CALL/CONTACT CENTRES

AND

SHARED SERVICE CENTRES IN

MADRID

Study conducted by ABANLEX for

¡MADRID! madridEmprende AGENCIA DE DESARROLLO ECONÓMICO

December 2008

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1. Introduction: General Overview of the Call/Contact Centre Sector in Spain and Madrid

A **Call Centre** is a place where specially-trained call centre agents or executives make outbound calls to, or receive inbound calls from, external or internal customers, business partners, affiliate companies and others.

A **Contact Centre** is a centralised office used to receive and transmit a large volume of telephone enquiries and orders, although contact can also be made via channels other than the telephone, such as via fax, email, live chat, text message or multimedia message, amongst others.

Call Centres are run by a service provider which is in charge of managing and providing support and assistance to consumers in accordance with the products, services or information required. In addition, outbound calls can be made from these centres in order to make sales or collect any outstanding payments for the company.

They are also known as Contact Centres, and these centres are generally made up of a large workspace for contact centre agents and executives, split into **work stations** equipped with computers, telephones, and telephone headsets connected to a telecom switch, and one or more work stations for sector supervisors.

Call Centres can be independently operated or networked with additional centres, often linked to a corporate computer network.

More and more **new voice and data pathways are being used** in these centres. These newly-developed technologies make it easier to integrate consumer communication channels through the implementation of CTI (Computer Telephony Integration) technology.

Most major, well-known businesses use Call Centres to **interact with their customers**. Examples include utility companies or mail order catalogue retailers, as well as customer services and support for computer hardware and software companies. Many businesses even use Contact Centres for internal functions, such as help desks and sales support.

Shared Service Centres (CSC) have become an important organisational model, particularly within large companies. They are independent business units which bring together certain support processes and provide them as services. As such, CSCs can be used to make company operations more efficient.

An additional definition is as follows: an inbound or outbound Call Centre is a communication and customer relations tool which uses the **telephone** as a basic communication medium **managed by human beings** using the required and available human, physical and technological resources, based on work methodologies and certain suitable processes, to meet the needs of and provide services to each **unique client** with the aim of attracting new clients and making them loyal to the organisation, making it viable[1].

The **call/contact centre sector in Spain** now consists of more than **225 platforms**. It generates a **turnover of 1,385 million euros** and employs **58,677 workers**. 70% of these workers are women, and the majority of employees are between 26 and 35 years of age[2].

44.5% of sector employees work in Madrid, and the region continues to have the highest number of sector employees and platforms in Spain. Andalusia is in second place, with 18% of employees and 18 platforms[3].

2. Study Aims

- To determine the factors which make it easier or more difficult to set up call/contact centre companies in Madrid, based on the following factors:
  - Technological Barriers
  - Bureaucratic Barriers
  - Language Barriers
  - Salary Barriers

[1] Definitions taken from wikipedia.org
[2] "El Sector Español del Contact Center" DBK; ACE-Fecemd
[3] FES-UGT press release

- Cost of Infrastructure
- Tax Burden

- To determine the reasons why call/contact centre companies decide to set up their centres in a specific area in Madrid, and how important each of these factors are when it comes to making a decision. The following factors will be examined:
    - Cost of Renting or Buying Offices
    - Availability of Required Staff
    - Financial Aids and Subsidies
    - Accessibility and Transport
    - Other

- To determine the main economic sectors in which call/contact centres in Madrid work.
- To find out about the contract status and work conditions for new professionals in the call/contact centre sector in Madrid, taking into account factors relating to languages, specialisation courses and salaries.
- To determine how easy it is to find qualified and unqualified staff to work in the call/contact centre sector in Madrid.
- To gain an in-depth understanding of the language preferences of call/contact centres, and of the supply of, and demand for, multilingual staff.
- To provide a general overview of the call/contact centre sector in Madrid.

3. Study Method

This study on the position of the call/contact centre sector in Madrid was conducted by **Abanlex** for the **Madrid Emprende** Economic Development Agency, part of the City Council of Madrid, using a method which combines a qualitative approach (3 in-depth interviews with call/contact centre managers from the most important and representative companies in Madrid) with a quantitative one (telephone and email surveys).

The study was carried out between **2008 and 2009**. On the 12th and 13th of November 2008, data and direct testimonials were collected from 38 major companies from the call/contact centre sector during the 11th Edition of the Call Centre + CRM Solutions Fair, organised by the IFAES and run in the North Convention Centre at the IFEMA Feria de Madrid trade fair centre.

83 companies working in different economic sectors, and which all currently have an in-house or outsourced call/contact centre in Madrid, were contacted in order to write this report.

The **Spanish Association of Experts in Customer Contact Centres** (www.aeeccc.com) collaborated in the project. Through the AEECCC, Madrid Emprende told the members of the Association about this study so that they could help carry it out.

Furthermore, 12 completed questionnaires were received via email, and 11 of these were valid. A total of 83 companies were contacted for the purposes of this report. 26 companies collaborated in the project: 22 of them provided qualitative data and 11 provided quantitative data.

In addition, a lot of data from **secondary sources** were required for the study. The sources used were: “El Sector Español del Contact Center”, a report carried out by consultancy company DBK on behalf of ACE-Fecemd (Spanish Association of Telemarketing Companies, part of the Federation of E-Commerce and Direct Marketing); press release by FES-UGT (Federation of Services of the Spanish Trade Union UGT); “Spain Contact Centers”, by Interest Invest Spain (September 2008); “Estudio sobre Call/contact Centers en España”, by IFAES and the AEECCC (November 2005); “The region of Madrid: preferred location for call/contact center and shared service center (SSCs) businesses”, PromoMadrid (21.05.2007); Expansión newspaper (2005); Report on call centres written by Grupo RH Asesores (2002); IBM Plan Location International Analysis, December 2005; Eurostat, 1995-2003; Instituto

Nacional de Estadística (Spanish National Statistics Institute), 2004; "The region of Madrid: preferred location for call/contact center and shared service center (SSCs) Businesses", PromoMadrid (21.05.2007); Cushman & Wakefield 2005; European Attractiveness Survey 2005, Ernst & Young; AENA (Spanish Airports and Airspace Authority); European Cities Monitor; Dun & Bradstreet Business Contacts; AT Kearney's 2004 Offshore Location Attractiveness Index; Global Competitiveness Report, WEF; Wikipedia; MEC (Spanish Ministry of Education); INE (Spanish National Statistics Institute), January 2005; Report on "El sector de los Call/contact centers en España: Funcionamiento, Estrategias y prácticas de RRHH", written by the Human Factor, Organisations and Markets Research Group at the Universitat Rovira I Virgili in Tarragona; COMFIA; Informe 2006/07 sobre Organización y gestión de los Recursos Humanos en los Contact Centers (2006/2007 Report on the Organisation and Management of Human Resources in Call Centres), RH Asesores en Recursos Humanos; Clarin; Top Language Jobs; Tusalario.es; IV Convenio Colectivo del Sector del Contact Center (4th Collective Agreement for the Contact Centre Sector).

This report offers an insight into the position of call/contact centre professionals who work in Madrid only, based on a **sample group of three thousand five hundred and thirty three (3,533) employees**, the equivalent of 13.53% of all those who work in this sector throughout the region.

4. Executive Summary

Around **50% of call/contact centre professionals** in Spain work in Madrid. **65% of the centres and platforms** in which they work form part of, or provide services to, the ICT, finance and insurance sectors.

The companies which have selected Madrid as a location for their platforms based their decision on a series of **strategic factors** which included, above all: ease of access to technological resources; excellent international connections, transport and workplace accessibility; quality and availability of human capital; linguistic diversity;

and the ease and efficiency of the bureaucratic paperwork which must be processed in order to set up a platform.

However, a number of factors have also been detected which, although they do not prevent the normal development of the sector in Madrid, may constitute small **barriers to entry** for new call/contact centres looking to set up their facilities in the capital. These include: the high cost of infrastructures; salaries higher than the European average; and a high tax burden.

With regard to the **qualifications and skills of call/contact centre professionals**, in the region of Madrid it is easy for companies in the sector to find specialised staff for qualified positions, who are fluent in two or more languages (especially English, French and Portuguese) and have at least one degree. The average salary in this professional sector is 17,500 euros per year, 3.2% more than the European average.

5. Economic Sectors Represented in Call/Contact Centres in Madrid

The economic sectors which currently use call/contact centres in Madrid can be divided into the following six major categories:

- **Information and Communication Technologies (ICTs)**: 35.48% of call/contact centres surveyed in Madrid work in the technology, telecommunications and Internet subsectors.
- **Insurance and Banking**: 29.04% of call/contact centres in Madrid work in insurance and banking, making this sector the second most important in the city.
- **Health and Consumer Sectors**: 16.11% of the companies surveyed provided call/contact centre services for the health, food, consumer electronics and motoring subsectors.
- **Public Administration**: Public Administration activities are responsible for 9.68% of work for call/contact centre companies in Madrid.

- **Switchboard Services**: 6.46% of call/contact centres provide switchboard, information or customer services for offices and organisations.
- **Leisure**: Only 3.23% of call/contact centres in Madrid provide services to the leisure and travel subsectors.

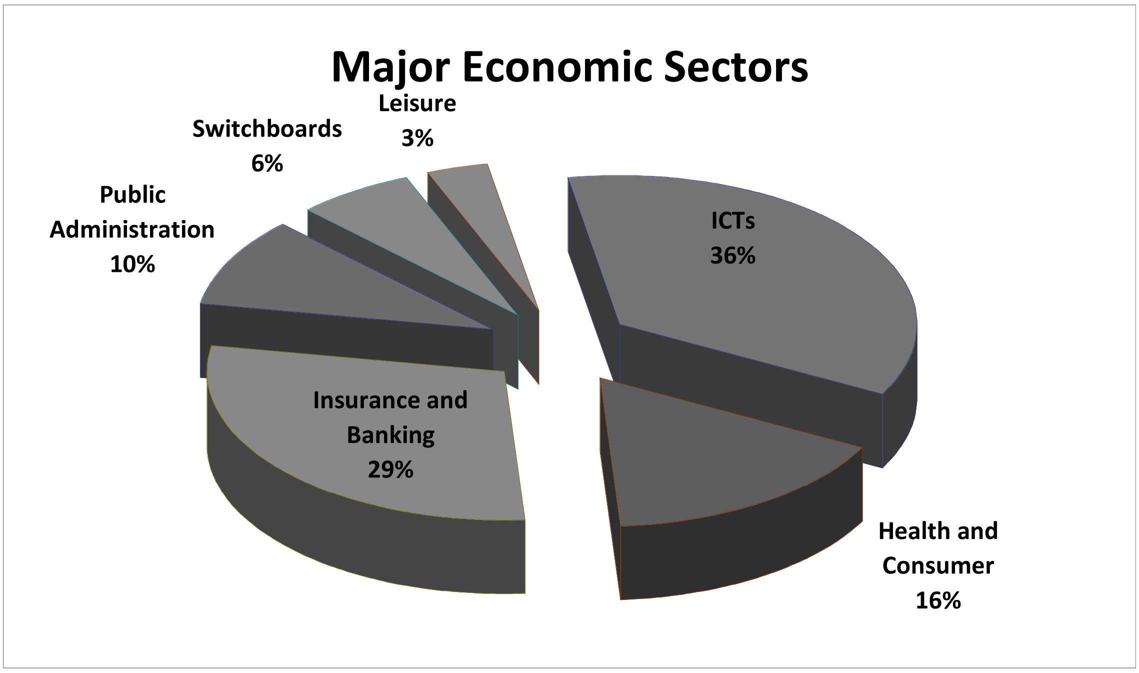

Figure 1: Major Economic Sectors. Source: Authors

The diagram above shows percentages for each of the specific economic sectors for which the companies surveyed provide call/contact centre services from Madrid.

