CCMA Contact Centre Management Association

The UK Contact Centre Outsourcing Report 2025

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Contents

Showcases

An Ever-Evolving Industry

Our annual UK Contact Centre Outsourcing Report is now in its third year, and it's been fascinating to once again collaborate with The Knowledge Group (tkg) - our partners on this essential guide - and to absorb the invaluable insights they provide on the trends taking place in the UK contact centre outsourcing industry.

Fundamentally, this report delves into the changing outsourcing landscape, uncovering both the hurdles and possibilities that are driving service providers and their clients forward.

But what we've also discovered over the course of the past 12 months since our last report is that strategic shifts are reshaping how enterprises allocate outsourcing budgets.

Investment is increasingly directed towards value-added services such as advanced analytics, cognitive AI and consulting. Buyers are shifting their focus from transactional vendor relationships to strategic partnerships, favouring outcome-based pricing and integrated innovation.

Social value and Environmental, Social, and Governance (ESG) factors are now critical in procurement decisions, alongside cost-efficiency.

The report outlines five key issues driving the sector, including AI's impact, evolving client expectations, and regulatory pressures. It also highlights how UK-based outsourcing providers differentiate through technological advancements, cultural alignment, and flexible service models.

Organisations are navigating a landscape of continual disruption led by ever-changing macroeconomic events. Against this backdrop, outsourcing can often emerge as a strategic lever for agility and resilience. But as we always discover from producing this report, it's the collaboration, expertise, and adaptability of a world-class partner that can make all the difference.

Industry insight is worth its weight in gold too, of course. So whether you're a seasoned outsourcing veteran or early into the procurement process, we hope this report will help with your decision-making and inform you, wherever you are in the journey.

Leigh Hopwood, CEO, CCMA

The UK&I Outsourcing Market: Flat Growth Masks Strategic Shifts

In 2024, the Customer Experience Management (CXM) outsourcing market in the UK and Ireland remained relatively flat, maintaining an estimated annual value between $7 billion and $9 billion. This mirrors global market trends, with the worldwide outsourced CXM sector valued between $113 billion and $115 billion, also experiencing sluggish growth year-over-year.[1]

Several macroeconomic and geopolitical factors have contributed to this stagnation. Persistent inflation, fears of economic recession, and political uncertainty - especially in countries undergoing governmental transitions—have weighed heavily on enterprise spending confidence. Meanwhile, growing anticipation around artificial intelligence (AI) and its transformative potential in cx delivery has led many organisations to adopt a "wait-and-see" approach, further delaying major investment decisions.

Shifting Spend: From Cost Efficiency to Value Creation

While overall market growth has stalled, a more significant development lies in how outsourcing budgets are being allocated. Enterprises are increasingly channelling investments into value-added services that enhance traditional contact centre operations. These include advanced analytics, conversational AI, cognitive AI technologies, and CX consulting.

The shift is evident in spending patterns: the share of CXM spend on such digital and strategic services rose from 11% in 2022 to over 15% in 2024. This figure is projected to exceed 25% by 2026, driven largely by the accelerated adoption of AI-powered solutions across the customer journey.[2]

Voice Remains Dominant - But Evolving

Despite the digital pivot, voice remains the dominant channel, accounting for over 70% of CXM revenues in the UK and Ireland. Non-voice channels, such as chat and messaging, are growing steadily but have yet to significantly erode the voice channel's dominance.

However, the nature of voice support is evolving. Future voice interactions will increasingly be powered by sophisticated AI capable of real-time sentiment analysis, multilingual translation, and seamless integration with digital platforms. Emotionally charged or high-value engagements are likely to remain within the voice channel domain due to the nuanced human touch they require.

An emerging frontier is agentic AI - AI systems capable of acting autonomously on behalf of users. The idea of delegating customer interactions to an AI assistant via voice commands is no longer far-fetched. While this blurs the lines between voice and digital interactions, customers ultimately care less about the channel and more about the quality and efficiency of the experience.

AI's Role: Experimentation Over Execution

There is growing interest among enterprise buyers in the potential of AI - particularly generative and agentic AI to redefine CX. However, most initiatives are still in pilot stages, focused on understanding practical use cases and associated risks rather than deploying full-scale transformations.

Within generative AI (genAI) applications, the most common case remains agent assist, augmenting human agents with real-time support rather than complete automation. This reflects ongoing concerns around cost, compliance, and trust when deploying GenAI in customer-facing roles.

Changing Expectations and Market Dynamics

As technology becomes integral to CX strategy, client expectations are shifting. Enterprises increasingly seek comprehensive solutions that span CX design, operational delivery, consulting, and tech enablement. This broadening demand landscape is creating new opportunities for a wider array of service providers.

Traditional CXM firms are evolving their offerings, while broader BPO players and IT/BPO hybrids are capitalising on their technical capabilities to gain market share. The buyer landscape is also evolving, with CIOs and CTOs now playing more prominent roles in CX outsourcing decisions, alongside traditional CX leaders.

Offshoring and Delivery Models: Cost vs. Customisation

The debate around optimal shoring strategies for English-language support continues. While the best delivery mix often depends on enterprise-specific needs, current data shows that 70% to 75% of UK&I CX outsourcing is handled offshore.[3] This aligns with global trends prioritising cost efficiency.

However, the future of offshoring may be influenced by rising automation, which could reduce overall contact volumes and potentially free up budget for selective onshore investments aimed at enhancing quality or compliance.

[1/2/3] Source: Everest Group (https://www.everestgrp.com/insights/)

Five Key Trends Shaping the Future of UK CXM Outsourcing

1. **Technology as a Growth Catalyst**
   AI and automation are poised to enhance CXM efficiency and capability. As offerings mature, even mid-sized enterprises may find outsourcing more attractive due to access to sophisticated tools like agentic AI and systems of action (SoAs).
2. **Evolving Client Demands and Sector Diversity**
   While finance and telecoms continue to dominate outsourcing volumes, emerging sectors including fintechs and digital-native startups are turning to third-party providers to scale quickly and manage variable demand.
3. **Focus on Quality and Business Outcomes**
   Clients are demanding more than cost savings. There's an increasing emphasis on value delivery, brand alignment, and customer outcomes, driving a shift toward outcome-based performance metrics in contracts.
4. **Transformation of Talent Requirements**
   As automation reduces routine tasks, the skillsets required of CX frontline colleagues are evolving. Providers must adapt hiring, training, and workforce planning strategies to support more complex, high-touch interactions.
5. **Regulatory and Economic Pressures**
   Data privacy laws and consumer protection regulations are becoming central to CXM strategy. Service providers must navigate compliance while integrating new technologies and transforming operational models.

"As the UK and Ireland CXM outsourcing market navigates a period of strategic realignment rather than rapid growth, it's clear that future success will hinge on adaptability, innovation, and the ability to deliver business value - beyond merely answering customer queries."

David Rickard, Partner, Everest Group

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The Opportunity for Outsourcing in the UK

According to ContactBabel[4], the UK contact centre outsourcing sector accounts for around 170,000 frontline positions and about 280,000 jobs in total. That represents just shy of 1% of the UK workforce, and one quarter of all contact centre professionals in the UK.

This significant UK job sector is not immune to the challenges presented by the current economic climate; from the increasing cost to employ as well as the influence of AI. The good news is that these challenges are also opportunities for BPOs that can adapt and differentiate themselves.

The Economic Reality Check

Government Policy Impacts

We have recently seen increases in national insurance contributions (NIC), lower thresholds, and increases in the national minimum wage. Without commenting on the economic benefits of those policies, they have impacted the outsourcing sector, which tends to employ a significant number of lower-waged workers.

It's estimated that some BPOs could see operating cost increases of up to 8-10% as a result.[5] Ultimately, these costs may well be passed on to clients, leading them to reassess their outsourcing strategies to ensure they're getting value for their money.

Economic Pressures Driving Outsourcing Decisions

It's not just BPOs under economic pressure of course. Ironically, the very trends that are increasing costs for outsourcers are also driving UK businesses to consider outsourcing to better manage their own costs.

Inflation remains high compared to most of the past decade, particularly wage inflation. The national minimum wage in the UK increased to £12. 21/hour in April 2025, putting more pressure on operational budgets. Boardrooms up and down the country are looking at their options.

Outsourcing non-core functions to make savings on the bottom line is one such option, whether that means outsourcing in the UK or moving offshore. That decision often hinges on balancing short-term cost savings with quality, compliance obligations, customer experience, and various other factors.

Recruitment and Retention Challenges

A perennial challenge most outsourcers face is attrition, which has historically run at 30% to 40% in the UK - although we've seen a downward trend driven by BPOs commitment to employee wellbeing and mental health.[6] Of course, many in-house contact centres grapple with this issue too, to the extent that it is also a driver of outsourcing.

UK vs Offshore - A Deeper Analysis

Many UK and global BPOs offer both onshore and offshore solutions. For clients, the cost savings offshore in a place like South Africa, for example, are enticing at face value. The consensus from various industry analysts is that UK

[4] https://www.contactbabel.com/uk-contact-centre-verticals-outsourcing/

[5] Source: PwC, Global Business Services Index Annual Report 2024 (https://www.pwc.com/gx/en/industries/business-services/global-business-services-index.html)

[6] Source: UK Contact Centre Outsourcing Report 2023 (https://www.ccma.org.uk/wp-content/uploads/2023/05/UK-Contact-Centre-Outsourcing-Report-2023-CCMA-and-tkg-webversion.pdf)

organisations can save anywhere from 30% to 70% by outsourcing offshore, to Eastern Europe, South Africa or Asia. Deeper investigation, however, uncovers many hidden costs that are often overlooked, including additional management overheads, travel and accommodation costs, quality issues, and cultural alignment challenges.

