

Homeshoring: Outsourcing to America's Living Rooms

ITworld.com 7/6/2006

Dan Blacharski, *ITworld.com*

This week's highlighted research:

IDC. ["East of Eden: Homeshoring's place in an imperfect world."](#)

IDC. ["U.S. home-based agent 2005-2010 forecast and analysis: Converging economic forces to drive the expansion of homeshoring in the United States."](#)

Offshoring is all the rage, and to be sure, locating a call center in India has its advantages. To succeed, you must join the global economy, and erase the physical boundaries of the corporation. But this move towards virtualization of the enterprise means a lot more than establishing telecom links with an office in Bangalore, where trained customer service reps will answer your customers' calls in flawless English. In fact, those calls could be answered anywhere in the world. While some companies still answer customer calls in their own facilities, others route those calls to outsourcing centers in any number of foreign countries. Still others route those calls to a network of virtual call agents that work from home. The trend, which IDC calls "homeshoring," means that your customer service calls may be getting answered by somebody sitting in their living room, wearing a bathrobe and hair curlers.

In fact, using home-based agents may be the only way U.S.-based call centers can compete. **Call centers such as Alpine Access use home-based employees.** The technology is available to create such a network, and has been for some time -- so it makes sense. If a call center can route calls to Delhi, then it can certainly route them to somebody's living room in the suburbs.

IDC's "East of Eden" report provides a strong case for homeshoring, with a discussion of the developments that have strengthened the business case for it. IDC describes homeshoring simply as the use of a virtual call center, which locates call center workstations in agents' homes. According to IDC, not only are there service center companies that are using this model, but several companies are using it directly, placing equipment in the homes of their own employees to boost productivity and minimize operational costs.

IDC says there are 112,000 home-based phone reps in the U.S., and the trend is gaining momentum. The number is growing due to several factors, not the least of which is the fact that call centers have extremely high turnover--and creating a home-based work environment leads to a higher retention rate.

IDC's 2005-2010 forecast on homeshoring goes into detail to analyze some of the key providers, noting that increasingly, offshoring will be more associated with homeshoring. Clearly, outsourcing has grown in scope -- and when you place your next call to customer service, you are just as likely to be talking to someone in the next block as the next country.