

TARGET INDUSTRY PROFILE

Customer Support and Service Centers

Prepared for:

DEVELOPMENT CORPORATION OF ABILENE INC.

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INTRODUCTION

This target industry profile is the product of a contract between the Wadley-Donovan Group (WDG) and the Development Corporation of Abilene, Inc. (DCOA). WDG was retained by DCOA to profile six target industries for the West Central Texas region.

The West Central Texas study area is a 19-county region consisting of Taylor, Brown, Comanche, Coleman, Mitchell, Nolan, Runnels, Fisher, Kent, Scurry, Stonewall, Haskell, Jones, Knox, Shackelford, Stephens, Throckmorton, Callahan, and Eastland counties. See Figure 1.

For purposes of WDG's target industry analysis, the 19-county region was divided into seven sub-regions chosen by DCOA. The seven regions and the counties in the sub-regions are:

- **Abilene Sub-region:** Taylor County
- **Brownwood Sub-region:** Brown County, Comanche County, Coleman County
- **Sweetwater Sub-region:** Mitchell County, Nolan County, Runnels County
- **Snyder Sub-region:** Fisher County, Kent County, Scurry County, Stonewall County
- **Haskell Sub-region:** Haskell County, Jones County, Knox County
- **Breckenridge Sub-region:** Shackelford County, Stephens County, Throckmorton County
- **Eastland Sub-region:** Callahan County, Eastland County

This document identifies and profiles the target industry *Customer Support and Service Centers*. This target consists of inbound call centers designed to provide ready access to customer support for products and services. The functions at customer support and service centers are common to a diverse group of industries, and particularly to the retail, finance and insurance, manufacturing, transportation, software, utilities, and business sectors. They share the common element of being mid- to high-end, white-collar operations with well-educated employees. The workforce typically consists of individuals with two- or four-year college degrees and a high-level of administrative or professional skills.

This target is appropriate for all of the sub-regions in the West Central Texas region. In some sub-regions it is more feasible to utilize remote agents who telecommute from home offices through centralized or satellite offices located in one of the larger towns or cities across the region. The largest customer support and service operations would likely be located in Abilene or Brownwood. Smaller satellite offices would be suitable for the urbanized areas in the other counties comprising the West Central Texas region.

This industry was selected for recruitment and attraction efforts, in part because it meets the following goals:

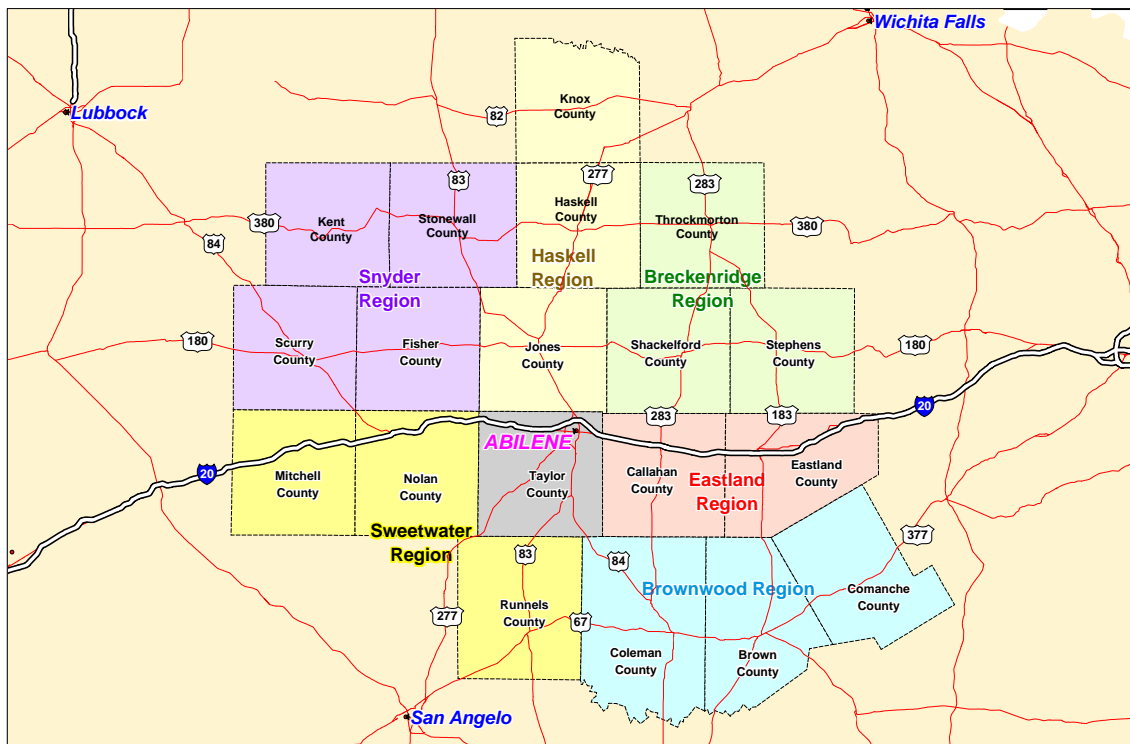
- It offers the best match among the competitive opportunities of the area, industry needs, and industry location trends.
- It builds off the West Central Texas region's blend of assets and challenges.
- It offers the area greater economic diversity and the chance to expand existing industry activities into more advanced operations.
- It offers the best and most realistic recruiting opportunities.
- It offers diversified employment opportunities for the area's residents and labor market, including Dyess AFB spouses in the Abilene sub-region.
- It offers opportunities for economic advancement through growing industries, technology-intensive industries, or industries that are showing continued capital and human resource investment.
- It offers a balance between environmentally sustainable development and the need for "living wage" opportunities.
- It does not burden the area's infrastructure and resources.
- It offers a broad diversity of job opportunities, including executive, managerial, professional, technical, administrative and clerical, and production.

This report is being submitted in conjunction with a full labor market, education, and infrastructure assessment and action plan of the 19-county region. That assessment provides additional detail to the findings outlined in this report.

These studies utilize the results of employer and educator interviews, data gathered from secondary sources, and the findings from the labor and infrastructure analysis completed by WDG and Science Applications International (SAIC).

WDG is a Grubb & Ellis Company that specializes in location consulting. Its clients include many of the world's leading companies. As an outgrowth of this corporate consulting, WDG is frequently asked by economic development agencies and utilities to assist them with their economic development programs. Assistance is typically provided in sales and marketing, strategic planning, and overall product development. Clients have included Hillsborough County, FL, New Orleans; Tulsa; Buffalo; Cincinnati; Orange County and Orlando, FL; Joplin, MO; Phoenix; Asheville, NC; Eastern Idaho; Memphis; Raleigh; Richmond; Jackson, TN; Mobile; Collier, Charlotte, and Lee Counties, FL; and the states of Delaware, Iowa, Maryland, Arkansas, Kentucky, Kansas, Wisconsin, and Washington.

FIGURE 1
SUB-REGIONS IN THE WEST CENTRAL TEXAS STUDY AREA



OVERVIEW OF WEST CENTRAL TEXAS REGION'S ASSETS FOR CUSTOMER SUPPORT AND SERVICE CENTERS

The West Central Texas region is well-suited for the location of customer support and service centers due to a variety of factors. Key assets include the following:

- The region is well-suited for a moderately large center in Taylor County or the Brownwood sub-region with smaller centers in urbanized areas in the surrounding counties, supplemented by the use of remote agents across the region. In an effort to reduce downtime, combat tight labor markets, and reduce turnover, more centers are relying on remote agents.
- The region remains a strong base of traditional service sector industries. The region's economy is heavily-weighted toward the retail trade and service sectors, due to Abilene's dominance as a regional shopping and service center for much of West Central Texas. Combined, these two sectors account for 59% of West Central Texas' private-sector employment. Employees in the area's retail trade and service sectors would be attracted to positions at customer support and service centers, as they could potentially offer more challenging work, higher wages, and an opportunity for job and career advancement.
- The Abilene sub-region's labor force has a resident base of executive, professional, technical, sales, and service occupations. The proportion of workers employed in these occupations in Taylor County exceeds state and national norms. Cumulatively, the proportion of workers employed in professional and office-related occupations in the Abilene sub-region exceeds both the state and national averages.
- Wages and salaries in the West Texas region are 65% of the national norm. Average earnings by industry in the individual sub-regions are significantly below the national average across all business sectors.
- Over half of all of households in the area have median incomes below \$35,000 (compared to the national average of 41.4%). WDG's experience shows that areas with such high ratios of households with incomes below \$35,000 provide strong opportunities for employers seeking full- and part-time second-income earners and people looking to upgrade their jobs.
- The Abilene commute zone is home to a workforce that can conservatively sustain an operation requiring a one-year staffing of 180 to 225 employees. This recruiting ability assumes an operation offering competitive wages, benefits, and working conditions. In Brownwood, a one-year staffing potential ranges between 105 and 130 employees.
- Employers are able to successfully recruit clerical, professional, and white-collar occupations from the local workforce. Area employers report an ample supply of both clerical and professional specialty employment candidates.
- Dyess Air Force Base represents a resource of high-quality labor for the area. There are approximately 2,000 to 2,500 spouses of active military personnel. These spouses represent potential employment candidates for target industry employers, as they are well-educated and seek quality employment.
- A high proportion of residents across the region have between 12 and 15 years of education. The proportion of regional residents with a high school diploma and some post-secondary training less than a bachelor's degree (58.9%) is higher than the state (52.4%) or national (55.9%) figures. This is important, as employers prefer to hire residents with a high school diploma and some post-secondary training.
- Post-secondary institutions in the West Texas study area graduate over 3,000 students annually in a variety of disciplines.
- There is a strong telecommunications system, particularly in the City of Abilene.
- Abilene and Brownwood have commercial airline service from their regional airports to Dallas-Ft. Worth.