For organisations that handle sensitive data or have strict regulatory requirements, offshore might not be an option regardless of cost considerations. UK-based outsourcers have a significant advantage here because complying with GDPR is built-in.

How UK BPOs Differentiate

Technological Evolution

There is a growing trend among companies that have traditionally been outsourcers to either reinvent themselves as tech business or develop a tech vendor offer alongside their outsourcing solutions.

Players such as TTEC Digital now directly compete with established systems integrators and platform vendors, while the likes of HCL Technologies are developing significant technology capabilities. The lines between traditional outsourcers and tech providers are increasingly blurring.

Automation also continues to reshape the landscape across multiple sectors and functions, including claims handling, retail queries, and delivery tracking. It creates challenges and opportunities for providers who are willing to adapt their service models to incorporate high levels of automation and AI.

Adopting technology helps UK outsourcers mitigate some of the cost disadvantages compared to offshore locations. AI-driven automation tools also reduce their dependency on unreliable or difficult-to-find labour and maintain high levels of quality, justifying the premium pricing of UK-based operations.

Cultural and Linguistic Alignment

As the vast majority of straightforward interactions become automated, only the most complex conversations typically remain. These tier two and tier three interactions usually require a higher level of emotional engagement, which only a human can currently provide.

As opposed to their offshore counterparts, UK outsourcers have the advantage of providing a service that is naturally in line with local customer expectations. Shared cultural touchstones, familiar accents, and dialects are all comforting and positive factors for customers when interacting with a brand.

Cultural alignment and the capability to handle complex, highly emotive interactions are very powerful advantages for UK outsourcers serving UK customers. For brands where quality of service and relationship building are critical parts of their positioning, this can be a massive selling point.

Workforce Wellbeing and Diversity

UK outsourcers are generally better equipped than offshore outsourcers to manage people and culture in a way that better aligns with the wishes of their UK-based clients. A focus on wellbeing helps outsourcers develop a more stable workforce, thereby reducing attrition.

In any large workforce, there will always be some level of neurodiversity, which gives you access to a broad range of different skills and attributes, some of which are an advantage in helping support customers in more complex interactions.

As we saw when TSB Group won Best Contact Centre Culture at the UK National Contact Centre Awards 2024 and noted the achievement in their annual report, boards and investors are increasingly curious about how businesses treat their people. Effective people management practices are becoming a competitive differentiator in attracting both clients and funding.

For similar reasons, ESG (Environmental, Social, Governance) commitments are increasingly important to clients when making outsourcing decisions. How a BPO manages remote work and other carbon footprint reducing schemes and ethical sourcing are all emerging as distinct differentiators for clients.

Strategic Partnerships Over Transactions

We are witnessing a shift from transactional relationships between BPOs and their clients to strategic partnerships focused on delivering measurable outcomes. Clients are more frequently requesting contracts which link compensation with performance indicators such as customer satisfaction scores, business efficiency, or increased revenue, rather than just input-based models.

This shift aligns with the macroeconomic pressures businesses are responding to, leading them to seek outsourcing relationships that deliver observable value rather than just reducing headcount or costs. Compensation linked to results strengthens the alignment between provider incentives and client objectives.

Operational Flexibility and Specialisation

The ability to scale operations, adapt to seasonal demand, or handle crises is becoming a major competitive advantage. At times of economic uncertainty, partnering with a BPO that has the flexibility to dynamically scale and remain responsive to changing business needs makes a lot of sense for many businesses looking to avoid fixed costs.

Paying only for services used – an increasingly popular commercial model in outsourcing – helps businesses manage unpredictable consumer behaviour and spending patterns without committing to permanent staff increases.

While flexibility is valued, the most successful providers have deep knowledge of their clients' industry and the ability to create detailed solutions that incorporate the client's actual business objectives. Domain knowledge allows BPOs to develop solutions to their clients' unique challenges and offer more strategic guidance. This automatically moves them up the value chain in clients' eyes and allows for premium pricing and higher margins.

Regulatory Excellence and Data Security
UK contact centres have a much better developed approach to regulatory compliance, including GDPR. Very sophisticated frameworks, incorporating encrypted data transfer, multi-factor authentication, and regular audits, are commonplace. With clear contractual obligations regarding data handling, including third party compliance, the client has much greater confidence that data security will not be compromised.

The UK Value Proposition

We appear to be seeing the emergence of a differentiated UK value proposition for UK-based outsourcers. This promises a partnership that prioritises quality, relationship building and strategic advantages. While economic pressures for both clients and outsourcers are undeniable, the opportunity lies in providing higher-quality onshore services, backed up by appropriate AI and automation, at the right level of cost for clients willing and able to invest in that model.

In the coming years in the UK, the most successful outsourcers will deliver a clearly identified value proposition based on excellence, handling highly complex interactions, supporting vulnerable customers, complying with regulatory requirements, and building relationships by delivering a human-focused customer experience with emotional intelligence that cannot be done through technology alone.

UK outsourcers that build these capabilities, capitalising on their natural advantages in people skills, cultural fit, and domain expertise, while leveraging technology appropriately, will find more and more opportunities in this constantly evolving and thriving market.

Leigh Hopwood,
CEO, CCMA

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The Art to Creating Successful Outsourcing Partnerships

Spend a few hours at a CCMA Outsourcing Special Interest Group meeting, and you notice a striking change from just a few years ago. Buyers are no longer primarily interested in knowing what the cheapest hourly rate is. Instead, they compare pilot results for predictive analytics programmes, review colleague well-being initiatives and probe contract clauses that link fees to customer lifetime value.

The combination of labour costs, wage and National Insurance inflation previously mentioned in this report are narrowing the cost gap between in-house and outsourced operations. At the same time, boards are demanding clear returns on every investment in outsourcing.

These pressures are forcing both buyers and BPOs to rethink commercial models. Some buyers would pay more if their partner could prove genuine value and efficiency gains. That shift has driven interest in outcome-based commercial arrangements that tie fees directly to results rather than hours or ticket volumes.

All of which means that in 2025, the success of an outsourcing relationship is judged on its strategic impact, not simply on cost savings. Let's unpack what that means in more detail.

From Vendor to Value Partner

Five years ago, an outsourcing brief might have focused on reducing cost to serve by 10% and ensuring a response within 24 hours. Today, the conversation centres on improving net promoter scores by five points, cutting avoidable contacts by a quarter and capturing new revenue opportunities during service calls.

Buyers now insist that the outsourcer can show how customer satisfaction, compliance metrics or sales figures will move over the life of the contract.

Underlying these expectations are three non-negotiables:

- **Business impact first:** Providers must prove the value they bring beyond reduced labour costs. Board papers often demand evidence of measurable gains in customer experience, operational efficiency, or upsell performance.
- **Cultural alignment:** Frontline colleagues and team leaders need to embody the client brand. In a world of omni channel customer journeys, a single out-of-tone reply or misaligned accent can undo months of marketing investment.
- **Innovation with proof:** Promises of artificial intelligence robotic process automation hold little weight unless buyers can see live demos, sandbox environments or credible client references.

When providers meet these three criteria, they are starting to move from vendor status to genuine partners in growth and transformation, and they become of greater interest to buyers.

What Buyers are Now Looking For

Increasingly sophisticated buyers are aware that the gulf between a BPO's marketing claims and operational reality can be significant, so their procurement teams have become forensic. It's no longer sufficient for a potential provider to make a claim. They have to prove it, preferably with a demonstration.

Technology Expectations Meet Proof
It used to be that cloud-based automatic call distribution (ACD) and a basic chatbot would have buyers nodding in approval. In 2025, those capabilities are a requirement for entry. Today's clients expect generative AI that drafts post-call summaries, surfaces compliance cues and suggests next best actions. They also want predictive routing that analyses customer intent to connect people with the advisor most likely to satisfy or upsell. RPA should be handling repetitive after-call tasks, and AI-assisted analytics should be stitching voice, chat, email and social data into a single view of the customer.

Again, technology isn't simply to be used to reduce costs. The top BPOs are routinely deploying conversational analytics and other AI tools to extract insights from raw chat and voice recording data that can help their clients understand their customers better, predict their behaviour, and anticipate their needs.

While digital transformation and AI remain headline topics, buyers have grown sceptical of 'silver bullets'. They need practical pilots that improve operational reality and customer experience, not untested hype.

The People Paradox
Automation continues to replace low complexity queries, yet humans remain essential for emotionally charged, highly regulated or very complex interactions. The relatively high attrition rates generally found in BPO contact centres, at around 40%, threaten quality and drive up retraining costs. Buyers understand this risk better than ever and scrutinise providers' people strategies with the same rigour applied to technology reviews.[6]

The programmes that earn buyer approval are concrete rather than cosmetic. A credible mental health policy and realistic occupancy targets matter more than casual perks. Clear career pathways into roles such as quality coach or customer journey analyst reduce boredom and boost loyalty. Providers that embrace neuro diverse talent gain extra points with buyers, because empathy and pattern recognition can make the difference in complex cases.

Hybrid Footprints and Real World Economics
High UK wages inevitably tempt buyers towards offshoring, where headline savings can exceed 70% in some instances. Yet experienced procurement teams recognise the hidden costs. Governance travel, time zone friction and customer resistance to overseas accents often erode the benefits.

A hybrid footprint has emerged as the pragmatic compromise. Complex, sensitive or brand-critical contacts remain onshore or nearshore. Routine tasks, overflow traffic, and after-hours volumes shift to lower-cost hubs in South Africa, Eastern Europe or Asia Pacific. The success of this model depends on seamless integration via shared knowledge bases, unified quality frameworks and real-time analytics. When that integration works, the customer journey feels uninterrupted regardless of the advisors location.

Contract Clarity Is Crucial
One of the most common horror stories we have heard involves inherited deals whose fine print no one fully understood. Buyers have discovered that after-hours support, social media moderation, or data recovery drills were all chargeable extras. Misaligned bonus schemes sometimes rewarded speed over quality, and exit clauses were so opaque that getting out of a bad relationship became prohibitively expensive.

