# Appendix 1 – Scenario

XYZ Pty Ltd, trading as ABC Contact Centre Services Ltd (ABC), is an Australian owned and operated contact solutions company, with headquarters in Melbourne, Victoria. Founded by Ms Jacinta White in 2017, offering a range of contact centre services to small to medium businesses, ABC employs a team of customer service and support specialists highly experienced in the industry.

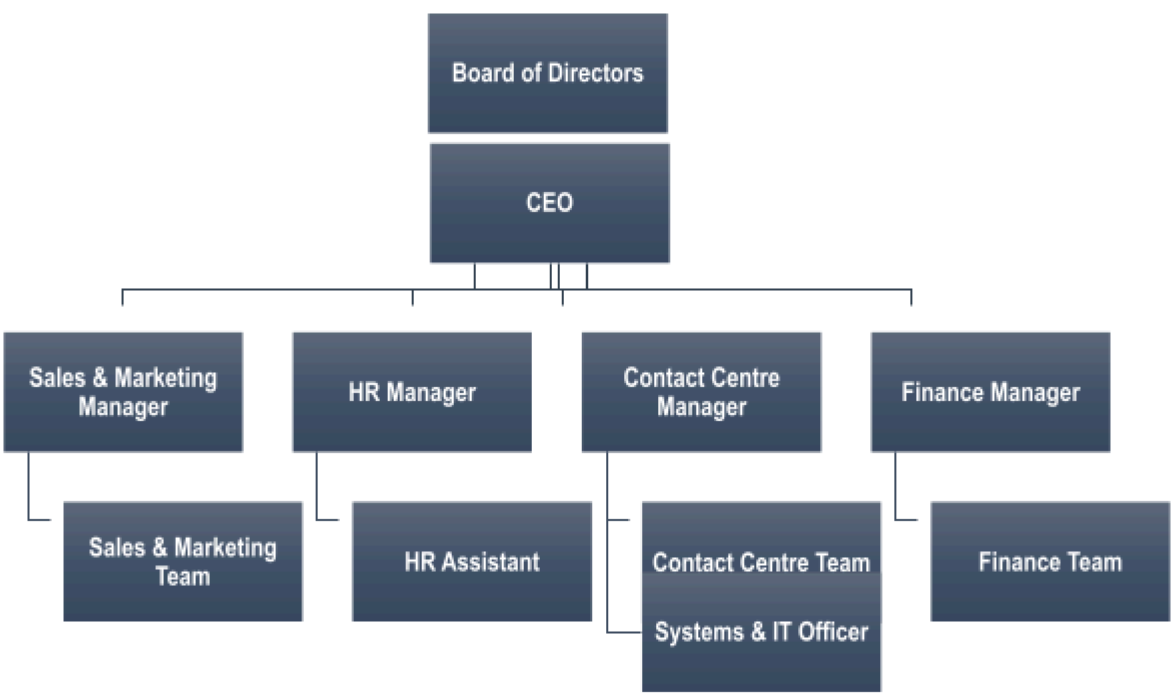
ABC is governed by a Board of Directors, who oversee operational compliance and provide guidance and support to the CEO and Executive Team. The company has been successfully operating since January 2017, with a brand that is now synonymous with efficiency, quality, and exceptional service.

ABC provides reliable reception, contact handling and customer support services at affordable rates to SMEs requiring efficient and affordable solutions for their contact management needs.

The 3-levels contact centre facilities at Collins Street, Melbourne, includes comfortable office spaces, two conference rooms, and a state-of-the-art call centre with a capacity for 50 staff.

The call centre operates 24/7, providing inbound and outbound contact management for a range of industries, business types and service structures, both B2B and B2C. Our team of highly qualified customer service and support specialists can provide reliable and high-quality services quickly and cost-effectively.

### ABC Organisational Chart



**ABC Departments**

**Board of Directors**

- Jacinta White (CEO and Founder) – she has 100% ownership of the company. She has worked in contact centres for 15 years, covering different roles. She has extensive knowledge of the industry.
- Samuel White – Chairman
- Jacob Red – Non-executive Director (experienced in contact service centres)
- Ramona Green – Non-executive director (experienced in small business management)

**Finance Department**

- Finance Manager (Full time Ongoing) – has worked as Finance Executive in small businesses for the past ten years.
    - Financial Officer x 1 (0.8 FTE, ongoing)

Duties include strategic financial management, risk management, accounts receivable, accounts payable, invoicing, payroll, financial record keeping and reporting, preparation and payment of taxes/fees, cash flow management, external contract management and all elements of financial and legal compliance.

**Human Resources Department**

- HR Manager (Full Time Ongoing) – the first job at the executive/managerial level. Good experience in HR developed in the past seven years of work.
    - HR Assistant (Part-Time, Ongoing)

Duties include strategic HR planning, recruitment and selection, compensation and benefits, employee relations and support, training and development, internal communications management, performance management support, termination of employment, record keeping and reporting, safety including OH&S and fair work law compliance, facilities and maintenance management, procurement, legal compliance, industrial relations, policies and procedures management.