KEY FINDINGS

Labor Market Orientation

The west central Texas study area is a 19-county region consisting of Taylor, Brown, Comanche, Coleman, Mitchell, Nolan, Runnels, Fisher, Kent, Scurry, Stonewall, Haskell, Jones, Knox, Shackelford, Stephens, Throckmorton, Callahan, and Eastland Counties (See Figure 1).

Primary access to the region is provided by Interstate 20 running east/west from Shreveport, LA through the Dallas/Ft. Worth metro area and into Abilene. I-20 continues southwest through Abilene to Midland and Odessa, where it connects with I-10. North/south routes include Highway 277 running north through Jones and Haskell Counties, and Highway 84 running south through Taylor and Coleman Counties.

Air service to the study area is available through the Abilene Regional Airport. American Eagle services the airport and provides direct, nonstop service to Dallas/Ft. Worth seven times a day.

Table 1 presents highway mileage to key regional and national areas. Figures 2 and 3 show the West Central Texas region in the context of the south central region of the United States and in the context of the State of Texas, respectively.

TABLE 1
DISTANCE FROM ABILENE TO SELECT REGIONAL
AND NATIONAL CENTERS

Source: Microsoft Automap

Destination City	From Abilene, TX	
	Highway Miles	Driving Time
Albany, TX	50	58 mins.
Albuquerque, NM	488	9 hrs, 10 mins.
Amarillo, TX	288	5 hrs, 2 mins.
Anson, TX	24	32 mins.
Aspermont, TX	60	1 hr, 14 mins.
Austin, TX	270	5 hrs, 2 mins.
Baird, TX	25	28 mins.
Ballinger, TX	60	1 hr, 15 mins.
Benjamin, TX	95	2 hrs, 3 mins.
Breckenridge, TX	78	1 hr, 24 mins.
Brownwood, TX	97	1 hr, 49 mins.
Coleman, TX	57	1 hr, 13 mins.
Colorado City, TX	73	1 hr, 13 mins.
Colorado Springs, CO	654	11 hrs, 49 mins.
Comanche, TX	96	2 hrs, 1 min.
Corpus Christie, TX	409	7 hrs, 13 mins.
Dallas/Fort Worth, TX	185	3 hrs, 6 mins.

TABLE 1, *continued*
**DISTANCE FROM ABILENE TO SELECT REGIONAL
AND NATIONAL CENTERS**

Source: Microsoft Automap

Destination City	From Abilene, TX	
	Highway Miles	Driving Time
Eastland, TX	60	1 hr, 2 mins.
El Paso, TX	455	7 hrs, 5 mins.
Galveston, TX	469	7 hrs, 32 mins.
Haskell, TX	54	1 hr, 6 mins.
Houston, TX	421	6 hrs, 46 mins.
Jackson, MS	589	9 hrs, 21 mins.
Jayton, TX	83	1 hrs, 42 mins.
Las Vegas, NV	1,061	18 hrs, 27 mins.
Little Rock, AR	504	8 hrs, 3 mins.
New Orleans, LA	707	11 hrs, 13 mins.
Phoenix, AZ	886	13 hrs, 51 mins.
Roby, TX	52	1 hrs, 4 mins.
Salt Lake City, UT	1,107	20 hrs, 42 mins.
Shreveport, LA	370	5 hrs, 56 mins.
Snyder, TX	82	1 hr, 29 mins.
Sweetwater, TX	43	46 mins.
Throckmorton, TX	84	1 hr, 41 mins.
Tulsa, OK	396	6 hrs, 59 mins.
Wichita, KS	447	7 hrs, 44 mins.

FIGURE 2
WEST CENTRAL TEXAS IN THE CONTEXT OF THE SOUTH CENTRAL UNITED STATES

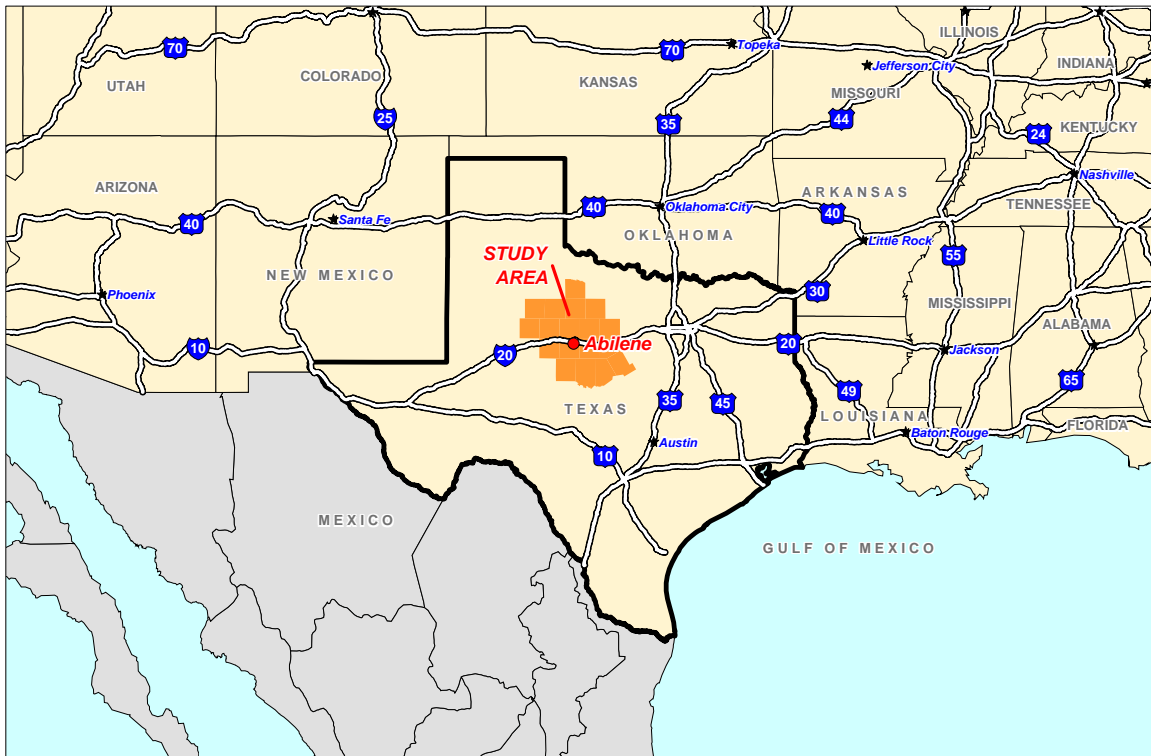
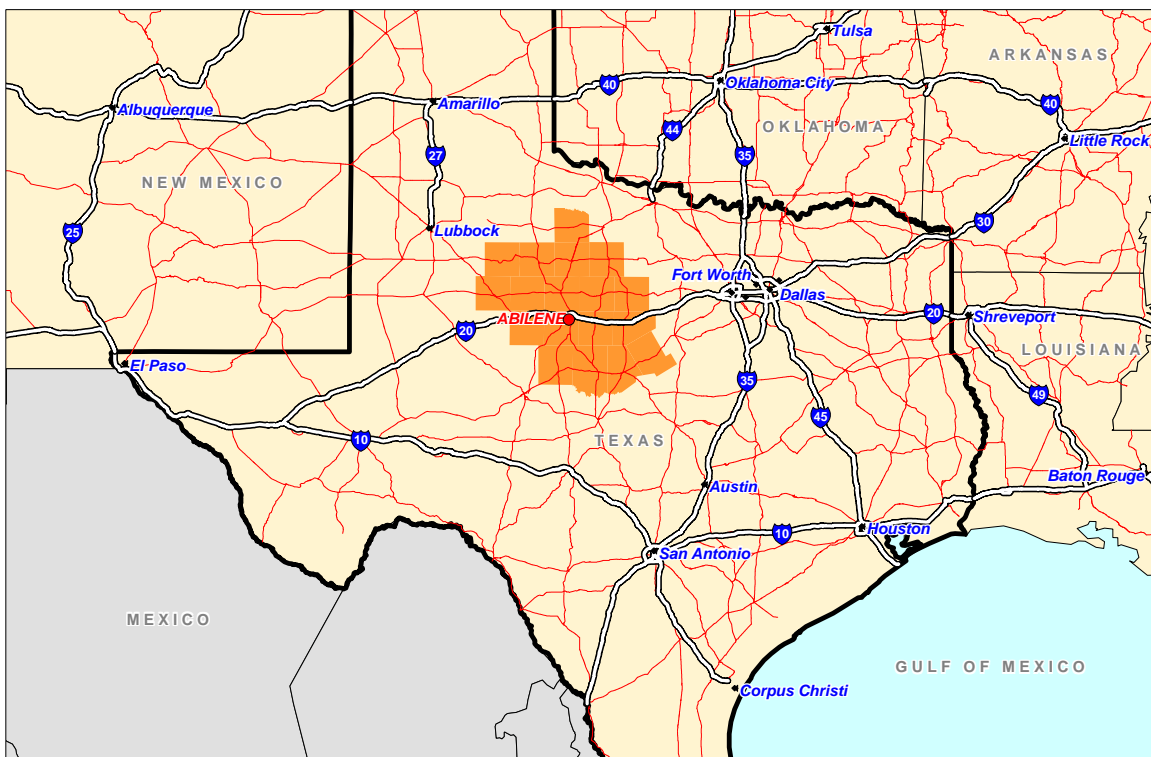