To avoid the same mistakes, buyers are now demanding much clearer contracts. Scope schedules are written in clear, plain English, and every channel, workflow and technology feature is itemised. Pricing models link variable fees to outcomes such as increased self-service adoption, improved first contact resolution or revenue recovery rather than raw employee hours. Providers that cannot explain every cost driver or demonstrate fair incentives rarely make it past the final evaluation.

Building a Partnership that Works

A transparent contract sets the foundation but does not guarantee success. The strongest client-provider relationships share three key best practices:

First, there is a deliberate integration of teams. Outsourced team leaders sit in planning forums alongside internal department heads, colleagues use the same knowledge base and style guide, and achievements are celebrated together. This sense of shared purpose drives consistent service and rapid adaptation to change.

Second, governance follows a predictable rhythm. Real-time exceptions are handled daily, operational trends are reviewed weekly, and strategic investments are debated at quarterly joint executive councils. With clear meeting cadences, both sides develop a shared rhythm that keeps the contract alive and evolving.

Third, joint innovation becomes a continuous function rather than a one-off project. Short data-driven sprints test new chatbots, workflow automations or training modules in a live environment before scaling out. Failures are learned quickly, and successes are banked without lengthy delays.

[6] Source: UK Contact Centre Outsourcing Report 2023 (https://www.ccma.org.uk/wp-content/uploads/2023/05/UK-Contact-Centre-Outsourcing-Report-2023-CCMA-and-tkg-webversion.pdf)

Avoiding Common Pitfalls

Even the most well-designed outsourcing programme can still stumble, but this usually happens for one of a handful of predictable reasons that buyers can easily avoid. They include:

- A cost-first mindset charges ahead with the cheapest rate card and then discovers hidden attrition costs, quality degradation and aggressive change order fees.
- Technological over promising – from either party – results in commitments to AI or automation that sit on drawing boards rather than in production, or which don't deliver results if they are ever built.
- Cultural mis alignment can give the client's brand an inconsistent tone of voice, meaning customer expectations of the brand aren't being met.
- Static contracts lock both sides into outdated key performance indicators (KPIs) and volumes, making adaptation to evolving demand slow or impossible.

Savvy buyers avoid these traps by evaluating potential partners thoroughly, ranking culture and innovation alongside price. Proof-of-concept phases are written into procurement timelines, and annual checkpoints allow KPIs and incentive structures to be recalibrated as business priorities shift.

Drawing on the experiences of the CCMA's Outsourcing Special Interest Group, we have compiled the following guide to finding a reliable partner and managing the relationship.

A Ten-Step Roadmap for Buyers

It's all very well knowing how to manage a relationship with a good provider, but how do you go about finding that perfect match for your business in the first place? These ten steps might help.

1. **Conduct a quick reality check:** Review your current support setup – channels, volumes, pain points, and resolution delays.
2. **Clarify your goals:** Decide whether you need cost savings, extra capacity, round-the-clock coverage, or AI enhancements.
3. **Map customer habits:** Identify which channels your customers use most and any special requirements like multilingual or technical support.
4. **Define your top metrics:** Pick a few crucial KPIs to measure success such as customer satisfaction, resolution rate, average handle time, and cost per contact.
5. **Set a realistic budget:** Compare in-house costs with expected outsourcing savings and agree on clear return on investment (ROI) targets.
6. **Choose a pricing approach:** Opt for a fixed fee, pay per ticket, or outcome-based model, depending on how much risk you want to share.
7. **Weigh onshore versus offshore:** Balance onshore quality and cultural fit against offshore cost savings and scalability.
8. **Shortlist thoughtfully:** Look for providers with relevant industry experience, strong tech stacks, and up-to-date compliance credentials.
9. **Pilot before you commit:** Run a small-scale trial to validate performance and build in simple exit or adjustment clauses.
10. **Stay hands-on:** Hold monthly reviews, track your metrics, and use real-time dashboards to drive continuous improvement.

The message is unmistakable. Outsourcing success now hinges on transparency, cultural alignment, proven innovation and a shared appetite for outcome-driven performance. Providers able to deliver against that agenda will earn partnership status and shape the future of customer experience. Those who cling to headcount and hour rate cards will struggle for relevance.

For buyers, the prescription is equally clear. Insist on contracts that reward genuine impact. Test technology until the proof is in the results. Integrate external teams fully into your culture and governance rhythms. And always keep the customer rather than the contract at the heart of every decision.

Kate Law,
Membership and Learning Director,
CCMA

Moving Away from Commoditised Buying

With the acceleration of technology, contact centre services have evolved at an alarming pace. The creation of ChatGPT and other similar AI products has driven shock waves through the share prices of BPOs in 2024 and 2025, with their traditionally asset/people-heavy revenues appearing to be at risk of significant reduction.

This has meant these organisations have had to pivot, changing their proposition to include these emerging technologies as part of their service offering. This is impacting how service category buyers look at the way they commercially evaluate suppliers' proposals so they can ensure they are buying effectively and competitively.

Is AI a Myth or a Reality?

Firstly, we need to be clear on how we define AI, as it appears to be the new sweeping statement for anything related to automation, software or analytics when it comes to marketing collateral. So, what is the true definition?

Artificial intelligence is the theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.[1]

AI is the accelerator for many of the technologies we have been used to over the last decade, hence why we now have the narrative that machines are taking over the world as more tasks, both routine and complex, are having a more visible level of 'intelligence' built into them. AI is enhancing technologies, making them think for themselves or us, automating the processes we normally execute by digesting vast quantities of data and making human-like decisions, balancing a range of factors to come to the best outcome.

In the contact centre industry, there are a variety of technological trends that are impacting and ideally improving the customer journey, revolutionising how businesses interact with customers, and improving efficiency, personalisation, and the customer experience. Let's look at how.

Conversational AI and Chatbots: Chatbots are becoming more sophisticated and capable of understanding and processing natural language with greater accuracy. These chatbots can maintain context over multiple interactions, enabling them to provide more relevant and coherent responses in extended conversations. The next generation beyond this is voice bots and AI-powered virtual assistants like Apple's new Apple Intelligence, Google's Gemini, and Microsoft's Copilot, which are increasingly used in customer service.

Personalisation and Predictive Analytics: AI is being used to analyse customer data and behaviour to provide personalised recommendations, offers, and services. This can range from suggesting products based on previous purchases to tailoring customer support responses. These models can predict customer needs and issues before they arise, allowing organisations to proactively address potential problems, thereby improving customer satisfaction and loyalty.

Omnichannel Support: New technologies are enabling seamless integration across multiple customer service channels, including - email, chat, social media, phone, - ensuring that customers receive consistent support regardless of the platform they use. They are helping to create unified customer profiles that aggregate data from various channels, allowing customer service advisors to have a comprehensive view of the customer's history and preferences.

Automation of Customer Contact Operations: Robotic Process Automation (RPA) tools are automating repetitive tasks in customer service, such as data entry, order processing, and even some decision-making processes. This allows front line colleagues to focus more on complex and high-value tasks. Equally, AI is powering more intuitive self-service portals, where customers can resolve issues on their own without human intervention. This includes AI-driven knowledge bases, troubleshooting guides, and interactive FAQs.

These examples of technology integration are not only automating and streamlining customer service but also enhancing the quality and personalisation of customer interactions, hopefully leading to improved customer satisfaction and better business outcomes.

What is Hygiene, and What is Differential?

How do buyers decide, whether new to outsourcing or looking to renew a contract within the existing supply chain, what capabilities should be part of a supplier's 'standard toolkit'? What is different when assessing both operationally and commercially who the best supplier is?

Assessing the capability of outsourced contact centre suppliers has evolved. At the start of the 21st century, the differentiating factor was agent productivity and efficiency, which developed into operations with scale and sectorial experience. Then came the introduction of lower-cost locations and the development of end-to-end service capabilities with a single view of the customer through technology.

We now have this new differentiation, with AI helping the front line to deliver a differentiated service for customers while at the same time cannibalising the need for people to handle customer contact. This evolution has resulted in outsourced suppliers embracing these technologies because they have realised that without doing this, they are in danger of their clients taking the lead and removing the contact volume and their revenues. It would seem better for a supplier to take the lead rather than working against buyers. Suppliers have scale, case studies and often a detailed knowledge of the processes, so they are ideally placed to lead in introducing new technology. What's not clear, or often not as clear as it could be, is who benefits and how.

Benchmarking Value not Price

Traditionally, evaluating suppliers through a sourcing event has been through a carefully created balanced scorecard, blending a range of factors that are deemed important with different weightings dependent on an organisation's priorities and ambitions for the sourcing event. Public sector procurement teams are experts in the construction of transparent evaluation models normally weighted towards capability at 60% to 70%, and commerciality allocated the remaining assessment so that value for the taxpayer is assessed across the entire proposal.

The commercial element in the private sector has often been to benchmark suppliers on an hourly rate basis. This has always been a blunt assessment tool incorporating factors such as cost-base management, spans of control, front line productivity and buying power.

Over and above the commoditised hourly rate benchmark, how suppliers can influence value is harder to measure and quantify the benefits. Factors such as the reduction of contact frequency, average handling time (AHT) movements, increase in sales conversion, cash collected, etc., have always been a challenge. The introduction of new technologies, now enhanced by AI, has meant this assessment is even more important, as it has a greater impact on the total service cost. But who is enabling this 'value' – the buyer or supplier? And how should this be incentivised?

Considering all the factors we have outlined above, we believe a new industry benchmark is required to create open and transparent comparability between suppliers, removing the commodity factor and enhancing the value aspects this new technological world brings.

