

Meeting contact centre requirements

International research company Datamonitor released the results of a study towards the end of 2004 indicating that the number of South African contact centre agent positions would increase 69 600 positions in 2008 from 38 400 positions in 2003.

By [Nicholas Maweni](#) 24 Aug 2005

This certainly proves that South Africa offers a compelling contact centre outsource solution, primarily in the form of agents more culturally-aligned to the US and Europe as well as labour costs running at two-thirds of their developed-world equivalent.

However, before we break out the champagne, a comment from Arthur Levitt, former chairperson of the US Exchange and Securities Commission (SEC), makes for interesting reading: "If a country does not have a reputation for strong corporate governance practices, capital will flow elsewhere. If investors are not confident with the level of disclosure, capital will flow elsewhere. If a country opts for lax accounting and reporting standards, capital will flow elsewhere. All enterprises in that country - regardless of how steadfast particular enterprise's practices may be - suffer the consequences."

South Africa generally has world-class corporate governance codes and practices, as exemplified by the King Report on Corporate Governance for South Africa - 2002 (King II Report).

The United States Sarbanes-Oxley Act of 2002 (SOX) has added a whole new dimension to corporate reporting and accountability worldwide. In the South African contact centre arena, organisations should consider complying with the provisions of SOX even where this is not mandatory.

Subscribing to benchmark corporate governance regulations such as SOX can only help South Africa's chances of soliciting the scale of offshore contact centre contracts that will create the jobs referred to above.

Several US company subsidiaries operating in South Africa have already adopted the new controls while South African companies with secondary listings in the US are also required to report around SOX. In addition, SA companies wishing to do significant business with US firms would be well advised to comply with the Act.

Briefly, the provisions of SOX establish an independent accounting oversight board, require extensive certification of financial statements, expand rules governing conflicts of interest, and increase civil and criminal penalties.

SOX followed a wave of well-publicized corporate financial scandals in the US and prescribed severe penalties for companies that do not have internal auditing processes which are up to scratch. Specifically, executives need to certify and demonstrate that files containing accounting information have not been compromised and all significant technical controls have not been compromised.

As in any challenge, there are potential opportunities, particularly for South African-based companies which should emphasize that our accounting practices and standards are more aligned with those in the US and than many of the so-called low cost contact centre destinations.

Particularly relevant to the contact centre industry where customers and agents often interact via email, is the fact that because SOX requires storage of all relevant financial records that could include data such as email.

Many vendors serving the contact centre industry, such as ATIO Corporation, have developed a complete suite of managed services focused on archiving solutions for messaging. However, one must realise that SOX is not simply a records storage implementation guideline because it is ultimately an Act that mandate financial accountability.

In summary, complying with SOX is a good thing to do because it helps you get your business practices under control and documented. If you can do this cost-efficiently over the coming months, you'll be one up on your disorganised competition.

The deadline for South African companies that must comply with section 404 of the Sarbanes-Oxley Act is July 2006.

ABOUT THE AUTHOR

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