

CASE STUDY

Offshoring front & back office functions to drive business growth

Introduction

Our case study is about an Australian B2B/B2C SME that recently began its first foray into using offshore managed services to expand their operational capabilities, as a response to onshore issues following the global pandemic.

This tenured business has operated in the retail and trade electrical & lighting industry supplying quality goods through showrooms and their online store. Recently, management has looked for ways to grow the business and was keen to find ways to increase sales without necessarily increasing costs.

The Issues

- 1) Since launching its online presence, the business has begun to experience a higher volume of customer service requests coming through their phone, email, and online contact points. This has been heightened by a burgeoning B2C channel on top of their existing B2B trade channel.
- 2) Employment costs in Australia have steadily risen due to inflation, labour market conditions, government policies, and industry-specific dynamics. Even non-specialized white-collar roles such as customer service can now attract salaries of \$60-\$70k a year, putting a heavy burden on low-margin SME's.
- 3) Many Australian businesses are facing rising attrition rates following the global pandemic as employees struggle with returning to the office or reconsider their long-term employment goals. This can leave operations open to significant gaps in manpower and put more pressure on remaining staff.

While business growth is precisely the outcome the business wanted, the FTE cost burden that comes with it versus a relatively low-margin business and rising turnover meant this business needed to start thinking outside the box.

The Options

- Not fill the empty roles and have the remaining organisation pick up the slack. This would ultimately lead to burn out and more resignations, feeding into the existing attrition problem.
- Hire locally at a high cost and a lengthy hiring timeline. This would put pressure on the OPEX and limit the number of FTE's the business could bring on when compared to offshoring.
- Consider hiring offshore.

This became a perfect opportunity to leverage offshoring to the Philippines.

By establishing resources offshore, the client could:

- Engage more resources of higher quality, at a significantly lesser cost.
- Engage a broader set of skills and scale up and down as the project evolved.
- Engage resources who are culturally aligned to Western countries with strong English-speaking communication skills.
- Do all of this without worrying about the HR complications of more headcount.

More resources | Broader Skills | Lesser Cost | Culturally Aligned | Strong Communication Skills

The Right Partner

The client selected Taurfish as their offshore partner for several reasons:

- 1) It was founded by a career executive with decades of experience in the IT/BPO/Customer Service industry, so they would have a partner that could help contribute to their business strategy and not be a transactional vendor.
- 2) The account managers were Australian, so they understood the client's culture – both geographically and in the workplace – and removed any potential language barriers during the crucial commercial stages of the engagement.
- 3) The Australian-born founder had over 15 years' experience in the Philippines, which meant they understood the complexities of screening, recruiting, and managing people in a country with very strict labour laws.
- 4) The company had a pool of resources that could be quickly evaluated and deployed for the client, allowing them to deploy a team of full time in as little as 45 days.
- 5) We could offer experienced and qualified staff for between 60-70% lower total cost than if done locally.

The Engagement Model

Given the urgent nature of the requirement, the client first began with two customer service representatives and one ecommerce administrator, to join full-time and compliment their Australian team.

After working with their management team to identify cultural and skill requirements and generate a hiring profile, the Taurfish team got to work marketing, screening, and interviewing dozens of candidates, creating a short-list that could then be interviewed by several people in the client's organisation before they settled on the finalists.

Taurfish handled all aspects of the hiring process, including salary negotiations, pre-employment background checks, employment contracts, and onboarding with the client.

The client then sent two trainers from Australia to Manila to conduct a two-week training course to familiarize the new team members with the products, processes, and procedures of the company. This included a Zoom call with their CEO and introductions to their counterparts in various departments back in Australia. Taurfish supported the client with local transport, accommodation, and a training venue, making sure the client's trainers found the way around Manila safely and helped them get to know their new team members. It even included a brief weekend tour around Manila so they could get a feel for the city.

Taurfish provided constant support right up to and through the go-live period, stepping in to make sure the new team members adjusted properly to the operations of the client and that any HR issues were quickly addressed. We made sure that the Philippine team followed the same working hours and days as the Australian team and using Slack and some other productivity tools they easily integrated with the client's operations from day one.

Within a few weeks, it was clear that the new offshoring team was a success. The client's customers were getting used to the new customer service team and were barely aware they were dealing with people in another country. Due to another recent resignation, the client decided to replace that person by adding another team member in the Philippines, this time for writing content on their digital and offline marketing collaterals such as social media posts, websites, and marketing brochures. This role was filled and deployed within 6 weeks as well, and the client expects by the end of the year to grow their Philippine team to between 8-10 people.

Throughout the engagement, the Taurfish account manager has worked closely with the client's senior management and board of directors to remain aligned with their strategic and operational plans, helping them identify and resolve issues as they arise, and playing a vital role in bridging the relationship between the offshore resources and the onshore in-house team to make sure that the client sees the outcomes they wanted, and that the engagement remains win/win for everybody.

Conclusion

Offshoring not only helped the client fill their urgent vacancies quickly, with better quality and with significant cost savings compared to doing it entirely in-house. It also allowed their business leaders to focus on keeping their existing clients happy while also gaining new business as Taurfish managed their expanded talent resources in the Philippines.

With local employment costs expected to continue increasing, offshoring is become a more attractive option for SMEs to consider expanding their business while managing the bottom line - all without the headache of having to manage a team in another country.

To learn more, visit www.taurfish.tech and [contact us](#).