Welcome to the New World

Through our unparalleled access to buyers and suppliers via our partners and clients, The Knowledge Group (tkg) has been developing a new industry benchmark – **The Agent-Enabled Hour.**

Procurement events have always been plagued with the reality that during the process, a supplier's interpretation of commercial mechanisms is different to that of a buyer; *"when you said available hour, I thought that was productive."*

Buyers need to understand that price (p) multiplied by quantity (q) is an overly simplified calculation when assessing services. It may be easy to calculate, but it is usually too simplistic.

With the revolution in technology (t) and AI (^{n}), we therefore think a new benchmark equation should be more like this:

$$\text{Agent-Enabled Hour} = \frac{(c \times t^n)}{q}$$

Though correct in their calculations, traditional hourly rate benchmarks rise with efficiency and effectiveness, giving the illusion that they are more expensive. The Agent-Enabled Hour framework creates a benchmark that reduces when efficiencies are applied, making it simpler for buyers, visually and analytically, to evaluate suppliers on a like-for-like basis.

In this new equation, 'c' is the total cost of the service without transformation, which the supplier can directly influence and control regarding change. 't' is the effect of transformation and technology, with AI being the multiplying factor.

The art for buyers is a) understanding feasibility and b) whether it is influenced more by the buyer's decision-making or the suppliers. This assessment will mean the multiplier may be squared (^{2}) rather than the supplier's proposed cubed (^{3}).

Where this equation is different from the traditional benchmarks, 'q' is the volume baseline of the current delivery, which remains constant. This has the effect of creating a benchmark that falls with service improvements, volume reductions, process efficiencies, etc.

Spencer Brooks,
Group MD & Co-Founder,
The Knowledge Group (tkg)

[1] Source: Oxford Reference

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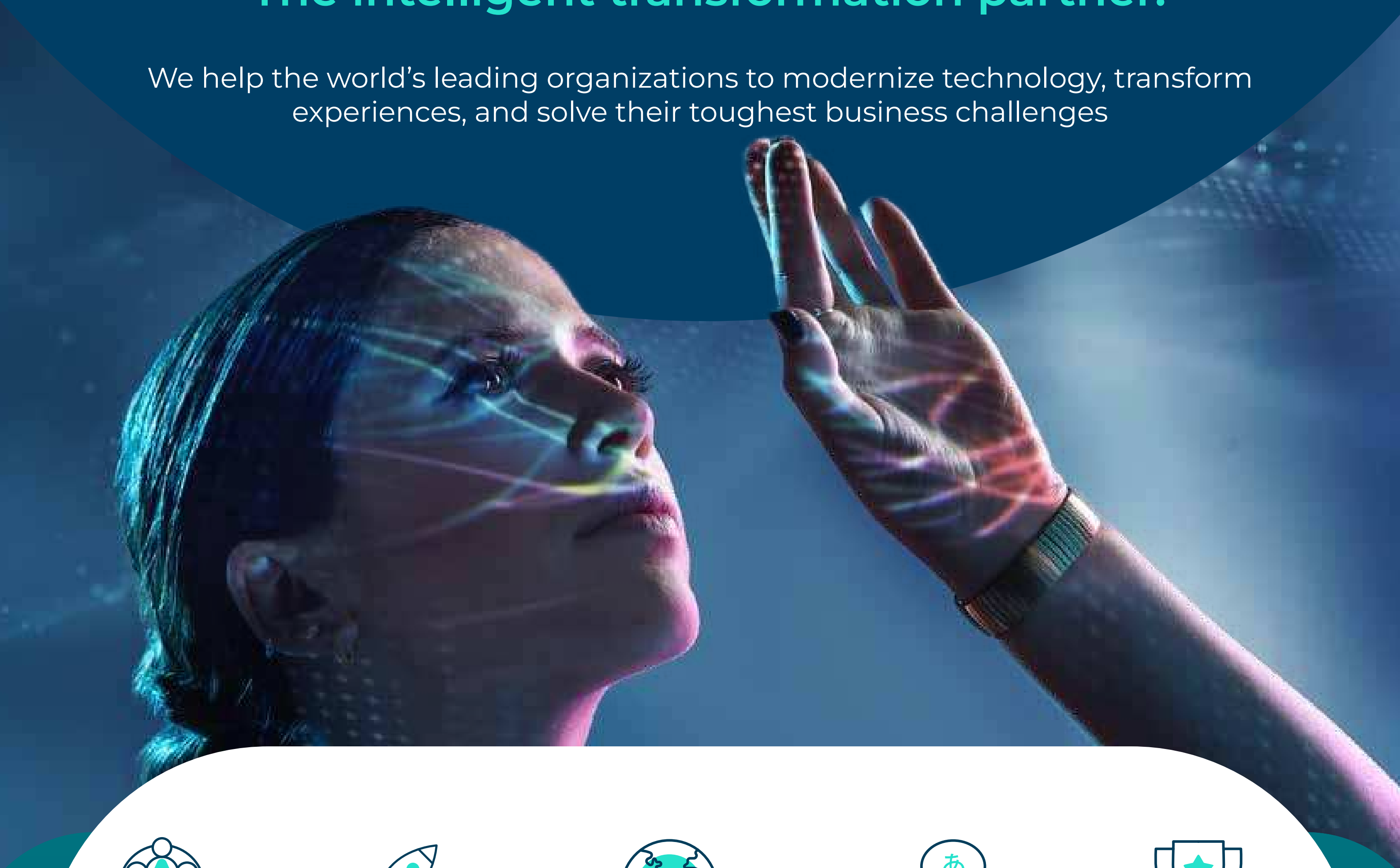

2,000+
clients

418+
new economy clients

6
continents

70
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150+
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176
industry awards

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The Importance of Data-Driven Sourcing

One of the emerging trends in contact centres and outsourcing is the increasing emphasis on data-driven decision-making, particularly when it comes to supplier management and procurement. Having accurate and reliable information on pre-vetted suppliers is crucial to maintaining the quality and effectiveness of sourcing events.

By employing robust data collection and rigorous quality assurance processes from multiple trusted sources, organisations can significantly mitigate procurement risks by thoroughly verifying supplier capabilities, compliance, and financial stability.

This comprehensive, data-centric approach not only empowers buyers to make well-informed decisions but also streamlines supplier selection, improves negotiation outcomes, and enables procurement teams to align sourcing strategies more effectively with their broader business objectives.

As contact centres and outsourcing continue to evolve, leveraging reliable data and pre-vetted supplier networks remains essential for driving operational efficiency and strategic success.

David Rumble,
Chair & Co-Founder,
The Knowledge Group (tkg)

Showcase

ESP Group

Life made simple

The ESP Group is a trusted provider of end-to-end services with over 30 years of experience. Offering omni-channel customer experience, back-office support, product fulfilment, and cutting-edge technology solutions, the ESP Group continuously evolves to meet market demands, offering innovative solutions that drive customer satisfaction and loyalty.

The ESP Group have offices in Arbroath, Scotland, and Hull, England. To find out more visit **www.the-espgroup.com**

Our key differentiators for our Contact Centre provision include:

- UK based
- Non scripted services
- 24/7, 365 days per year
- Able to offer flexible out of hours / overflow support
- Experienced in the provision of emergency support with immediate response, accurate call triaging and escalation processes
- Omni-channel
- Multi-lingual

The ESP Group currently have around 500 employees.

The ESP Group: Delivering 24/7 Contact Centre Excellence for Network Rail

Since April 2022, The ESP Group has operated Network Rail's National Contact Centre and Helpdesk, managing general enquiries, emergency calls, and switchboard services across phone, email, white mail, social media, and live chat - 24/7, 365 days a year.

Operating from centres in Hull and Arbroath, and via a secure homeworking model, our team - many of whom TUPE-transferred from the previous provider - brings deep expertise and continuity. We consistently deliver the highest CSAT scores across Network Rail's contact services.

Our work extends beyond day-to-day contact handling. We've developed and delivered Network Rail's bespoke training programme via our ISO 9001-certified system, with support from our Learning & Development team and online training platform.

Service enhancements include:

- CRM and telephony integration enabling screen-pop functionality to reduce handling time.
- Enhanced emergency call handling to expedite threat-to-life escalations.
- Expansion of social media coverage, including on-demand support allocation.
- Launch of Rail Strike and Pay Offer Helplines, supporting both the public and Network Rail's 37,000 employees.

Our people are supported 24/7, with dedicated operational backing and a strong focus on wellbeing and professional growth. In line with our group-wide commitment to fair and ethical employment, all colleagues supporting the Network Rail contract are paid the real Living Wage.

Regular site visits and quarterly best practice meetings ensure transparency, collaboration, and continuous improvement with Network Rail's regional teams.

This partnership highlights The ESP Group's ability to deliver sensitive, high-profile services with operational excellence, technological innovation, and a people-first approach.

"The ESP Group consistently meet or exceed the targets we set for them. The team are positive and energetic, despite the sometimes challenging contact they receive and always work hard to provide a positive first impression of our company to the people who contact us."

Nicki Mayers, Communications Manager, Network Rail

For more information, contact Marc Donald: marc.donald@the-espgroup.com
01241 730 300 | www.the-espgroup.com | www.linkedin.com/company/the-esp-group

The Attraction of New and Existing Offshore Locations

The UK has a longstanding reputation for customer support, though economic pressures have driven a shift toward outsourcing to specialised providers offering cost efficiency, technological expertise, and operational transformation. With rising global connectivity and cost challenges, UK businesses continue to explore offshore, prioritising English-speaking regions with lower costs.

Established leaders include **India** (mature BPO sector, skilled talent in IT/HR/finance), **South Africa** (cultural alignment, strong voice services), **Egypt** (multilingual capabilities, proximity to Europe), **The Philippines** (empathy-driven services), and **Portugal** (EU benefits, multilingual workforce). Emerging alternatives span **sub-Saharan Africa** (Kenya, Nigeria), the **Caribbean** (time zone advantages), and **Eastern Europe** (Poland, Bulgaria, language diversity, cost stability).