The following main **economic subsectors** are provided with outsourced Madrid-based multilingual call/contact centre services for international markets: sales, tourism, banking, IT support, technology and industry. Multinational companies with their own in-house contact centres in Madrid focus on providing services in, above all, the tourism and finance sectors, as well as the telecommunications, insurance, IT and technology sectors. Finally, the study shows that, when it comes to multinational companies with shared multilingual centres in Madrid, the finance, insurance and telecommunications sectors are the most heavily represented[4].

[4] "Spain Contact Centers", Interest Invest Spain, September 2008.

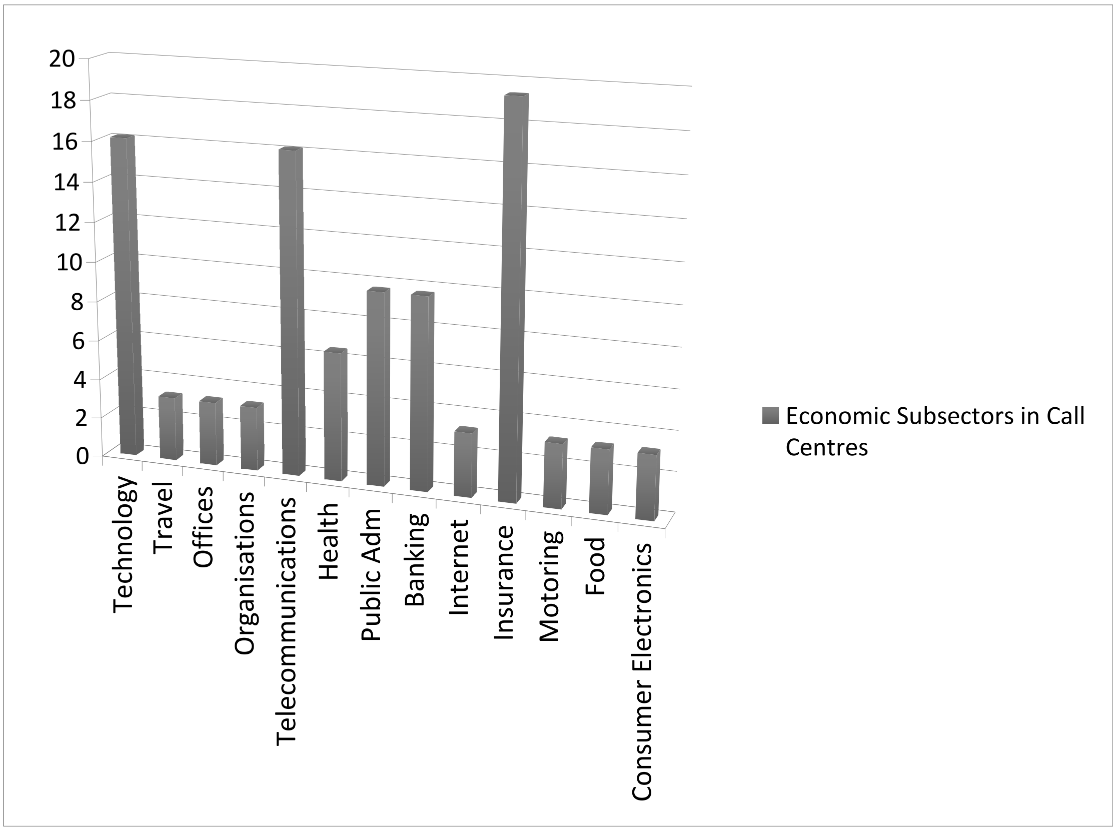

Figure 2: Economic Subsectors Represented in Call/Contact Centres in Madrid. Source: Authors

As Figure 2 above shows, the **main subsectors** belong to the insurance sector (19.36%), followed by the technology sector (16.13%) and the telecommunications sector (16.13%). These are then followed, in terms of percentage of call centre activity, by services for the Public Administration (9.68%) and banking sectors (9.68%).

The last places in the ranking are occupied by the health subsector (6.45%) and, with practically identical market shares, other subsectors such as the travel (3.23%), offices (3.23%), organisations (3.23%), Internet (3.23%), motoring (3.22%), food (3.22%) and consumer electronics (3.22%) subsectors.

6. In-house or Outsourced Call/Contact Centres

87% of companies which use a call/contact centre in Spain have at least one of their own in-house centres. The remaining 13% do not have their own centre and have decided to outsource the service to specialised call/contact centre companies, 27% of which are based in Madrid[5].

As an example, the following **specialist companies** offering call/contact centre services are based, or have offices, in Madrid: Coris Asistencia (Coris International), EDS, Estratel-Atento and Transcom Worldwide. **Multinational companies with call/contact centres in Madrid** include: Altadis, American Airlines, American Express, Cepsa, Europ Assistance España, Europcar, Iberia LAE, NH Hoteles, Oxford University Press España, PC City, SAP, Scania, Solbank, Sol Melia, Sun Microsystems and Tasaciones Inmobiliarias[6].

Below are some practical details about the companies with centres in Madrid:

- IBM:
  - Type of centre: shared services for business processes.
  - Coverage: Europe (except Germany).
  - Number of workers: 400.
- Sun Microsystems:
  - Type of centre: shared services for business processes.
  - Languages: Spanish, German, French, Dutch, English, Portuguese and Italian.
  - Number of workers: 50.
- American Express:
  - Type of centre: shared services for business processes.
  - Coverage: Europe (except the UK and Ireland).
  - Number of workers: 1,000 (450 non-Spanish EU workers).
  - Languages: Spanish, French, German, Swedish, Norwegian, Portuguese and Spanish.
- EDS-HP:
  - Type of centre: shared resources centre.
  - Coverage: International.

[5] "I Estudio sobre Call/contact Centers en España", IFAES and the Spanish Association of Experts in Customer Contact Centres (AEECCC), November 2005.
[6] "Spain Contact Centers", Interest Invest in Spain, September 2008.

- Languages: Spanish, English, French, Greek and Portuguese.
- Number of workers: 270.

- Ericsson:
  - Type of centre: shared services for business processes.
- Sol Meliá Hotels:
  - Type of centre: shared resources centre.
  - Coverage: Europe.
  - Languages: Spanish, English, Irish Gaelic, German, French, Flemish, Italian and Portuguese.
  - Number of workers: 270.

7. Siting

The study went on to analyse the reasons which helped call/contact centre managers in Madrid to decide on the current location of their offices and work centres. In order to carry out this analysis, these managers were asked some questions regarding practical matters, such as accessibility or the cost of offices, in order to determine how relevant or irrelevant each one was when it came to selecting the site for the call/contact centre. Finally, an open question was included in the survey to allow managers to describe any other reasons which played a decisive role in their choice.

Several reports[7] state that **40% of all call/contact centres in Spain are based in Madrid**. It is also interesting to note at this point that **65% of Spanish call/contact centres which provide services for the financial sector are located in Madrid**[8].

With regard to the preferred location for call/contact centres and shared resource centres, in 2005 Spain was home to 12% of centres for the European market, making it the third-most important country in this sector. Between 2003 and 2005, 46% of all

[7] "The region of Madrid: preferred location for call/contact center and shared service center (SSCs) Businesses", PromoMadrid (21.05.2007); Expansión newspaper (2005).
[8] Report on call centres written by Grupo RH Asesores (2002).

the companies which work in this sector in Spain decided to set up their centres in Madrid rather than in any of Spain's other autonomous regions[9].

a. Location

The companies which provide call/contact centre services in Madrid chose the current location of their premises based on the criteria shown in Figure 3 below. In order to calculate these figures, the choice of location was considered as a whole, calculating the percentage weighting that each individual choice would have had when it came to deciding between one location or another. These figures should be analysed alongside those for the rest of the factors.

When considering the choice of location as a whole, the greatest concern for call/contact centre companies is the need to be able to find the employees required to fill all the necessary positions. As a result, the **availability of required staff** accounts for **27%** of the choice, followed by **accessibility of the workplace**, which accounts for **24%** of the total.

After these two factors, the call/contact centre companies focus on the **cost of renting or buying offices** and the **financial aids and subsidies** that they would receive when setting up in a particular location. These two factors account for **22%** and **19%** of the total, respectively. However, as we shall see below, these factors are not decisive factors for all call/contact centre companies, and they may be assigned a significantly lower importance score by some agents.

For some types of call/contact centre, concern for company identity (4%) or access to telecommunications (4%) can also be decisive factors.

[9] IBM Plan Location International Analysis, December 2005.

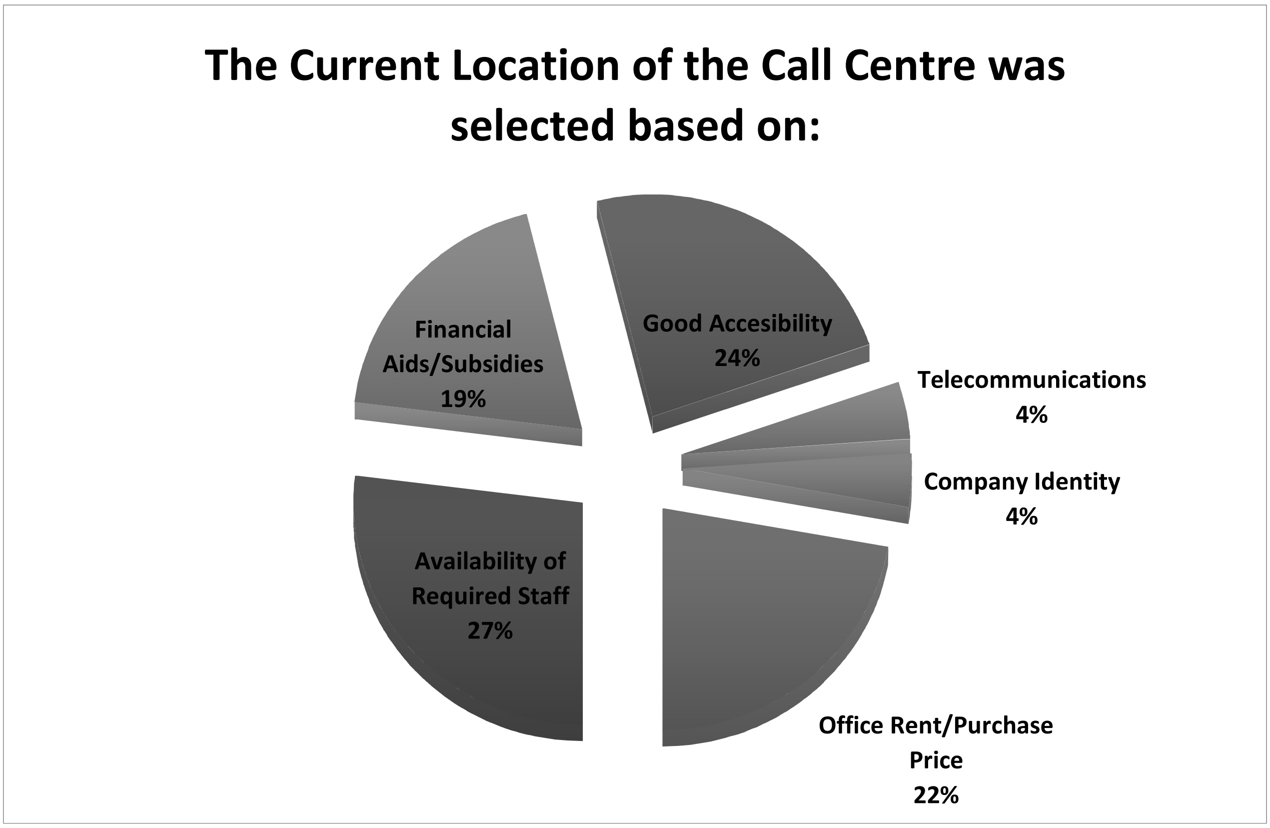

Figure 3: Location of Call/Contact Centres. Source: Authors[10]

Other factors which must be taken into account when considering the location of call/contact centre companies in Madrid are the **economic and social stability of the region**, its **economic diversity** and its **extraordinary growth rate**. All of these factors meant that Madrid was the area with the third-highest growth rate in Europe between 1995 and 2002[11] and the highest growth rate in Spain, growing by 4.6% in 2006[12].