FIGURE 3
WEST CENTRAL TEXAS IN THE CONTEXT OF THE STATE OF TEXAS



Labor Availability

1. **The West Central Texas region offers customer support and service center employers a moderately large population base of 324,901 and a labor force of approximately 144,404.** The Abilene sub-region has the largest population base with 126,555 residents, based on the 2000 Census. The Abilene sub-region consists of Taylor County and is the only metropolitan statistical area (MSA) in the region. It is the regional center for business and medical services, retail, and employment, and accounts for 40% of the region's population.
 - After Abilene, the population of the remaining sub-regions, in descending order, is as follows: Brownwood sub-region (60,935); Sweetwater sub-region (36,995); Eastland sub-region (31,202); Haskell sub-region (31,131); Snyder sub-region (23,257); and Breckenridge sub-region (14,826).
 - The largest labor pools are found in the Abilene (57,335), Brownwood (26,744), and Eastland (15,621) sub-regions, followed by Sweetwater (14,990), Haskell (14,139), Snyder (9,758), and Breckenridge (5,817).
2. **According to the 2000 Census, approximately 54.9% of households in the region have median household incomes below \$35,000, compared to 44.1% in Texas and 41.4% nationally.** WDG's experience shows that areas with such high ratios of households with incomes below \$35,000 provide strong opportunities for employers seeking full- and part-time second-income earners and people looking to upgrade their jobs.
 - Among the sub-regions, all had a higher proportion of households with incomes below \$35,000 relative to state and national norms. The lowest proportion (51.4%) of households with incomes under \$35,000 occurred in the Abilene sub-region, while the highest proportion (63.2%) occurred in the Sweetwater sub-region.
3. **Overall, the region has a population that is older relative to state and national averages.** In 2002, the estimated median age in the study region was 35.6, versus 31.7 in Texas and 34.7 nationally. Call centers that rely on remote agents indicate that it is imperative for agents who telecommute to be mature individuals with some previous work experience. Therefore, the older population may be an asset for customer support and service center operations that would like to rely on remote agents.
 - The Abilene sub-region was the only sub-region in West Central Texas with a median age below the state or national norms. In 2002, the median age in the Abilene sub-region was 31.6. Because of Abilene's position as the regional center for services and employment, it is likely that the customer support and service facility would locate in the City of Abilene, and therefore could rely on younger residents to fill entry-level positions.
4. **This target provides an opportunity to build on the existing base of office operations in the region's economy.** As seen in Table 2, the area's economy is heavily weighted toward the services and retail trade sectors. Combined, these two sectors account for 59% of West Central Texas' private-sector employment. The retail trade sector in West Central Texas employs a higher proportion of workers (15.4%) than the state (12.7%) or the nation (13.0%). The service sector (including NAICS codes 56, 61, 62, 71, 72, and 81) employs 43.6% of residents, compared to 37.6% in Texas and 37.4% nationally. The concentration of workers employed in the service and retail trade sectors can be viewed as an attribute and could prove to be beneficial in the growth and development of the customer support and service centers target. Employees in these industry sectors often possess the aptitude and basic skills that are transferable to clerical, administrative, and customer service occupations. Employees in these sectors would be attracted to positions at business and information service centers as they could potentially offer more challenging work, higher wages, and an opportunity for job and career advancement.
 - Within the two largest sub-regions, Abilene and Brownwood, there are 31,114 persons employed in the service industry sector. Between the two sub-regions, the Abilene sub-region has the greater number (24,823) and proportion (50.5%) of its workforce employed in these sectors. The retail trade industry sector is also well-represented in the two regions, employing 15.2% of the combined labor

force (9,968 workers). Approximately 14.7% of the Abilene and 16.8% of the Brownwood sub-region's workforce are employed in this sector

- Major office employers in the region include Abilene Christian University, First Financial Bankshares Inc. Hardin-Simmons University, McMurray University, Howard Payne University, and Texas State Technical College.

TABLE 2
EMPLOYMENT BY INDUSTRY SECTOR, 2000 (* INDICATES SERVICE SECTOR)

Source: U.S. Department of Commerce, County Business Patterns

NAICS	Industry Description	Abilene Sub-region	Brownwood Sub-region	West TX Region	Texas	United States
11----	Forestry, fishing, hunting, and agriculture support	10	35	198	--	--
21----	Mining	635	90	2,739	--	--
22----	Utilities	461	203	1,301	--	--
23----	Construction	2,506	740	5,658	--	--
31----	Manufacturing	3,706	3,929	11,970	--	--
42----	Wholesale trade	2,031	961	4,354	--	--
44----	Retail trade	7,230	2,738	14,460	--	--
48----	Transportation & warehousing	1,246	240	2,388	--	--
51----	Information	1,337	275	2,163	--	--
52----	Finance & insurance	2,436	581	4,317	--	--
53----	Real estate & rental & leasing	811	115	1,127	--	--
54----	Professional, scientific & technical services	1,378	250	2,249	--	--
55----	Management of companies & enterprises	447	95	592	--	--
56----	Admin, support, waste mgt, remediation services*	2,955	331	3,493	--	--
61----	Educational services*	2,373	385	3,678	--	--
62----	Health care and social assistance*	10,176	3,229	18,115	--	--
71----	Arts, entertainment & recreation*	597	141	893	--	--
72----	Accommodation & food services*	5,695	1,289	9,139	--	--
81----	Other services (except public administration)*	3,027	916	5,634	--	--
95----	Auxiliaries (exc corporate, subsidiary & regional mgt)	66	10	246	--	--
99----	Unclassified establishments	75	34	238	--	--
Percentage of Employment						
11----	Forestry, fishing, hunting, and agriculture support	0.02%	0.2%	0.2%	0.1%	0.2%
21----	Mining	1.3%	0.6%	2.9%	1.3%	0.4%
22----	Utilities	0.9%	1.2%	1.4%	0.6%	0.6%
23----	Construction	5.1%	4.6%	6.0%	6.5%	5.8%
31----	Manufacturing	7.5%	24.2%	12.8%	12.0%	14.4%
42----	Wholesale trade	4.1%	5.9%	4.6%	5.7%	5.4%
44----	Retail trade	14.7%	16.8%	15.4%	12.7%	13.0%
48----	Transportation & warehousing	2.5%	1.5%	2.5%	3.9%	3.3%
51----	Information	2.7%	1.7%	2.3%	3.1%	3.1%
52----	Finance & insurance	5.0%	3.6%	4.6%	4.8%	5.2%
53----	Real estate & rental & leasing	1.6%	0.7%	1.2%	1.8%	1.7%
54----	Professional, scientific & technical services	2.8%	1.5%	2.4%	5.5%	6.0%
55----	Management of companies & enterprises	0.9%	0.6%	0.6%	3.2%	2.5%
56----	Admin, support, waste mgt, remediation services*	6.0%	2.0%	3.7%	9.9%	8.0%
61----	Educational services*	4.8%	2.4%	3.9%	1.4%	2.2%
62----	Health care and social assistance*	20.7%	19.9%	19.3%	11.5%	12.4%
71----	Arts, entertainment & recreation*	1.2%	0.9%	1.0%	1.1%	1.5%
72----	Accommodation & food services*	11.6%	7.9%	9.7%	8.8%	8.7%
81----	Other services (except public administration)*	6.2%	5.6%	6.0%	4.9%	4.6%
95----	Auxiliaries (exc corporate, subsidiary & regional mgt)	0.1%	0.1%	0.3%	1.0%	0.9%
99----	Unclassified establishments	0.2%	0.2%	0.3%	0.1%	0.1%

- Because of its existing labor-skills base, Abilene offers an excellent opportunity for a company needing to hire between 180 and 225 employees to staff a facility. Table 3 shows a conservative estimate of qualified clerical/administrative/customer-service/technical-support workers that could be hired over one year for a new office operation within a 30-minute commute zone of 6450 Five Points Parkway in Abilene, assuming the new operation offers competitive wages and benefits. With a hiring

ratio of one hire for every five applicants, an operation could hire a minimum of 180 employees. This model assumes that no other similar operations offering competitive wages and benefits enter the market at the same time. As more competitors enter the market, the number of successful hires likely will decline.

