

### ***General Description***

The term “Business Services” is a term used to describe various office operations, including call centers. By definition it is an office environment that either generates or receives a high volume of voice or data transactions. For instance, call centers have become an industry of their own over the past 20 years as telemarketing and 24-hour customer service has become a necessity for almost every industry. From an economic development perspective call centers are attractive because they employ large numbers of semi-skilled to skilled people and provide competitive wages with good benefit packages.

An inbound call center adds value to the customer through service (airline reservation center), while outbound call centers typically represent an out-sourced sales function for a major consumer products company (long-distance carrier sales). In general, call centers employ a large number of people (200 – 2,000). The payroll represents the single largest operating expense of the business, and a significant percentage is used to recruit and train the employees.

The capital investment of the project ranges widely, but can be quite large for new facilities. Typically, call centers will search for existing space, which may be very difficult to accommodate because of the facility size and telecommunications requirements.

### ***Market Analysis***

According to one real estate executive, over the past several years, back office operations including call centers and data processing account for about 80 percent of all large office contract leases. As the ability to add value to customers over the telephone and/or computer becomes more widespread and cost-effective call centers will continue to develop and prosper.

Extremely low national unemployment figures, especially in large metro areas, are driving call centers to small and mid-sized cities across the United States. Finding quality workers at competitive wage rates is becoming increasingly more difficult. Along with labor availability and cost, telecommunications infrastructure is the most important site location factor.

A smaller community can be an excellent fit for both the company and the community as manufacturing and agriculture employment decreases, and as long as the telecommunications infrastructure and labor exist to sustain the operation. Value added (inbound) service centers may locate in a smaller city, but ordinarily tend to locate closer to larger cities. The need to attract and retain a large number of knowledge workers leads companies to larger cities with colleges & universities, medical facilities, and larger commercial service airports.

### ***Minimum Site Acreage***

# OK Site Certification Program      Development Type Overview

## Business Services Park

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To have the desired coverage and parking, larger sites than generally expected are required. The facility is designed to accommodate a large number of employees with minimal space, although the amount of parking remains consistent. For example, a total of 125 square feet of space may be required for an employee's workspace, but a parking place must be allocated. Office sites or parks will usually require a certain amount of "green" areas within the parking area.

### ***Appropriate Topography***

There are no special topographical requirements or limitations. However, minimal site development costs are greatly preferred. Large flat areas for parking surfaces and development are obviously an advantage.

### ***Utility Needs***

Both inbound and outbound call centers are utility intensive, especially for telecommunications services, and require very reliable infrastructure and service from providers. Because call centers represent a large consumer of power and long distance telephone service, competitive utility rates are vital to the new location. Minimization of disruption risk due to ice, snow, flooding, and tornadoes is key to the successful operation of a back office. Natural disasters that can crash computers may result in a catastrophic loss of data, or result in loss of revenue from sales or services if operations are closed.

Utility requirements vary by facility. The following are examples of what may be required.

#### **Telecommunications**

- Fiber OC-1 line or equivalent required, OC-3 line or equivalent preferred
- Diverse, redundant, digital electronic Central Offices (COs) / Points of Presence (PoPs)

#### **Electricity**

- Kilowatt (kW) demand: 1,000 kW
- Kilowatt Hour (kWh) Usage: 580,000 kWh / month
- Dual Feed preferred

#### **Natural Gas (LP is acceptable)**

- Usage: 250 mcf / month

#### **Water**

- Usage: Up to 12,000 gallons / day
- Municipal System preferred

#### **Sewer**

- Usage: Up to 12,000 gallons / day
- Municipal System preferred

### ***Transportation Requirements***

A site located within 90 miles of a medium to large sized, commercial service airport so senior management and corporate officers can easily access the new site is preferable. Specialty computer parts must often be flown in to minimize computer downtime.

### ***Labor / Workforce Needs***

The business services operation will employ anywhere from 200 – 2,000 people. Approximately 10 percent will be relocated from an existing operation in order to ensure a smooth start-up. Most new employees will require technical skills and be hired over the course of 1 - 2 year period. Seasonal peak employment is quite common for customer service operations.

Due to the high number of transferees from the existing operation, quality of life issues are an important part of the recruiting/retention efforts. The location should ideally be near higher educational institutions having large technical programs. This is especially important for inbound, value-added service centers.

The concentration of available technical labor will also be crucial to the success of the operation. The number of similar companies located between the labor supply and the site could be considered “interceptors” and thus threats.

Wages will vary depending on the mission of the company. Service providers will likely have higher wages than Tele-Marketing representatives will. Wages and benefits will also vary by local competition for employees. Starting wages are usually very competitive with the local market and may increase gradually as the facility becomes more stable over a 3-5 year period.

The following table shows the typical occupations that may be found in an office – call center. The table compares 2004 Oklahoma mean hourly wages with 2004 national mean hourly wages. *Please refer to the Application Package for the detailed “Comparison of Wages” and “Description of Occupations” sections.*

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<b>Office / Call Center Park</b>			
<b>OCC Code</b>	<b>Title</b>	<b>Oklahoma</b>	<b>National</b>
15-1061	Database Administrators	\$25.25	\$30.51
15-1041	Computer Support Specialists	\$15.41	\$20.97
15-1021	Computer Programmers	\$26.17	\$31.69
41-9041	Telemarketers	\$7.95	\$11.29
41-9091	Door-To-Door Sales Workers, News and Street Vendors, and Other Related Occupations	\$14.67	\$13.36
43-4041	Credit Authorizers, Checkers, and Clerks	\$12.81	\$15.15
43-4131	Loan Interviewers and Clerks	\$12.67	\$14.75
43-6014	Secretaries, except Legal, Medical, and Executive	\$10.52	\$13.06
43-3031	Bookkeeping, Accounting, and Auditing Clerks	\$12.64	\$14.34
43-9021	Data Entry Keyers, except Composing	\$10.07	\$11.72

### ***Proximity of Support Facilities***

The presence and quality of vendor support is a critical consideration for a call center. Proximity to similar operations will not only provide the necessary support services, but other advantages such as economies of scale and enhanced productivity. Local restaurants and banks within the vicinity of the site are preferred.

These “clusters” tend to support companies that are the most innovative in their respective industries and offer collaborative opportunities.

### ***Site Development Barriers & Issues***

The site should be able to accommodate large parking areas and will need to offer flexibility in configuration. Initially, a command center within the operation will occupy about 5,000 – 10,000 square feet; the bulk of the remaining space will be office space. An example of the square feet to person ratio is 125 square feet for every one employee.

The building should be able to be economically meet future technological changes and allow the company to centralize operations, administration, maintenance, and provisioning. Sufficient bandwidth flexibility should be provided to enable data services such as HD-TV, Frame Relay, and varying Internet Protocol.

***Site Ownership vs. Lease***

Site ownership versus leasing is ultimately a corporate decision. For call center operations leases are usually preferred. Computer and telephone systems, the backbone of the operation, are relatively mobile and make leasing favorable. A value-added service center may require additional investment, and may be more inclined to own facilities for a long period of time.

***Surrounding Land Use Issues***

Not only should the risk from natural hazards (as discussed in the topography section above) be examined, but potential hazards due to road/rail proximity, proximity to flight paths, and retail/commuting congestion should also be addressed. Controlled access to the site for employees' safety is very important.

***Other Criteria Critical to the Selection***

Refer to project evaluation criteria (musts & wants) which follow.