

A Discussion with Tim Searcy of the American Teleservices Association

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Tim Searcy, CEO of the American Teleservices Association (ATA), is a seasoned expert on regulation, compliance and call center management. He joins Customer Management IQ to shed light on some of the new regulatory issues facing employers with consideration to the Obama administration. Searcy explains off-shoring, regulation and fresh perspectives from the ATA.

In some of your writing you mention that the Obama administration will create tax incentives and tax penalties to force firms to bring jobs back to the United States. With the unemployment rate being what it is, what are your predictions for how the Obama administration will regulate some of the off-shoring of call center jobs? What does this mean for ATA members?

There are a multitude of ways that the new administration can impact offshore calling centers that would make their use less desirable than a domestic center.

First, discussions are already underway with tax firms for every job that is moved offshore by a firm. This is a recipe for outsourcing that allows offshoring to take place. Firms will simply have the function completed by a third party and claim the shift in employment is from their rosters to unemployment while still moving the jobs overseas.

Secondly, an incentive could be paid to bring jobs that are identifiably occurring overseas back to the United States. The difficulty here is the value of the incentive would have to be very high to overcome the substantial benefits firms receive when they move labor costs into less expensive markets. It may simply be impractical for the administration to look to this sector for substantial repatriation of employment. For ATA members this means there will be a lot of smoke but no real fire. It is unlikely that the service sector will have the proper incentives or disincentives to make wholesale employment location changes. However, other factors like increased regulation, taxes or other economic burdens may actually increase the offshore drive.

In your predictions about the Obama administration, you mention the centralization of regulatory authority and the ATA's petition for federal exclusive jurisdiction. What are the implications of this centralization include?

With a patchwork of state and federal regulations, it is nearly impossible for companies to keep up with the complicated and sometimes contradictory rules governing the business.

The ATA's petition is a request for the FCC to re-affirm its constitutionally granted power to exclusively regulate interstate commerce. If we could get exclusive jurisdiction, we predict that nationwide contact centers would be able to eliminate up to \$200,000 in redundant paperwork and requirements that mimic federal activity without providing additional value or protection to the consumer.

Additionally the association would be in a position to work with one set of policymakers on a single agenda that would balance the legitimate interests of consumers and business.

Many companies are desperately trying to turn their cost centers into profit centers by making their service centers sell during service calls. Do you think we will see any more major regulatory issues pop up like this one in this administration?

Unfortunately, we see great risk in the future for the concept of up-sells. One Attorney General's office has already interpreted that the DNC provisions can be applied to inbound calls. This means that at the time a consumer calls a toll-free number, the phone number that is being dialed from must be scrubbed against the national DNC Registry,

and if it is found, the representative is prevented from upselling that customer.

This of course was never the intention of the regulation, and it is an inappropriate and expansive use of ungranted authority. However, we see a tendency for politicians to attempt to achieve notoriety and popularity by targeting “feel good” issues like this one without concern for the business consequences.

You talk about fraud and argue that regulation is good because of its ability to reduce fraud and encourage legitimate business. What types of fraud do you think companies will be vulnerable to, and how would regulation curb affect these issues?

The vast majority of fraud is currently targeted at consumers. The telephone is not a fraudulent instrument, just as direct mail and your front porch are not fraudulent by themselves. All three are examples of a medium in which fraud occurs.

We currently work with our members to attempt to find and report the con men using the phone to perpetrate crimes against seniors, average consumers and others. Credit repair, sweepstakes and impossible windfalls have all emerged as popular scams.

The ATA maintains consumer guidelines on our Web site as do many other organizations. The telephone is a safe place to do business if you mind the same security guidelines you would use in a retail environment. We suggest never giving out more information about yourself than you are comfortable with, asking questions to test the legitimacy of the firm you are speaking to, requesting written confirmation of any transaction and remembering that if it sounds too good to be true, it is.

You wrote that the advice medical schools historically give includes: listen, do no harm and help. How does this relate to the American Teleservices Association?

When working with politicians, we apply the medical triage model. Politicians are prone to trying to help without understanding the root cause. For this reason, they listen to the loudest constituent—not necessarily the most knowledgeable.

Every issue has multiple facets requiring examination prior to legislation. Our admonishment is simple:

1. Listen to all the people involved in the issue of concern. Seek the truth of the reason something is going on. Most importantly, assume that nothing nefarious is going on, but that companies are legitimate in their interests, and individuals are legitimate in their concerns.
2. Do no harm to anyone by creating a law without balance. Strike the proper balance of regulation and self restraint in industry practice. Sometimes concerns are truly personal and do not rise to the level of governmental intervention. Be prudent in the use of the awesome power of the federal government.
3. When possible, help us to find common ground and legislatively reward our efforts by creating laws that codify best practice. We are not afraid to be held to a standard, even a high one, as long as there are business benefits to ourselves and our customers.

Interview by [Blake Landau](#), publisher