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[10] Note about how to interpret this graph: Figure 3 shows a number of interrelated factors which were taken into account when the decision was made. To obtain data regarding the specific influence that each factor had when it came to deciding on a location for each call/contact centre, the individual figures for each factor must be analysed.

[11] Eurostat, 1995-2003.

[12] Instituto Nacional de Estadística (Spanish National Statistics Institute), 2004.

b. Cost of Renting or Buying Offices

Spain is ranked as the fourth best location in Europe in terms of the cost of renting or buying offices[13], the second best for availability of offices[14] and the fourth best for the legislation which regulates these operations and the process of setting up offices[15].

Figure 4 below shows the importance of the **cost of renting or buying the offices or premises** where call/contact centre services are based when it comes to deciding on a location for those offices or premises.

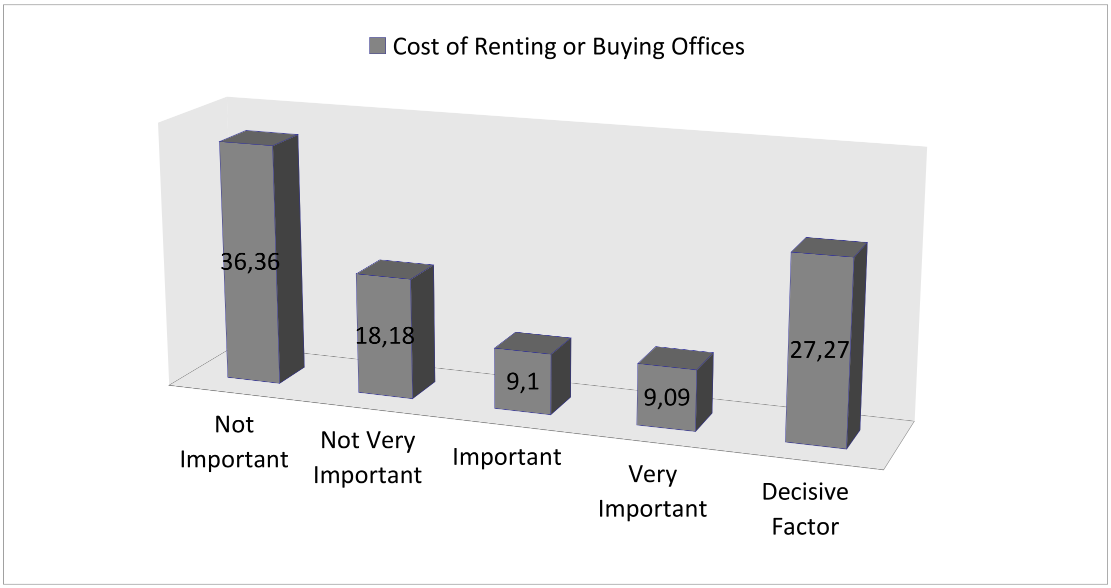

Figure 4: Cost of Renting or Buying Offices. Source: Authors.

The **cost of renting or buying the offices or premises** where call/contact centre services are based is not important for 36.36% of the companies surveyed. It is important for the remaining 63.64%.

For 27.27% of the companies surveyed, the cost of renting or buying offices was a decisive factor in their choice. 9.09% thought it was a very important factor, while a further 9.1% thought that it was an important factor. 18.18% of the companies surveyed did not feel that the price of premises was important.

[13] "The region of Madrid: preferred location for call/contact center and shared service center (SSCs) Businesses", PromoMadrid (21.05.2007).
[14] Cushman & Wakefield 2005.
[15] European Attractiveness Survey 2005, Ernst & Young.

c. Availability of Required Staff

The availability of the required staff **is the reason why most call/contact centre companies decide on their location**, bringing the workplace to the workers.

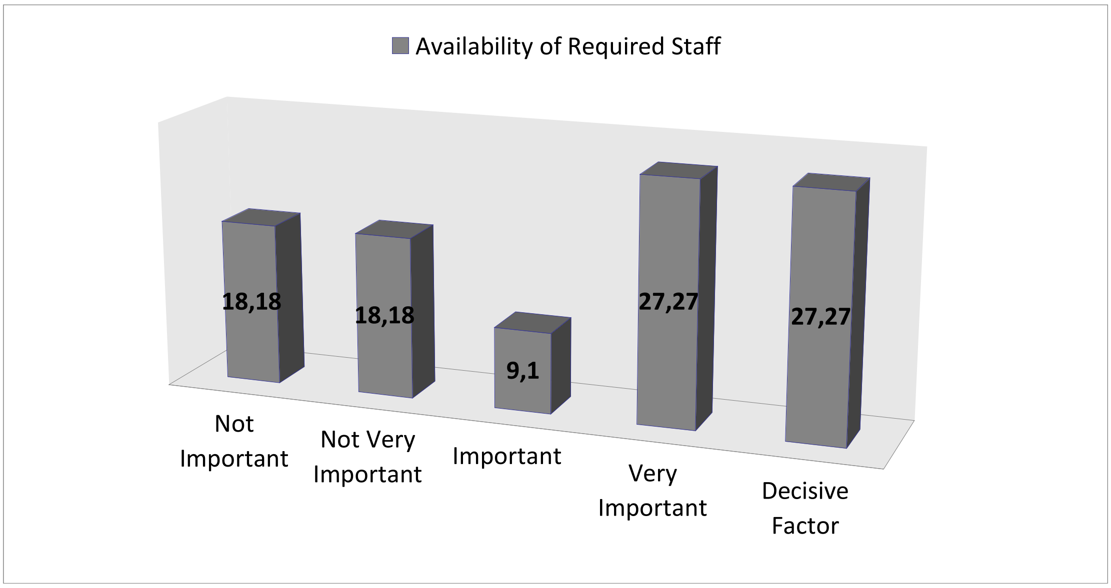

Figure 5: Availability of Required Staff. Source: Authors

Over half of the companies surveyed (54.54%) felt that this was a very important (27.27%) or decisive (27.27%) factor when it came to choosing the location of their centres.

9.1% believe that the availability of required staff is important, but 36.36% think it is not very important (18.18%) or not at all important (18.18%).

d. Financial Aids and Subsidies

The financial aids and subsidies provided to call/contact centre companies are not decisive factors but **they are still taken into account** by the companies which provide call/contact centre services in Madrid.

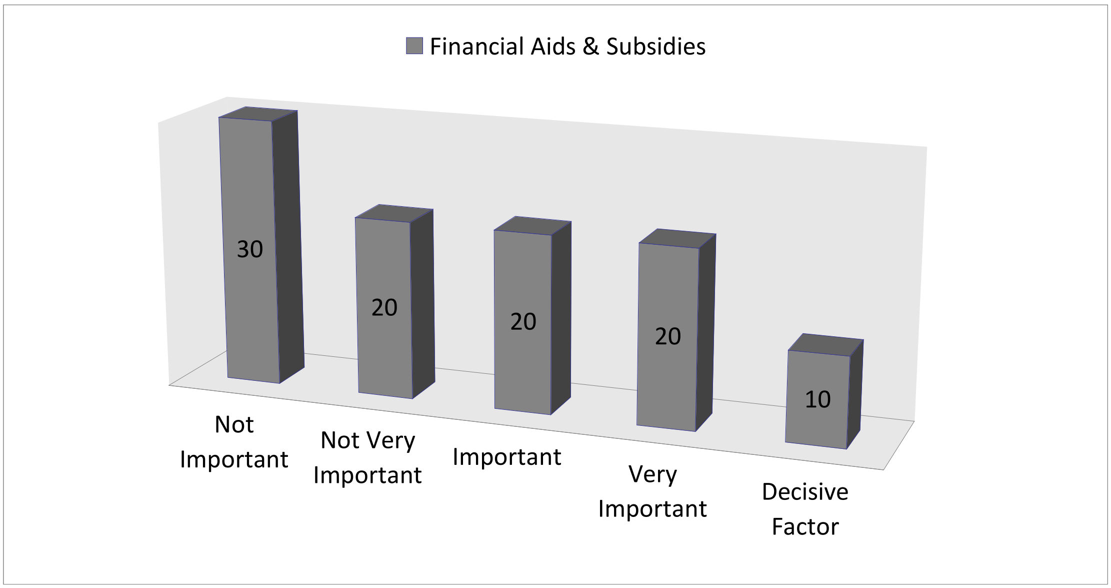

Figure 6: Financial Aids and Subsidies. Source: Authors

30% of call/contact centres selected their current location without considering the financial aids or subsidies that they could have been given based on their location. 20% felt that this factor was not very important.

50% felt that financial aids were an important factor (20%), a very important factor (20%) and even a decisive factor (10%) when it came to making their decision.

e. Accessibility and Transport

Just like the availability of required staff as shown in Figure 5 above, accessibility and ease of transport to the workplace are a major concern for most call/contact centre companies.

Madrid has one of the most extensive air, road and rail transport networks in Europe. Thanks to the expansion of Madrid Barajas airport, the city can now receive twice the amount of travellers and goods received before. It is currently the city with the second-highest reception volume in Europe, and so Madrid now has an excellent competitive edge[16]. In terms of the road and rail network, Madrid has one of the most advanced public transport systems in Spain, and an extensive road, motorway and railway network which connects the city to every corner of Spain and the rest of Europe[17].

Figure 7 below shows the percentage of companies providing call/contact centre services in Madrid which considered accessibility and transport to be a decisive factor when it came to choosing their current location.

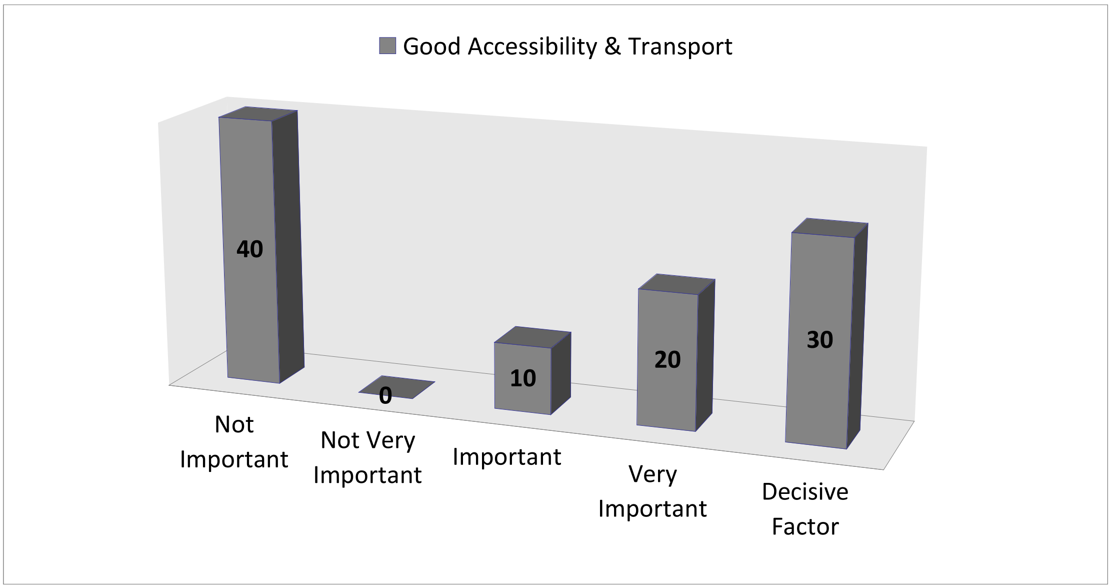

Figure 7: Good Accessibility and Transport. Source: Authors

Accessibility and transport were deemed unimportant by 40% of call/contact centres.

