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## 18 Jun 2009: Cheaper Alternative For The Recession

Hosted technology is a unique service offering which will cut call centre costs dramatically, giving BPO operators access to flexible, more cost effective solutions.

"Starting a call centre in South Africa involves high start up costs and can take anywhere from one to two years to breakeven. With the state of the global economy, SMEs in particular are finding it difficult to survive let alone become established," says Bruce Von Maltitz, Director of hosted solutions provider, 1Stream.

The need for cheaper alternatives, combined with the recent growth of internet bandwidth, has made hosted call centre solutions a viable option for the South African market.

Unlike premise based call centres where everything is done in-house, hosted solutions takes the majority of resources offsite to a data centre. The hosting vendor delivers services to various call centres from a centralised location, giving the client access to specific solutions via data links.

Hosted solutions operate on a pay per usage model, enabling the centre to align expenses with usage, ensuring that resources are based on the company's actual demand.

This is of particular importance to SMEs as it enables them to gain access to expensive automated systems whenever the need arises. If the client requires automatic call distribution (ACD) or interactive voice response (IVR) systems, they will only pay based on their usage, no installation or subscription fees.

There are numerous other benefits associated with hosted technology. Firstly, it gives call centre owners the option to operate out of virtually anywhere in the country. You could have a data centre in Bloemfontein and a physical call centre in Cape Town, geographical barriers would no longer be an issue. This could have a huge potential impact on impoverished areas earmarked for job creation.

Hosted call centres also limit a number of start-up costs including; infrastructure, rent, hardware, software and maintenance. This in turn drastically reduces the power output of most premise based operations, making hosting a greener option.

Other benefits include; no installation or administration costs, guaranteed system performance, 24/7 coverage and system backup. The data centre takes responsibility for all these areas, serving as the sole point of contact for the client. Allowing the call centre manager/supervisor to focus on what is really important to the business, namely profitability.

"Technology is vital to the development of the BPO sector and it is important that we constantly look at ways to improve and grow our industry. In a difficult financial period we need to be on the lookout for new and exciting innovations," says Siphon Zungu CEO of CallingtheCape.

Hosted solutions provide a cost effective, environmentally friendly alternative, minimising capital expenditure, whilst providing access to advanced technology. In the midst of the current economic climate, where cost continues to be the major point of differentiation, a pay per usage model could serve as the ideal platform for the BPO sector going forward.

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