

# **PROJECT PROFILE**

ON

## **CALL CENTRE**

Month & Year

July 2010

**PREPARED BY  
TANSTIA-FNF SERVICE CENTRE  
B-22, INDUSTRIAL ESTATE  
CHENNAI-600032**

**Supported by**

Friedrich Naumann  
STIFTUNG **FÜR DIE FREIHEIT**

# CALL CENTRE

## INTRODUCTION

A typical call center is a service center which has adequate telecom facilities, trained consultants, and access to wide database, internet and other on-line information support infrastructure to provide information and support to a customer. It operates to provide round the clock and year round service i.e. 365 days and 24 hour service.

India has emerged as destination for international companies to set up their Call Centres. Some of the reasons for this are Indian companies leveraging on the booming IT Industry, English speaking population and low cost.

## MARKET POTENTIAL

The following services are being provided by the call centres.

### 1. Automatic Call Distributor (ACD)

Calls may be distributed in various ways to optimize usage of the call centre resources and allow the best possible agent to service the customer calls. Call Centre performs all the tasks of an automatic call distribution system with powerful skills and rules based routing functionalities that apply across all media types.

### 2. Interactive Voice Response (IVR) Fax on Demand (FoD)

These allow routing information dissemination using fax on pre-recorded voice messages, which reduces the time spent by the agent in providing unnecessary details, thus increasing his efficiency and reducing fatigue. Call Centre's Interactive Voice Response functionality includes self-service, speech recognition and fax management capabilities.

### 3. Outbound call management & predictive dialing

Predictive dialing goes beyond just automating the dialing process to eliminate time which would otherwise be wasted in the calling process and improves

productivity. This is done by dialing calls according to a complex calling algorithm to smooth out the centre's workflow. The calling process is also made efficient by screening out no answer, busy, out of order and answering machine calls.

#### **4. Computer Telephony Integration (CTI)**

A common perception is that CTI is just for a "Screen pop", in which customer information "pops up" on an agent's screen as a call is received. However CTI encompasses much more as the coordination of real time voice events and database events allows real time feedback for Dynamic Routing Schemes, Call Flow Scripting, workforce Management and Real Time Reporting.

#### **5. Email Management**

Automated Email responses; Knowledge base and intelligent routing features enable agents to effectively address the needs of customers.

#### **6. Web Chat and Web collaboration**

Using Web Chat and Collaboration, agents are able to assist customers visiting a company's web site via live interactive chat sessions and collaborative assistance through agent/customer browser synchronization.

#### **Advantage of getting Call Centres done in India**

- Availability of huge English speaking population
- Infrastructure - communications, technology, geography
- Emerging open economic policy
- Dollar to Rupee conversion.
- Customized and excellent Call Centre Training
- Pioneers in the business with a varied and rich experience spreading 5 years.
- Time tested and proven comprehensive training program developed for the Indian scenario
- Direct Marketing and business development experience
- Direct clients and links to IT Service industry.
- Front office marketing and administrative hubs all over the United States.
- Have one of the largest communication lines and infrastructure facility.

- Comprehensive consulting program in setting up and running a viable Call Centres operation.
- Readily available work that can be outsourced.
- Specially designed "Train the Trainer" module that covers a novice to a full fledged trainer in month.

Currently the Indian market has about 50 computer telephony integrated (CTI) enabled centres while non CTI Call Centres are between 400 and 700.

### **The Call Centres can be used in the following areas of application**

- Automobiles
- Airlines
- Banking
- Financial Services
- Manufacturing
- Hospitality, Hotels
- Telecom services
- Govt. Institutions, Police, Electricity
- Computer companies etc.

### **Major Call Centres in India**

- GTL, Bangalore, Chennai, Hyderabad
- IT & T, New Delhi.
- Zenta Technologies, New Delhi.
- I Energizer, New Delhi.
- Daksh eService, New Delhi.
- Customr Asset, Bangalore
- Cybiz Call, Bangalore
- Msource India, Bangalore
- Transworks, Bangalore
- Tracmail, Mumbai
- Intelenet, Mumbai
- World Net Work Service, Mumbai
- Global eCMS, Mumbai

- Nortel Network India, Bangalore
- Servion Global Solutions Ltd., Chennai.
- Enhancement Technologies, Chennai.
- Allsec Technologies Ltd., Chennai.

### **The Operation**

The US company's computers will receive calls from clients. The data is then compressed and encrypted. This data is then piped through the n x 64kbps satellite link to India. In India the data is received by the gateway earth-station (STPI/VSNL) and is sent via Microwave link to the office. Data is uncompressed and stored on a server and then fed via the LAN to the individual workstations. Each workstation comprises a computer with a sound card and an audio-feed mechanism and software and voice telephone. The Call Centreists convert the queries data into electronic text. The host computer keeps track of productivity and error rate of each caller. The data is later post-processed for errors and formatted and is then compressed and uploaded back to US as voice via the satellite link.