None of the companies surveyed thought that this factor was not very important. However, and quite unlike the 40% of companies who felt that accessibility and transport were not at all important, 60% do believe that it is an important factor to some degree, and for 30% it was even a decisive factor.

20% felt that accessibility and transport were very important, and 10% thought that they were important.

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[16] AENA (Spanish Airports and Airspace Authority).
[17] European Cities Monitor.

f. Other Factors: Telecommunications and Company Identity

Some of the companies surveyed (9.1%) added that access to telecommunications services was a decisive factor. They also believed that location is part of a company's identity, and that it plays a decisive role in corporate identity.

8. Ease of Setting Up a Call/Contact Centre in Madrid and Barriers to Entry

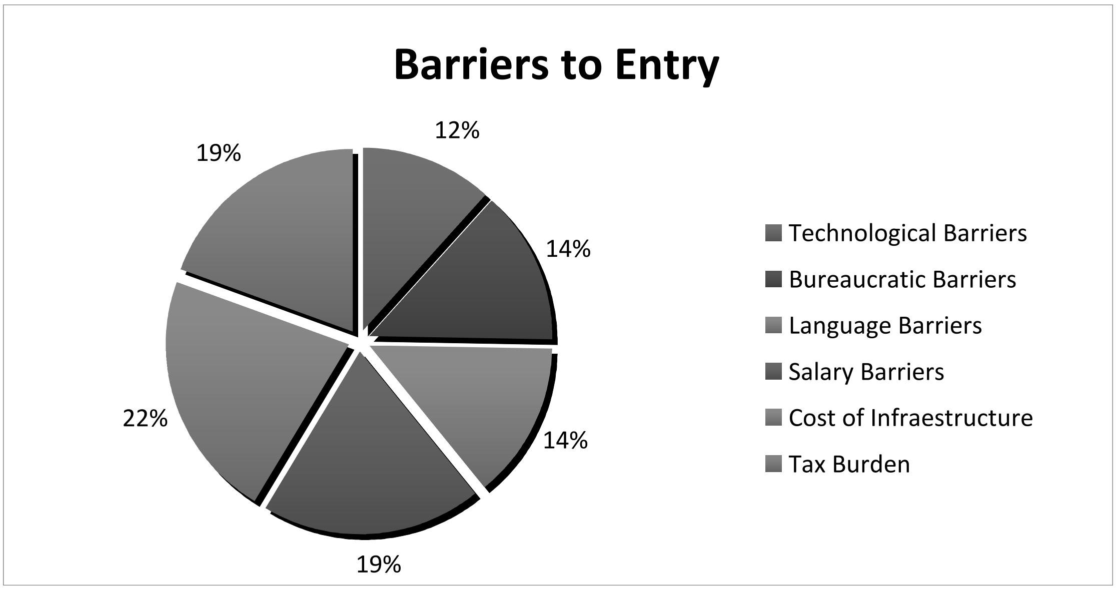


Figure 8: Barriers to Entry. Source: Authors

This section of the study and its respective subsections focuses on all of the barriers and obstacles which make it difficult for new companies in the call/contact centre sector in Madrid to establish themselves in a new market.

The main barriers that call/contact centres can come up against when choosing Madrid as their location are: cost of infrastructure (22%), salary barriers (19%), the tax burden (19%), bureaucratic barriers (14%), language barriers (14%) and technological barriers (12%).

a. Technological Barriers

Technology and access to technology in Madrid are not a barrier. In fact, they are quite the opposite. Figure 9 shows that, according to more than half of the call/contact centre companies surveyed, there is no technological barrier in Madrid.

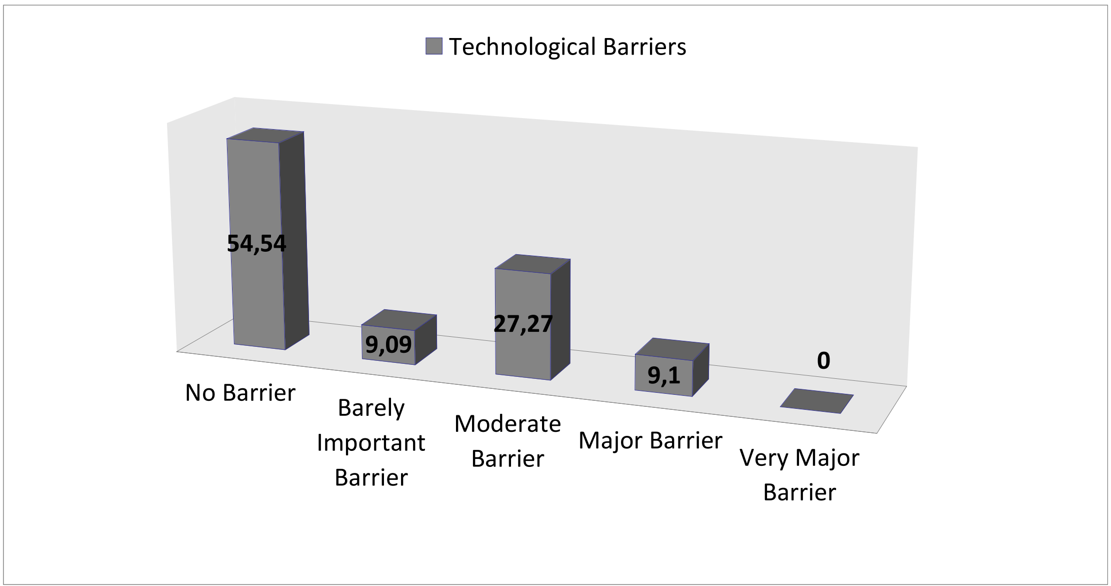


Figure 9: Technological Barriers. Source: Authors

54.54% of the companies surveyed believe that **there is no technological barrier in Madrid**. 9.09% believe that the barrier is of little importance. 27.27% think that it is a barrier of moderate importance, and just 9.1% believe that it is a major barrier.

None of the call/contact centre companies surveyed believe that the barrier can be considered very major in Madrid.

It is important to note at this point that Madrid is the European city with the second highest number of employees in the IT sector, more than Dublin and Barcelona[18], and it is therefore a technological reference point at an international level.

[18] Dun & Bradstreet Business Contacts.

b. Bureaucratic Barriers

Just as with the importance of the technological barrier, shown in Figure 9 above, call/contact centre companies believe that **the bureaucratic barrier in Madrid is barely important or non-existent**.

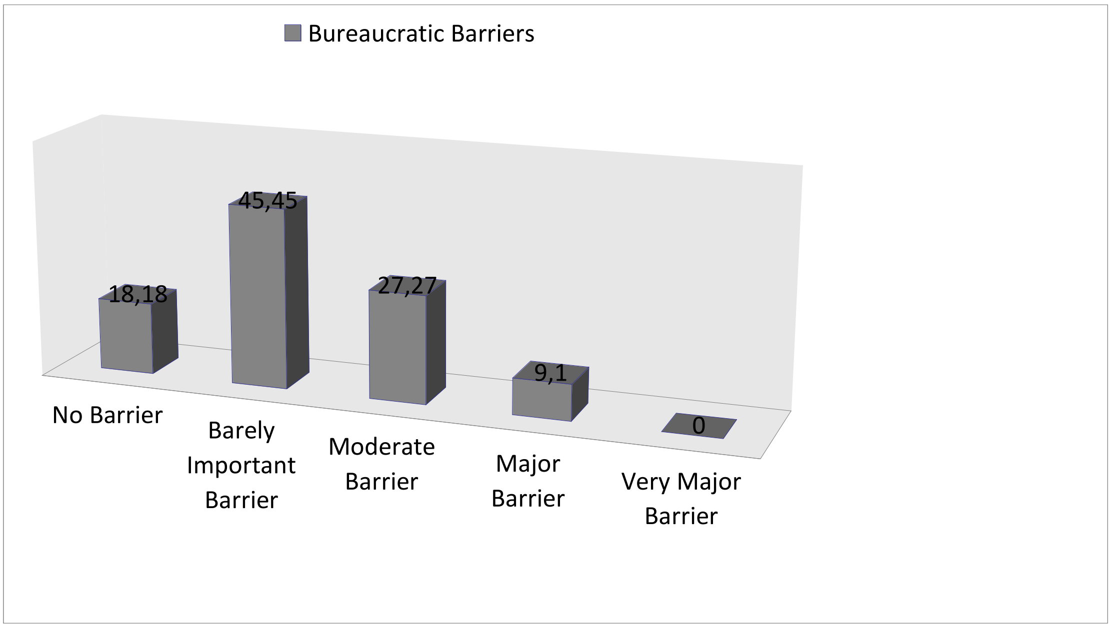


Figure 10: Bureaucratic Barriers. Source: Authors

63.63% of call/contact centre companies in Madrid believe that the bureaucratic barrier in Madrid is non-existent (18.18%) or barely important (45.45%). A little over 27% believe the barrier to be of moderate importance. Just 9.1% believe that it is a major barrier, and no call/contact centre companies rated the bureaucratic barrier in Madrid as very major.

c. Language Barriers

The language barrier indicates how easy or difficult call/contact centre companies find it to set up in Madrid in terms of the language training of potential workers, as well as the differences between the language spoken in the call/contact centre company and the language spoken in Madrid.

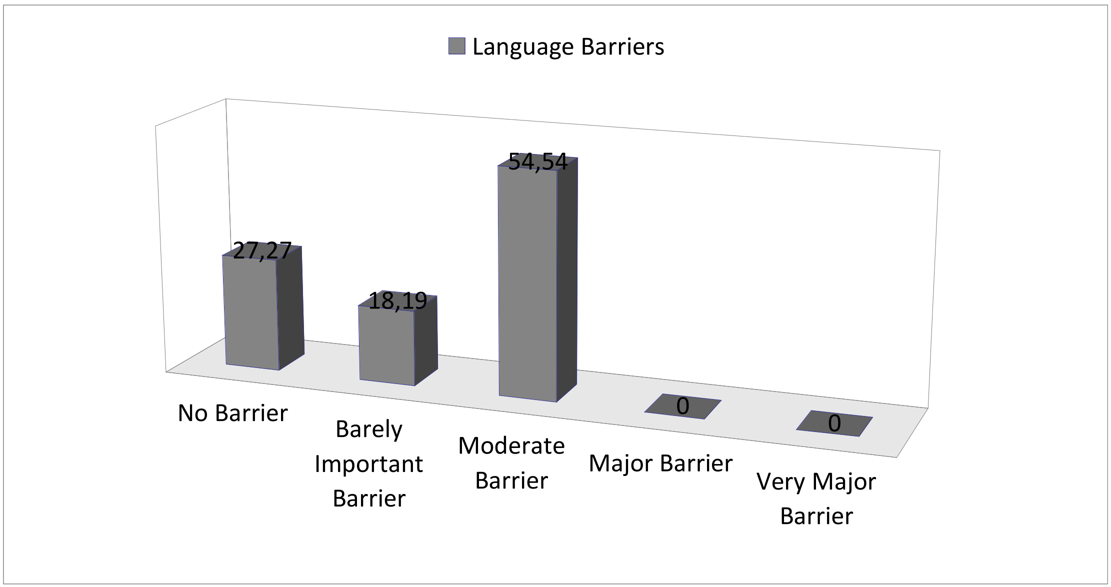


Figure 11: Language Barriers. Source: Authors

27.27% of call/contact centre companies do not believe that there is a language barrier and 18.19% believe it is barely important.

More than half of the call/contact centres surveyed believe that the barrier is of moderate importance.

However, none of the companies think that the barrier is major. As such, none classified the barrier as very major either.

d. Salary Barriers

The salary barrier indicates the relevance of, and difficulties posed by, the salary levels demanded by call/contact centres for companies looking to set up premises in Madrid.

