

MEDIA CONTACT: Stefanie Phillips
RFB Communications Group, Inc.
(813) 259-0345
sphillips@rfbcommunications.com



A Solution to Offshore Outsourcing: Using Speech Technology to Keep More Call Center Jobs in the U. S.

OLDSMAR, Fla. – (Nov. 14, 2005) – AIS (Advanced Interactive Sciences), a leading provider of intuitive speech technology, has developed a low cost alternative to offshore call center outsourcing that delivers high customer satisfaction while preserving U.S. jobs and even contributes to the development of new technology jobs.

“Call centers are particularly vulnerable for several reasons,” says Doug Winslow, president and CEO of AIS. “First, American labor in existing call center structures is more expensive than its offshore counterparts. Second, the staffing model may not be as efficient as it would be after the introduction of new technology such as the AIS virtual agents. The result can be a more efficient operation that remains in the U.S.”

A look at the numbers

As the offshore outsourcing trend continues, 3.3 million service industry jobs and \$136 billion annually in wages will move offshore by 2015, according to Forrester Research. Winslow says offshoring is a much broader issue than just the American jobs it is replacing, noting that the economic impact of that lost revenue has a ripple effect that is felt by vendors, suppliers, service providers, retailers and just about every segment of the community that loses those jobs.

Looking specifically at call center staffing, costs in 2004 ranged from \$30-60/hour/agent in the U.S. and \$13-18/hour/agent in India and the Philippines, according to *Call Center Today*,

based on DMG Consulting LLC's *2004 Guide to Contact Center Offshore Outsourcing*. But that cost differential may be eroding. India, in particular, is facing challenges with finding and retaining good quality workers. The Gartner Group reports that service providers are now beginning to offer employees in India better salaries and benefits to stem high attrition rates. Over time, these measures will erode the competitive advantage that India currently enjoys in labor costs.

There is more to the cost equation than just labor. Companies considering offshoring need to look beyond cheaper labor costs to “hidden costs” like the offshore vendor selection period, transitioning process and increased travel costs for oversight inspections. Finally, there is the cost of the customer backlash many firms have experienced due to language and cultural differences presented by offshore agents dealing with U.S. consumers.

A “home-grown” solution

AIS offers an alternative to traditional call center staffing that can reduce costs to \$6-\$7/hour/agent by using “virtual agents” to manage call center overflow and capture incoming call leads.

The AIS virtual agent understands human utterances and quickly translates a call into a transaction, thereby lowering costs and increasing conversion rates. To handle overflow volume the AIS virtual agent takes caller contact information and asks preliminary questions to reduce call times with live agents. It can also authenticate callers and summon their records before a live agent answers the phone. Additionally, AIS virtual agents can generate new business leads in real time by answering incoming calls 24/7 and passing contact information along to live agents for return calls or to fulfillment houses who can mail requested information.

Winslow says there will always be a need for live agents. “Our system doesn’t replace the agent, it helps manage call volume by gathering caller data and answering basic questions, reserving live agents for higher level functions,” he says. “But on an advanced level, our lead generation function is revolutionizing the sales process. Imagine a consumer watching an infomercial at home, calling to request product information, and having a live person call them back 30 minutes later with a special offer to purchase that item.”

One final benefit of the AIS virtual agent relates to the creation of new, higher paying jobs. Large companies with the bandwidth to host the AIS technology will create increased demand for computer technicians. The net result is fewer jobs lost, higher paying jobs created, improved customer service and enhanced profitability.

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About Advanced Interactive Sciences

Advanced Interactive Sciences, LLC (AIS) is the leading provider of intuitive speech technology. An industry pioneer, AIS (www.aisvoice.com) helps companies deal with the variability that comes with call center management by integrating artificial intelligence with advanced speech recognition and combining that with executive reporting and workforce management. By deploying AIS’ “virtual agents” and other industry-tailored technologies and services, companies are realizing increased up-sell and cross-sell conversion rates, significantly reduced costs per sale and improved account resolution.