Key considerations for choosing locations include cultural fit, talent pool depth, attrition risks, site accessibility for employees (not just visitors), and balancing mature markets (management talent, competition) versus newer hubs (lower costs, recruitment challenges). This underscores the complexity of offshore decisions, advising thorough evaluation of operational needs and independent expert guidance to mitigate risks like high attrition or mismatched capabilities.

The UK or Beyond?

The UK has a rich, proud history for the delivery of customer support work. As the sector has developed and matured, it has become an employer of significant scale across disparate parts of the country and a proud source of innovation as UK brands push for ever greater outcomes for customers.

Over the years, as cost challenges grew, organisations started to move from internal operations to using more specialist outsourced suppliers who had access to greater pools of talent, had richer experience in technology delivery, or deeper skills to help transform internal operations into outsourced centres of excellence. The case for outsourcing is certainly a complex one, but the continued wave of brands that are moving to outsourced customer support models shows its popularity shows no signs of dissipating.

As the economic headwinds the UK faces grow stronger, buyers have been increasingly seeking locations beyond the UK that offer service delivery at a lower cost. The prevalence of English as a first language in locations with lower costs than the UK has seen huge amounts of work move to countries like India and South Africa over the last 20 years. But today, buyers' choices are far greater than they have ever been with a plethora of locations now needing to be on a buyer's radar.

The improving quality and reduced cost of international data connectivity means more locations are starting to present themselves as viable locations for offshore service delivery. Clearly, this is a difficult balance to strike as an operational leader; how to find a lower cost location with the scale and maturity to deliver a robust operation, that doesn't have huge attrition of a scaling market or the absence of a deep talent pool that newer locations may have.

Offshore Options

There are a growing number of locations that can service English speaking BPO demand, and tkg hold price and performance data on hundreds of partners across 61 different English-speaking countries.

The data looks across the vast global service delivery landscape a number of key markets emerge as worth exploring for UK buyers of contact centre services.

The Leaders

- **India** is perhaps the most mature BPO offering, with a wealth of graduates entering the labour market each year, an industry that has moved up the value chain to now deliver a range of complex services in IT, HR, finance and a stable political climate than foreign businesses are happy to trust.
- **South Africa** has grown substantially over the last 20 years thanks in part to a time zone comfortable to serve the UK. South Africa has been delivering outstanding outcomes for voice calls, particularly for the telcoms and utilities sectors, where the high levels of empathy and close cultural rapport to the UK have helped make it a popular delivery location.
- **Egypt** has established itself in the last decade as a top-tier location, with a range of shared service centres and outsource providers opening in the country. It is close to Western European markets, and there is a mix of language skills available, particularly German.
- **The Philippines**, which is traditionally a market that has strong ties to the USA, employs over a million people in the BPO sector and has become a major force on the world BPO stage, rivalling South Africa for levels of empathy.
- Closer to home, **Portugal** has seen significant development in the last 10 years as the lower costs, EU membership and availability of multiple languages has attracted several well-known brands and operators.

The Emerging Challengers

- Across **sub-Saharan Africa** a number of locations are developing, fuelled by demand from US brands, but where they have led, British brands have tended to follow. Kenya, Ethiopia, Ghana and Nigeria all have huge English-speaking populations and a growing BPO sector.
- **The Caribbean** has been attracting jobs from the US for a number of years, and now innovative suppliers are looking at taking advantage of the time zones to fill their centres with English demand before the American demand comes online later in the day.

- **Eastern Europe** is packed with brilliant options, some are well understood today, Poland, Hungary, Romania etc., where a range of activity has been moved in recent decades. There are a number of smaller countries which have not yet had the attention that the aforementioned have. Certainly, looking for languages as well as English-speaking colleagues, locations like Bulgaria and Greece offer a brilliant blend of lower costs, stable environments and great language skills.

Selecting the Right Option

There is an inevitable danger when considering locations to explore that buyers may miss some, or overstate how suitable one location is, but for a different activity type that a buyer has considered moving offshore. To counter these risks, it's worth spending the time to really consider the options.

- Where might a buyer envision themselves operating?
- Which location aligns best with their cultural values?
- How frequently would they prefer to visit the site?
- Is ease of access a significant consideration?
- Would an office nearby be preferable and the main operation located farther afield?
- Where might the operation be located? In a popular area with strong management and support talent availability - but potentially higher competition - or farther from Tier 1 locations, where employee attrition may be lower but the talent pool could be more limited.

There is complexity and subtlety in all these questions. Site location, for example. Is it more important that the front line can get to and from the site easily? All too often, organisations want somewhere near an airport so it's easy to access a few times a year, not considering the hundreds of employees who face a difficult commute and vote with their feet, and the site suffers high attrition. So, as with all tough decisions, it's worth taking the time and to seek independent advice.

Joel Walker,
MD – Platform Services and Co-Founder, The Knowledge Group (tkg)

Sourcing Certainty in Uncertain Times

Turning Outsourcing into a Strategic Lever Amidst Volatility

In an era defined by disruption, from geopolitical shifts to AI breakthrough, organisations face a critical dilemma: how to achieve operational efficiency while managing growing external risks. Outsourcing can offer a lifeline, including - flexibility, cost savings, access to skills—but mistakes in design or execution can expose firms to vulnerabilities they can't afford.

We challenge the instinct to retreat inward during times and instead advocate for structured adaptability: a smarter, more resilient outsourcing approach. Drawing on real-world experience supporting global brands through economic turbulence, explore how to:

- Design **multi-location sourcing models** to avoid overreliance on a single supplier or region.
- Execute **robust procurement strategies** to future-proof partnerships.
- Craft **contracts** that balance protection and performance incentives.
- Gain **end-to-end supply chain visibility** to anticipate hidden risks.
- Model **currency and inflation exposure** to manage cost unpredictability.
- Tap into **microservices** to access top talent without long-term commitments.

Whether reassessing existing outsourcing arrangements or exploring new ones, organisations can use this roadmap to navigate uncertainty and build future-ready operations.

Navigating a Landscape Defined by Disruption

Uncertainty has become the default business climate. From macroeconomic instability to the rapid technological change, the environment in which organisations operate is in constant flux.

In response, many scale back, preserve core operations, and delay major initiatives. And while financial caution has its place, overcorrection often results in missed opportunities that cost more than they save.

Outsourcing remains a powerful tool to drive efficiency and access innovation. However, to succeed in today's context, it must go beyond traditional cost arbitrage. Organisations must design and execute outsourcing strategies with resilience, flexibility, and long-term alignment in mind.

Designing for Resilience: Rethinking the Operating Model

Before engaging in commercial processes, organisations should critically evaluate their service landscape. Where is work delivered? Why there? At what cost?

Over-concentration in a single supplier or region creates fragility. Disruptions, such as - political, environmental, or economic - can quickly cascade through operations. A more resilient approach involves distributing delivery across multiple geographies and partners, creating optionality and the ability to rebalance rapidly.

Though managing multiple vendors may increase overhead, it brings significant advantages: performance benchmarking, reduced dependency, and a built-in 'champion versus challenger' dynamic.

Takeaway: Diversification across geographies and providers is no longer optional - it's foundational.

Executing Procurement that Future-Proofs the Business

Robust procurement is the bedrock of effective outsourcing. Whether run internally or with advisory support, sourcing must be intentional and disciplined. A strong process includes:

- Early market engagement via a Request for Information (RFI).
- Alignment of internal stakeholders around a target future state.
- A competitive supplier landscape with clear understanding of organisational needs.
- Thorough due diligence on shortlisted providers.
- Commercial frameworks designed to deliver outcomes, not just services.

Rushed or shallow processes introduce unnecessary risk. A well-executed sourcing cycle creates partnerships built to withstand change.

Takeaway: Strategic procurement delivers far more than cost savings - it builds operational resilience.

Contracting for Agility in a Dynamic World

In today's uncertain landscape, contracts must be dynamic instruments, not static documents. Key contract features should include:

- Risk/reward mechanisms tied to performance outcomes.
- Flexibility to adjust volumes and scope without penalties.

- Renegotiation triggers tied to market or technology shifts (e.g., AI-led automation).
- Strong exit, transition, and change-of-control clauses.
- Balanced risk allocation that encourages investment without creating complacency.

Suppliers value certainty, but too much rigidity can backfire. Contracts must enable adaptation as service needs evolve.

Takeaway: Agile contracts protect both sides while enabling evolution in service delivery.

Gaining Visibility Beyond Tier 1 Suppliers

Many organisations have visibility only into their tier 1 providers, leaving hidden risks within the broader supply chain. Effective risk management requires full supply chain mapping:

- Who supports the tier 1 suppliers?
- Where are critical dependencies located?
- What contingencies are in place if upstream failures occur?

This deeper transparency helps avoid surprises that can derail service delivery or undermine a business case.

Takeaway: Risk doesn't stop at the first supplier - visibility must extend across the chain.

Modelling Currency and Cost Volatility

Global operations expose organisations to foreign exchange (FX) risk and inflationary pressures. Without proactive modelling, even well-negotiated contracts can unravel due to external economic shifts. Organisations should consider:

- Contracting in home currency versus delivery currency.
- FX risk-sharing clauses or defined tolerance bands.
- Dynamic pricing mechanisms that adjust based on market conditions.

These measures protect budgets and supplier relationships alike - ensuring long-term sustainability.

Takeaway: Financial resilience requires built-in protections against volatility, not just budget discipline.

Unlocking Talent Through Microservices

In periods of uncertainty, hiring freezes are common, but capability gaps still need to be filled. Rather than pausing progress, leading organisations are turning to microservices models: short-term, high-impact engagements with specialist suppliers. Benefits include:

- Rapid access to niche skills.
- Outcome-based delivery models.
- Flexible resourcing without long-term overhead.