**IT services**

- Systems & IT Officer

IT services include server hosting, network installation and management, provision, maintenance and update of all software and licenses, database administration (including client and staff files), data management, data protection compliance and systems security and technical support and maintenance/repair of software and hardware.

*Note: The IT Services Officer reports to the Contact Centre Manager.*

**Sales and Marketing Department**

- Sales and Marketing Manager (Full Time, Ongoing) – highly experienced in marketing (including digital marketing but new to the contact centre industry)
    - Marketing and Sales Officer x 2 (Part-time, Ongoing)
    - Marketing and Sales Officer (Full time, Ongoing)
    - Graphic Designer and web developer (Contractor)

Duties include strategic marketing management, external communications management, graphic design, social media management and content creation, market research and public relations.

The Marketing Manager is responsible for client account management (business relationships)

**Contact Centre**

- Contact Centre Operational Manager (Full Time Ongoing) – highly qualified contact centre manager with over ten years of industry experienced.
    - Contact Centre Floor Supervisors x 4 (Full time, Ongoing)
    - Contact Centre Agents (number vary from 25 to 50 depending on workload. ABC tries to employ all agents through employment contract (temp and ongoing); however, contractors (under temp contracts) may be employed to respond to periods of a high level of work.
    - Front Desk Officers x 2
    - Quality Assurance Officer (Ongoing, Part-Time)

Duties include: managing calls (inbound and outbound), maintaining communication equipment, reporting problems, accomplishing results as agreed in the contract with the client. Reception duties. Review of quality standards and process effectiveness.

**Contact Centre - definition**

A call centre or contact centre is a centralised office used for receiving or transmitting a large volume of requests by telephone and computer. A company operates an inbound call centre to administer incoming product support or information enquiries from consumers. **Outbound** call centres are operated for telemarketing, solicitation of charitable or political donations, debt collection and market research.

A call centre has an open workspace for call centre agents. Work stations include a computer for each agent, a telephone set/headset connected to a telecom switch, and one or more supervisor stations. It can be independently operated or networked with additional centres, often linked to a corporate computer network, including mainframes, microcomputers and LANs.

The contact centre is a central point from which all customer contacts are managed. Through contact centres, valuable information about the company are routed to appropriate people, contacts to be tracked, and data to be gathered. It is generally a part of a company's customer relationship management. Most large companies use contact centres as a means of managing their customer interaction. These centres can be operated by either an in-house department responsible or outsourcing customer interaction to a third-party agency (Outsourcing Contact Centres).

(Source: [https://en.wikipedia.org/wiki/Call_centre](https://en.wikipedia.org/wiki/Call_centre) )

## Vision, Mission, Values

### Vision Statement

ABC Contact Services' vision is to be the industry leader in providing efficient, reliable and affordable contact management solutions to our clients.

### Mission Statement

Our aim is to establish ABC Contact Services as the company that always exceeds expectations through:

- Consistently delivering quality services
- Optimising quality to ensure efficiency and reliability
- Providing a range of affordable services to our clients

### Values

At ABC Contact Services we value:

- Quality
- Integrity

- Accountability
- Respect for diversity
- Innovation
- Continuous Improvement

**Key - Organisational strategic objectives**

- To lead the market for excellence in customer service
- To become the leader in contact service services for Medium Size Enterprise in Australia within the next ten years
- To establish a culture of innovation, that values diversity
- To enhance sustainable work practices in financial, social and environmental matters

**Key – business objectives**

- To take on the opportunity to serve microbusinesses
- To increase brand awareness
- To promote brand position through satisfaction rates over competitors
- To increase market share for services to SMEs by 7% by mid-2021
- To open a second headquarter in Sydney by the end of 2020 (maintaining the executive branch in Melbourne but mirroring the operational systems and structure in Sydney)

## About the industry

(Source: https://www.fifthquadrant.com.au/cx-spotlight-news/australian-contact-centre-benchmark-report-industry-striving-to-improve-cx )

Fifth Quadrant has just released its 2018 Australian Contact Centre Benchmark Report, which reveals that almost three-quarters of the industry (73%) strives to improve customer experience (CX) through technology that optimises agent performance and delivers a more customer-centric channel offering.

Despite these efforts, contact centres are still facing challenges, with nearly a third of respondents (31%) claiming they lacked sufficient resources to meet business needs and almost half (45%) struggling to improve efficiency.

"We're seeing contact centres invest more in CX," said Stephanie Bauer, Head of CX Consulting at Fifth Quadrant. "An overwhelming majority (86%) of contact centres expect to either maintain or increase their operating budgets next year."

While the awareness of the importance of CX and the amount spent on it are both up, there are areas for improvement. "When it comes to meeting CX demands, we note that almost half (43%) of contact centres are not using a workforce management tool which is critical for optimising resources and service outcomes in the complex, multi-channel environment," Bauer said.