TABLE 3
ESTIMATED LABOR SUPPLY YIELD FOR A COMPETITIVE CLERICAL OPERATION IN ABILENE

Source: WDG estimate based on employment figures and projections by AGS, Inc.

Note	Factor	Abilene 30-minute commute zone
1	Currently employed supply	940
2	Potential underemployment yield	1,675
3	Increased participation yield	295
4	New labor force entrants	420
5	Total expected applicants- 1 year	3,330
6	Applicant commute propensity (85%)	2,830
7	Initial Employer Intercept (80%)	2,265
8	Qualified Applicants (50%)	1,130
9	Employee Acceptance (85%)	905
10	Staffing potential with one-in-five selectivity	180
11	Staffing potential with one-in-four selectivity	225

Explanatory Notes

1. Estimate of currently employed clerical workers unhappy enough with their current jobs to apply.
2. Individuals currently working in low-level sales and service occupations who will apply.
3. Residents currently not participating in the workforce who will participate
4. Growth component to account for new entrants into the labor force.
5. Total eligible population.
6. Percentage of workers willing to commute for employment from various labor sheds - percentage varies depending on location.
7. Percentage of workers who will work at initial operation despite similar positions available between their residence and the original employers. In this case, it is assumed that a white collar operation coming into the area would be the employer of choice and a high percentage of workers would commute to the employer's original location. As more competitors enter the market, the percentage of workers accepting work at the original location is assumed to decline.
8. Number of applicants passing initial screening and offered an interview. The actual percentage will vary according to the skills required by the operation, and the skill level of the available workforce. Fifty percent is considered average.
9. The percentage of workers accepting a new position. Again, it is assumed that initially, a high percentage would accept a position. However, as additional companies enter the market, the percentage is likely to decline because of increased competition for workers.
10. For a company desiring to hire one individual for every five interviews, the maximum size of their operation in year one.

6. **Employers are able to successfully recruit clerical, professional, and white-collar occupations from the local workforce.** As illustrated in Table 4, West Central Texas employers report an ample supply of both clerical and professional specialty employment candidates. Entry-level clerical workers, bilingual/multilingual personnel, accounting clerks, administrative assistants, computer operators, clerical workers with advanced computer skills, and inbound entry-level and experienced call center technicians are all available at satisfactory to very good levels. It is also important to note the very good availability of seasonal workers that would be an important component of the labor force for call centers with

seasonal labor requirements. The availability of bilingual and multilingual workers is also critical to many customer support and service center facilities.

TABLE 4
AVAILABLE SKILLS FROM THE REGIONAL WORKFORCE AS REPORTED BY EMPLOYERS
(1=UNAVAILABLE, 5=PLENTIFUL)
Source: WDG Employer Survey

Occupation	Average Score	Median Score
Clerical workers, entry-level	4.1	4.0
Seasonal workers	3.8	4.0
Bilingual/multilingual personnel	3.8	4.0
Accounting clerks	3.4	3.0
Administrative assistants	3.4	3.0
Computer operators	3.2	3.0
Clerical workers with advanced computer skills	3.2	3.0
Call center CSR/technicians inbound: entry-level	3.0	3.0
Call center CSR/technicians inbound: experienced	3.0	3.0

- Within the Abilene sub-region, employers also report good availability of a range of clerical and professional skills. Table 5 lists those occupations most readily available from the Taylor County labor market.

TABLE 5
AVAILABLE SKILLS FROM THE ABILENE SUB-REGION WORKFORCE
AS REPORTED BY EMPLOYERS
(1=UNAVAILABLE, 5=PLENTIFUL)
Source: WDG Employer Survey

Occupation	Average Score	Median Score
Satisfactory-to-good availability		
Bilingual/multilingual personnel	3.9	4.0
Clerical workers, entry-level	3.8	4.0
Administrative assistants	3.4	4.0
Accounting clerks	3.5	3.0
Call center customer service rep. or technicians, inbound, entry-level	3.3	3.0
Computer operators	3.3	3.0
Clerical workers with advanced computer skills	3.2	3.0
Call center customer service rep. or technicians, inbound, experienced	3.1	3.0
Management, experienced	3.0	3.0

- In the other sub-regions, the occupations most readily available from the local labor market tend to be clerical and administrative-related occupations. Table 6 shows those occupations available from all of the other sub-regions, excluding the Abilene sub-region.

TABLE 6
AVAILABLE SKILLS FROM THE WEST CENTRAL TEXAS SUB-REGIONS
(EXCLUDING ABILENE) AS REPORTED BY EMPLOYERS
(1=UNAVAILABLE, 5=PLENTIFUL)
Source: WDG Employer Survey

Occupation	Average Score	Median Score
Clerical workers, entry-level	4.7	5.0
Bilingual/multilingual personnel	3.7	4.0
Clerical workers with advanced computer skills	3.3	3.0
Computer operators	3.2	3.0
Applicants willing to work the second shift	3.1	3.0
Food service - meal preparation	3.1	3.0
Administrative assistants	3.1	3.0

7. **The Abilene sub-region's labor force has a strong resident base of executive, professional, technical, clerical, and service occupations.** Table 7 compares the employment distribution by occupational category relevant to customer support occupations in the Abilene sub-region to state and national norms. Cumulatively, the proportion of workers employed in professional and office-related occupations in the Abilene sub-region (76.8%) exceeds both the state average of 73.5% and the national average of 72.9%. Within the Abilene sub-region, the proportion of residents employed in sales and service occupations exceeds state and national averages. Importantly, workers in the sales and service sectors often have skills that are immediately transferable to target-industry occupations. The proportion of residents employed in professional and technical occupations also meets or exceeds the state and national averages, indicating a base of technically-skilled workers in the workforce. The proportion of residents employed in executive specialty occupations is slightly below state and national figures.

TABLE 7
OFFICE-RELATED OCCUPATIONAL DISTRIBUTION OF RESIDENTS, 2001
Source: Applied Geographic Solutions

Occupation	Abilene Sub-region	West TX Region	Texas	United States
Actual Employment				
Executive	5,464	10,942	--	--
Professional	9,272	18,619	--	--
Technician	2,226	4,121	--	--
Sales	7,126	15,066	--	--
Clerical	9,703	21,851	--	--
Services	11,485	28,009	--	--
Percentage of Labor Force				
Executive	9.3%	7.6%	10.5%	10.6%
Professional	15.7%	12.9%	14.1%	14.4%
Technician	3.8%	2.8%	3.8%	3.6%
Sales	12.1%	10.4%	11.5%	10.9%
Clerical	16.5%	15.1%	17.1%	17.2%
Services	19.5%	19.4%	16.4%	16.1%

8. **Dyess Air Force Base is located in the Abilene sub-region.** Dyess Air Force Base is located on the southwest side of the City of Abilene. The base is Abilene's largest single employer and the largest economic influence in the area. It is estimated that 1,700 indirect or non-military jobs are created as a result of its presence in the area.
- There are approximately 5,400 enlisted military personnel at the base and more than 6,000 family members (including an estimated 2,000-2,500 spouses). Spouses of military personnel and exiting military (including separating and retiring) comprise an important component of Taylor County's workforce, and could be a potentially significant source of labor for target industry employers.
9. **There are a significant number of residents across the region who are not currently working but interested in employment.** WDG estimates from its survey data that there are approximately 42,400 working-age residents (18-74 years of age) in the region who are not working (either unemployed or not participating in the workforce), but are interested in employment. Roughly 31.5% of the region's non-employed residents who are interested in working (13,400) would prefer full-time employment. The balance, roughly 68.5% or 29,065 residents, would prefer part-time employment.
- Importantly, approximately 39.4% of not-employed residents would be interested in working from home via a computer.
 - Approximately 13.7% of non-employed residents interested in working (5,800) report that they have clerical/administrative support occupational skills.
 - Within the Abilene sub-region, approximately 59.3% of residents currently not employed (i.e., unemployed and not participating in the labor force) are interested in working. This equates to 19,100

residents who could potentially enter the labor market, of which 66.7% report that they have no limitations to working. The second most-frequently-mentioned work limitation is dependent care obligations. 51.5% of these residents report no limitations to working. Approximately 57.6% of currently-not-employed residents in the Brownwood sub-region indicate that they would be interested in working, amounting to 8,000 residents.

Training Resources

1. **The region's two- and four-year post-secondary institutions graduate more than 3,000 students per year in a variety of disciplines.** Table 8 shows enrollment and graduation figures for regional post-secondary institutions. Combined, these institutions have an enrollment of approximately 11,000 students.

