



THE AUTHOR'S EXPERIENCE

From the author's perspective, outsourcing has always been one of those activities that other people do. Despite a career working in and managing sales and operations in both private and public companies, outsourcing has always resided in my mind as something that others do who don't really care about customer service and just want to cut costs. It certainly wasn't for a business that

deals at a retail level with consumers. I also couldn't understand how an Australian business could properly oversee and manage its staff from afar. Surely it is far more sensible to stay local and focus on local efficiencies?

HOW WRONG I WAS !

It was only a year or so ago when these misconceptions were turned around for me. I was working as a consultant for a respected Australian residential mortgage manager that had essentially outsourced nearly 100% of its workforce to Manila. This company was not just servicing its broker network from Manila, but was also providing the full service

delivery to thousands of Australians representing billions in mortgages. During my tenure I worked in Manila for some months at a time and worked directly from a service provider's offices. I was working directly with the Filipinos and their managers, and spent countless hours getting to understand the true nature of the BPO offering, and what I found truly surprised me....

OUTSOURCING BUZZ WORDS

[Nearshore / Offshore](#)... Sounds a bit like an oxymoron doesn't it? There has been so much talk of companies using offshore solution providers of late that sometimes all the lingo can be a little confusing just in itself, particularly to people in the finance



industry who spend half their life just keeping up with their own jargon.

Interestingly, the two don't contradict and in fact work in perfect harmony. Let's look at the definitions but in reverse:

Offshore is the process of using an internationally based service provider to provide some or all of the job functions that your front, but more typically back offices need completed each day.

Nearshore is descriptive of using a close-by neighboring country rather than one on the other side of the world. A neighboring country is obviously easier to travel to (if you need to travel there at all), shares a similar time zone, and is much more likely to share, empathise with, and relate to cultural sensitivities.

The other big buzz word of course is **BPO (Business Process Outsourcing)**. Service providers across the globe who provide their people in place of yours are commonly referred to as BPOs. Regardless of whether they

"I found that more often than not, Australian Managers usually knew more about their offshore employee's productivity than they did of their own staff working in their own office!"

provide voice-related services, simply data entry or a full suite of secretarial and office support, they are all wrapped up and known these days simply as BPOs.

WHERE TO GO FOR YOUR BPO

India versus Philippines

The last 5 years have seen an enormous swing by western based countries away from India to the

Philippines. With a population aged between 28 and 54 of nearly 500 million in India compared to just 38 million in the same age group in the Philippines, one would think the talent pool should have the Indians beat the

Filipinos hands down. Interestingly, India is losing circa 10% of its outsourcing income year on year, despite this apparent advantage. The shift is particularly apparent in voice-related jobs. Companies

like Vodafone have struggled to deliver customer satisfaction with Aussies struggling to understand the accents and dialects that emerge from India. Filipinos on the other hand, have strong historical ties to the Americans with strongly influenced accent, cultural, and empathetic traits running through the teams engaged in the offshore play. Combine this with a government that actively supports and recruits to the BPO sector, a populace that embraces smartphones even more than we do, and what you have is a single purpose and driven industry that knows what it takes to deliver results for Australian business.

MYTHS V REALITY

1 Customer service standards

A common myth is that service standards are lower than in Australia



and will lead to your customers being frustrated. Interestingly, I found the exact opposite to be true. Workers value their jobs and a seat in a BPO is a coveted role that many Filipinos aspire to. Workers are university educated and are hired based on their English, literacy and comprehension skills as well as their ability to follow a customer driven outcome. They are rewarded and truly motivated towards the customer experience and take real pride in delivering the results. The process of delivering customer service is the driver of the ethic, rather than the sometimes apathetic attitude sadly so often observed with our staff back at home.