The 2019 Australian Contact Centre Benchmark Report surveyed 143 Contact Centre Managers and Executives across a wide range of industry segments, including Government, Health and Education, Financial Services, Services including Utilities and Telcos, and Consumer Products. Key findings from the survey include:

- Overall growth in 2020 is expected to be 5%
- Outsourcing continues to grow, and the majority of organisations now prefer on-shore locations for outsourcing (78%)
- Phone interactions have decreased slightly as the increase of multi-channel interaction continues, although Australians still prefer voice by a wide margin (71% of interactions were over the phone)
- Organisations are focusing on retaining staff through flexible work arrangements such as working from home
- The technology that will see the most investment this year is webchat (31%)

Although most Australian organisations surveyed operate one contact centre, this is trending slightly downwards as the use of multiple contact centres rises. The Financial Services industry, in particular, is seeing a marked increase in the use of multiple centres. The number of contact centre seats is also rising, with the biggest growth seen in centres operating 20-99 sets. Services organisations, including Utilities and Telcos continue to operate the most significant number of seats.

**Cost of Operations & Revenue Generation**

The study reveals that Australian contact centres are willing to spend more to improve their operations. Organisations are spending the most on Human Resources with over a third of respondents planning to increase their overall budgets this year. The need to increase budgets can be correlated with the widening awareness of the importance of CX. The majority of revenue is generated via inbound contacts, but outbound revenue generation is on the rise.

**Outsourcing**

Almost a quarter of organisations are outsourcing some contact centre functionality to third-party providers with after-hours contact as the most commonly outsourced function. Government, Health and Education is the most likely sector to outsource after hours, and Financial Services is the least. Over three-quarters of organisations utilise on-shore outsourcing, with the majority of outsourcing used for after-hours contact. Due to differing time zones, offshore locations are preferable for after-hours contact. The most used countries for outsourcing for Australian organisations are The Philippines and India, although the Philippines has seen a drop-in use in the past four years.

### The Rise of the Multichannel

In 2018, the rise of the multi-channel will continue as organisations plan to expand the number of customer interaction channels available. While almost all organisations will continue investment in phone and email as primary channels, there will be marked increases in the use of social media, self-service, web chat, SMS, smartphone apps and chatbots. This reflects a trend seen in the US, where digital channels are slowly superseding the phone in the contact centre. It is thought that Millennials' preference for digital channels is driving this change.

### Technology

Organisations are continuing to use technology as a means to improve CX. The most commonly used technologies are interactive voice response, followed by call recording, automatic call distributor, an E-learning system and Customer Relationship Management (CRM) tools. Around two-thirds are using a knowledge/content management system or customer survey tools and approximately half are using workforce management tools. The least used technologies are biometric identification, video, and speech recognition/ analytics.

"The rise in digital channels can be seen in the tech that organisations are purchasing," said Bauer. "Almost a third of contact centres are investing in web chat technology, and we predict that by 2020 81% of Australian contact centres will be using this technology. Overall, it is good to see Australian contact centres both acknowledging the importance of CX and investing in tech-driven ways to improve it."

(Source: IBIS world: https://www.ibisworld.com.au/industry-trends/market-research-reports/administrative-support-services/call-centre-operation.html )

The Call Centre Operation industry has performed well over the past five years, despite intensifying competition from offshore operators. Many client businesses have been outsourcing their marketing, information and customer interaction services to offshore call centres, particularly in India and the Philippines. Offshore firms in these countries generally operate with far lower labour and overhead costs, and these cost savings can be passed on to Australian client businesses in the form of lower prices. However, a large number of local businesses and government agencies continue to use domestic call centre services. An emphasis on high-quality and value-added services has benefited industry participants over the past five years.

### Industry Statistics & Market Size

- Revenue **$1bn**
- Annual Growth 13-18 **3.4%**
- Employment **11,070**
- Businesses **559**

**Industry Threats & Opportunities**

- Industry firms have benefited from greater demand for quality local call centre services
- Revenue is influenced by demand, business confidence and consumer sentiment
- Total business profit and business process outsourcing are forecast to increase steadily

## Positioning

ABC Contact Services provides reliable, dependable, 24/7 reception, contact handling and customer support services at an affordable rate. The client's contact needs are genuinely taken care of, increasing time resources to attend to other crucial business areas.

ABC's current market share of B2B contact services contracting in Australia is 3%. The company has been successfully operating since 2017 and has grown its customer base by an average of 25% in each year in operation.

A situation analysis report revealed that ABC is very well placed to increase market share to 7% by mid-2021, focusing on contact services provided to micro-businesses. While there are many competitors in the market, the points of difference for ABC are the consistent and reliable quality of service, with price as a secondary selling point. Most competitors fail to meet customer service level expectations (90% and above), while ABC maintained good results.

Client satisfaction measures from market analysis (separate from customer satisfaction data from the optional end of call interviews) indicate that ABC consistently meets or exceeds expectations. However, brand awareness itself is not high among non-clients; other brands perform similar services and have higher recognition levels.

ABC's brand and positioning have developed slowly until now. Still, the growth of the market and the improved service levels of the contact centre present a prime opportunity to increase market share by increasing brand awareness for reliability and quality among micro-businesses in Australia.

**Uniqueness drivers**

- Reliability of service
- High levels of customer satisfaction
- 24/7 operation
- Increase focus on B2B contracts with Micro-businesses
- Australian owned and operated
- Range of services that can support a variety of clients' needs

## Financial

Having just passed 4 years since beginning operations, ABC's financial health is steadily improving from the start-up phase in the first year in operation.