TABLE 8
REGIONAL POST-SECONDARY INSTITUTIONS' ENROLLMENT AND GRADUATES, 2000

Source: U.S. Department of Education

Less-than-four-year institutions	County	City	Total Fall Enrollment	Total Graduates
Cisco Junior College	Eastland	Cisco	1,143	272
Western Texas College	Scurry	Snyder	554	185
Central Texas Commercial College	Brown	Brownwood	60	39
American Commercial College	Taylor	Abilene	114	188
Texas State Technical College-Sweetwater	Nolan	Sweetwater	800	354
More-than-four-year institutions				
Abilene Christian University	Taylor	Abilene	3,565	894
Hardin-Simmons University	Taylor	Abilene	1,752	456
Howard Payne University	Brown	Brownwood	1,189	262
McMurry University	Taylor	Abilene	965	195
Ranger College	Eastland	Ranger	588	131
Hendrick Medical Center School of Radiography	Taylor	Abilene	20	19
Stenograph Institute of Texas	Taylor	Abilene	117	34

2. **Several institutions in the West Texas region offer degrees and programs relevant to target industry employers.**
 - **Texas State Technical College** has four campuses within the west Texas study area: Abilene, Breckenridge, Brownwood, and Sweetwater. All of the campuses offer a range of programs providing skills applicable to positions in the customer support and service center target.
 - Texas State Technical College - Abilene offers degree programs and coursework in computer network technology. Students are trained in basic to advanced "hands-on" computer operations in a variety of software programs and various operating systems. Graduates from this program have been hired in positions such as customer training representatives, database administrators, software support specialists, customer support representatives, and system support specialists.
 - Texas State Technical College - Breckenridge offers a Computer Information Technology (CIT) program. The CIT program offers two separate program options, including computer business systems and digital multimedia systems. Students who choose the Computer Business Systems option receive training in software applications such as word processing, electronic spreadsheets, and database management systems, with particular attention given to accounting and automated accounting systems. Graduates are employable in a variety of positions, including data entry specialists, administrative assistants, help-desk specialists, and application support specialists.
 - Texas State Technical College - Brownwood also offers a Computer Information Technology Program. Graduates are prepared to perform essential functions related to the operation of personal computer hardware and the many applications and graphics software packages currently available. Students are required to complete a capstone experience prior to graduating, through either a co-op, internship, or clinical experience.

- Texas State Technical College - Sweetwater has a computer technology division offering degree programs in computer information technology, computer network technology, computer science technology, and digital imaging and design technology.
- *The Hardin-Simmons Kelley College of Business* offers undergraduate majors in accounting, computer science, economics, finance, general business, international business, management, and marketing. The Master of Business Administration (M.B.A.) degree is also offered.
- *Howard Payne University* offers more than 50 majors, minors, and pre-professional programs within six schools. Some of the degree programs offered include business administration, communication, computer information systems, and general studies. Within the business administration programs, concentrations are available in business education, finance, health care administration, management, and marketing.
- *Abilene Christian College* degree programs through three colleges and a graduate school. The College of Business Administration offers degrees in accounting and finance, management sciences, and a Master of Accountancy degree. The College of Arts and Sciences offers degrees in communications, journalism and mass communication, and mathematics and computer science.

Labor Quality

1. **A high proportion of residents across the region have between 12 and 15 years of education.** The proportion of regional residents with a high school diploma and some post-secondary training less than a bachelor's degree (58.9%) is higher than the state (52.4%) or national (55.9%) figures. This is important, as employers prefer to hire residents with a high school diploma and some post-secondary training.
 - Education levels in the Abilene sub-region are high. Only 18.8% of residents do not have a high school diploma, which is lower than the region (23.2%), Texas (24.4%), or the U.S. (19.6%).
2. **The labor force in the West Central Texas region is reported to be productive, with a good work ethic.** Area employers gave acceptable ratings (median scores of 3.0) when asked to rate their employees' productivity and work ethic on a scale where 1=poor and 5=excellent. Employers also report a willingness to work overtime, with a median score of 3.0. Willingness to work overtime is viewed as a favorable attribute by target industry employers, as it is common to adjust schedules to accommodate customer demand.
3. **Employers report satisfactory basic skills among job applicants.** According to interviewed employers in the region, basic skills—including overall basic skills, verbal communication, and team and cooperative skills—are rated as satisfactory. These skill sets received median scores of 3.0 on a scale where 1=poor and 5=excellent.
4. **Employers report satisfactory-to-good availability of basic keyboarding skills and fundamental computer skills.** Accessing and using the Internet and using word processing software also were rated as satisfactory.
5. **Employee absenteeism and turnover are not perceived as problems among area employers.** Employers report that less than 5% of their workforce is absent on a given day. First year average annual turnover among responding employers is approximately 10%.
6. **Employers are pleased with the quality of graduates from local secondary and post-secondary institutions.** As seen in Table 9, employers rated the overall quality of students from local institutions as satisfactory to good. Employers were very pleased with the quality of students from local area high schools. Among post-secondary institutions, employers gave the highest ratings to Abilene Christian College, Hardin-Simmons University, McMurry University, Tarleton State University, and Texas State Technical College.

TABLE 9
QUALITY OF GRADUATES FROM TRAINING AND EDUCATIONAL INSTITUTIONS
 Source: WDG Employer Survey

Institution	Quality of Graduates (1=poor, 5=excellent)	
	Average Score	Median Score
Area high schools	3.5	3.0
Abilene Christian College	4.1	4.0
Hardin-Simmons University	4.1	4.0
McMurray University	3.9	4.0
Tarleton State University	3.9	4.0
Texas State Technical College	3.7	4.0
Angelo State University	3.7	4.0
Howard Payne University	3.5	4.0
Western Texas College	3.6	3.0
Private Vendors	3.5	3.0
Cisco Junior College	3.4	3.0
Ranger College	3.4	3.0
Central Texas Commercial College	3.2	3.0
American Commercial College - San Angelo	3.0	3.0
American Commercial College - Abilene	2.9	3.0

Labor Costs

1. **Overall employee earnings vary among the sub-regions, but are significantly lower than state or national averages.** In general, total employee earnings in West Central Texas are 65% of the U.S. average and 66% of the state average.
2. **Table 10 shows salary information for representative clerical occupations in the region, as reported by local employers (where sufficient data was available).** Salaries are low for entry-level and experienced workers, compared to WDG experiences across the country.

TABLE 10
ANNUAL EARNINGS OF SURVEYED EMPLOYERS
 Source: WDG Employer Survey, Summer 2002

Occupation	Average Annual Wage	Median Annual Wage
Accounting clerks	\$20,105	\$18,000
Administrative assistants	\$21,459	\$20,800
Clerical workers: entry-level	\$15,406	\$14,706
Clerical workers: advanced computer skills	\$18,343	\$17,680
Professionals/management	\$47,132	\$36,000
Applicants willing to work 2nd shift	\$20,479	\$17,840
Bilingual/multilingual personnel	\$20,316	\$15,600
Computer network administration	\$29,538	\$30,080
Applicants willing to work 3rd shift	\$20,082	\$16,820
Call center CSR/technicians inbound: entry-level	\$16,719	\$14,560
Technicians: mfg, process, etc - entry-level	\$20,485	\$17,950
Computer/office technical support specialist	\$19,686	\$18,720
Management trainees	\$24,446	\$21,965
Seasonal workers	\$15,016	\$12,480
Call center CSR/technicians inbound: experienced	\$18,296	\$14,768
Computer programmers	\$37,165	\$35,000

3. **Table 11 shows median earnings in the Abilene MSA relative to median earnings in the Dallas/Ft. Worth MSA and the U.S. for representative target industry occupations.** Based on these figures, there is a considerable cost savings in the Abilene MSA.

TABLE 11
MEDIAN EARNINGS IN THE ABILENE METRO AREA, THE DALLAS/FT. WORTH METRO AREA, AND THE U.S. FOR SELECT REPRESENTATIVE OCCUPATIONS

Source: Salary.com

Occupation	Abilene MSA	Dallas/ Ft. Worth MSA	United States
Accounting clerk	\$23,376	\$26,282	\$25,333
Administrative assistant	\$31,915	\$35,882	\$34,940
New accounts representative	\$19,959	\$22,441	\$21,958
Call center representative I - inbound	\$21,547	\$24,225	\$23,704
Client services representative (banking)	\$25,974	\$29,203	\$28,574
Customer services representative I	\$24,441	\$27,480	\$26,888
Inbound call center supervisor	\$30,215	\$33,971	\$33,240
E-commerce customer service representative	\$22,757	\$25,586	\$25,035
E-commerce customer service representative	\$22,757	\$25,586	\$25,035

4. **Published wage data shows the Abilene MSA (Abilene sub-region) has average to below-average labor costs relative to the nation in almost all representative occupations.** Wage data specific to the Brownwood sub-region is not available. Table 12 shows median earnings for some representative target-industry-related occupational groups in the Abilene MSA and the U.S. (data recently published by the U.S. Bureau of Labor Statistics). Among those occupations listed within each target industry occupational group, average earnings in Abilene are substantially lower than national averages.