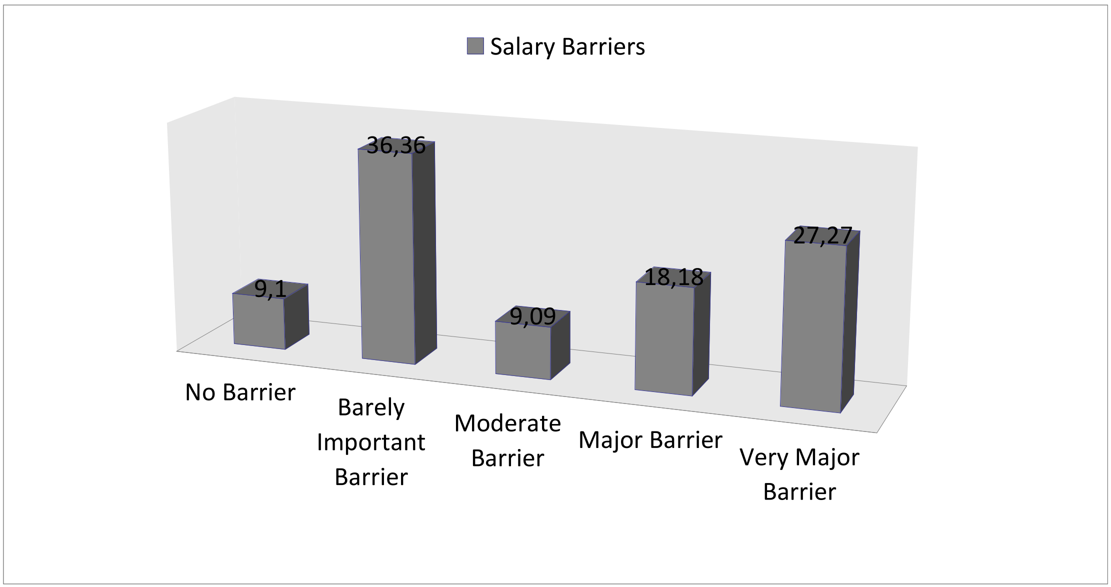


Figure 12: Salary Barriers. Source: Authors

Salary barriers are deemed more important: 27.27% of call/contact centres believe that they constitute a very major barrier and 18.18% believe that salaries are a major barrier.

9.09% feel that the barrier is of moderate importance, while more than 45% believe that it is barely important (36.36%) or non-existent (9.1%).

e. Cost of Infrastructure

The cost of infrastructure, in other words the cost of a series of elements or services considered necessary in order to create and run an organisation, is one of the most important barriers to entry, along with the tax burden, which shall be examined later.

Figure 13 below shows the intensity and relevance of the barrier to entry that the cost of infrastructure represents for call/contract centre companies looking to set up operations in Madrid.

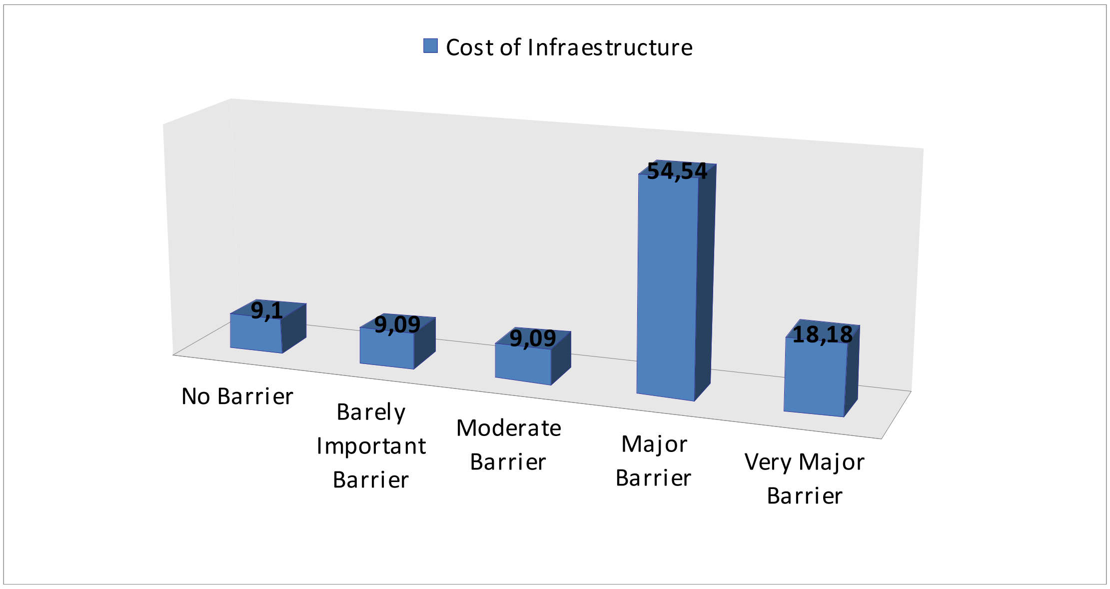


Figure 13: Cost of Infrastructure. Source: Authors

Around 9% of call/contact centre companies believe that the cost of infrastructure is a non-existent barrier (9.1%), a barely important barrier (9,09%) or a barrier of moderate importance (9.09%), respectively, representing 27% of all of the companies surveyed. However, **54.54% of all the companies surveyed believe that it is a major barrier**, and a further 18.18% believe that it is very major.

f. Tax Burden

The tax burden is a factor **which makes it harder for call/contact centres to set up operations and continue to operate in Madrid**, unlike other factors such as technology, languages and the required bureaucratic paperwork.

Figure 14 below, which contains figures similar to those in Figure 13 above, shows that **70% of call/contact centres operating in Madrid believe that the tax burden is a major barrier (60%) or a very major barrier (10%)**.

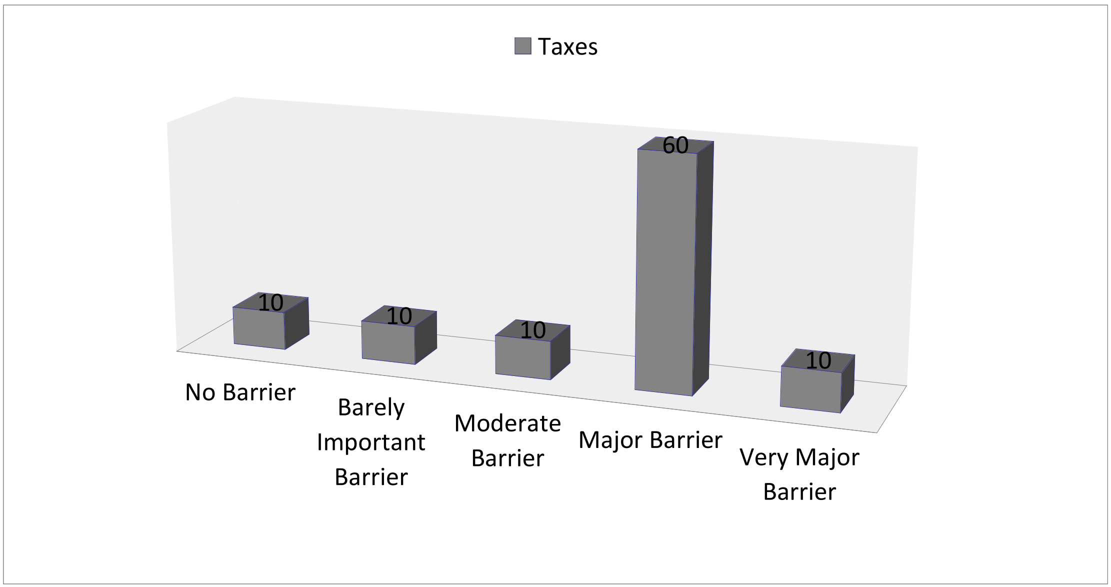


Figure 14: Taxes. Source: Authors

20% of companies surveyed consider the tax burden to be a barrier of moderate (10%) or little importance (10%). Only 10% believe that the barrier can be considered non-existent.

Madrid has become the location of choice and a reference point in the sector as a result of the tax policies which benefit foreign corporations looking to invest in call/contact centres[19].

9. Staff

Staff are an essential resource of incalculable value for call/contact centres, and as such their training and professional standard, as well as their attitude and behaviour towards customers, are fundamental elements which need to be taken into account when recruiting staff and providing services. Over recent years, Spanish professionals working in the sector have climbed the rankings to become the group with the fifth

[19] "The region of Madrid: preferred location for call/contact center and shared service center (SSCs) Businesses", PromoMadrid (21.05.2007).

highest level of technical skills in Europe[20] and the group ranked first in terms of the quality of services provided to customers (5,6)[21].

This section will focus on the position of the staff contracted in call/contact centres in Madrid, using data relating to a sample group of 3,533 jobs given to professionals in the sector in Madrid.

a. Recruitment According to Qualifications for the Job

Call/contact centres may need staff **for qualified or specific positions, as well as for unqualified or generic positions**. Figure 15 below shows how easy it is for companies to find staff for either of these two job types.

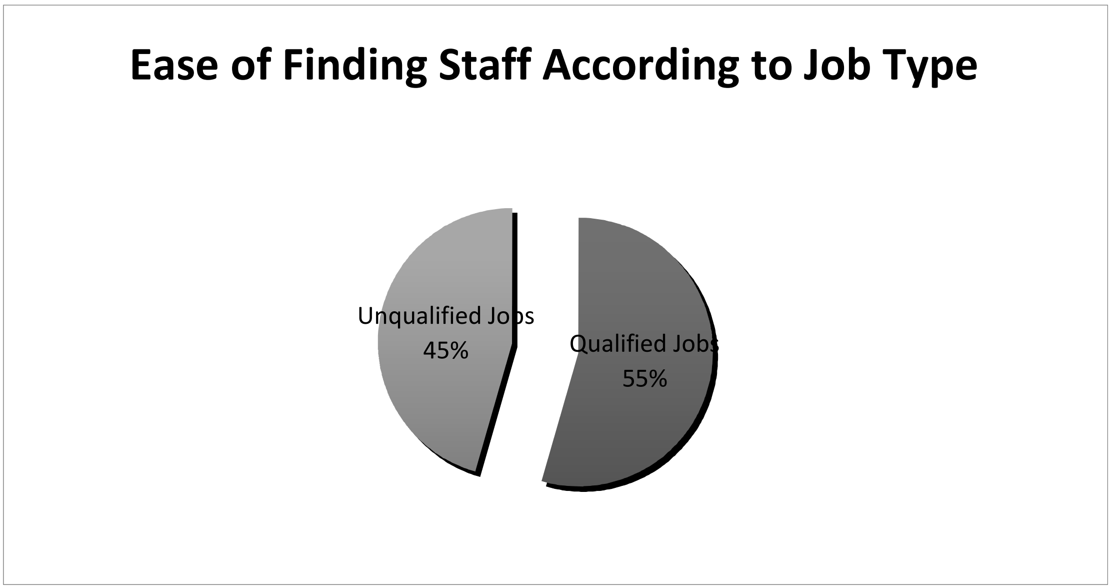


Figure 15: Ease of Finding Staff According to Job Type. Source: Authors

Figure 15 shows that call/contact centre companies find it easier to find staff for qualified jobs (55%) than unqualified jobs (45%).

[20] AT Kearney's 2004 Offshore Location Attractiveness Index.
[21] Global Competitiveness Report, WEF; Score 1 to 7 (7=best score).

i. Unqualified Positions

Figure 16 below specifically examines how **easy** it is for call/contact centre companies to find staff for unqualified positions.