The Profit and Loss for the past two financial years are reported below:

**ABC Contact Service**
Income statement
for 12 months ending

| | 2018/19 | 2019/20 |
|---|---|---|
| **Revenue** | **9,980,100** | **11,613,600** |
| Less Cost of goods Sold | 3,106,680 | 3,650,000 |
| **Gross Profit** | **6,873,420** | **7,963,600** |
| **Expenses** | | |
| Wages | 4,550,000 | 5,550,000 |
| Superannuation | 432, [illegible] | 527, [illegible] |
| Payroll Tax | [illegible] | [illegible] |
| Advertising | [illegible] | [illegible] |
| Repairs | [illegible] | [illegible] |
| Cleaning | [illegible] | [illegible] |
| Utilities | [illegible] | [illegible] |
| Accounting Fees | [illegible] | [illegible] |
| Insurance | 67, [illegible] | 65, [illegible] |
| Interest | [illegible] | [illegible] |
| Depreciation | [illegible] 578 | [illegible] 485 |
| **Total Expenses** | **6,096,198** | **7,441,656** |
| **Net Profit Before Tax** | **777,222** | **521,944** |
| **Company Tax** | **233,167** | **156,583** |
| **Net Profit After Tax** | **544,055** | **365,361** |

2017/18

# Balance Sheet

**ABC Contact Service**

**2019 /20** Statement of financial position as at 30 June

| Assets | 2018/19 | 2019/20 |
|---|---|---|
| Current Assets | | |
| Bank | 323, | 400, |
| Investment | 1,700, | 1,200, |
| Account Debtors | 500, 365, | 0, 120, |
| Prepayments | 840, | 762 32, |
| **Total Current Assets** | **2,323, 826** | **2,758, 627** |
| Non Current Assets | | |
| IT Equipment | 600, | 600, |
| Accumulated Depn - IT Equipment | (100, 120) | (250, 893) |
| Motor Vehicle | 009, | 009, |
| Accumulated Depn - Motor Vehicle | 56, | 086) |
| Furniture & Fittings | 97, | (93, |
| Accumulated Depn - Furniture & Fittings | 500 | 500) |
| Office Equipment | 009, | (000, |
| Accumulated Depn - Office Equipment | 200) | |
| **Total Non Current Assets** | **1,220, 979** | **946, 494** |
| **TOTAL ASSETS** | **3,544, 805** | **3,700, 121** |
| **Liabilities** | | |
| Current Liabilities | | |
| Creditors | 180, | 105, |
| GST | 249, | 000, |
| GST Collected | 508, | 340, |
| Superannuation Payable | 102) | 530) |
| Payroll Tax | 067, | 859, |
| Company Tax Payable | 58, | 39, |
| **Total Current Liabilities** | **625, 560** | **615, 515** |
| Non Current Liabilities | | |
| Bank | 300, | 100, |
| **Total Non Current Liabilities** | **300, 000** | **100, 000** |
| **TOTAL LIABILITIES** | **925, 560** | **715, 515** |
| **Equity** | | |
| Owner Equity / Shareholders Equity | 120, | 120, |
| Retained Earnings | 1,900, | 2,400, |
| Current Year Earnings | 19 544, | 24 365, |
| **Total Equity** | **2,619, 245** | **2,984, 606** |

## Account receivable aging report

| Customer | Total A/R | Current | 0-30 Overdue | 31-60 days overdue | 61+ overdue |
|---|---|---|---|---|---|
| 1 | $ 95,000.00 | $ 85,000.00 | $ 10,000.00 | | |
| 2 | $ 55,000.00 | $ 55,000.00 | | | |
| 3 | $ 35,000.00 | | | | $ 35,000.00 |
| 4 | $ 37,300.00 | $ 37,300.00 | | | |
| 5 | $ 65,000.00 | $ 65,000.00 | | | |
| 6 | $ 70,000.00 | $ 70,000.00 | | | |
| 7 | $ 15,000.00 | $ 15,000.00 | | | |
| 8 | $ 30,000.00 | $ 30,000.00 | | | |
| 9 | $ 51,000.00 | $ 50,000.00 | $ 1,000.00 | | |
| 10 | $ 22,000.00 | $ 22,000.00 | | | |
| 11 | $ 14,685.00 | $ 8,370.00 | $ 6,315.00 | | |
| 12 | $ 70,000.00 | $ 20,000.00 | | | $ 50,000.00 |
| Other | $ 560,777.00 | $ 560,777.00 | | | |
| **Total** | **$ 1,120,762.00** | **$ 1,018,447.00** | **$ 17,315.00** | **$ -** | **$ 85,000.00** |

