

Market Research Outsourcing

Study Overview

In a study conducted by iResearch Services, it was identified that there are about two hundred firms offering offshore market research operations from India, China & Philippines. In the past five years or so, outsourcing market research operations has become more of a norm than an exception in the research industry. This is due to various factors like reduced cost of operations, availability of the right skill set, improved operational efficiencies etc. However, with so many companies to choose from, how does an organization identify a right partner for their critical operational support?

There are numerous examples, where some very promising outsourcing relationships did not work because the organizations did not lay enough emphasis on some of the most significant factors, during their due diligence process.

This study tries to explain in detail, the key strategic & operational factors which are critical to the success of outsourcing market research operations, for CATI (Computer Aided Telephonic Interview) operations; and will take your partnerships from Good to Great, or even perfect.

Strategic Factors

Vendors or Competitors

Cost Vs. Value

Partner Procurement Program

Standards & Accreditations

Commercials

Multilingual Capabilities

Operational Factors

Tools & Technology

Transition Roadmap

Relationship model

Measurable Service Levels

Quality Management System

Reporting & Communication

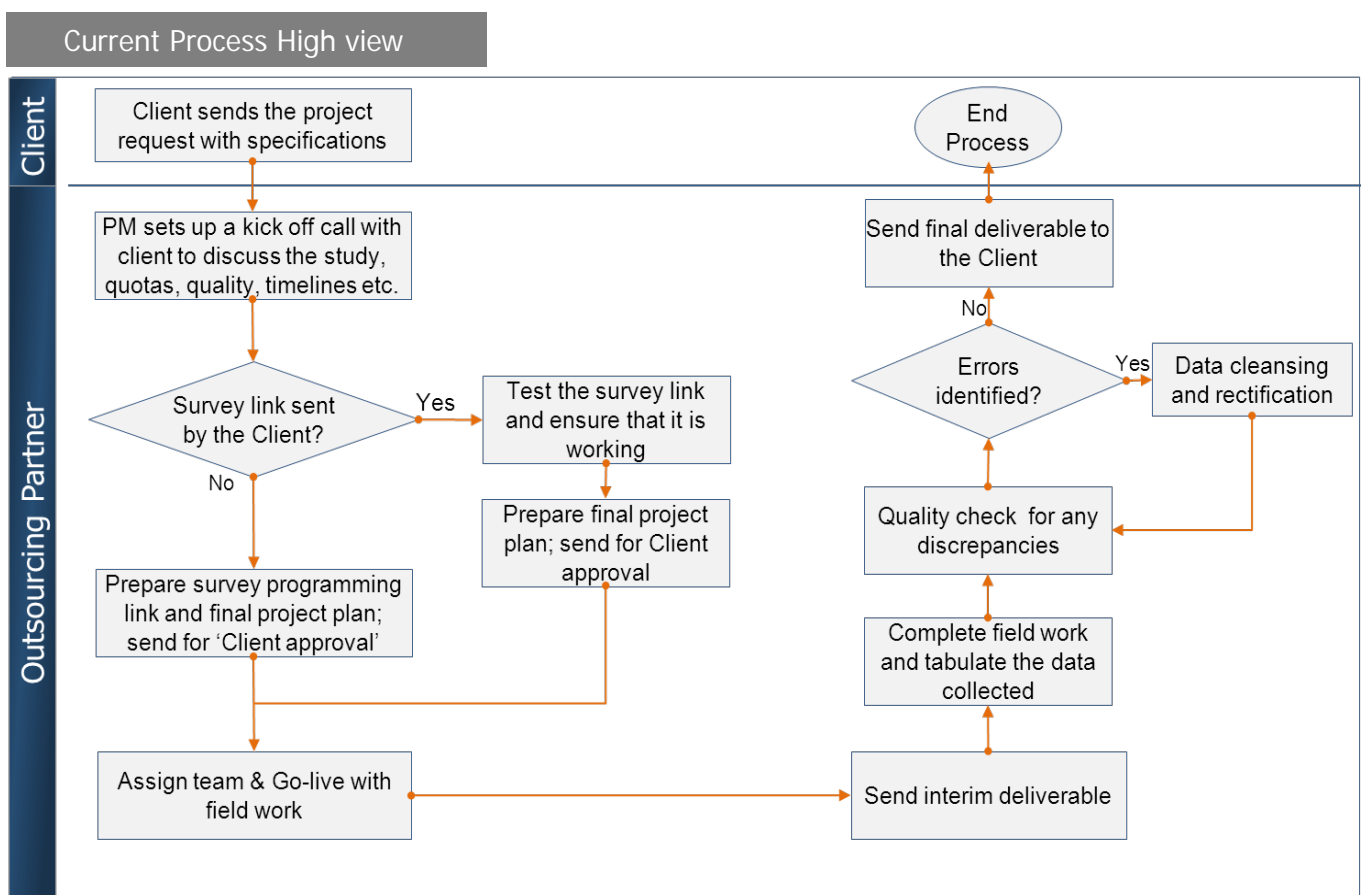
Business Continuity



What you see

The process map below depicts the process which may be followed by an outsourcing vendor, or your current partner, to conduct a CATI study. The next segment will explain in detail the factors an organization should lay adequate emphasis on, when choosing an outsourcing partner. In the last segment, an ideal process map depicts operational best practices.

Figure 1:



Factors responsible for a successful outsourcing relationship

Vendors or Competitors: An organization needs to analyze and ensure that the chosen vendor's service offerings are not in conflict with its own offerings. When an outsourcing partner also provides end to end research services, it may result in both the parties going after the same clients.

To avoid fuelling one's own competition and to sustain mutually beneficial long term relationships, the golden rule while outsourcing MR operations is to choose companies which are pure play outsourcing services providers.

Benefit: End Client independence

Cost vs. Value: Even though it is common knowledge that the cheapest is unlikely to be the best. Some organizations still fall into this trap and commission purely on price. Cost savings should not be the only deciding factor and organizations should simultaneously look beyond and focus on a fine balance between cost & value. An organization will be able to sustain cost savings for the long run only if the service levels remain uncompromised.

The best way to avoid falling into this trap is to first shortlist only the vendors which meet the value criteria, and then decide on the basis of costs.

Benefit – Value based decision

Partner Procurement Program: When selecting an outsourcing partner, it is prudent to employ a structured partner procurement program, which includes a detailed RFP process to evaluate multiple vendors.

The RFP, apart from the standard components, should also include:

- Information to disseminate organization's own needs, rather than just gathering data from vendors.
- Relevant questions to understand a vendor's cultural matchmaking abilities, which are critical for open communication and synergistic partnerships.
