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42,000 New Jobs Created by Contact/CRM Centers in Q1 2007



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In many of these editorials, I have often stressed that companies live or die from repeat business. Repeat business, naturally, comes from customer care, customer satisfaction and overall customer relationship management (CRM).

Back in 1982, at the debut of this publication, which was launched as Telemarketing® magazine, the industry was practically non-existent. In fact, we simply ran out of things to write about in the second issue of Telemarketing® magazine. My editor came to me and said, “I can’t find anything to write about. Are you sure this is an industry?” My answer was, “No, I am not sure, but we are going to make it an industry.”

Believe it or not, the industry was founded right then and there. Hard work, blood, sweat and tears were necessary to find the virtually non-existent success stories that would give some hope for the development of this industry. I traveled to Omaha, Nebraska to learn from the founders of West Corporation, Gary and Mary West, and Steve and Sheri Idelman, the founders of ITI Marketing, to name a few. I also traveled to AT&T and spoke with John Wyman, the Vice President of Marketing for Long Lines. He offered a tremendous amount of help as well.

The rest of it was hard work and many, many late nights trying to lay the foundation of this industry back in 1982 when it was just being conceived. In the [June 2006 issue](#), we celebrated the 25th anniversary of our industry, which started from near non-existence to what is now estimated to be nearly a trillion dollar industry worldwide employing in excess of 15 million people. To say that this industry has benefited many people is simply an understatement.

While our new, pioneering magazine, Telemarketing®, was trying to educate the world about the benefits of telemarketing, a group of vendors who were obviously influenced by our writing and promotions came along and contributed immensely by developing the

automation solutions, software and hardware necessary to promote the productivity of the industry.

During that great gala event in New York City in May of 2006, the industry honored me by offering me a bronze plaque as the industry's founder and visionary. Indeed, I was very humbled to share our success with the rest of the hundred-plus CEOs who were also founders of different aspects of the industry. What a great night it was!

Back in 1982, I chose the tagline of Telemarketing® magazine to read, "The magazine of electronic marketing." It was my vision 26 years ago that someday marketing, as an important part of business, would be conducted electronically. At that time, I was almost ridiculed by everyone who said that direct mail was the only way to go. Today, we know better. Telemarketing grew to be a trillion-dollar industry, and every company is a call center. Moreover, if you take the phone out of any company, that company will probably go under in a very short time.

In other words, the telephone and telemarketing continue to play a vital role in global business. Otherwise, this industry would not have continued to grow into a trillion-dollar industry in just 25 years.

Of course, I am proud of my colleagues and I am proud of TMC staff members, who have also worked extremely hard to make it happen. What didn't make sense was that our vision that marketing was undergoing an evolution from traditional methods to electronic marketing was not initially shared by anyone else.

Toward the end of the last century, in 1999 and 2000, a new trend began to develop: namely, the tremendous cost-savings offered by "cheap labor" in India, the Philippines and the like. This created a new phenomenon called offshoring. Practically every company, large or small, started to take their operations to India, the Philippines, etc.

Shortly after this development, I began to observe another developing phenomenon. I predicted that before too long, all of these companies that were leaving the U.S. and taking jobs to other countries would come back to the U.S. after having lost millions of dollars. The reasons I gave for the lack of success of telemarketing in those countries were as follows:

- Major cultural differences and lack of familiarity with American culture;
- Significant problems with the English language and heavy accents;
- Running the call centers like sweat shops to keep the costs down;
- Over-promising and under-delivering;
- Major time differences; and
- Last but not least, inhumane treatment of call center staff by supervision, just to name a few.

Corporate America, indeed, made a huge mistake of sacrificing customer care and customer service by transferring it only for "cheaper labor" to the countries where

rudeness is completely accepted and is part of the cultures, not to mention the fact that when the call center staff was treated like dirt, as indicated in the above identified six problems, they would also treat your customers like dirt.

Once again, as a visionary, I saw the problems coming and I was a universe of one. In other words, no one else but me predicted that when Corporate American learned the hard way by losing a ton of money in this unfortunate offshoring experiment, they would be forced to come to their senses and bring most, if not all, of their business back to this country and to a few other "nearshore countries that have none of the above cultural problems and where the beneficiary of having similar cultures as well as similar values and spoken English was an important asset.

A Most Revealing Survey Proves Our Point

A recent quarterly survey produced by a company called Site Selection Group (www.siteselectiongroup.com) provides us with extremely revealing statistics. I personally called Mr. King White, Founder and President of Site Selection Group, to verify and learn about his methodology. I was convinced that he indeed knew what he was doing and obtained his authorization to use a condensed version of his research about contact center industry growth and development. The table below indicates the summary of his findings.

Total net new jobs created in Q1 of 2007 equals approximately 42,000

41 percent of the new jobs were created in North America as follows:

- United States - 39 percent job growth
- Canada - 2.4 percent job growth
- South America (primarily Argentina) - 21 percent job growth
- Philippines - 11.9 percent job growth
- India - 17 percent job growth (only one large call center went to India in Q1, which explains the high percentage)
- Other - 8.6 percent job growth in countries such as Jamaica, Barbados and Kenya

Analysis and Discussion

It is extremely significant to note that while at the turn of the year 2000, nearly 80 to 90 percent of new contact centers were placed in India; in Q1 of 2007, only one call center went to India.

The fact is, as I predicted before, the majority of companies that went to such "cheap labor" countries came to the realization that you get what you pay for, which explains the tremendous return of these companies to create a whopping 39 percent of call centers worldwide either coming back to the U.S. or benefiting from internal growth.

The Bottom Line

The industry is alive and well. I predict that others who went offshore, primarily attracted by “cheap labor,” will continue to return to the U.S. when they discover there is no substitute for quality, customer care, customer service, customer loyalty and customer retention.

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