# Cash Flow Statement Data
## Current Reporting Period

| **Income Statement** | **2019** | **2018** |
|---|---|---|
| Turnover | **11,613,600** | **9,980,100** |
| Cost of sales | (3,650,000) | (3,106,680) |
| Gross profit | 7,963,600.00 | 6,873,420.00 |
| Depreciation | (294,485.00) | (124,578.00) |
| Administrative and selling expenses | (7,134,793.00) | (5,960,633.00 ) |
| Interest expense | (12,378.00) | (10,987.00) |

| | | |
|---|---|---|
| Investment income | - | - |
| Profit before taxation | 521,944.00 | 777,222.00 |
| Taxes on income | (156,583.00) | (233,167.00) |
| Profit | 365,361.00 | 544,055.00 |
| Dividends paid | - | - |
| Retained Earnings | 365,361.00 | 544,055.00 |

| **Balance Sheet** | **2019** | **2018** |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 400,000.00 | 323,721.00 |
| Accounts receivable | 1,120,762.00 | 965,840.00 |
| Prepayments | 32,865.00 | 33,765.00 |
| Inventory | - | - |
| Portfolio investments | 1,200,000.00 | 1,000,500.00 |
| Property, plant and equipment at cost | 1,329,979.00 | 1,309,979.00 |
| Accumulated depreciation | (383,485.00) | (89,000.00) |
| Property, plant and equipment net | 946,494.00 | 1,220,979.00 |
| **Total assets** | **3,700,121.00** | **3,544,805.00** |

**Notes:**

Cash flow, tax, and other financial health checks on the year's financial data found no inconsistencies and the organisation to be in good overall financial health.

- During the period, surplus cash flow has been used to retire long term debt

- Depreciation increase is due to the accelerated depreciation, or write down in value, of the existing assets.
- Overall sales budget are set by the business plan.
- Financial lodgement and payment dates will be met according to ATO: https://www.ato.gov.au/Business/Reports-and-returns/Due-dates-for-lodging-and-paying/Due-dates-by-topic/

### Risks summary

- Financial risk, if unsuccessful in implementing the strategic and business plan (over-exposure in a time of growth)
- Abuse of system – ensure clear terms and conditions, fully costed for all possible outcomes. An internal audit has revealed that policy and procedures need a full review, and legal advice is required to improve the terms of the contract with customers
- Scope creep in time and staff resources allocated to implementation negatively affecting the profitability. There is a lack of knowledge of project management practices.

### Marketing Overview

Current marketing strategies have included:

- Online promotions – website, blog, social media sites
- Industry press coverage – 2 articles in industry publications since operations began
- Word-of-mouth – encouraging clients to recommend us to their contacts

Overall the online promotions performed the best, as many small companies do their outsourcing research online and only contact us to discuss purchasing services at the point of assessing price options. Industry press coverage gained little service uptake, and word-of-mouth led to only a handful of referrals in 2019-2020.

On review, the word-of-mouth option was not fully exploited and could work well if expertly planned for.

Digital marketing has not been fully utilised as an option, and more could be done to develop and implement an effective public relations campaign.

ABC has not planned and implemented an effective marketing campaign so far. The company has grown organically since starting up. The Board of Directors strongly believes that the company can grow successfully, ensuring sustainable business growth for the next 5 years.

Some opportunities that the Board is interested in exploring are:

- New technology

- Strategic alliances
- Differentiation strategy
- Cost-cutting for competitive pricing
- Blue ocean or niche opportunities to differentiate service offering

### Business plan summary

This plan contains the outline of the business plan for ABC Contact Services.

The situation analysis revealed that ABC is very well placed to increase market share from **3% to 7%** by the end of 2020/2021 financial year for contact services provided to micro-businesses. While there are many competitors in the market, the points of difference for ABC are the consistent and reliable quality of service, with price as a secondary selling point. Most competitors fail to meet customer service level expectations (90% and above), while ABC has achieved a 93% average customer satisfaction rate in the last 6 months.

The market opportunity this plan recommends is to develop and run a referral discount scheme for existing clients, gaining them a discount on their contract renewal price by securing a contract from a contact. This is to leverage the existing high levels of customer satisfaction into increased brand awareness, trust and sales.

Marketing strategies to deliver the plan will be through direct marketing to existing clients and a mix of internet and social media marketing, plus industry-specific promotional activities, ensuring the most return on the costs of developing and sharing the materials.

Advertising is expected to increase. A financial injection of funds to support strategic and business planning is recommended.

1. Budget for an inflation increase of **2%** per annum. All cost that is subject to inflation should reflect this going further.
2. Sales growth is expected to maintain the same growth as the previous year between 2018/19 and 2019/20—Conservative estimate.
3. Expect to hire more customer support agents and call centre team leaders to meet future growth and demand. Total increase in wages will be **$115,000** across 3 new employees by December 2020.
4. Reduction of loan by **$20,000** in the 1st quarter using profits generated by the business.
5. Increase in wages and salary by ***1.9%*** in line with CPI.
6. The expectation is that market share will continue to increase to **7%.** This is will be, in part, achieved by increasing advertising expenditure by **12%** (by March 2021).

7. A loan was taken out at the start of 2017 for **$300,000**. The loan had the following terms:
    - For the first year 3.6% would be paid in interest.
    - The second year 4.1% would be paid in interest.
    - Each year after the second year 5.6% would be paid in interest per annum for the remainder of the loan period.