- Sections focused to gauge an organization's inclination to maintain long term collaborative relationships.
- Segments to invite suggestions from vendors; which are very useful at times.

It is absolutely imperative that organizations make pilot/trial projects an integral part of their RFPs, as these are strong tools to measure the capabilities and compare the performance levels of multiple vendors; and make their partner procurement program more comprehensive and robust.

Benefit – Process oriented evaluation



Standards & Accreditations: There are certain industry benchmarks or certifications which organizations seek to attain. These accreditations serve as an assurance to the Clients about an organization's commitment to provide highest quality, and that they meet the required standard of professional competence. In the market research industry, the most important of these are

- ISO 20252, for market & social research
- ISO 27001, for information security
- ISO 26362:2009 for access panels in market and social research.
- AMA, CASRO, ESOMAR, MRS etc. memberships/certifications

An outsourcing partner with these certifications is generally better equipped to sustain the service levels and maintain data confidentiality.

Benefits – Endorsement of quality

Tools & Technology: Survey programming tools, the dialler management program and data analysis tools are critical factors which influence operational efficiencies. An organization seeking an outsourcing partner should ensure that the technological infrastructure of their outsourcing partner meets the industry standards.

The tools and technology used by an outsourcing partner also influence the quality of service.

Benefits – Higher operational efficiencies

Multilingual Capabilities: An outsourcing partner providing multiple language support greatly reduces the administrative burden of an organization, by being a single point of contact for all project related deliverables.

However, for a better understanding of the outsourcing partner's capabilities, an organization should clarify whether the language skills are available in-house or through associates; and the percentage of native language speakers vs. non-native speakers.

Benefits – Reduced administrative burden

Measurable Service Levels: An organization should build a strong assessment framework to measure performance of the outsourcing partner on the basis of service level agreement. The service levels should be clearly defined and performance expectations should be established and agreed upon before the start of any relationship.

The outsourcing industry's standard approach is to have a set of key performance indicators (KPIs) consisting of quality, productivity and turnaround time. These should be accurately measurable and thoroughly monitor-able for performance.

Benefits – Systematic performance management



Transition Roadmap: An efficient, robust and detailed transition plan is a prerequisite for successful outsourcing of operations processes. A structured transition model enables organizations to successfully move their people, processes and systems from their legacy environments to the target environment; without affecting the service levels, and with minimum disruptions.

The transition plan must be phase based and should include critical milestones and success criteria for each phase. Most importantly, each phase should contain phase gates, that determine whether the transition can move to the next stage or not, depending upon the performance of the outsourcing partner as per the service level agreement. There should be clear delegation of roles and responsibilities between the organization and the outsourcing partner.

