24/7 Customer

They pitch for quality. Nothing less will do. Hoping to rake in a cool US$ 30 million from their call centre business in '03, the company has already set its sights on the BPO pie

It is not just cost savings – it is also better quality, says Ravi Venkatesam, vice president - operations, 24/7 Customer. He says that the best argument for outsourcing to India is better quality. Indian call centres can easily hire the cream of graduates whereas the call centres operating out of the US have to make do with high school dropouts. Besides better quality, cost savings add up to the double bonanza. The sales pitch for India-based call centre is definitely quality first and lower costs later.

This is a message remarkably different from what one is accustomed to hear from most other call centres operating from India. And 24/7 Customer must know. From its inception in 2000, it has grown to be a 2,500 people-strong company. The revenues projected for the year 2003 are to the tune of US$ 30 million.

24/7 Customer is mainly into the call centre space, though it plans to grow into the BPO space as well. The founders of 24/7 Customer, PV Kannan, Shanmugam Nagrajan and Sudhakar Kosaraju, owned a US-based software company – Business Evolution - focussed on providing software products and services to call centre operations. The natural understanding of call centre space helped them in setting up call centre operations and managing it successfully. The company has got considerable financial support from Sequia Capital to the tune of US$ 22 million.

24/7 Customer does not merely provide voice-based support, but offers the entire suite of communications – email, chat and voice. While 50% of the work is in outbound sales, 50% is in the area of support services. 50% in the outbound call centre space? Is that not risky? The US regulations on the do not call list bode harm for the call centre industry. Won’t that be a cause for concern? Mr Venkatesam thinks not. Indeed, he thinks that it would prove to be a boon.

Firstly, the ruling allows you to contact some one you have done business with in the past 18 months. Since 24/7 Customer has only large Fortune 500 customers, most people would have done business with these companies in the year before and hence can still be contacted. The only people who would get affected would be small telemarketing companies. In fact, since the telemarketing companies would not be making unwelcome calls, this would allow a better mindshare of the person contacted. It is the small telemarketing companies that cause most disturbances and the ruling was meant to block this. Further, 24/7 Customer would get a filtered list from its customers. This filtered list would be further scrubbed using internally developed software and the numbers from the ‘Do-Not-Call’ list.

24/7 Customer is one of the first COPC (Customer Operations Performance Center) certified companies in India. It is also one of the first to get ISO 9002 certification. Six Sigma practices are being followed.

After being the top-notch call centre, why is 24/7 Customer trying to get into the transaction processing space? Is it because of low profitability? Is it because of the cost cutting taking place in the call centre space? While Mr Ravi Venkatesam agreed that there was cost cutting, he maintained that since 24/7 Customer is a premium player, it could hold to its prices and still prevail. The transaction-processing foray is more to utilise the infrastructure. The call centre operations are done at night and the idle infrastructure is used for transaction processing during the day. Though currently almost 85% of revenues are from the CRM space, 24/7 is foraying into the transaction processing space for financial and insurance segments.

Mr Kannan, CEO and founder, 24/7 Customer, operates from the United States. This clearly points to the marketing focus of the company. Ten people in marketing support Mr Kannan. However, Mr Kannan tends to focus on managing relationships with existing customers more than selling to new customers. Though 24/7 has 2,500 agents it has just 11 clients. Obviously 24/7 deals in large orders and boasts of a prestigious clientele – leading companies in telecom, banking, financial, hotel, transportation, logistics and payments.

Though industry pundits express doubts about the viability of the call centre model of operations, 24/7 has something going for it. They are confident of a glorious future, indeed somewhat charmingly arrogant – because they believe – “we are far ahead of others”.
Start-up Year: 2000
Area of Operations: Mainly call centre, getting into transaction processing
Location: Bangalore
CEO/Managing Director: P V Kannan, CEO
Promoters/Owners and Funding: P V Kannan, Shanmugam Nagarajan, Sudhakar Kosaraju, funding of US$ 22 mn from Sequia Capital
Approximate Headcount: 2,500
Approximate Revenue: Rs 150 crore (projected for 2002-03)