- **Management occupational** salaries average 24%-41% less than national norms in the Abilene market. Positions such as computer and information systems managers, averaging \$46,238, and purchasing managers, averaging \$33,966, are 36%-41% below national averages. General and operations managers, averaging \$42,827, industrial production managers, averaging \$43,493, and human resources managers, averaging \$42,536, constitute a 28%-30% savings. Administrative service managers are 24% less costly, earning \$35,526 on average.
- **Business and Financial Operations** occupational salaries for positions such as purchasing agents and accountants and auditors in the Abilene market are 13%-23% less costly than national averages. Salaries range from \$33,176 for purchasing agents, to \$33,613 for loan officers, to \$37,627 for accountants and auditors. Claims adjusters, examiners, and investigators, averaging \$42,286, are 2.9% above the national average.
- **Office and Administrative Support** occupations in Abilene represent considerable savings for all occupational titles listed when compared to the nation. Average salaries for office-related occupations such as executive secretaries and administrative assistants, customer service representatives, bookkeeping, accounting and auditing clerks, and general office clerks represent savings ranging from 19%-28%. Salaries for these positions average in the high 'teens to mid-twenties, ranging from \$17,098 for a general office clerk to \$24,066 for an executive secretary or administrative assistant. First-line supervisors/managers of office and administrative support workers, averaging \$27,331, are 25% below the national average.
- **Sales and Related** occupations offer cost savings of 30% to 54%. Insurance sales agents, averaging \$17,826, represent a 54.0% savings over the national average, while telemarketers are 29.4% less expensive, averaging \$13,312.
- **Computer and Mathematical** occupations also offer savings. Computer programmers represent the most significant savings when compared to national averages. Average salaries in Abilene for this position—\$43,888—are 24% less expensive, while network and computer systems administrators, averaging \$42,848, are 16% below the national average.

**TABLE 12
MEDIAN ANNUAL EARNINGS IN THE ABILENE MSA
AND THE U.S. IN SELECT OCCUPATIONS, 2000**

Source: U.S. Bureau of Labor Statistics, Area Occupational Employment & Wage Estimates

	Abilene MSA	United States	% Difference Abilene vs. U.S.
Management Occupations			
General and Operations Managers	\$42,827	\$61,173	-30.0%
Administrative Services Managers	\$35,526	\$47,070	-24.5%
Computer and Information Systems Managers	\$46,238	\$78,832	-41.3%
Human Resources Managers	\$42,536	\$58,989	-27.9%
Industrial Production Managers	\$43,493	\$61,651	-29.5%
Purchasing Managers	\$33,966	\$53,040	-36.0%
Business and Financial Operations Occupations			
Purchasing Agents	\$33,176	\$43,222	-23.2%
Accountants and Auditors	\$37,627	\$43,493	-13.5%
Claims Adjusters, Examiners, and Investigators	\$42,286	\$41,080	2.9%
Loan Officers	\$33,613	\$41,434	-18.9%
Office and Administrative Support Occupations			
First-Line Supervisors/Managers of Office and Administrative Support Workers	\$27,331	\$36,421	-25.0%
Bookkeeping, Accounting, and Auditing Clerks	\$20,405	\$25,667	-20.5%
Customer Service Representatives	\$17,784	\$24,606	-27.7%
Executive Secretaries and Administrative Assistants	\$24,066	\$31,096	-22.6%
Office Clerks, General	\$17,098	\$21,133	-19.1%
Sales and Related			
Insurance Sales Agents	\$17,826	\$38,750	-54.0%
Telemarketers	\$13,312	\$18,845	-29.4%
Computer and Mathematical Occupations			
Computer Programmers	\$43,888	\$57,595	-23.8%
Network and Computer Systems Administrators	\$42,848	\$51,272	-16.4%

Infrastructure and Operating Environment

1. **There are several key assets in the study region's telecommunications infrastructure.**
 - Multiple providers in the City of Abilene for all types of telecommunications services, including voice services, cellular/mobile, broadband access (e.g., DSL, cable, satellite/wireless), high-speed data, and fiber backbone
 - Close proximity of major fiber backbones as well as significant fiber points of presence located in Abilene
 - Multiple types of broadband access available—cable modem access, DSL, and wireless/satellite
 - Multiple types of cellular/wireless technologies—GSM, PCS, and CDMA/TDMA available
 - In the City of Abilene, a well-rounded portfolio of voice and data services available
 - Expansion of high-speed data services to Sweetwater and Brownwood through AT&T's Texas SONET network
 - Strong and customer-centric independent telephone companies providing services to rural areas outside of Abilene with more robust broadband initiative than their RBOC and large ILEC counterparts
 - Emerging wireless and satellite broadband services through TIF Grants
 - Independent local carrier development initiatives through Texas Lone Star Network, which is a statewide fiber network
2. **In general, the urbanized areas in the study region have been proactive in investing in the necessary water supply and distribution infrastructure to support future growth and development.** In particular, the cities of Abilene and Brownwood have taken significant steps to modernize their

infrastructure. Snyder and Sweetwater have also taken steps to modernize their water supply infrastructure and to ensure future supply. With the exception of Sweetwater, generally the seven urbanized areas (Abilene, Breckenridge, Brownwood, Eastland, Haskell, Snyder, Sweetwater) have adequate water supplies and the necessary delivery infrastructure to reliably meet current needs and to provide for some service expansion. The recent droughts in the region have had the effect of forcing some municipalities, including some within the 19-county study region (notably Sweetwater) to invest heavily to develop new non-traditional water sources to meet current and potential future water demands.

3. **Within the study area, there is adequate wastewater collection and treatment infrastructure.** Several cities have recently made investments in their wastewater infrastructure and/or have ongoing wastewater upgrade projects.
4. **Access to the region is provided by highways, rail, and air.** All of the urbanized areas have good highway access, with particularly good access through Abilene, Eastland, and Sweetwater, which are optimally located along or near Interstate 20. Abilene, Brownwood, Snyder, and Sweetwater also have rail access. Abilene and Brownwood have commercial airline service from their regional airports to Dallas-Fort Worth.
5. **Texas Workers' Compensation and labor legislation are favorable to employers.** A review of existing Texas labor law reveals no current state legislation exceeding federal mandates. Texas is a right-to-work state. There are no statewide restrictions stronger than federal in terms of drug testing, right-to-know, ADA legislation, EEO hiring, sexual harassment, or mandated parental leave legislation. Texas has solid employment-at-will legislation, meaning that an employee is hired at will, and that employment can be terminated at the will of either the employer or the employee.

Quality of Life

1. **Taylor County—specifically the City of Abilene—functions as a regional center for business, healthcare, transportation, and education, which has resulted in a wide variety of lodging, dining, cultural, and retail opportunities.** The Abilene Philharmonic Orchestra, the Abilene Community Theatre, the Abilene Repertoire, the Abilene Opera Association, multiple spectator and participatory sporting events, annual celebrations and numerous historical attractions are just a few of the available opportunities that enhance the quality of life in Taylor County.
 - Abilene has witnessed a dramatic renewal and redevelopment of its downtown district. In addition to renovating numerous downtown properties, Abilene plans on capturing its West Texas heritage in a facility called "Frontier Texas!" that will include both a visitors center and a historical experience.
 - Abilene has 31 parks covering 2,481 acres, two public swimming pools, and six public or private golf courses.
 - The climate and diverse environment of West Central Texas lends itself to year-round participation in most outdoor sports. There are at least six months of each year devoted to hunting seasons that focus on game birds and animals that are native to or abundant in this area.
2. **The cost of living is below the national average, where data was available.**
 - In Abilene, the cost-of-living (COL) index is 96.2, where the U.S. is 100. The COL index in Brownwood is 85.2. In Sweetwater, the COL index is 83.4, while in Snyder the COL index is 85.
3. **The City of Abilene, on average, enjoys 350 days of sunshine per year.** The average annual temperature is 64.8 degrees Fahrenheit (F). In July, the average high temperature is 85° F and the average low is 64° F. In January, the average high is 65 degrees with the average low at 43 degrees.
4. **The City of Abilene serves as a regional medical center.** Abilene has two hospitals, with a total of 680 beds. 285 physicians practice in the City of Abilene, as well as 64 dentists.

INDUSTRY BACKGROUND: CUSTOMER SUPPORT AND SERVICE CENTERS

Definition

This sector consists of *Customer Support and Service Centers*, which refers to inbound call centers designed to provide ready access to customer support for products and services. This sector is diverse, but the facilities within this target share the common element of being white-collar operations with well-educated employees. The sector's workforce is typically dominated by individuals with a two- or four-year college degree and a high level of technical, administrative, or professional skills. The types of industries that use those centers include retail, financial services and insurance, manufacturing, transportation, software, utilities, and business sectors.

Customer support and service center occupations are particularly conducive to telecommuting. The use of remote agents that check in a few times per week at a centralized office is becoming more and more commonplace. There are several types of telecommuting, including working at home, hotelling, or remote centers. By offering telecommuting programs, a company broadens the potential employee demographic base. Untapped labor sources that may benefit from a telecommuting arrangement include physically challenged senior citizens, homemakers, college students, military dependents, and rural residents. Telecommuting offers "quality-of-life" changes that can help retain employees in a tight labor market in an industry that often experiences high turnover rates.