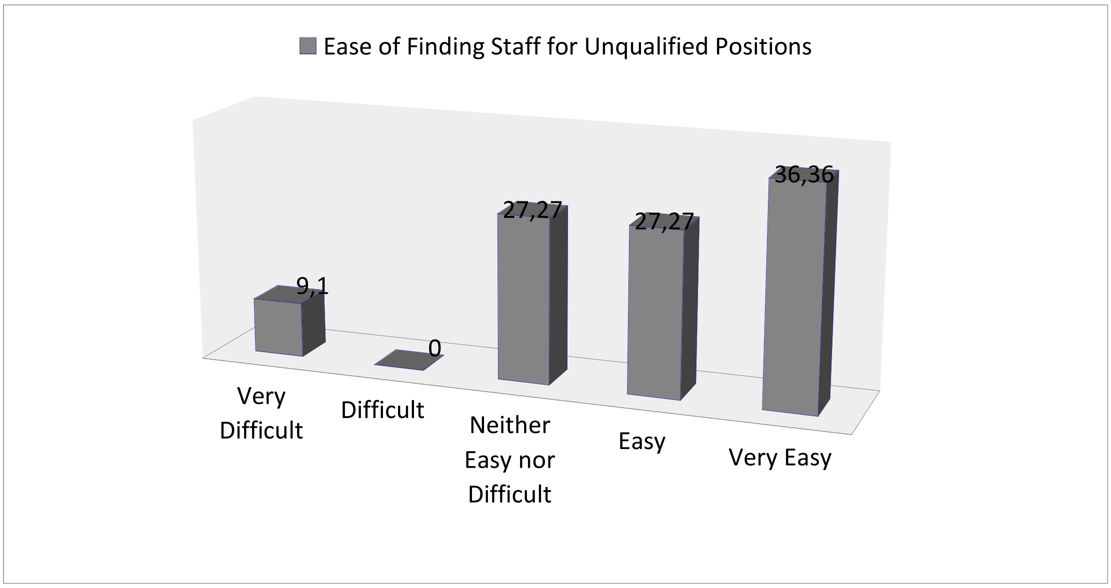


Figure 16: Ease of Finding Staff for Unqualified Positions. Source: Authors

Although, generally speaking, it is easier to find staff for qualified positions, **36.36% of call/contact centre companies believe that it is very easy to find staff to fill unqualified positions.** 27.27% believe that it is merely easy and a further 27.27% believe that it is neither easy nor difficult.

None of the companies surveyed believe that is it difficult to find this kind of staff. However, 9.1% believe that it is very difficult.

ii. Qualified Positions

Figure 17 below specifically examines how easy it is for call/contact centre companies to find staff for qualified positions.

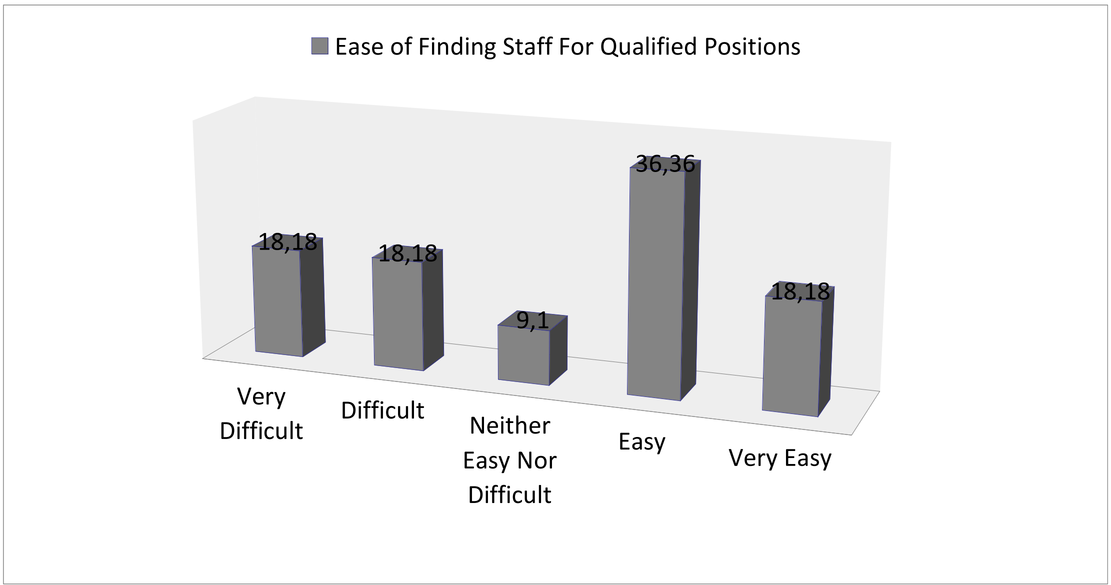


Figure 17: Ease of Finding Staff for Qualified Positions. Source: Authors

18.18% of call/contact centre companies find it very hard to find the right staff to fill their qualified positions. A further 18.18% of companies find it difficult. 9.1% of call/contact centres find it neither easy nor difficult. **36.36% of the companies surveyed think that it is easy** and a further 18.18% believe that it is very easy.

b. Availability of Staff With Language Skills

Madrid is home to the highest percentage of foreign language students in Spain. 86.7% of those students study English, 17.5% study French and 1.3% study German[22].

Furthermore, 95.5% of secondary school students study English, compared with 98.2% in Holland, 92% in Germany, 94.3% in Greece and 81% in Italy. There are at least 35 **multilingual study centres in Madrid**: more than 11 of these teach English,

[22] MEC (Spanish Ministry of Education).

5 teach French, 1 teaches German and 1 teaches Italian, amongst other languages. In 2006, there were more than 80 **bilingual centres** in the region[23].

The number of **citizens from other countries** living in Madrid is increasing every year: 700,000 foreigners were living in the region in 2005, representing 11.6% of the total population[24].

Figure 18 below shows how easy it is for call/contact centre companies to find staff who are able to speak two or more languages.

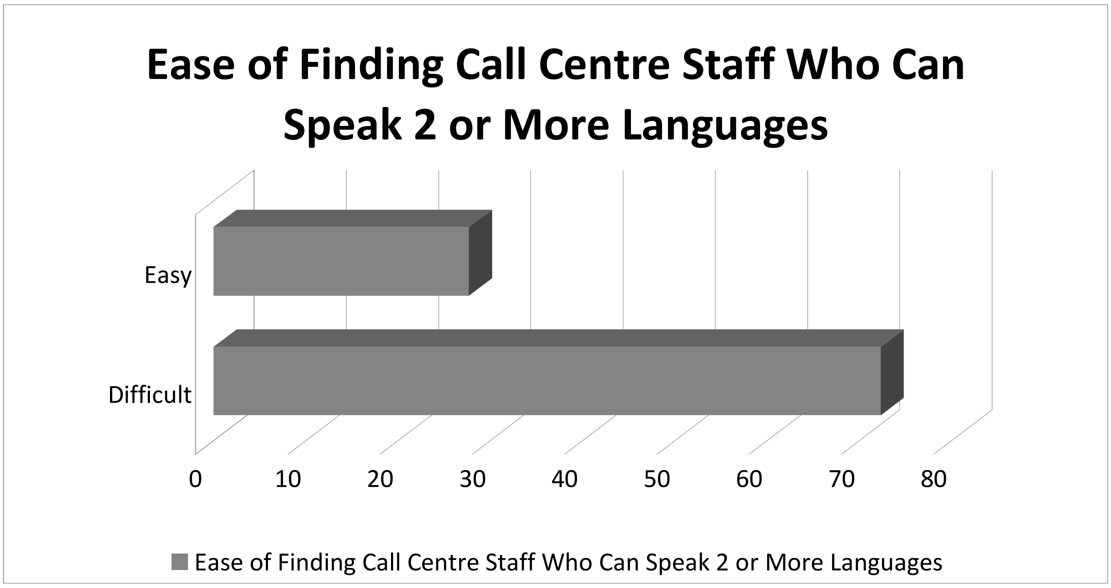


Figure 18: Ease of Finding Call/Contact Centre Staff Who Can Speak Two or More Languages. Source: Authors

It is easy for call/contact centres to find staff to fill positions which require skills in two or more languages in 27.69% of cases. However, **it is difficult to find staff in the remaining 72.31% of cases**.

[23] "The region of Madrid: preferred location for call/contact center and shared service center (SSCs) Businesses", PromoMadrid (21.05.2007).

[24] INE (Spanish National Statistics Institute), January 2005.

i. By Language

Figure 19 below contains a web diagram which shows how **easy it is for call/contact centre companies to find staff who can speak a language other than, or in addition to, Spanish**. Specifically, companies were asked how easy or difficult it is to find staff who speak English, French, Portuguese, Italian, German, Dutch, Swedish or Arabic fluently, as well as Spanish.

The diagram below evaluates each language separately, and the sum of languages is equal to the number of candidates. In this way, we can see how easy it is to find staff who can speak a certain language, without taking into account those cases where a single candidate can bring two or more languages other than Spanish to the call/contact centre.

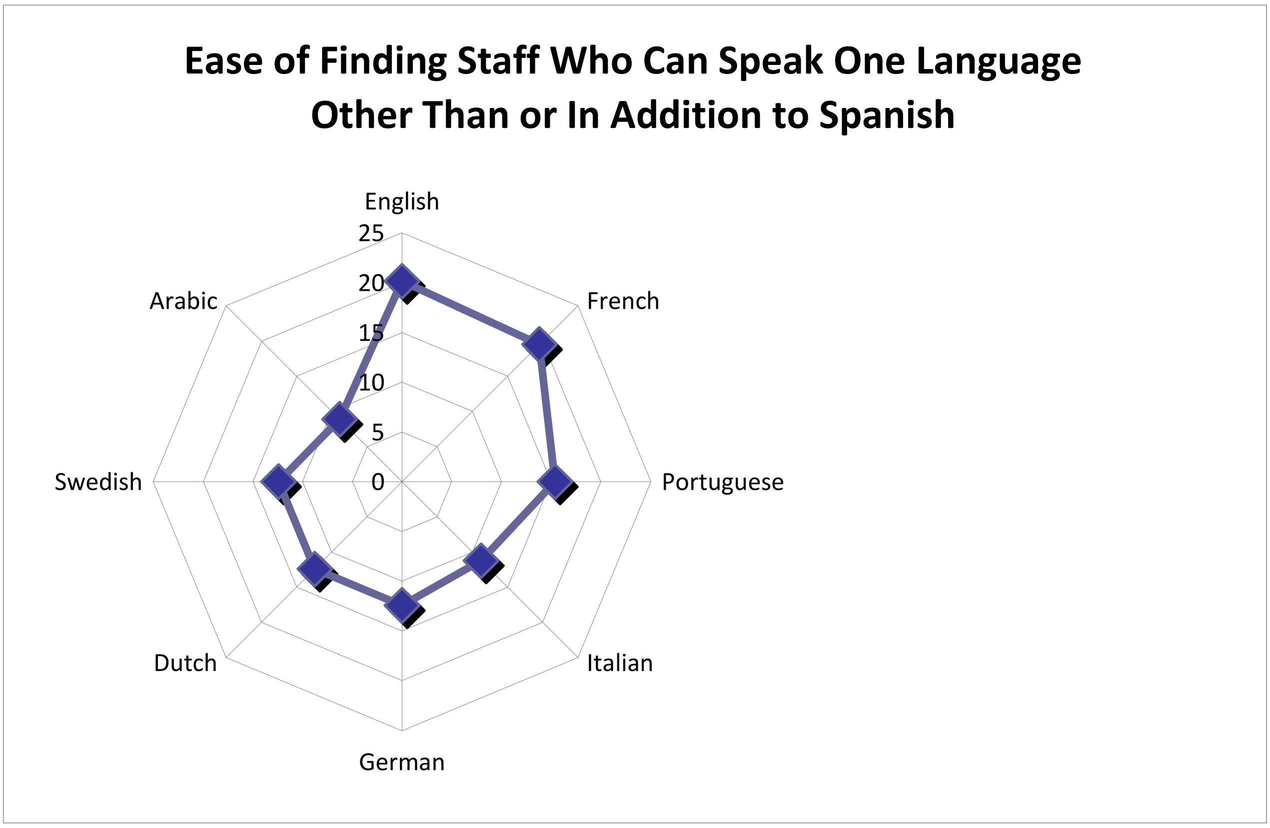


Figure 19: Ease of Finding Staff Who Can Speak One Language Other Than or In Addition to Spanish. Source: Authors

When assessing and analysing the results shown in this graph, it is important to take into account factors such as the quality of language spoken, the number of available candidates on the market, the demand for candidates and the need for a specific language profile.