Benefits – Successful migration

Business Continuity: Organizations should ensure that the outsourcing partner can keep the critical operational processes up and running through disruptive events of any kind i.e. natural, technological or man-made. An outsourcing partner with multi locations operations centre is generally better equipped to handle such interruptions. The outsourcing partner should typically have:

- 1:3 redundancy on data and voice connectivity
- 1:2 redundancy on all technological equipment

An organization should request for a documented copy of the outsourcing partner's

business continuity planning; and run a test, if required.

Benefits – Disruptions free operations

Commercials: An outsourcing partner should be able to offer customized and innovative pricing solutions to organizations. An organization should work closely with their partners to design 'best fit' pricing models which suite their requirements and internal processes. Some examples of different pricing models are as below-

- **Standard rate card** – A rate card with detailed description of requirement criteria and corresponding standard prices. Best suited when project sizes are variable.
- **Volume based pricing** – A variable pricing model in which standard discounts are offered on the basis of project volumes. Best suited when project volumes are predictable, and could increase later.
- **FTE model** – The Full Time Equivalent engagement model provides an organization a dedicated offshore team. This model usually offers substantial cost advantage and stability. Best suited for large long term relationships.

As per its requirements, an organization could also design a combination of more than one pricing model, or be open to work with an ad-hoc pricing model.

Benefits – Cost efficiency

Relationship model: A functional team structure i.e. relationship model should be documented and must explain in detail the team structure, workflow, key people and their



functions and accountability; with timelines wherever applicable. The documented relationship model should be basis of operations governance and should encompass an effective framework for managing the complexities of change programs, communication touch points and methods; and should contain an escalation matrix.

The relationship model should be designed jointly by the organization and the outsourcing partner for optimum efficiency, and governance responsibilities should be collectively shared and unambiguously earmarked.

Benefits – Efficient workflow & delegation

Structured Reporting & Communication:

A strong Management Information System (MIS) enables an organization to efficiently monitor an outsourcing partner's performance. The reporting system must be standard, comprehensive, systematic and insightful. It should include the current performance on the key performance indicators; and should also be both forward-looking and backward-looking. It should have historical data, trends and corresponding insights depicted in a standard format to enable an organization to critically analyze performance. It should also have relevant action plans and activities planned for the upcoming week/month/quarter.

The organizations nowadays are proactively asking the outsourcing partners to provide real-time reporting and statistics via online web portals, mobiles and erstwhile email. However, an organization should clearly differentiate between reporting and communication. While it is imperative to have a robust reporting structure, it is

equally important to go beyond to have an open communication channel with the outsourcing partner.

It is important to develop the best possible models for communicating project plans, interim and regular feedbacks, action plans, the insights derived from regular reporting etc. A strong and open communication model aids transparency, nips potential problems in the bud & increases the motivation levels.

Benefits – Effective decision making

Quality Management System (QMS):

An appropriate quality control process is the key element in successful outsourcing.

Organizations should proactively request the outsourcing partner to provide an overview of their QMS, quality attributes, quality manuals, quality monitoring, feedback process, training process, performance improvement plans etc. to measure the effectiveness of the existing or proposed QMS. An efficient QMS is a true measure of outsourcing partner's disposition and competency to deliver quality. For market research outsourcing operations, the best practice is to ensure 100% call recording and monitoring during the initial stages; the call monitoring can eventually be reduced to 25%, if the outsourcing partner's performance on quality is consistently up to expected levels.

Organizations are increasingly asking for, and getting, an option to review real time QA/QC scores, through online web portals.

Outsourcing partners are also providing organizations an option to monitor the offshore team live from anywhere in the world.