Customer Support and Service Centers (also called Call Centers, Customer Care Centers, and Tele-Service Centers) consist of operations where customer service representatives (CSRs) receive telephone calls regarding consumer complaints, concerns about a product or service, and inquiries about a product's or service's specifications, availability, and pricing. They may also receive inquiries on questions about billing, fraud, or losses (e.g., credit cards). They also are used to assist callers seeking:

- User support of a product or service
- To enroll in a membership or similar service
- To discontinue a membership or similar service
- To alter the provisions of a membership or similar service
- For authorization to proceed with the provision of a service, policy, or product
- To purchase a product or service
- To dispense warranty, technical, policy, financial, or service information

Almost all industries have functions that could be described as customer service, but those with the largest customer service operations include:

- Consumer goods manufacturers (e.g., cosmetics, health and beauty aids, computer hardware, electric and electronic gear, appliances, automotive products)
- Software firms
- Insurance companies and HMOs
- Banking and financial services
- Credit card services
- Telecommunications related companies
- Travel and hospitality firms (including airlines, hotels and car rental companies)
- Transportation and equipment rental and leasing companies
- Publishing firms
- Mail order fulfillment centers
- On-line services
- Major retailers
- Express delivery companies

Some industries with sizable customer support and service center operations (also called dedicated centers) and their SIC codes are listed in Table 13. In addition, there has been burgeoning growth in contract technical and customer support centers (SIC 7389). Until recently, these service bureaus have performed mainly outbound telesales and fund-raising functions. Now they are increasingly providing inbound customer and technical support as well.

TABLE 13
INDUSTRY SECTORS WITH SIZABLE CUSTOMER SERVICE CENTER OPERATIONS

Source: WDG Project Files

Industry Sector	SIC Code
Manufacturing (e.g., production information, technical support)	20 to 39
Publishing	2721, 2731, 2741
Package delivery services	4513, 4215
Transportation (e.g., reservation centers)	4512, 4729, 4731
Cable and other pay TV services	4841
Telephone communications	4813
Retailers (e.g., credit processing), catalog sales, prescription sales	5122, 5311, 5399, 553, 5961
Mail order fulfillment	5961
Financial services	601, 602, 603, 606
Business credit and mortgage companies	6159, 6162
Investments/investor relations	6211, 6221, 6282, 6289
Insurance	6311, 6321, 6324, 6331, 6351, 6371, 6399
Information bureaus, claim processing	6411
Bank holding companies	6712
Hotel and motel reservation centers	7011
Personal financial services	7299
Adjustment and collection services	7322
Credit reporting services	7323
Equipment rental and leasing	7359
Computer software	7371, 7372
Information retrieval services	7375
Teleconferencing services	7389
Rent-a-car services	7514

Employment Composition

The great majority of employees at customer support and service centers are customer service representatives (CSRs), which many times outnumber supervisory staff by over a factor of 20. There is typically only modest stratification within the CSR staff. Customer support and service centers rarely have more than three grades of CSR employee, and often have only one grade. Supervisory staff for start-up operations is often relocated to new facilities from other company locations. Subsequent supervisors are frequently moved up from the CSR ranks.

The skills required of a CSR vary greatly from operation to operation. Many operations require only good verbal communications and interpersonal skills. Some operations require mastery of, or the ability to master, technical information on specific products or services. Most CSRs will have a high school education; however, CSRs with some college are sought as the primary workforce. The majority of employers prefer that applicants for CSR positions have familiarity with personal computers. Some specialized centers require employees with professional degrees (e.g., nurses or computer scientists), finance degrees, or special technical or brokerage certification, such as NASD Series 7.

Most customer support operations are computerized and networked, and a small cadre of network technicians is typically on-staff to maintain the system. The system is usually developed and installed by off-site technicians, either from headquarters or a third-party source.

The wages paid at customer support and service centers vary depending on the needed skill base and individual company policy. Most customer support and service centers pay wages in line with their area's market rates. Tables 14 and 15 display human resource specifications from recent WDG technical and customer support center projects (where data is available). The titles in these specifications represent job responsibilities and skill levels specific to each individual company and operation. These tables present a sample of customer service operations representative of establishments that could locate in West Texas.

TABLE 14
COLLECTIONS AGENCY CALL CENTER
Source: WDG Project Files

	Positions
Exempt	
Officer/Manager	8
Supervisor/Trainer	23
Network Technician	2
Nonexempt	
Collection Agent	220
General Clerk	5
Secretary II	5
Accounting Clerk I	4
Total Positions	267

TABLE 15
ACCOUNT SERVICES CENTER (STAGED STAFFING)
Source: WDG Project Files

	Positions
Exempt	
Location Manager	1
Nonexempt	
Supervisor III	2
Supervisor II	3
Supervisor I	6
Account Services Representative	221
Total Positions	233

Target Trends

Relocated and new call center operations are on the upswing. Available telecommunications and computer technology allows quick and easy transfer of large quantities of information across long distances. This allows many corporate support and service operations to be separated from corporate headquarters and manufacturing facilities and relocated as stand-alone facilities in areas with lower operating costs.

- According to *Call Center Management Review*, there are seven million call center agents in the United States, and the annual growth rate is expected to be 20%. The number of call centers is estimated to be 69,500, and will grow to 78,000 by 2003.
- *Site Selection* magazine reports that customer service, tech support, and other back-end operations are no longer restricted just to telephones to respond to customer inquiries. E-mails, the World Wide Web, and teleconferencing are increasingly being used to handle customer requests.
- The availability of and reliance on support centers is increasing according to *Supportindustry.com*, an online resource dedicated to providing data on a variety of topics that directly relate to the profession of customer support. A survey of its members shows that 60% of respondents currently provide support to customers 24 hours a day.
- *CallCenterCareers.com* surveyed over 400 members and found that in 2001, 48% said that they would be increasing the number of staff in their support centers despite the softening of the U.S. economy.

In an effort to combat tight labor markets, expand operating hours, reduce turnover, and control costs, many call centers are turning to the use of remote agents. In 2002, a study conducted by *CallCenterCareers.com* showed that 30% of approximately 500 call centers surveyed allow agents to work from home, and this number is projected to increase. Another 9.1% said that this option would be made available within a year.

Meanwhile, there is a growing trend in business for companies to become more responsive to their customers' needs for facilitated access and maximum convenience. It is becoming increasingly difficult to find any producer or service provider who does not have a toll-free number available to take calls for product/service complaints, questions, sales, or product inquiries. Companies that do not have toll-free call center operations to answer these calls are at a disadvantage against their competitors, and are being driven to create them.

Despite rapid introduction of predictive dialers and computer telephony integration (CTI), inbound and outbound call centers remain labor-intensive. The technology has greatly improved efficiency and responsiveness to customer inquiries. However, due to explosive growth, call centers require a substantial number of agents or CSRs. Whether these are full- or part-time depends on both the company's operating philosophy and local labor market conditions. Call centers usually include a mix of full- and part-time staff. Combined, these are referred to as FTEs (Full-Time Equivalents).

There are numerous trends in the location of call centers in and outside of the U.S. Principal trends are outlined below.

1. There has been a proliferation of call centers spanning the industry spectrum (from manufacturing to retail trade).
2. The advent of e-commerce has contributed to the explosion in this industry.
3. A re-energized U.S. economy will continue to fuel the need for new call center facilities.
4. New facility growth will be especially strong as the paperless economy and Internet usage become widespread.
5. Payroll dominates the expense structure for call centers (generally over 65% of a facility's budget).
6. A shortage of quality entry-level labor is the biggest locational challenge facing the industry in the U.S. This applies both for basic customer service positions (e.g., requiring little independent judgment) and for higher-end technical support (e.g., software help desk).
7. Tight labor market conditions in the U.S. are causing wage escalation (and high turnover), thereby reducing operating margins for call centers.
8. Partially in response to the labor crunch, call centers have adopted a number of measures, including:
 - Introduction of labor-saving technology (e.g., CTI, IVR, and database systems allowing for more scripting)
 - Reliance on the Internet both to provide customer service at a far lower cost than voice and to reduce telephone expenses
 - Downscaling call center size to open up the range of locations that can be considered for new facilities
9. Companies are selecting small metropolitan or non-metropolitan areas in the U.S. that heretofore were considered "off the beaten path" for call center operations. This is especially true for non-mission-critical operations, as many smaller towns lack either extensive telecommunications redundancy or high bandwidth.
10. There has been an increase in human resources and facility design measures to make call centers desirable places to work and to strengthen the ability to recruit/retain qualified labor.
 - Employee/family-friendly human resource practices and fringe benefits
 - Compensation adjustments

- Higher starting wages
 - Less time for CSRs to reach the top end of the salary range
 - Performance-based pay, at least for the top producers
 - Self-directed work teams
 - Better career advancement opportunities or lateral transfers to keep employees stimulated
 - Extensive investment in training, particularly interpersonal skills for supervisors/team leaders (which usually results in less turnover)
 - Partially reimbursing education costs for employees both to gain general business knowledge and to improve life learning skills
 - Stress-reduction policies and training in the workplace
 - A degree of relaxation in hiring criteria for new employees
 - More realistic testing instruments as part of the hiring process
 - Location of the call center site close to labor pools, thereby reducing commute distances, lowering turnover, and increasing applicant flow
 - Attractive internal work environment, including increasing the size of workstation space, utilizing the best ergonomically-designed equipment, ensuring adequate lighting, reducing noise levels, and creating a bright/lively work atmosphere
 - Greater utilization of ancillary labor pools, including students, retirees, and the disabled
 - More extensive and creative recruiting, including heavy use of the Internet
11. Web-enabled call centers are also allowing for more work at home or telecommuting, which improves a company's ability to recruit/retain labor.
12. Concerning U.S. call center site selection in the immediate future, several patterns should become established, including:
- More basic call center operations opting for small-town locations
 - Technical call centers locating in areas with a heavy concentration of basic call centers, thereby capitalizing on a trained, underemployed labor pool
 - Any call center requiring new economy skills (e.g., web design) locating in recognized centers of the new economy—irrespective of costs (from San Francisco/San Jose to New York City)
 - Canada is becoming a more popular location to serve North America, due to better labor availability and significantly lower payroll costs, although the rising value of the Canadian dollar to the U.S. dollar will temper this trend.