2 Staff work ethics/Attitudes and Turnover

Due to the prized nature of the role, staff members are inherently well motivated. Often whole families depend on the income a single family member working in outsourcing can provide, which is motivation in itself. The typical result is an employee who turns up to work every day, on time, and is committed to providing the very best outcomes for their client. The "sickie" that we experience in Australia simply doesn't occur in the Philippines. The intrinsic value of self-worth compels the individual to the office each day. BPO management

recognises and rewards this commitment and the resulting levels of high staff retention are simply unparalleled in Australia. One of the biggest problems local employers face today is managing staff turnover and having to train new hires. The 'brain drain' is real and expanding. We all know the cost of that is truly horrendous, despite our reluctance to quantify the real cost to a profit and

"I have found that to date, brokers have had limited options open to them as to how they discover and gain access to offshore services."

loss statement! A service provider in the Philippines operates in a highly competitive market where the product they sell is their people and only their people. Team members are their number one asset and the staff retention programs so extensive that many providers often achieve turnover rates of less than 2% annually.

3 NCCP Compliance and Staff Training programs are often superior to that in Australia!

Three key hit points are always top of mind for a business: How do I find new clients, how do I keep those clients coming back to me, and how do I ensure I can provide the complete service

compliantly and stay abreast of all the nuances and updates to the ever changing NCCP Act. One of my most interesting observations was in how "overqualified" many of these BPO staff members actually were!

While we are now all used to and well versed in the requirement to hold a minimum qualification of a Certificate IV in Finance and Broking if we deal in credit activities, I found that Cert

IV qualifications were becoming more and more the norm rather than the exception, whether you dealt in credit or not.

In practice, this translates to a relatively junior staff member being able to deal with a range of subject matters and job functions with a high degree of empathy and understanding of the compliance obligations and needs in relation to dealings with consumers. They truly understand the reasons why we collect the information we



do from applicants and can work it through with them, rather than just go through the motions, as if simply “ off a script ” . Can we say that of all of our staff locally?

4 Communication and management is easier in the Philippines.

Probably the largest misconception with using staff offshore is the fear that they we won't be able to communicate or keep track of our staff. Interestingly, I found that more often than not, Australian Managers usually knew more about their offshore employee's productivity than they did of their own staff working in their own office!

The highly task driven software and management protocols in the Philippines can drive set tasks to staff to complete. Daily reporting means you as a manager not only know what the tasks were that your staffer was assigned and completed, but also delivers you up to the minute reporting about how long they took to complete it, and what areas could be made more efficient. You have complete see through into all interactions with your clients.

Combine this with local call and video access to your staff member offshore and the ability to set working hours anywhere in the 24 hour spectrum, and you will have visibility unheard of in Australia ensuring your team works to the standard you expect.

Nearshore Solutions provides a free service to brokers who want to know more. It's as simple as that..."

HOW CAN THE OFFSHORE SOLUTION MATERIALLY BENEFIT AUSTRALIAN MORTGAGE BROKERS?

Now that we understand that perhaps there is something in all this talk of nearshoring, how does it all really apply to small businesses as well as large businesses? Let's look at some typical questions:

- Isn't this really all just for the big boys?
- I could use some back office support, but I only need some part time assistance. Nobody does that small scale do they?

- I only need one or two people. Surely there are economies of scale to all this required and it will only make sense if I employ 10 or more?

The BPO industry is so well progressed now, and the service offering so diverse and specific that a few companies have developed what may be coined the 'Broker Assist' program. Far from needing large numbers to make it viable, these programs have been specifically designed to assist the one and two man broker teams in order to free them up from paperwork and get them back on the road seeking new clients, where they should be.

Broker Assist is designed purely for the Australian Residential and Commercial Mortgage Broker and covers key areas of support including:

- ✓ Setting up appointments for meeting with broker and applicants
- ✓ Send and follow up supporting documentation needed for initial assessment



- ✓ Online lodgement of loan application regardless of electronic tool
- ✓ Document management or indexing of all documents for future reference
- ✓ Following up deals from submission to settlement- focusing on deals nearing LMI/ formal approval and getting loan documents out once approved from funders and banks
- ✓ Packaging deals for submission
- ✓ Order and Follow up on valuations and comparable sales analysis
- ✓ Servicing calculations

SO WHAT'S THE HOLD UP?