This approach enables innovation and progress without overcommitting to permanent headcount or major transformations.

Takeaway: Access to expertise doesn't require full-time hires - agile talent models unlock smarter solutions.

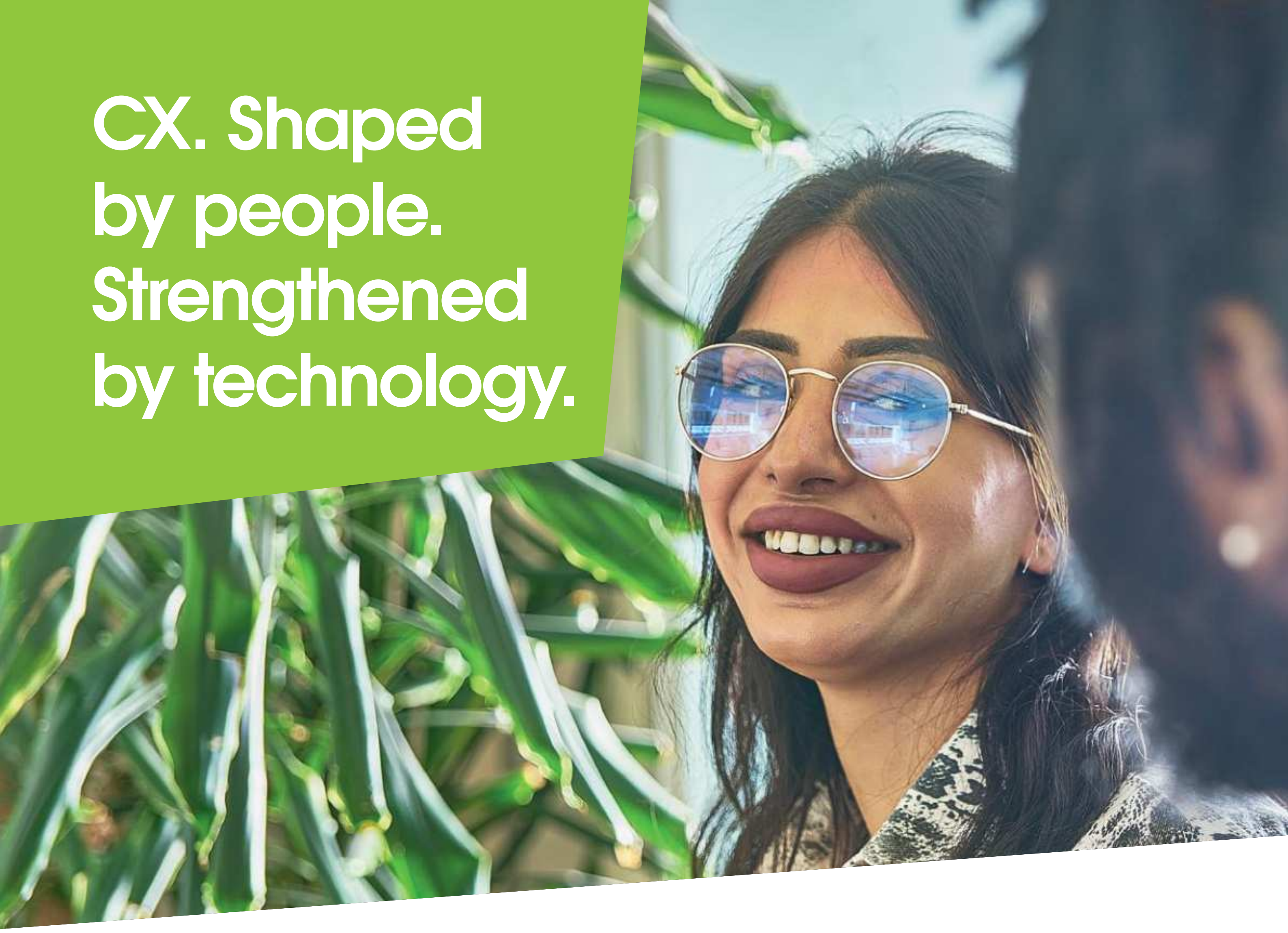
Flexibility is the Strategy

Outsourcing in uncertain times is not about retreat, it's about reimagining. By embedding flexibility into sourcing strategies, contracts, supply chains, and talent models, organisations can not only withstand disruption but emerge stronger and more adaptive.

At tkg, we've guided clients through recessions, pandemics, and technological shifts. Our focus is not just on cost; it's on building sustainable, scalable operating models.

Joel Walker,
MD – Platform Services and Co-Founder, The Knowledge Group (tkg)

CX. Shaped by people. Strengthened by technology.



At Interact, we believe great customer experiences begin with people who care. As an employee-owned business, our teams are uniquely empowered to take genuine ownership—of their work, their growth, and the customer experiences they create. We combine this with the power of AI to create a balanced blend of human insight and intelligent tools, working together to deliver consistent, multi-award-winning CX.

Employee-Owned Excellence
Proudly employee-owned, we bring unmatched dedication to every customer interaction

Innovative Culture
Driven by an innovative and entrepreneurial culture, we continuously evolve to exceed client expectations

AI Precision
Leveraging technology and AI to deliver smarter, faster, and more accurate customer support

Empowered Service
Our high-quality Advisors are trained, trusted, and empowered

Blended Global Teams
Our teams in the UK and South Africa work together to provide efficient, cost-effective customer-centric support

The Importance of Social Value and ESG

In today's evolving procurement landscape, buyers are placing greater emphasis on suppliers' social value credentials when buying and managing service contracts. This shift reflects not only a growing regulatory focus, particularly in the public sector, but also a broader recognition that value for money extends beyond cost — encompassing environmental, social, and community impact.

When we refer to social value, we are looking at the additional benefits that projects and procurement can deliver to society. It goes beyond the immediate objectives of the purchased goods or services, and seeks to improve communities' economic, social, and environmental wellbeing.

A New Procurement Priority

The introduction of the UK Government's Social Value Model in January 2021 marked a pivotal moment. It mandated that central government buyers must explicitly evaluate social value in all procurement decisions, with a minimum 10% weighting. This policy catalysed a wider movement across local authorities, housing associations, NHS trusts, and private sector buyers to embed social impact into supplier evaluations.

Examples can be seen in the public sector, in the Public Services (Social Value) Act 2012 and later in the Procurement Act 2023, which requires public authorities in England and Wales to consider how their procurement activities might enhance the wellbeing of their communities. This includes aspects like creating local jobs, supporting small businesses, promoting sustainability, and fostering community engagement.

Procurement teams are now looking beyond traditional metrics like price, quality, and delivery. They're asking: Does this supplier support local employment? Are they helping reduce carbon emissions? Do they foster inclusive workplaces?

Social Value Model

Traditional social value models offer a structured approach for embedding social value into procurement processes and ongoing supplier management. Through this model, buyers evaluate bids based on their ability to address societal challenges across five key themes:

Social Value Model	Themes	Outcomes
	Theme 1: Tackling economic inequality	• Create new businesses, new jobs and new skills • Increase supply chain resilience and capacity
	Theme 2: Fighting climate change	• Effective stewardship of the environment
	Theme 3: Equal opportunity	• Reduce the disability employment gap • Tackle workforce inequality
	Theme 4: Wellbeing	• Improve health and wellbeing • Improve community cohesion

Buyers integrate these themes into procurement tenders, selecting multiple focus areas per contract (typically three).

From Bidding to Contract Management

Using the Evaluation Criteria set out in an Invitation to Tender (ITT), suppliers are evaluated not only on their technical capabilities and cost-effectiveness but also on their capacity to deliver significant, measurable social value. Suppliers must then monitor and report on their progress during the contract's execution.

For suppliers, these requirements shape procurement dynamics:

- Suppliers must provide detailed plans showcasing their contribution to societal priorities.
- Strong social value strategies help businesses stand out competitively.
- Firms face increased accountability, including regular progress reporting.
- Collaboration with communities, smaller businesses, and stakeholders is encouraged.
- Smaller organisations may need to enhance their skills and resources to align with social value goals.

The evaluation of social value credentials doesn't stop at tender award. Increasingly, procurement teams are building social value commitments into contract KPIs and performance reviews. Many organisations now require detailed Social Value Action Plans as part of contract mobilisation, ensuring suppliers have a clear roadmap for delivery. Some are using digital platforms like Social Value Portal or Impact Reporting to track and report progress in real time.

Challenges and Considerations

Despite its growing importance, social value procurement comes with challenges:

- Consistency in evaluation: There's still variation in how buyers score social value, especially outside the public sector. What counts as a 'good' social value offer can vary widely.
- Supplier readiness: Smaller suppliers, particularly SMEs, often lack the resources to deliver or report on social value, putting them at a disadvantage.
- Avoiding 'value washing': Procurement teams must watch for exaggerated claims or generic pledges. Evidence-backed, locally relevant proposals are key.

To address these, procurement professionals are investing in training, collaborating with peers to share best practices, and refine scoring methodologies to ensure meaningful outcomes.

Future of Social Value

As ESG (Environmental, Social, and Governance) criteria become more central to corporate and government strategies, social value is set to grow in importance. Procurement teams are no longer just buyers - they're enablers of positive social change.

Looking ahead, social value is poised to become a standard feature of all public sector procurement, and its principles are increasingly being adopted in the private sector. Government initiatives like Net Zero targets and Levelling Up will likely drive further expansion. Enhanced reporting systems, closer alignment with private sector practices, and a focus on innovation and collaborative solutions are expected to bolster its future impact.

Social value used to be a nice to have. Now, it's a must-have - and suppliers who can't demonstrate their impact will increasingly be left behind.