### **Objectives**

The Indian operation will have to engineer very high levels of quality into its operations since this is a critical criterion which can affect the future of the company. To this end, the best quality of infrastructure has to be set up and high caliber staff will need to be recruited. The training component is a very important criterion in producing high quality output.

Domestic offerings: The domestic BPO market is a high-growth segment and is estimated to grow 19% through 2013, according to Gartner. It estimates that this market would grow into a US\$ 1.2-bn market by 2011. This will reach US\$ 1.8 bn by 2013. Many Indian providers and some multi-nationals have now shifted focus to the domestic market. This was mainly due to global economic uncertainty post the economic crisis.

US expansion: Indian BPOs are now planning to expand operations in the low cost US locations. This is following a fall in the prices of real estate and labour. A rise in anti-outsourcing sentiments also caused this shift. The aim for this

surprising move is to court fresh orders and win projects in highly regulated sectors such as healthcare, government etc. Recently Patni acquired a BPO delivery centre in Texas, post a deal with a healthcare insurance provider. The Hinduja Group is also currently looking to acquire BPO units in the UK and the US as part of its plan to deploy idle cash.

According to NASSCOM, India's BPO business is expected to post a growth of 15-16% in FY11. This is due to growing demands from overseas clients and greater domestic demand. We are positive on the prospects of this industry, especially with the innovative endeavors they have taken for growth.

## **TECHNICAL ASPECTS**

### **INSTALLED CAPACITY**

A small Call Centre with 30 seaters is proposed to be set up.

In India, call center operates may have to take a special NOC ( No Objection Relations) from Deputy Director General ( Customer Relations ) at Department of Telecommunications, Government of India at New Delhi. This NOC is issued with the aim of generating a special permission to use voice circuits over international gateways with the Dedicated and stated purpose of serving overseas customers, and accompanied by a bound that it will not be routed within India for any other purpose

### **EQUIPMENT**

The following Software & Hardware are required.

- Premises
- Leased circuit
- Data Compression and Decompression equipment
- Voice enabled PCs connected to high performance servers.
- Predictive Dialers ( Considered an advantage as they help to maximize efficiency of infrastructure of a well as call taker)

<b>Particulars</b>	<b>[Rs. lakhs]</b>
License, S/w, H/w & Implementation	10.00
CRM Licensing cost	5.00
Server cost (Exchange, Web etc.) 6 Nos.	3.00
IPLC Cost & Multiplexer	5.00
Net working cost	2.00
Furnishing cost	15.00
Library	1.00
Computer and Hardware	10.00
A/c's UPS, Generators etc.	3.00
Vehicle	5.00
Training cost	3.00
	-----
<b>Total Capital Expenditure</b>	<b>62.00</b>
	-----
<b>Pre-Operative Expenses</b>	<b>17.00</b>

- Working Capital 1.5 times of months expenses
- CRM cost is based on the requirement of the US client
- Except the client work station and training, other costs are all guideline values.
- Sqft. required per agent is 60 sqft.
- Training cost per agent is Rs.15,000/- (one and half shift)

#### **PRE-OPERATIVE EXPENSES BREAK-UP**

	<b>Months</b>	<b>[Rs.lakhs]</b>
IPLC Cost	1	3.00
Salary	2	8.00
Travel	4	1.00
Conveyance	3	1.00
Electricity	3	1.00
Repairs & Maintenance	4	0.50
Staff Welfare	3	0.50

Telephone	5	0.50
Office maintenance	5	0.50
Advertisement	3	1.00
		-----
<b>Total</b>		<b>17.00</b>
		-----

### CIC SOFTWARE LICENSE

<b>Component</b>	<b>Qty</b>
CIC Interaction server	1
CIC Database Tools	1
CIC Web Services	1
CIC Interaction Designer	1
Interaction Recorder	1
Interaction attendant (N/C)	
COM Interface Server License	1
Call Center Bundle License Bundle1	15
Call Center Bundle License Bundle 2	15
Call Center 1 Workstation Only license	3
Supervisor Add on license	3
D/480 SC-2T1	1
MSI/240SC-R	1
MSI/80SC-R	1
MSI Global Power supply	2
SA/240 Station Interface Kit	2
Adtran 1200T1 CSU	2
VFX/40ESC plus	1
<b>Server Hardware</b>	
Server	1
Alliance I-9000	1
<b>Dataprobe Components</b>	
1 slot redundant power supply chassis	1
25pin cable	2
Control Card	1
Control Card to switch card cable	1
RS-232 Switch card	1
Switch Card to CIC systems cable	4
T-1 Switch Card	2
50 pin analog switch card	2
50 pin Dataprobe Station to MSI Cable	4
50 pin Dataprobe Station to Telcon Cable	2



<b>Back up Server</b>	
Server Hardware – Alliance I-9000	1
<b>Others</b>	
Dialogic Cards – D/480SC-2T1	1
<b>Station Boards</b>	
MSI/240SC-R	1
MSI/80SC-R	1
MSI Global Power Supply	2
SA/240 Station Interface Kit	2
VFX/40 ESC plus	1

## LAND & BUILDING

The Building area required - 6000 sqft.

