. Most companies say they are excellent but most customers do not agree with that. This means that there is scope for improvement and plenty of opportunities to be at the forefront of this and be the next success story. To do this you need to find new ways to engage with your customers and your people. Curiously the way to do this is not to follow best-practice but rather to come up with new ways of doing so. A business is about getting customers and keeping them devoted to them. And to get that kind of engagement with customers you need to have fully engaged employees. At that point you get people to become advocates or even ambassadors.

**Michael Margolis** closed the day with his speech on **how organizations use stories to drive results**. The role of the leader is to frame future options in a story and then help people to frame themselves in that story. Leaders socialise their story by making sure that people accept it as their version of the truth and make it their own. The question therefore is how to socialize our strategy so that people make sense of it through effective story-telling. 80% of what we learn is through story-telling, humans are hard-wired to learn through stories. People want change but they do not necessarily like it. This is why effective change is anchored so that the present is anchored into the past and looks at the future in an evolutionary story. Stories can therefore be used as a management practice to drive results and open things up. Stories allow engaging customers at an emotional and subconscious level. Every brand tells a story but the most important stories are the ones people tell about your company. And since about 30% of a company value comes from the brand and its story it is crucial to manage the brand story telling. Michael went on to give examples on how iconic brands are boosted or brought down by stories about them. The crisis has fundamentally shattered the trust and therefore impacts the ability to believe the official brand story. However this also provides the opportunity to reinvent oneself by creating and socializing a new organizational story.

contact centers