Spencer Brooks,
Group MD & Co-Founder,
The Knowledge Group (tkg)

UK Contact Centre Outsourcing Market Trends

The UK contact centre outsourcing market, now perhaps more than at any time for a generation, is experiencing a transformative phase, driven by digital innovation, changing customer behaviours, and workforce restructuring. Our insights show year-on-year growth has remained steady, bolstered by demand for omnichannel customer experiences and cost-efficient service delivery models. AI, automation, and analytics are shaping the next generation of outsourced customer support.

1. Market Overview and Growth

- Market Size: The UK contact centre outsourcing market closed 2024 valued at approximately £2.9 billion, with expectations to reach £3.2 billion by 2026, reflecting a CAGR (compound annual growth rate) of 4.5%–5%.
- Growth Drivers:
- Shift toward digital self-service and AI-based solutions.
- Increasing demand from sectors like central and local government, e-commerce, healthcare, and financial services.
- The rise of remote work and flexible outsourcing models post-pandemic.

2. Key Products and Services

Outsourcing suppliers are moving up the value chain, offering CX consulting, journey mapping, and customer insights services alongside traditional contact centre operations.

Traditional Services

- Inbound/outbound voice support
- Email and chat support
- Social media management
- Back-office processing
- Tech support and troubleshooting

Emerging Offerings

- AI-powered chatbots
- Robotic process automation (RPA)
- Speech and sentiment analytics
- Virtual agents and knowledge management systems

3. Technology Landscape

Emerging technologies are transforming the capability and efficiency of BPOs, which in turn will impact quality, propositions and cost-to-value.

Artificial Intelligence and Machine Learning

- Deployed for intelligent routing, real-time analytics, and predictive customer engagement.
- Virtual agents and NLP (Natural Language Processing) enhance 24/7 self-service options.

Cloud Contact Centre Platforms

- Migration to cloud-based infrastructure for scalability and remote workforce enablement.

Omnichannel Integration

- Seamless customer experience across voice, email, chat, SMS, and social media platforms.
- Unified agent desktops and CRM integrations.

Cybersecurity and Compliance

- High focus on GDPR compliance, data encryption, and secure communications, especially in sectors like finance and healthcare.

4. Workforce and Employment Trends

- Only 2% of UK contact centres expect all employees to work fully on-site (source: CCMA, 2024).
- The rise of hybrid and remote teams has redefined operational models.
- Significant investments in reskilling the frontline to manage AI tools and handle complex queries.

5. Outlook (2025–2030)

- Market growth will be fuelled by AI maturity, 5G adoption, and hyper-personalisation.
- Expect increased mergers and acquisitions among mid-sized outsourcing providers to scale digital capabilities.
- The UK will likely remain a key hub for high-value, regulated customer service—particularly in sectors requiring deep domain expertise.

The UK contact centre outsourcing industry is poised for continued evolution. BPOs that invest in technology, talent transformation, and customer-centric innovations will gain a competitive edge in a digitally disrupted landscape.

We empower organisations to outsource better.

We're The Knowledge Group (tkg).
We're a fresh thinking and disruptive advisory and sourcing firm, who deliver next generation outsourcing services.

We work in partnership with organisations to help them achieve long-term success and impactful outcomes across their BPO, tech or business services spend.

Whether it's finding a new BPO supplier, unlocking innovative technology partnerships or transforming supplier management, we've got you covered.

How do we do it?

Through our deep domain knowledge, industry expertise and end-to-end AI-driven procurement platform, we transform the way organisations source and buy services.

Let's source and outsource better together.

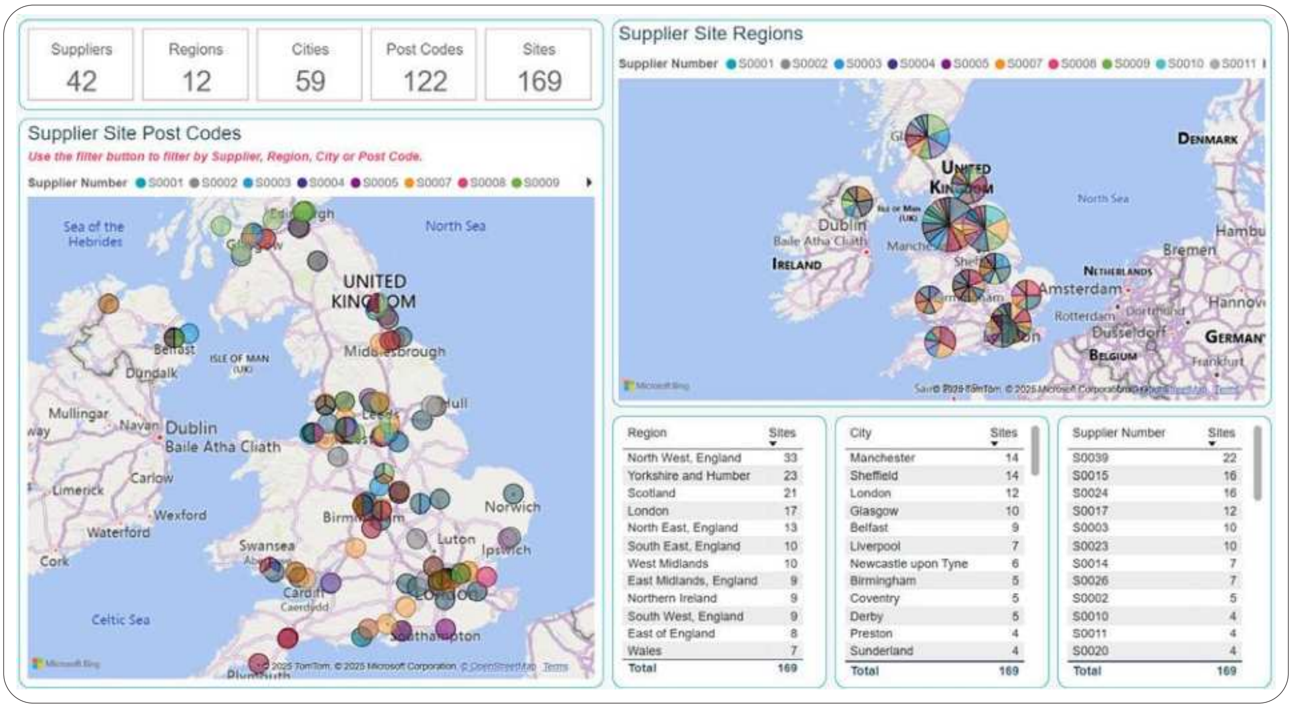
w: welovetoknow.com e: hello@welovetoknow.com

UK Outsourcing Landscape

The following pages provide insights available in the tkg PowerBI report. More detailed insights are available to in-house operations that are CCMA members. The following page provide insights available in the tkg PowerBI report.

Geographical Spread

The below image taken from the tkg supplier insight platform shows a geographic overview of supplier site distribution across the country.



Region	Sites
North West, England	33
Yorkshire and Humber	23
Scotland	21
London	17
North East, England	13
South East, England	10
West Midlands	10
East Midlands, England	9
Northern Ireland	9
South West, England	9
East of England	8
Wales	7
Total	169

City	Sites
Manchester	14
Sheffield	14
London	12
Glasgow	10
Belfast	9
Liverpool	7
Newcastle upon Tyne	6
Birmingham	5
Coventry	5
Derby	5
Preston	4
Sunderland	4
Total	169

Supplier Number	Sites
S0039	22
S0015	16
S0024	16
S0017	12
S0003	10
S0023	10
S0014	7
S0026	7
S0002	5
S0010	4
S0011	4
S0020	4
Total	169

There are 42 suppliers included in this annual study, delivering from 59 cities, giving a total of 169 sites.

Regional Distribution

- The Northwest of England leads with 33 sites, followed by Yorkshire and Humber (23) and Scotland (21).
- London also has a significant presence with 17 sites.
- The regions with the fewest sites are East of England (8) and Wales (7).

City-Level Insights

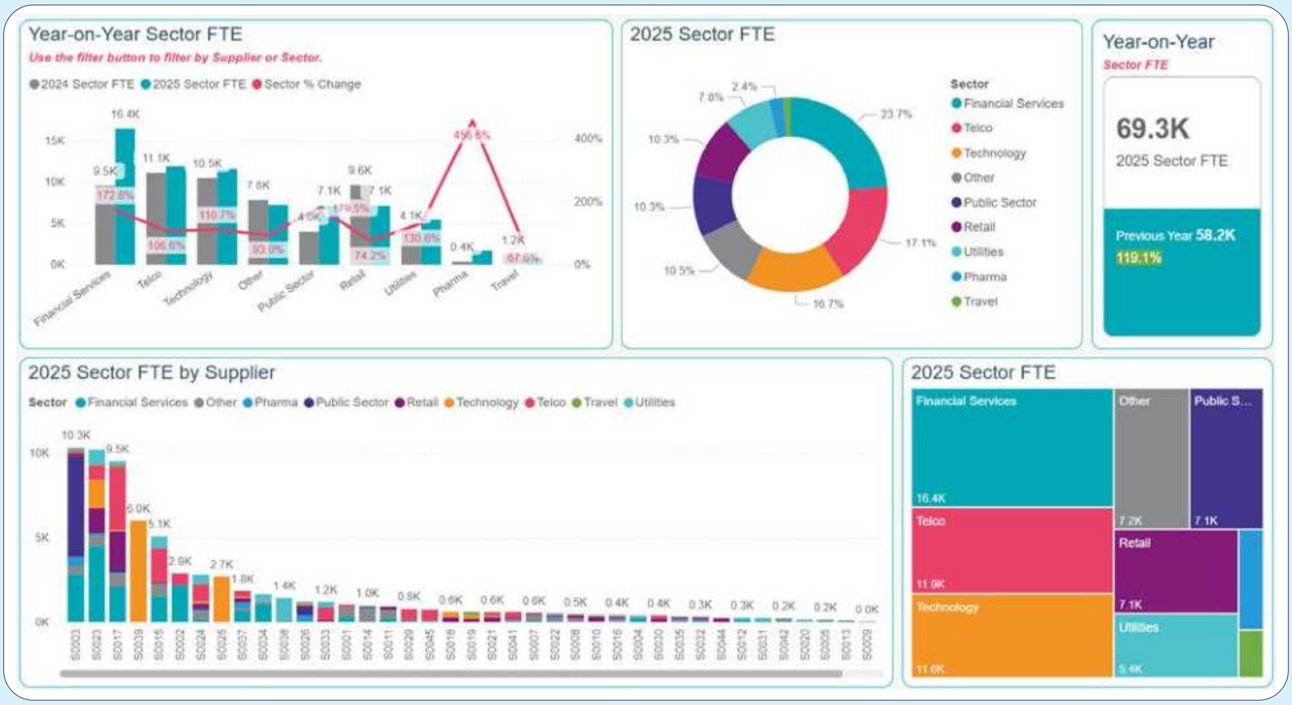
- Manchester is the top city with 14 sites, followed by Sheffield (12) and London (12).
- Other notable cities include Glasgow (10) and Belfast (10).
- Cities like Preston and Sunderland have relatively fewer sites (4 each).