(Space required on an average 200 sqft. per seater – Agent) Rent at the rate of Rs. 30 per sq.ft Rs. 1.80 lakhs per month. Advance Rs. 18.00 lakhs.

## UTILITIES

### Man Power:

Category	Nos.	Monthly Salary	Total Salary p.m.
Operators	30	12000	360000
Executives	4	35000	140000
			500000
Total salary per annum (Rs. lakhs)			Rs.50.00 lakhs

## IMPLEMENTATION SCHEDULE

The machines are available from local supplier within two weeks period. The project can be implemented within one month period.

## ASSUMPTION

- Installed capacity of the proposed Call Center is 30 seaters.

- Income per seater per hour is \$5 at 100% utilisation. The unit works for 12 hours a day – 300 days per annum. The annual income works out to Rs.253.80 lakhs.(1 US\$=Rs.47.00)  $5 \times 30 \times 12 \times 300 = 540000$  US \$
- Salary is estimated at Rs.50.00 lakhs per annum as per break up given above in this report with annual increase of 5%.
- Rent is provided at the rate of Rs.1.80 lakhs p.m.
- Electricity charge is estimated at Rs.12.00 lakhs p.a. at 100% utilisation. (Rs. 1.00 lakhs per month)
- Repairs & Maintenance is estimated at Rs. 2.40 lakhs per annum Rs.20000 per month with annual increase of 5%..
- Depreciation is calculated at 15% on WDV method for plant & Machineries.
- Selling, General & Adm. Expenses is Rs. 2.40 lakhs per annum Rs.200000/- per month with annual increase of 5%.
- Interest on Term loan is calculated at 12% p.a.
- Income tax is provided at 33.22% on taxable income.

## FINANCIAL ASPECTS

### 1. COST OF PROJECT

	[Rs. lakhs]
Building (Advance)	18.00
Plant & Machinery	62.00
Pre-Operative expenses	17.00
Margin for WC	5.00
	<u>102.00</u>

### 2. MEANS OF FINANCE

Capital	55.50
Term Loan	46.50
	<u>102.00</u>

### 3. COST OF PRODUCTION & PROFITABILITY STATEMENTS

Years	1	2	3
Installed Capacity			
Income p.a. at 100% (Rs. lakhs)	253.80	253.80	253.80
Utilisation	60%	70%	80%
Income p.a.	<u>152.28</u>	<u>177.66</u>	<u>203.04</u>
Electricity	7.20	8.40	9.60
Salaries	50.00	52.50	55.13
Rent	21.60	22.68	23.81
Repairs & Maintenance	2.40	2.64	2.90
Depreciation	9.30	7.91	6.72
Cost of Production	<u>90.50</u>	<u>94.13</u>	<u>98.16</u>
Admin. & General expenses	24.00	25.20	26.46
Selling expenses	0.00	0.00	0.00
Interest on Term Loan	5.58	4.88	3.49
Interest on Working Capital	0.00	0.00	0.00
Total	<u>120.08</u>	<u>124.21</u>	<u>128.11</u>
Profit Before Tax	32.20	53.45	74.93
Provision for tax	10.70	17.76	24.89
Profit After Tax	21.50	35.69	50.04
Add: Depreciation	9.30	7.91	6.72
Cash Accruals	30.80	43.60	56.76

#### 4. WORKING CAPITAL:

	Months	Values	%	Margin	Bank
	Consumptions			Amount	Finance
Raw Materials	0.00		25%	0.00	0.00
Consumables	0.00		25%	0.00	0.00
Finished goods	0.00		25%	0.00	0.00
Debtors	0.00		10%	0.00	0.00
Expenses	1.00	5.00	100%	5.00	0.00
		<u>5.00</u>		<u>5.00</u>	<u>0.00</u>

#### 5. PROFITABILITY RATIOS BASED ON 80% UTILISATION

<u>Profit after Tax</u>	<u>50.04</u>	25%
Sales	203.04	
<u>Profit before Interest and Tax</u>	<u>78.42</u>	77%
Total Investment	102.00	
<u>Profit after Tax</u>	<u>50.04</u>	90%
Promoters Capital	55.50	

#### 6. BREAK EVEN LEVEL

Fixed Cost (FC):

	[Rs. lakhs]
Salaries	55.13
Rent	23.81
Repairs & Maintenance	2.90
Depreciation	6.72
Admin. & General expenses	26.46
Interest on TL	3.49
	<u>118.51</u>

Profit Before Tax (P) 74.93

$$\text{BEL} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}} = \frac{118.51}{193.44} \times \frac{80}{100} \times 100$$

49% of installed capacity