The score for ease of finding staff with fluent **English** is 20.12 out of 25 (80.48%) in relation to the other languages analysed using the sample of 3,533 workers in the call/contact centre sector in Madrid. **French** is in second place, with a score of 19.53 out of 25 (78.12%). **Portuguese** scored 15.38 out of 25 (61.52%). **Italian** is the fourth-easiest language to find, with a score of 11.24 out of 25 (44.96%) in relation to the total for all languages. **German, Dutch and Swedish** all achieved the same score of 12.43 out of 25 (49.72%). The language that is most difficult to find for call/contact centres is **Arabic**, which scored 8.88 out of 25 (35.52%).

ii. By Number of Languages Spoken

Sometimes, the staff employed by call/contact centres are fluent in more than one language. The chart below shows the **percentage of call/contact centre staff fluent in one, two, three or four languages**, according to the call/contact centres surveyed.

In 50% of call/contact centres, less than 25% of contracted staff speak just one language fluently. In 30% of call centres, between 25% and 50% of employees speak just one language.

In 60% of the call/contact centres surveyed, less than 25% of staff speak two languages. 20% of call/contact centres do not employ staff who can speak two languages.

In 60% of call/contact centres, less than 25% of staff can speak 3 languages fluently. The remaining 40% do not employ staff who can speak 3 languages.

Less than 25% of staff in 40% of call/contact centres in Madrid can speak 4 or more languages fluently. The remaining 60% do not employ staff who can speak 4 or more languages.

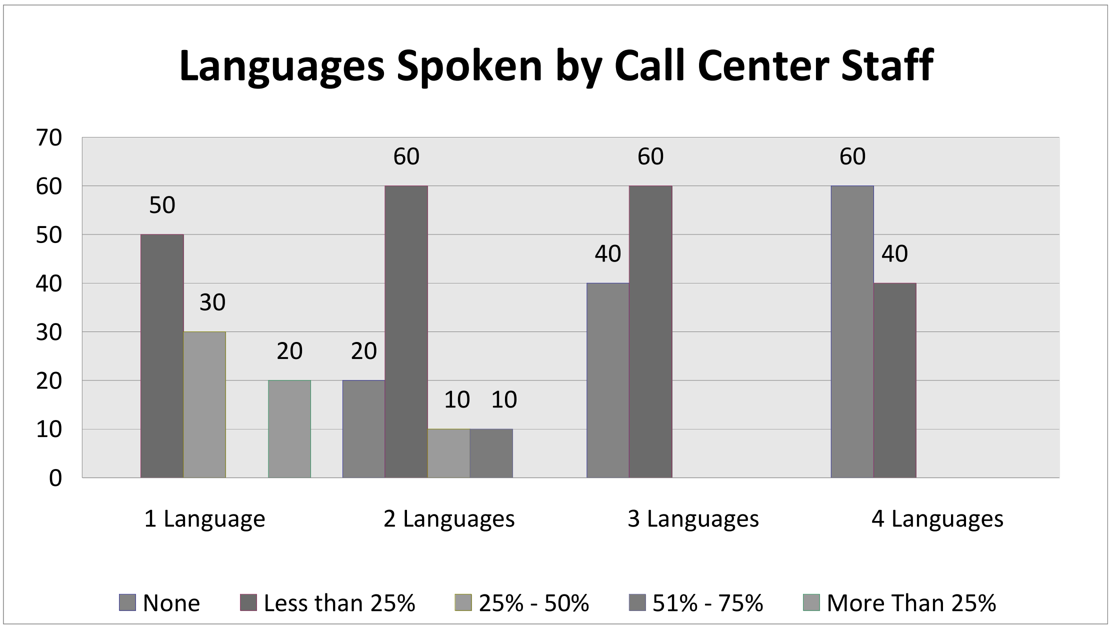


Figure 20: Languages Spoken by Call/Contact Centre Staff. Source: Authors

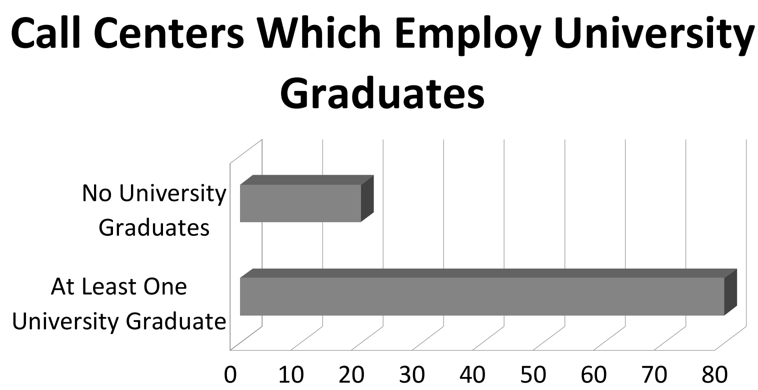
c. Graduate Professionals

Figure 21 below shows the percentage of call/contact centres which employ at least one member of staff with a university degree.

As the chart shows, **80% of call/contact centres in Madrid employ at least one graduate**. However, 20% of call/contact centres do not employ any members of staff who have university degrees.

In the specific case of call/contact centres in the financial sector, in a study carried out in 2002, out of a sample group of 2,859 operators, 66% had university degrees and 12% had university diplomas, showing that almost 80% of staff who do this job are university graduates. However, less than 20% of the sample group had more than two years of experience, and 50% of the group had less than 12 months of experience[25].

[25] Report on call centres written by Grupo RH Asesores (2002).



	At Least One University	No University Graduates
Call Centers Which Employ University Graduates	80	20

Figure 21: Call/Contact Centres Which Employ University Graduates. Source: Authors

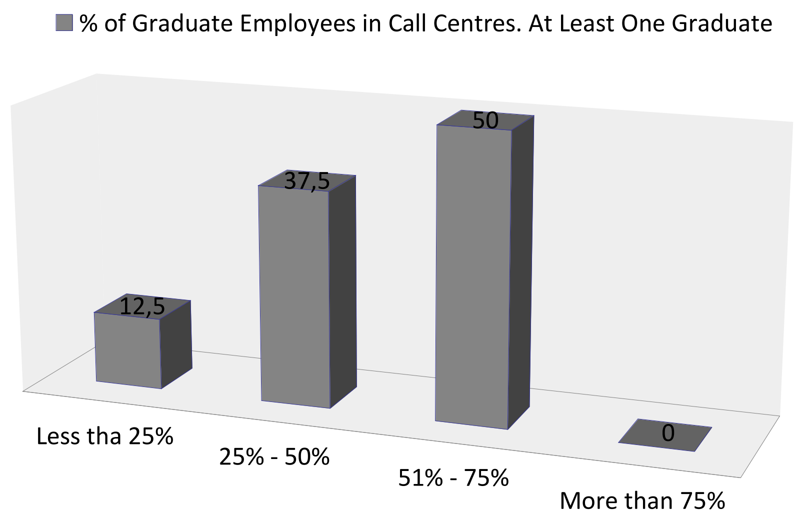


Figure 22: Percentage of Graduate Employees in Call/Contact Centres Which Employ At Least One Graduate. Source: Authors

In none of the centres which employed graduates did these graduates represent more than 75% of the total workforce. However, between 51% and 75% of staff employed by

50% of call/contact centres in Madrid have an least one degree. Between 25% and 50% of employees in 37.5% of call/contact centre companies have university degrees. 12.5% of call/contact centres employ a workforce in which less than 25% of employees have university qualifications.

d. Specialisation Courses

Call/contact centres may offer specialisation courses to their employees, either as complementary training, as part of their ongoing training policy, or as a prerequisite in order to be able to start working in a specific specialised position.

In Spain, agents who begin working in call/contact centres receive **an average of 18 days of initial training**, although the number of days varies quite noticeably between in-house centres (24 days) and outsourced centres (13 days). After this initial training, agents need a considerable amount of time before they are completely competent to such a degree that they are able to train another employee. After the first year, agents receive an average of 14 days of training a year, provided by supervisors (63.8%), external agencies (36.2%) and the human resources department (32.4%). This suggests that the training focuses primarily on products and processes[26].

i. Call/Contact Centres Which Provide Specialisation Courses

Figure 23 below shows the percentage of call/contact centres which offer some kind of specialisation course to their staff.

[26] Report on “El sector de los Call/contact centers en España: Funcionamiento, Estrategias y prácticas de RRHH”, written by the Human Factor, Organisations and Markets Research Group at the Universitat Rovira I Virgili in Tarragona.

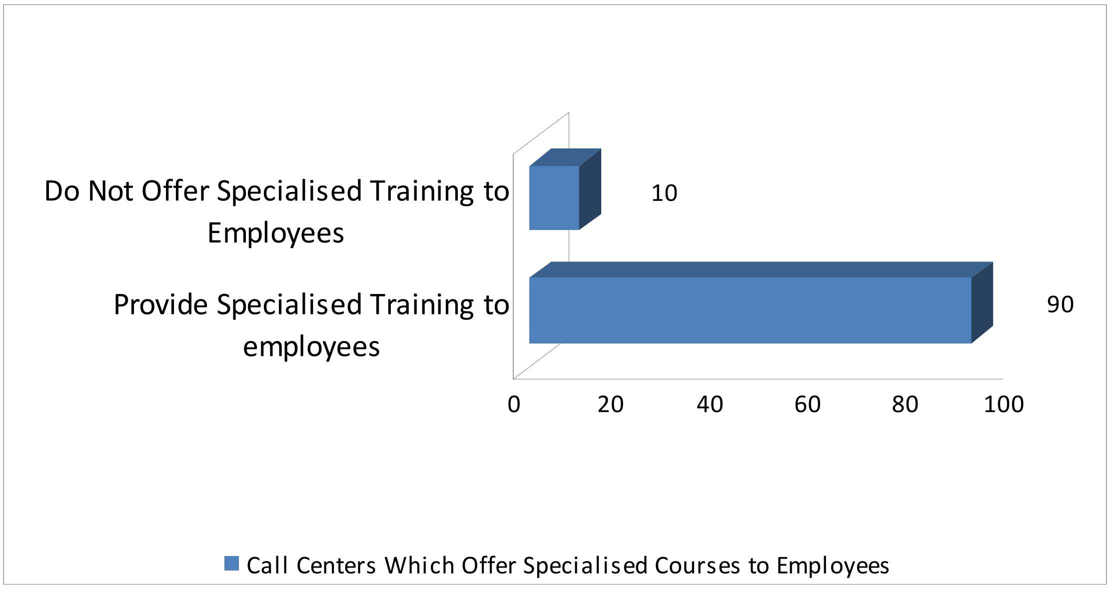


Figure 23: Call/Contact Centres Which Provide Employees with Specialisation Courses.

Source: Authors

90% of call/contact centres offer specialised complementary training courses as part of their ongoing training policy or as a prerequisite before an employee can start work in a particular specialised position.

10% of call/contact centres do not offer nor require such training.

ii. Professionals Required to Complete a Specialised Training Course

Figure 24 below shows the percentage of call/contact centre professionals who needed to complete a specialisation course before they could start work in their current position.

The chart shows that in more than half of the call/contact centres in Madrid (55.55%), more than 75% of workers had to complete a specific specialised training course.

In 11.12% of call/contact centres, between 51% and 75% of staff needed to become specialised by completing a specific training course.