Geographic Trends and Observations

- Urban centres like Manchester, Sheffield, and London are major hubs for supplier activities, likely due to better infrastructure and workforce availability.
- The diversity of suppliers in most regions, represented via multi-coloured pie charts, indicates a competitive and distributed landscape.

Sectorial Spread

This image provides a detailed breakdown of Full-Time Equivalent (FTE) distribution across various sectors for the year 2025, including comparisons with 2024. The dashboard explores sector growth, supplier contributions, and proportional FTE allocations.



Growth Rates

- Financial services saw significant growth (+172.6%), increasing from 9.5K to 16.4K.
- Retail also had notable growth (+179.5%), from 3.4K to 9.6K.
- Public sector and technology experienced moderate growth (93.0% and 110.7% respectively).
- Utilities and travel had more modest increases (74.2% and 67.6% respectively).

Sector Share of 2025 FTE (Donut and Treemap Charts)

Top sectors by share:

- Financial services: 23.7%.
- Telcoms: 17.1%.
- Technology: 16.7%.

Other notable shares:

- Public sector and retail: each 10.3%.
- Utilities: 7.8%.
- Other: 10.5%.
- Pharma and travel: smallest at 2.4% and 0.6% respectively.

Top suppliers by 2025 Sector FTE: largest supplier leads with 10.3K FTE, with the top five ranging between 9.5K 2.9K These top suppliers serve multiple sectors, particularly financial services, technology, and public sector.

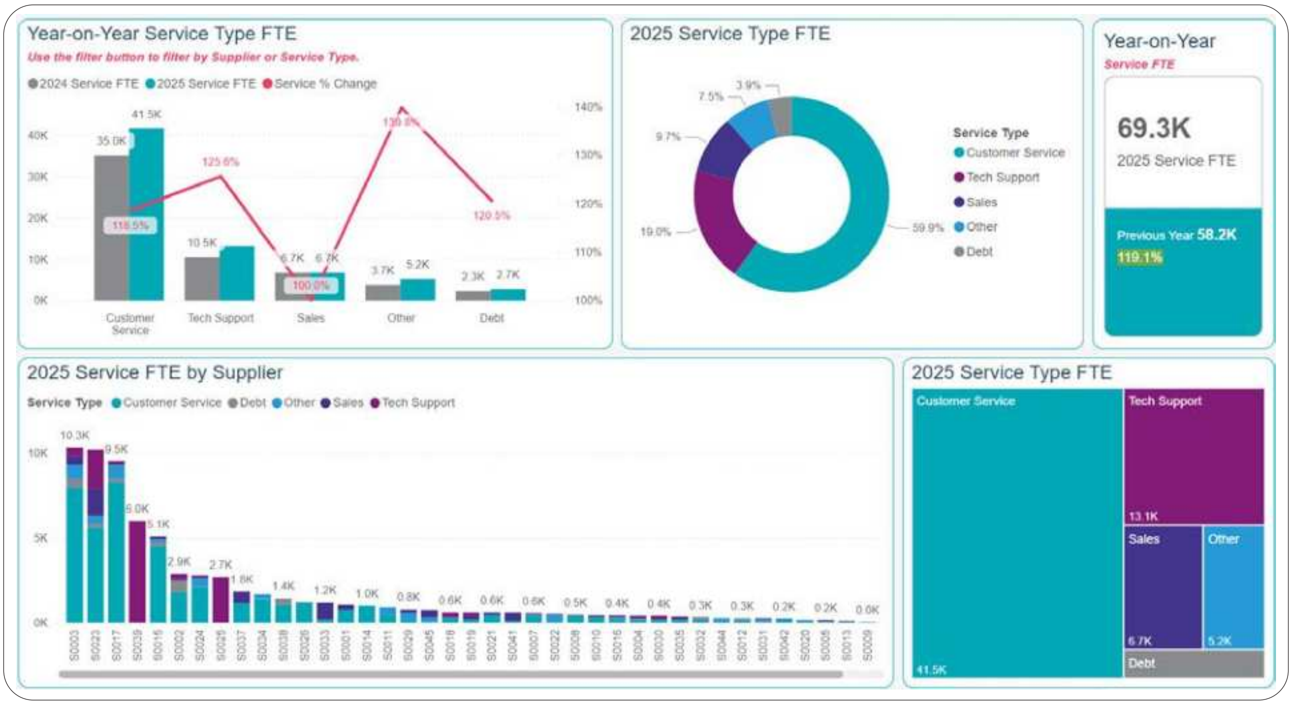
Financial services remains dominant, both in size and growth rate, suggesting rising demand into existing outsourced operations or an increase in outsourcing from inhouse operations. While pharma's growth rate stands out, it is less impactful due to the low absolute FTE base.

Smaller sectors like travel and pharma still have minimal workforce contributions. And with a concentration of FTE among top suppliers, it suggests a potential reliance on a few large suppliers.

The good news is that the FTE increase across most sectors indicates a broad expansion trend, perhaps driven by digital transformation or economic recovery.

Service Distribution

This image provides a detailed breakdown of the service types offered by BPOs in the UK.



Service Type Trends (2025 vs. 2024)

Service Type	2024 FTE	2025 FTE	% Change
Customer Service	35.0K	41.5K	+18.5%
Tech Support	8.3K	10.5K	+25.6%
Sales	6.7K	6.7K	0% (flat)
Other	3.7K	5.2K	+39.8%
Debt	2.3K	2.7K	+20.5%

2025 FTE by Service Type (Donut + Treemap View)

- Customer service dominates with 59.9% of total FTE (41.5K workers).
- Tech support: 18.9% (13.1K).
- Sales: 9.7% (6.7K).
- Other services: 7.5% (5.2K).
- Debt services: 3.9% (2.7K).

It's clear that customer service remains the backbone of service operations, with nearly 60% of the workforce conducting this type of work. Interestingly, tech support shows healthy expansion, perhaps driven by increased digital product support needs. However, flat sales growth suggests saturation or stabilisation in outbound/inbound sales teams – maybe brands are turning to other channels to drive up sales.

The 'Other' category's high growth might hint at evolving or new service types being introduced – something we'll be keeping a close eye on.

Of course, the top suppliers are diversified across service types, reinforcing a multi-service model among major players.

Thanks to the following UK outsourcers for contributing.

- ANT Marketing
- Arise
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- CallCare
- CC33
- Concentrix
- EXL
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- Foundever
- HGS
- Interact CC
- Kura CS
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- ResQ
- RSVP
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- Sigma
- Teleperformance
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- The Consumer Helpline
- The Telemarketing Company
- TTEC
- Ventrica
- Vericall Solutions
- WNS

About the CCMA

For more than 30 years, the CCMA has been absolutely dedicated to supporting contact centre professionals. We're constantly pushing ourselves to do more for our thriving community, which happens to be the largest community of contact centre professionals in the UK. The CCMA was founded with the goal of sharing best practice and networking to improve skills and knowledge in order to progress contact centre operations - and we live by that to this day.

We give those that work in contact centres the chance to discuss ideas and share experiences through member-only Special Interest Groups and online and in-person events.

Members are invited to become Accredited through the Contact Centre Standards Framework and get independent guidance on where to focus for improvements. There is also the opportunity to benchmark the operation against 25+ KPIs.

The CCMA Academy gives everyone a structured learning opportunity to support both personal and professional development for the benefit of their operation.

And of course, we celebrate the progress our industry is making through the UK National Contact Centres Awards. Those that win go on to share their stories through channels such as the UK National Contact Centre Conference, Best Practice Visits and CareerTalk. They are invited to input into the Special Interest Groups and other events.

www.ccma.org.uk

About The Knowledge Group

We are a fresh thinking and disruptive sourcing firm, who deliver next generation outsourcing services. We ensure organisations can source and manage their business services quickly, without compromising on quality, with a combination of digital tools, a global marketplace and industry-leading business process outsourcing services.

We buy. We shortlist skilled vendors that suit our clients' needs from an approved supply chain of innovative suppliers.

We build. From creation to design and implementation, we empower teams with the tools and suppliers they need to get the job done.

We operate. From supplier management to operational performance and beyond, we take care of our clients' projects and suppliers in a way that works for them.

Our advisory, assisted and managed services are designed to deliver great outcomes for our customers. With a key focus on transparent and unbiased sourcing processes, we empower organisations to outsource better.

www.welovetoknow.com

Not a member?

There is no better time to join us. The industry is changing and we are giving our members more opportunities to learn, to network and to support each other.

www.ccma.org.uk/membership

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