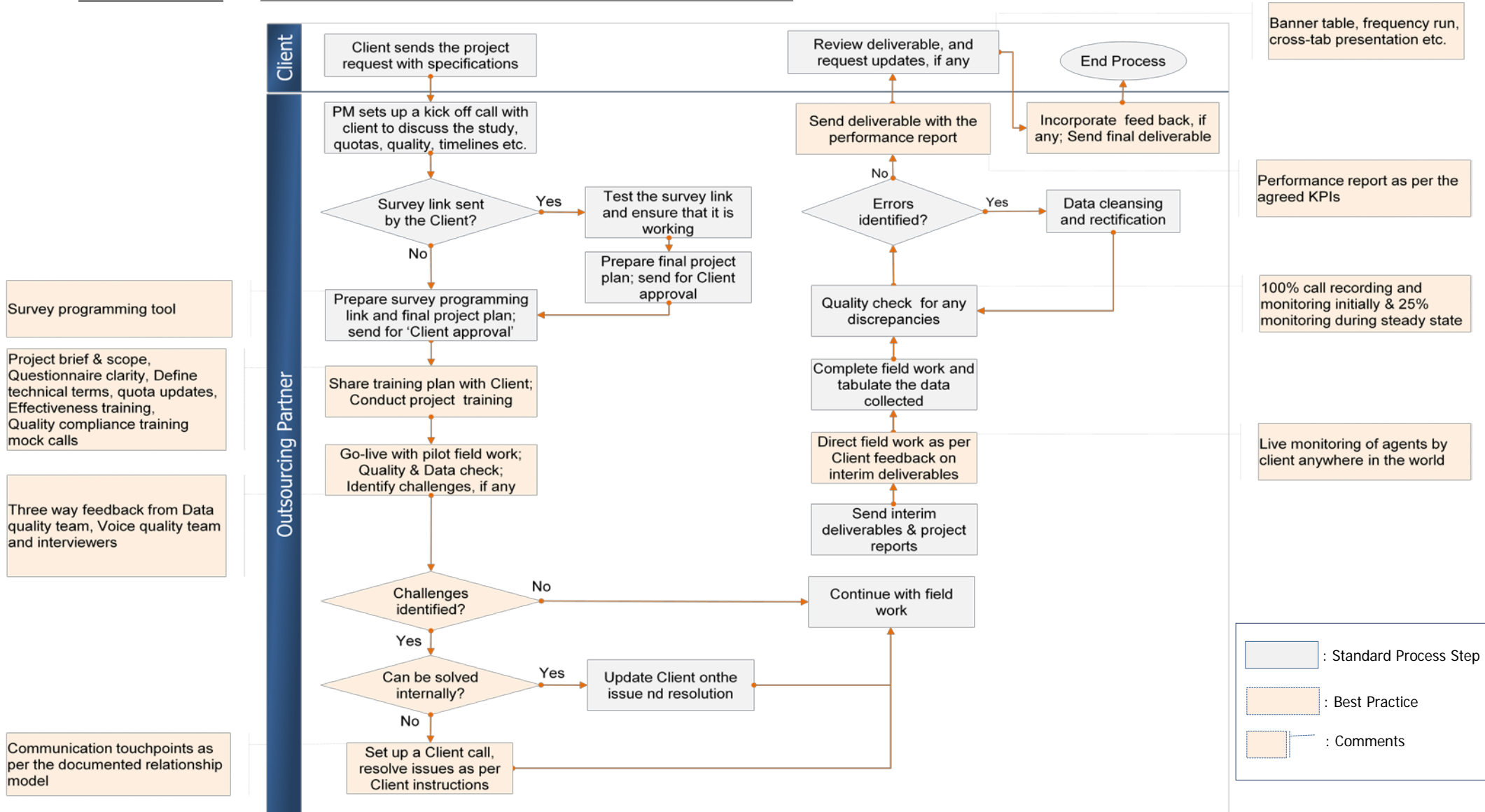
Benefits – Efficient quality control



What you should get

Figure 2:

Service Excellence



Keynote

The 'Service Excellence' process map shown in Fig. 2 is an evolved version of the standard process map in Fig. 1. It integrates the operational best practices mentioned in the above segment with the standard process currently followed. An organization could incorporate some or all of these best practices in their standard process, as per their requirement.

However, for optimum efficiencies each of these process steps should be –

- a) Clearly defined in a supporting process manual, with the timelines.
- b) Incorporated one, or few, at a time.
- c) Have standard reporting documents, wherever applicable. For example – Quality and data check report for the pilot field work.

The 'Best Practices' segment also includes some non-operational strategic best practices. These may be adopted by an organization at an appropriate stage of an outsourcing relationship.

About iResearch Services

iResearch Services is a professional services firm specializing in comprehensive market research outsourcing solutions. We partner with our clients to design & deliver all inclusive research solutions which are focused to enhance our Clients' efficiencies and service levels.

Did you know?

iResearch Services is an expert market research outsourcing firm, and:

- ❖ Works exclusively with Market research & consulting firms
- ❖ Is an ISO 20252 certified organization
- ❖ Has robust operational framework to create a near zero defect processes
- ❖ Has state of the art technological infrastructure
- ❖ Offers wide ranging multilingual, multi-geographical & multi-industry, 24*7 support.
- ❖ Offers creative pricing solutions to meet Clients' needs & budgets
- ❖ Offers free pilot/trial projects to Clients to demonstrate capabilities

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