## Sales and Profit information

Below is information pulled from the previous year's financial reports with detailed expectations for the following financial year. They include historical expense relationships and any current statutory compliance requirements.

- Overall sales for the 2020/21 budget are set by the business plan. Sales should be apportioned across the quarters with the same percentage as achieved in 2019/20. This was:

| Qtr. 1 | Qtr. 2 | Qtr. 3 | Qtr. 4 | 2019/20 |
|---|---|---|---|---|
| 2,305,000 | 2,987,500 | 2,791,280 | 3,529,820 | 11,613,600 |

- Accounting fees have been negotiated to have a **1% increase** over last year's amount. This will be paid in equal parts **each quarter**.
- Depreciation is expected to stay the same. This will be accrued in equal parts each quarter.
- Advertising is going to increase as per the business plan. It will be paid in equal parts each quarter.
- As inflation is increasing the following will also be increasing, as per the business plan. They will be accumulated in equal amounts each quarter:
    - Insurance
    - Cleaning and Supplies
    - Repairs
    - Rent
    - Utilities

- Superannuation is **9.5%** of wages and salaries for each quarter.

- Company tax is **30%** of net profit for each quarter.
- State payroll tax is **4.85%,** only when wages exceed **$625,000** per annum.

## Strategic and operational goals

### Organisational and marketing goals/objectives

- Increase brand awareness
- Promote brand position through satisfaction rates over competitors
- Increase market share to **7%** by end 2020/2021
- Improve the efficiency of the accounting department by implementing a new commercially available financial management software.

## Feedback Overview

### Customer feedback – summary

A series of surveys undertaken with existing customers has outlined the following:

- Courtesy of staff
- Clients from a different cultural backgrounds did not feel fully understood by operators (culturally and linguistically), this feedback was reported directly to a business client, and one major contract was lost.
- Waiting time on the phone could be improved

### Staff feedback-summary

- Induction practice is good, but not enough time is dedicated to training new staff
- More breaks are needed during each shift
- Counselling services to support staff are not available
- High turnover of staff prevents the teams from performing at full potential

**Review of the current situation and feedback from stakeholder** consultation has identified the following information to be included in the revised plan.

- Amendments to the APP (Australian Privacy Principles) requiring the purchase of more secure data management software

- A shortfall against the strategic objective: to establish a culture of innovation that values diversity
- The necessity to change internet service providers to accommodate better coverage
- Revised training and induction programs to support customer service levels

**Areas for possible improvement** within ABC include:

- Develop management leadership and team-building skills
- Increase staff satisfaction and retention levels
- Explore the use of new technologies
- Opportunities for digital transformation
- Research addition of multi-lingual services
- Address underserved pockets of the market with competitively priced out of hours services for small volume work

**Additionally**, data gathered internally and externally has revealed the following:

- Two exit interviews in the previous six months have resulted in feedback that did not support the organisation's inclusive approach to diversity
- Continuous improvement logs show instances of innovations suggested not being followed through or evaluated for use
- Customer Satisfaction ratings remain consistent but could improve
- A new operator has entered the market, with high visibility and promotion

## ABC Service Offering

| Product and Services | |
|---|---|
| **Product/Services** | **Description and Price** |
| **Live Virtual Reception Services** | This is a permanent reception service offered to B2B customers who cannot afford a 24/7 reception service in their company.<br>**Features include**:<br>● Temporary call diversion and after-hours service.<br>● It can be used as a permanent or temporary reception service, and it is delivered from ABC headquarter with the use of expert agents.<br>● The service is fully customisable for the business customer (use of script) and operated 24/7. The customisable option attracts |

| Product and Services | |
|---|---|
| | an additional one-off payment of $500 from customers opting for this service.<br>● The use of multi-lingual staff is optional, but it could become a key differentiator for ABC. Currently, this option is costly as it requires the employment of specialised staff at a higher rate.<br>● A key differentiator is the use of message taken and given to business at a set time. There is no additional cost for this service. However, the process needs improvement and it is causing operational delays at ABC.<br>● The company is exploring the opportunity to offer the service to micro businesses at a discounted price based on a pro-rata system (the more the service is used, the more the business client pays)<br><br>**Price structure:**<br>The price structure may vary depending on:<br>● **Bundle**: how many services the business client has purchased from ABC (20% discount for 2 services, 30% discount for 3 or more)<br>● **Duration of the service contract**: a locked in contract – for a minimum of 24 months- attract an additional 5% discount).<br>● **Gross Profit Margin**: The gross profit margin is on average, 73%.<br>● ABC can count on such high mark-up thanks to the speed of their operators<br>**Average price**:<br>● $ 3.00/call received<br>● $140/months up to 50 calls<br>● $ 400/month up to 200 calls<br>Over 200 calls: the client must request a customised quote for the service. |
| **Market research for business customers** | Surveys are conducted for business clients who require primary data for market research.<br>The surveys are designed by clients and delivered by ABC staff.<br>The service provides cost savings for the business client who does not have to assign own resources to the task.<br>**Features include**:<br>● Highly trained staff in market research.<br>● A full market report is provided to the business client.<br>● ABC has acquired a high level of expertise in market research.<br>● The demand for the service is steady and competition is high. |