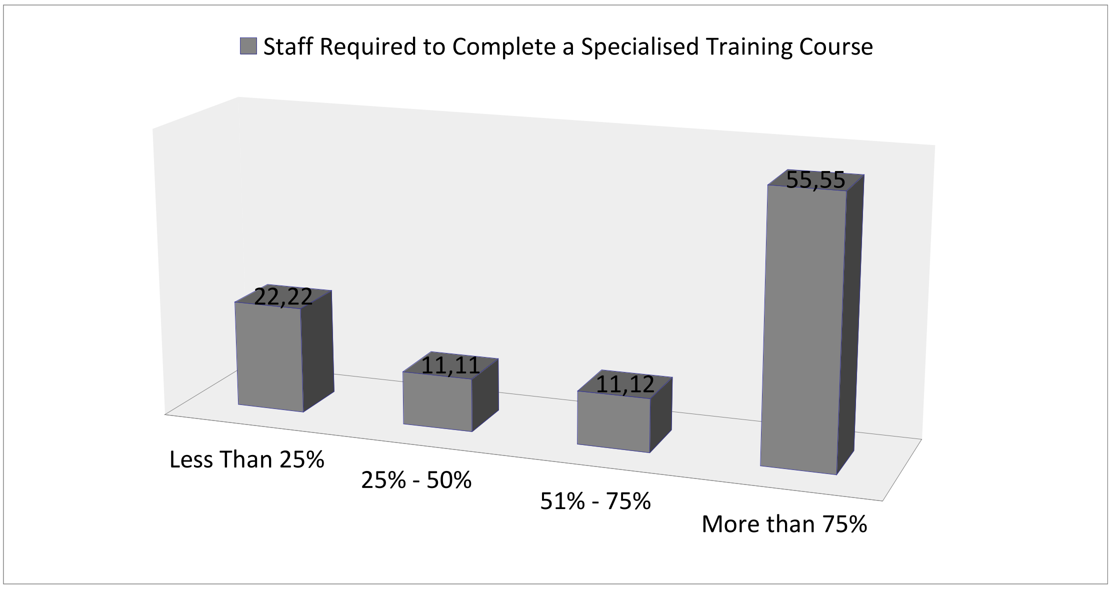


Figure 24: Staff Required to Complete a Specialised Training Course. **Source: Authors**

In 11.11% of call/contact centres in Madrid, between 25% and 50% of employees were required to complete a specialisation course. In 22.22% of call/contact centres, less than 25% of professionals received specialist training through a specific training course.

e. Salaries

Based on the salary grades set out in the agreements to which each call/contact centre has to adhere, **the average hourly salaries according to employment category in 2007 were**: agents: €7.64/hour; supervisors: €11.21/hour; and managers: €26.49/hour[27]. At the end of the same year, on the 5th of December 2007, Spain's major trade unions signed the 4th Collective Agreement for the Contact Centre Sector (4th Telemarketing Agreement), which guaranteed *"an increased earning potential of 0.25 percent for 2008 and 2009. These figures are not insignificant, given that the*

[27] Report on "El sector de los Call/contact centers en España: Funcionamiento, Estrategias y prácticas de RRHH", written by the Human Factor, Organisations and Markets Research Group at the Universitat Rovira I Virgili in Tarragona.

most recent data puts interannual inflation at 4.1%", according to Spanish Union Comisiones Obreras (CC.OO.)[28].

According to the data provided in a recent report on contact centres in Spain[29], a **team leader** in the telemarketing sector earns a fixed annual salary of €19,938, equivalent to a variable salary of €21,299; in the insurance sector, an average fixed salary of €38,500, i.e. €39,375 per year; in the banking and finance sector, an average fixed salary of €23,893, i.e. €26,430 per year; in the transport and distribution sector, an average fixed salary of €35,102, i.e. €38.414 in total; and, in other areas, an average fixed salary of €26,900, i.e. a total of €30,434.

This section aims to examine the **salary status of call/contact centre employees in Madrid** based on the sample group analysed.

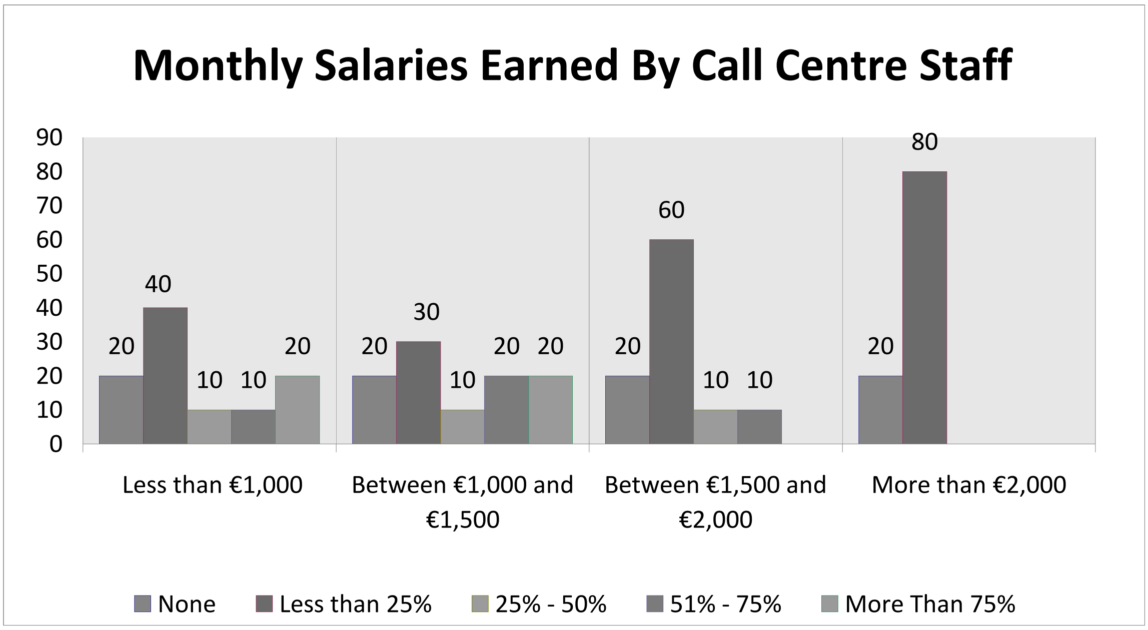


Figure 25: Salaries Earned by Call/Contact Centre Staff. Source: Authors

20% of call/contact centres in Madrid do not employ any workers who earn a monthly salary of **less than 1,000 euros**. 40% of call centres pay at least 25% of their

[28] http://www.comfia.net/html/9681.html
[29] Informe 2006/07 sobre Organización y gestión de los Recursos Humanos en los Contact Centers (2006/2007 Report on the Organisation and Management of Human Resources in Contact Centres), RH Asesores en Recursos Humanos.

workforce a monthly salary of less than 1,000 euros. In 10% of call centres, between 25% and 50% of staff earn a salary of less than 1,000 euros. In 20% of call centres in Madrid, more than 75% of staff earn this amount.

30% of call/contact centres pay less than 25% of their workforce a monthly salary of **between €1,000 and €1,500**. A further 20% of call/contact centres pay more than 75% of their workforce the same salary. 20% of call centres pay a salary of between €1,000 and €1,500 to between 51% and 75% of staff. A further 10 percent of call/contact centres pay the same salary to between 25% and 50% of their staff. 20% of call/contact centres in Madrid do not have any employees who earn this amount.

60% of call/contact centres in Madrid pay less than 25% of their employees **between €1,500 and €2,000** each month. 10% of call/contact centres pay the same salary to between 25% and 50% of their staff, and a further 10% of companies in the sector pay this salary to between 51% and 75% of their employees. 20% of call/contact centres in Madrid do not have any employees who earn this amount.

In 80% of call/contact centres in Madrid, less than 25% of employees **earn a monthly salary of more than €2,000.** The remaining 20% of call/contact centres in Madrid do not have any employees who earn this amount.

The **average salary** for a call/contact centre professional in Madrid who works a maximum of 40 hours a week is **€8.17 per hour**, i.e. €326.65 per week, €1,414 per month or €16,986 per year, without taking into account any bonuses nor tax deductions. This salary is 3.2% higher than the European average for this sector[30].

f. Collective Agreement[31] and Trade Union Rights

On the 5th of December 2007, in Madrid, the Spanish Association of Telemarketing Companies (ACE-Fecemd) and the country's main trade unions (CC.OO. and UGT) signed the 4th Collective Agreement for the Contact Centre Sector, a document which

[30] Clarin; Top Language Jobs; Tusalario.es.
[31] IV Convenio Colectivo del sector del Contact Center (4th Collective Agreement for the Spanish Contact Centre Sector).

affects 58,677 workers in Spain. The agreement will be **valid until the 31st of December 2009**[32].

The most important **new additions** to the Agreement are as follows:

- Changes to the sphere of influence of the Agreement: the new agreement applies to all of the activities and services which the sector provided but which were not included in the previous version.
- The 4th Agreement includes precepts related to the Spanish Equality Act.
- Ability to take 14 working days paid accumulated breastfeeding leave.
- If workers are hospitalised or involved in an accident, they can ask for 3 days paid leave during the first 10 days sick leave, and not at the beginning of the leave, as used to be the case.
- Salary review: allowances for annual pay rises equivalent to a rate higher than the index reached by the CPI for 2008 and 2009.

10. Conclusions

- 65% of call/contact centres in Madrid work in the **ICT, finance and insurance sectors**.
- The factors which have the greatest influence over the location chosen for a call/contact centre are the **availability of required staff and accessibility of the workplace**.
- One of the main attractions of Madrid for call/contact centre companies is the **ease of access to technological resources**.
- For more than 90% of centres, the bureaucratic paperwork which must be processed before a call/contact centre can be set up in Madrid does not constitute a major barrier to entry.
- Most call/contact centres in Madrid believe that it is easier to find **workers with a good level of fluency** in languages other than Spanish in the capital city than in any other possible locations.

[32] FES-UGT (Federation of Services of the General Worker's Union).

- However, it is hard to find **staff who speak two or more languages** 72.31% of times when such staff are required.
- More than half of the companies surveyed believe that the **salary conditions** demanded by professionals working in the sector constitute a barrier to entry.
- The **cost of infrastructure** is one of the most important barriers to entry, along with the tax burden.
- In Madrid, it is easier to find staff to fill qualified positions than it is to find those required to fill unqualified positions.
- Call/contact centres in Madrid find it easy to **find staff who speak English, French or Portuguese**. However, the language which causes the greatest problems when it comes to finding staff is Arabic.
- In call/contact centres in Madrid, **it is common for employees to have at least one university degree and to speak two or more languages**.
- Most call/contact centre staff in Madrid received **specialised training** before they could work in their current position.
- The **average salary** in the call/contact centre sector in Madrid is a total of around 17,500 euros per year, approximately 3.2% more than the European average for the sector.

11. Collaborating Companies

Study conducted by **Abanlex**.

In close collaboration with the **Spanish Association of Experts in Customer Contact Centres** (AEECCC - *www.aeeccc.com*).

- Companies which collaborated closely in the production of this report:

IFAES	**Grupo AVANZA**	**RACE Asistencia**	**ASITUR Asistencia**
CRONIX	TELCO Telemarketing	TELETECH Customer Services Spain	PC City
ARSYS Internet	Grupo MST	ONO	Integralia Private Foundation

List of collaborating companies

- **AEECCC (main collaborator)**
- Arsys Internet, S.L.
- Asitur - Asitur Asistencia, S.A.
- Aspect
- Atos Consulting
- Avanza
- Collab/Novabase
- Contact Center Institute
- Cronix
- Denodo Tecnologies
- Integralia Private Foundation
- Grupo AVANZA SA Externalización de servicios, S.A. - Unitono
- Grupo MST
- Inbenta
- Infinity
- IFAES

- Izo System
- ONO
- PC City
- Plantel
- Plantronics
- RACE Asistencia, S.A.
- SYSCOM
- Telco Telemarketing, S.L.
- Teletech Customer Services Spain S.L.U.