Good Question. And the answer, if we are honest with ourselves is usually one of two things. Fear of the unknown or just plain apathy...

The opportunity in the Philippines has proven itself real and tangible and has simply never been easier. The



ability to reduce costs by up to 60% while improving customer service, drive increased traffic through the front door and absolutely improve the bottom line is what the service is all about. The big investment banks have known this for years with Citibank , HSBC and a host of the large players all early adopters.

“Far from needing large numbers to make it viable, these programs have been specifically designed to assist the one and two man broker teams.”

What is new is that now the small players can also benefit, and at no premium.

So why haven't we gone offshore yet? In short, we didn't know we could....

NEARSHORE SOLUTIONS IS THE BROKER'S BROKER...

The best business is the one you have learned through experience, and remain passionate about. Having become converted that the offshore solution worked for me, I now have a team leading others down the same path - that team is Nearshore Solutions!

I have found that to date, brokers have had limited options

open to them as to how they discover and gain access to offshore services. Until now, only a few paths have existed:

1 Dial into the yellow pages, go online and hope for the best - and sign up with someone sight unseen , based on a phone conversation. Problem is you don't know if they will deliver what is promised. Secondly, who in their right mind banks the future of their business on the say so of a sales person at the end of a phone?

2 Spend a tonne of money and travel there yourself and visit 20 providers. Try and work out for yourself who is real and who isn't. Yeah right, who has the time?

3 Pay an additional 20% plus to a local agent to do the homework for you and get locked into an expensive and lengthy agreement based on an agent's feedback. Might as well use the legendary 'used car salesman'!

Nearshore Solutions knew that there had to be a better way for brokers to enter the market in a way that was informative, risk free and didn't require endless amounts of time and money to establish. By partnering with a select group of BPOs based in the Philippines, Nearshore Solutions identified a core group of service provider's purpose built to service the

Australian mortgage broker market. We know you don't have the time or expense allowance to visit yourself, and you need a stress free method by which to assess the opportunity without feeling committed.

Nearshore Solutions provides a free service to brokers who want to know more. It's as simple as that... From a simple phone call we will be able to quickly identify if and what solution may be suitable for you. We can introduce you to one, or a host of providers directly in the Philippines. We can answer any and all questions you have in simple terms. All of our partners are Australian managed operations and quite frankly, the only way you will know you are dealing with an offshore provider, is that your employee bill will be less than half.

All the hard and expensive research

work has been done by Nearshore Solutions and you will rest assured knowing that all partners have been prequalified by us as experts delivering to the industry.

Best of all, this service by Nearshore Solutions is provided completely **free to you**. We don't push any one service provider. We simply introduce potential partners that best match your needs and leave you to it.

If or when you choose to partner with any of them is completely up to you... No obligation. If you do wish to move ahead we will help you make sure you get what you want; short term flexible agreements, the staff reporting you need, the management you need, the service you need, the compliance you need, and the cost control you need.

If you do choose to select one of these partners, we are remunerated by the

provider directly at no cost to you. If you don't pick one, you have learnt a lot and it has cost you nothing! It doesn't get better than that.

Truly, Nearshore Solutions presents as the Broker's Broker for a Nearshore Solution...

Visit [nearshoresolutions](http://nearshoresolutions.com.au) and click on 'Contact Us' now to receive your free checklist to self assess whether Nearshore Offshoring is for you or call **0410 640 933** for further information.

Tom Denovan

GET STARTED

MNL PAY PACKET

\$28K

Including

- SSS
- Health Card
- Annual Leave
- Sick Leave
- Public Holidays
- Desk & Chair
- Computer
- Electricity
- All Extras



AU PAY PACKET

\$70K

Including

- Superannuation Payments
- Annual Leave
- Sick Leave
- Insurances
- Public holidays