<table>
<tr><th colspan="2">Product and Services</th></tr>
<tr><td></td><td>
<ul><li>ABC does not have access to a database of potential respondents for the market research. The database must be provided by the client.</li></ul>
Price structure:<br>
The price structure may vary, and clients are invited to ask for a customised quote.
<ul><li>The average price for one-week market research, 500 outbound calls ad reporting is $2,600. The gross profit margin for this service is 45%.</li></ul>
</td></tr>
<tr><td>In sourcing</td><td>
Provide contact centre operators to businesses.
<ul>
<li>Operators would work at the premise of the business and be trained and managed by ABC.</li>
<li>This service provides a competitive edge for ABC, as they capitalise on their expertise in call centres.</li>
<li>The demand for the service is steady but it is found that it could grow by 10% in the next 3 years.</li>
<li>There is a threat that competitors may try to occupy that market space.</li>
</ul>
Features include:
<ul>
<li>Staff recruitment and training</li>
<li>Staff management</li>
<li>Payroll managed by ABC (the client pays ABC and ABC pays the operators)</li>
</ul>
Price structure:<br>
The price is structured by service and by individual operator.<br><br>
Average price:
<ul>
<li>Recruitment $3,000 (flat rate, includes advertisement costs and recruitment process). This service may run at a loss.</li>
<li>Training $5,000 (flat rate, includes learning material and operating manuals</li>
<li>Operator: $ 35/hour and includes. This cost covers also the staff management costs</li>
</ul>
It is estimated that this service provides a gross profit margin of 27.5%.
</td></tr>
<tr><td>Inbound customer service</td><td>
Managing customer enquiries for business clients.<br><br>
Features include:<br><br>
The service is customisable:
</td></tr>
</table>

| Product and Services | |
|---|---|
| | • Operators trained to o product and process knowledge following the specification of the business client<br>• The service includes online chats<br>• Staff highly trained in handling customers' complaints<br>• The service can be scheduled (for example: only after hours)<br><br>**Price structure:**<br>The price is structured by individual operators assigned to the client company.<br><br>**Average price**:<br>• $ 25/hour from 9 am to 5 pm- Monday to Friday<br>• $ 35/hour afterhours<br>• Additional competency required for the operator (such as multi-lingual staff) may attract additional costs<br>• The gross profit margin on this service is, on average,68.5% |
| **Outbound sales services** | This service provides business clients with an opportunity to cold call potential new clients or call a list of existing customers, to generate sales and increase the customer base.<br><br>This service is provided by many of ABC competitors.<br><br>**Features include**:<br>• Operators trained to o product and process knowledge following the specification of the business client<br>• Operators highly competent in sales techniques<br>• The service does not include the provision of a contact database<br><br>**Price structure:**<br>The price structure may vary, and clients are invited to ask for a customised quote.<br>The **average price** for one-week sales campaign, 500 outbound calls ad reporting is $4,500.  The gross profit margin for this service is 38.48%. |

### ABC Client Base – B2B

You will find a different definition of business sizes; we report the following:

- A **Micro Business** is a business run by an individual rather than a corporation or larger company. It can have up to 4 employees before it becomes a small business. Small business can then be defined as 5 to 19 employees.
- ASIC regulates many businesses that are 'small proprietary companies' (**small businesses**), which means a company with two out of these three characteristics:

✔ an annual revenue of less than $25 million

✔ fewer than 50 employees at the end of the financial year, and

✔ consolidated gross assets of less than $12.5 million at the end of the financial year.

- A **Medium size business** has 200 or fewer employees.
- **Large businesses** have more than 200 employees.

In Australia Small and Medium Businesses (SME) makeup 97% of all Australian businesses; they produce 1/3 of the GDP and employ 4.7 million people.

**Table 1: Number of businesses in Australia, at June, by number of employees (2009-10 to 2016-17)**

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|---|---|---|
| | | | | Number ('000s) | | | | |
| Nil employees* | 1,303.0 | 1,306.0 | 1,306.1 | 1,264.3 | 1,274.8 | 1,284.6 | 1,318.6 | 1,370.1 |
| 1-4 employees | 580.1 | 581.7 | 582.7 | 563.4 | 571.2 | 584.7 | 599.4 | 608.7 |
| 5–19 employees | 189.0 | 191.8 | 198.3 | 197.4 | 200.0 | 197.2 | 198.7 | 203.4 |
| 20–199 employees | 48.9 | 49.3 | 50.5 | 50.9 | 51.6 | 51.0 | 51.0 | 52.2 |
| 200+ employees | 3.4 | 3.5 | 3.6 | 3.6 | 3.6 | 3.7 | 3.8 | 3.9 |
| **Total** | **2,124.6** | **2,132.4** | **2,141.2** | **2,079.7** | **2,100.2** | **2,121.2** | **2,171.5** | **2,238.3** |
| | | | | Number of businesses with less than 20 employees ('000s) | | | | |
| **Total** | 2,072.2 | 2,079.5 | 2,087.2 | 2,025.1 | 2,044.9 | 2,066.5 | 2,116.7 | 2,182.1 |
| Percentage of Total Businesses | 97.5 | 97.5 | 97.5 | 97.4 | 97.4 | 97.4 | 97.5 | 97.5 |

Source: ABS, *8165.0 Counts of Australian Businesses, including Entries and Exits, Jun 2009 to Jun 2013*; ABS, *8165.0 Counts of Australian Business, including Entries and Exits, Jun 2013 to Jun 2017.*

Note: * Defined as non-employing.