An increasing number of companies will establish offshore call centers to serve the U.S. from low-cost locations featuring an English-speaking workforce (or possibly English and Spanish for selected call centers). Total payroll cost savings under such a scenario can approach 75% versus U.S. locations.

Representative Companies

Companies with dedicated call centers span the manufacturing, publishing, food services, finance, insurance, entertainment, travel, lodging, and retail sectors. A sample of such companies is presented in Table 16. Representative companies that provide third-party (or service bureau) call center services are listed in Table 17.

The American Teleservices Association (formerly the American Telemarketing Association) is the principal call center professional association in the United States. It is located in North Hollywood, California (telephone: 800-441-3335/818-766-5324/www.ataconnect.org). Other associations are: The Direct Marketing Association (DMA), 1120 Avenue of the Americas, New York, NY 10036-6700 (212-768-7277/www.the-dma.org); and the

International Customer Service Association (ICSA), 401 N. Michigan Avenue, Chicago, Illinois 60611-4267 (312-321-6800/www.icsa.com).

TABLE 16
REPRESENTATIVE COMPANIES WITH DEDICATED CALL CENTERS
Source: Corporate Affiliations

Company	Location	Total Employment
America Online, Inc.	Dulles, VA	4,700
Bell Atlantic Corporation	New York, NY	62,600
Capital One Financial Corporation	Falls Church, VA	3,600
CIGNA	Philadelphia, PA	44,700
Morgan Stanley Dean Witter & Co.	New York, NY	45,000
FDX Corporation	Memphis, TN	94,200
First Union Corporation	Charlotte, NC	44,500
Fleet Financial Group	Boston, MA	28,000
GMAC	Detroit, MI	18,300
Lowe's Companies, Inc.	N. Wilkesboro, NC	35,000
Marriott International, Inc.	Washington, DC	202,000

TABLE 17
**REPRESENTATIVE COMPANIES THAT PROVIDE
THIRD-PARTY CALL CENTER SERVICES**
Source: *Call Center Magazine* (www.callcentermagazine.com)

Company	Location
Aegis	Irving, TX
APAC	Deerfield, IL
Convergys	Cincinnati, OH
Corporate Express	Cresskill, NJ
DialAmerica marketing	Mahwah, NJ
Excell	Tempe, AZ
King Teleservices	South Plainfield, NJ
Manpower Call Center Services	Milwaukee, WI
Precision Response	Miami, FL
Sitel	Omaha, NE
SNT International	Capelle aan den Ussel, Holland
West TeleServices	Omaha, NE

PRINCIPAL LOCATIONAL CRITERIA

There are eight principal factors that locating companies consider when seeking a location for technical and customer support centers. These are outlined below:

1. **Labor Force Availability and Quality.** The availability of quality labor is the key locational criteria for technical and customer support centers.
 - As customer service representatives take on increasingly complex responsibilities, their quality and education level grows in importance. Good customer service representatives are often difficult to find because of these expanding skill requirements. Many companies are seeking to improve the quality of their customer service workforce by hiring more highly educated workers with excellent interpersonal skills.
 - Modern technical and customer support centers are intensive users of technology and mandate extensive customer interaction. Customer service representative jobs are being transformed from executing narrowly prescribed procedures to a role replete with much broader responsibilities. Consequently, most employees must possess solid reading, communications, computer literacy, and critical thinking skills. They often must have the ability to learn technical skills and detailed product knowledge. Typically, customer support centers spend a large amount of time and money on training in product/service knowledge and in technology.
 - In addition to CSRs, technical and customer support centers generally employ supervisors and technicians who require a broad variety of skills in telecommunications, computer networking, sales, and traditional office and business administration.
 - Areas with a good supply of well-educated, entry-level labor are heavily favored for the location of customer support centers (CSCs). Many CSCs purposely locate adjacent to or near large universities or military bases to capitalize on students and military spouses willing to work flexible part-time hours. In addition, the ability of the labor force to speak more than one language is a highly prized locational asset. This is because of the increasing globalization of customer support functions and because of niche ethnic marketing and customer support trends in this country. Technical and customer support centers also prefer locations where there is low turnover and a viability of supervisory and computer support talent and part-time labor.
2. **Labor Cost.** Companies usually include a breakout of work force cost in their analysis of alternative locations for technical and customer support and centers. Generally, companies look for areas where quality labor is available at costs below the national average. When relocating operations, companies frequently look to reduce their direct labor costs by at least 15%. Many companies seek an entry-level, clerical workforce available for under \$9.00 per hour with minimum supply/cost pressure.
3. **Telecommunications Infrastructure.** Telecommunications infrastructure is a critical criterion when selecting a site for a dedicated customer service center. Typically these operations require multiple T-1 lines; dual-feed, self-healing fiber links; and close proximity to the points of presence of major long distance carriers; ISDN; full digital, fiber, SONET ring diversity; and hard-wire POPs of long distance carriers.
4. **Electric Power Reliability.** Small centers often do not have diesel generators to provide an emergency power source. Therefore, reliable electric power service is critical.
5. **Business Climate.** The business climate of an area is frequently evaluated as an important factor in the selection of sites for new technical and customer support facilities. Among the factors of interest to site-seeking corporate executives and consultants are:
 - The ability of the community to provide pre-employment training for service industries
 - The tax structure of the area—especially taxation of personal property (particularly accounts receivable) and sales tax on computers, software, and office equipment

- Unionization potential; franchise taxation of utilities (with primary emphasis on telecom)
 - State or local Workers' Compensation policies or practices
 - Taxes on telecommunications and other business services are of particular importance for technical and customer support centers. Because the majority of business is conducted via telephone in these operations, telecommunication costs tend to be quite high. State and local franchise taxes, which add to the cost of communications, would discourage the location of customer support centers.
 - Because many of these operations are finance-related, it is important to be able to screen qualified employees on the basis of personal credit and bankruptcy checks. States that make it difficult to do so are often eliminated from further consideration for many credit-oriented operations. State usury laws, which would effectively cap the interest rate charged on credit cards, are also often used to screen out potential locations for credit card processing centers.
 - Incentive programs are often an important factor in deciding between two or three finalist candidate communities for the location of a major administrative service center. Cash incentives, especially those that can offset one-time relocation, and training and recruitment costs are given the highest priority by corporate site seekers. Also, especially important for new operations is the ability to offset start-up costs such as training and recruitment.
 - States with right-to-work legislation have a more favorable attraction for facility location, and states with no dual monitoring restrictions are favored for call centers.
6. **Real Estate.** Real estate cost and availability is often closely reviewed prior to selecting a site for a technical and customer support service center. Many companies prefer to lease these types of facilities rather than take on longer-term ownership. Executives typically favor areas with a good supply of Class B to Class A office space at gross lease rates below the national average. Most companies typically seek 40,000 to 75,000 square feet of Class A or Class B office space with sufficient parking to accommodate six-to-eight parking spaces per 1,000 square feet of office space. Over 70% of WDG's clients strongly prefer existing space to meet shortened deadlines for initial occupancy. Flex space and former retail frequently meet company needs.
7. **Quality of Life.** These operations typically require the transfer of some managerial, training, telecommunications, and computer staff. These personnel are generally highly sensitive to the quality of life available in the location. Among the significant criteria of typical interest are: crime rate, educational infrastructure, the cost of housing, recreation, access to cultural amenities, and climate. Areas that have superior characteristics in these categories have a strategic advantage in the attraction of administrative/customer service centers.
8. **Access.** While commercial air service is not a prerequisite for all technical and customer support operations, many centers seek locations within a one-hour radius of an airport offering direct nonstop commercial air service to their corporate headquarters city. Such locations allow managers to fly between corporate headquarters and the support centers in one day without undue difficulty, but become less important to have extensive service. Frequent flights to one or two hubs are acceptable.