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**HEADLINE:** Dell Sends Some Jobs Back to U.S.

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**BODY:**

In a surprising about-face, Dell Inc. is moving some technical-support jobs back from India to the United States.

The new U.S. employees will provide phone-based tech support for business customers, which account for the bulk of Dell's revenue. Dell employees in India have been answering some of those calls. Calls from individual customers will still be routed to **call centers** in India.

"We felt a little noise and angst from our customers, and we decided to make some changes," said Gary Cotshott, vice president of Dell's services division. "Sometimes, we move a little too far, too fast."

The computer company's quiet reversal comes as many U.S. companies are rushing to **outsource** operations to India and other low-cost developing nations. It suggests that the savings achieved by moving jobs overseas may sometimes be outweighed by the cost of antagonizing loyal customers.

"What (customers) said was, 'You guys have been changing some things, and we don't like it as much,' " said Steve Felice, vice president of Dell's corporate business division.

It's unclear how many jobs the move might create in Central Texas, where Dell operates several **call centers** for tech support and sales and employs 16,500 people overall. Dell executives would say only that jobs will be added at **call centers** across the United States. Dell's other U.S. tech support **call centers** are in Nashville, Tenn., and Twin Falls, Idaho.

Dell was among the first large U.S. companies to move tech-support jobs to cheaper Indian **call centers** when technology spending plummeted three years ago.

The list of companies sending jobs to India now includes Intel Corp., Microsoft Corp., Hewlett-Packard Co. and Computer Sciences Corp.

English-speaking Indian workers are highly educated but earn a fraction of American salaries. Some customers have complained they can't understand Indian workers because of their accents and that tech-support workers rely too heavily on scripted answers.

Despite the escalating backlash, companies continue to send jobs overseas.

A recent Stanford University study estimates that Indian **call centers** have picked up 200,000 jobs since March 2002. Gartner Inc., the tech research firm, estimates that U.S. information technology companies will move one in 10 jobs offshore by the end of the year.

Dell's move "doesn't surprise me, but I don't see a broad trend to do that," said Ned May, an analyst with IDC, a tech research firm. "There's been so much attention to this that people have moved pretty aggressively. Hiccups were expected along the way."

Some companies have seen a small but definite decline in customer satisfaction. Yet executives have concluded that the cost savings are worth it, said Steve Lane, an analyst with the Aberdeen Group research firm.

"It's certainly fair to say that there's a general backlash against the idea of jobs going offshore," Lane said.

Dell executives left open the possibility that tech support for corporate customers could be shifted overseas again, if technical expertise and language skills improve there.

"I don't think we're ruling that out," said Jon Weisblatt, a Dell spokesman.

Nevertheless, Dell's about-face could provide at least a little "I told you so" comfort for Dell technical-support employees in Central Texas who were laid off in 2001. Dell cut 5,700 jobs that year, most of them in Central Texas, as the high-tech slowdown began.

Dell's worldwide work force has grown since then -- from 34,600 at the end of 2001 to 44,300 now -- but the growth has been heavily overseas.

In 2001, almost 68 percent of the company's work force was in the United States. Early this year, that figure had dropped to about 54 percent.

That trend continues: Last quarter, 56 percent of the 2,500 jobs Dell added worldwide were outside the United States, Canada and Latin America.

One reason Dell's employment has grown outside the United States is that the company is selling more PCs and other products globally, particularly in countries such as China and Germany.

Dell officials stressed that the company will continue to add jobs overseas as its global business grows.

Dell's ambition to become a \$ 60 billion-a-year company helps explain its responsiveness to the complaints of business customers.

The company wants businesses, schools and governments that currently use Dell Optiplex desktop PCs and Latitude notebooks to also buy advanced computers, such as servers or storage systems. Dell makes a bigger profit on those systems, which are supported by techs in the United States. It can't afford to antagonize its most profitable customers with poor support for PCs.

"Our corporate customers have come to expect a certain level of expertise," Cotshott said.

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