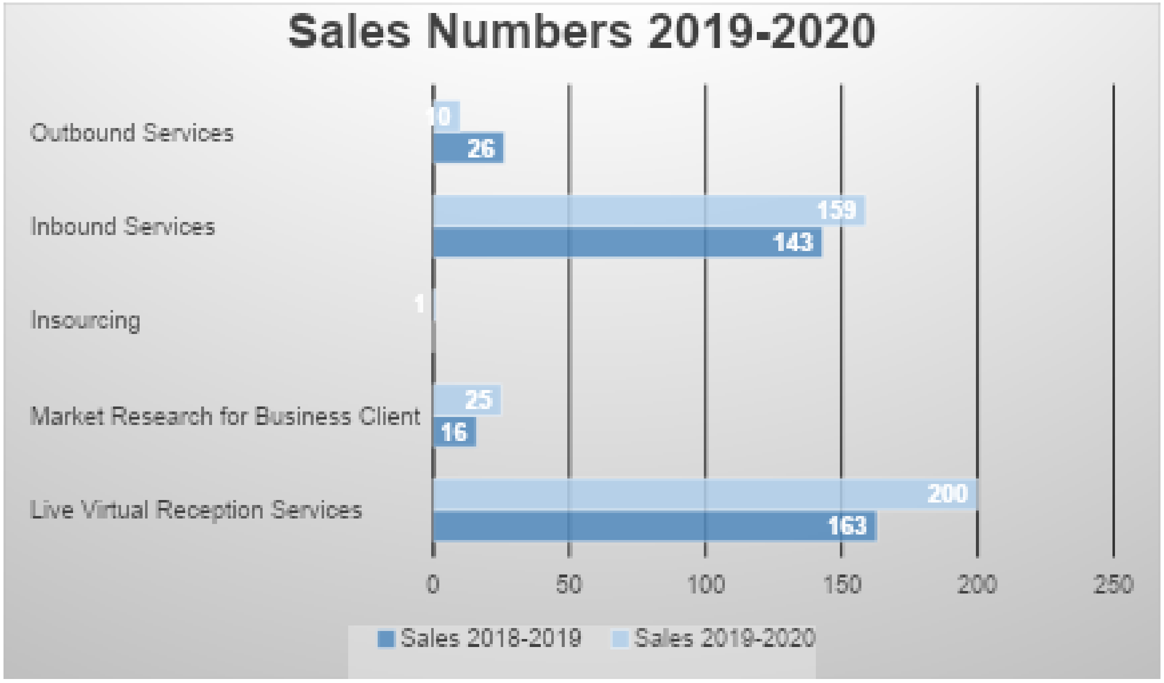
The B2B market customer base for ABC is provided in the table below:

| Product/Services | Client base |
|---|---|
| **Live Virtual Reception Services** | • Micro-Business 15% (industries include: lawyers, management consultants, designers)<br>• Small business 65% (industry includes: service industry 55%; online retailers 40%; education 5%;)<br>• Medium business 20% (online retailers 60%; service industry 30%; manufacturing 10%) |
| **Market Research for Business Customer** | • Micro-Business 20% (industries include: management consultants, designers, online retailers)<br>• Small business 70% (industry includes: service industry 40%; online retailers 50%; education 5%; other 5 %;)<br>• Medium business 10% (online retailers)) |
| **Insourcing** | • Medium business 100% (small manufacturing company with direct online retailing services) |
| **Inbound customer service** | • Micro-Business 25% (industries include: lawyers, management consultants, designers)<br>• Small business 75% (industry includes: service industry 45%; online retailers 55%; education 5%;)<br>• Medium business 10% (online retailers 60) |
| **Outbound sales services** | • Small business 65% (industry includes: service industry 50%; online retailers 50%)<br>• Medium business 35% (online retailers)) |

**B2B purchasing decisions** by the client base are made considering:

- Pricing point (most clients would ask for a quote prior to purchase a service from ABC)
- Most businesses would have a manager in charge of purchasing services
- Most companies would look at the terms of payment (the most popular term of payment within ABC customers is 30 days from receiving an invoice from ABC; few clients pay within 60 days, but they may be charged an extra 5% on the invoice for this arrangements)
- B2B clients are very rational in their decision-making process, and they would consider a range of factors such as testimonials from other businesses; recommendations; pricing; quality of service; competency of call centres operators; time ABC has been operating in the industry; how ABC services meet their business needs; cost savings on own business operations; quality of business relationships with ABC management)

Sales Data for 2019-2020are reported below (number of services sold/year):




Revenue Data for 2019-2020 are reported below (Revenue):