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Russian Invasion of Ukraine and Potential BPO Disruption: 3 Impacts and How to Address Them

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Initiatives: **Service and Support Strategy and Leadership**

The Russian invasion of Ukraine has produced tremendous hardship, disruption and uncertainty. Customer service and support leaders must support BPOs and their employees and assess the risks posed by displaced workers and geopolitical tension, beginning with business continuity plans.

Overview

Impacts

- As a result of the Russian invasion of Ukraine, business process outsourcing (BPO) partners and their agents in the region may experience increased stress; physical, emotional and mental tolls; loss of friends and family members; displacement; and financial hardships.
- Customer service and support (CSS) leaders will face challenges to front- and back-office operations if they, or their BPO partners, operate in the affected region.
- The invasion will make staffing difficult or impossible in the affected regions of Russia, Ukraine and potentially nearby countries, resulting in lengthy delays and ongoing negative effects for operations that impact customers, too.

Recommendations

Customer service and support leaders must:

- Support BPO partners and their agents with empathy by exhibiting patience as vendors prioritize their employees' health and safety.
- Mitigate or overcome technology and/or staffing disruptions by activating their business continuity plans.

- Ensure transparency and up-to-date information in order to address existing and new challenges by communicating frequently and regularly (at least daily) with BPO partners.
- Partner with BPO vendors to shift staffing capacity to other locations. You may need to employ alternative work models, such as work from home and/or gig staffing to meet staffing needs.
- Demonstrate flexibility to meet business needs by shifting support to less-directly impacted regions and being willing to staff non-native language speakers.

Introduction

The effects of the Russian invasion of Ukraine are being felt around the globe, prompting the need for CSS leaders to both provide support to their BPO partners and their agents and address questions about potential business implications and their operations. Most CSS organizations outsource some part of their operations. While most outsourcing partners operate in the Philippines and India, some partners maintain operations in Ukraine, Russia and adjacent countries.

If you currently partner with BPOs, your outsourced staff and business operations could be affected by the Russian invasion of Ukraine.

CSS leaders should begin by offering support to their BPO partners and demonstrating understanding as these vendors prioritize their employees' health and safety while trying to maintain business operations. First and foremost, leaders must act to support affected, outsourced staff and communicate their actions with their employees, who expect information. Additionally, CSS leaders must assess the potential risks to their customers, their companies and their BPO partners, including the disruption caused by displacement of workers and the unsettling risk of increasing geopolitical tension. CSS leaders must develop and implement business continuity plans to mitigate further disruption, recover and remain viable.

Impacts and Recommendations

Severe Impact for Frontline Agents

BPO partners' agents in the region may experience severe effects, including increased stress; physical, emotional and mental tolls; loss of friends and family members; displacement; and financial hardships. CSS leaders must demonstrate care and understanding when working with their BPO partners.

Recommendations:

- Offer support and understanding to BPO partners and their agents as these vendors prioritize their employees' health and safety.
- Encourage BPO partners to extend employee assistance programs and paid-time off, even if you incur a cost to do so.
- If your organization partners with vendors affected by the Russian invasion of Ukraine, confirm whether those vendors have moved or will move support away from the region. If so, determine what the anticipated disruption to capacity will be as well as what communications are being delivered to customers and staff (if applicable).
- Set up a daily check-in with the BPO partners to share updates regarding employee safety, movement of agents, volume fluctuations and other operational impacts.

Disruptions and/or Complete Work Stoppage

CSS leaders that operate in the affected region or partner with BPO organizations that operate in the affected region will face challenges to front- and back-office operations, including significant disruption and/or complete work stoppages.

Recommendations:

- If your BPO partners rely on technology and/or platform partners in the region, confirm whether your partners will maintain or reestablish operations. If they plan to reestablish, determine where support will relocate, what the potential disruption to operations will be, and what communications are being made to customers (if applicable).
- Set up a daily check-in with BPO partners to share updates regarding operational impacts.
- Ask your vendor partners how frequently they review or conduct a structured walk-through of your business continuity plan and what improvements they incorporated into the plan because of this invasion or other disruptions, such as the pandemic. Senior management should engage with your BPO partners to ensure all key stakeholders know the updated business continuity plan and are ready to implement it when needed.

Staffing Challenges

CSS organizations with BPO partners in the affected region will experience staffing challenges that are difficult or impossible to overcome, resulting in lengthy delays and ongoing negative effects for operations that impact customers, too.

Recommendations:

- Evaluate and decide whether your BPO partners should offer work from home as an incentive to attract candidates needed to replace agents in the affected region.
- Evaluate whether opportunities exist to hire gig workers from other regions to fulfill the short-term needs of your business.
- Provide flexibility with costs that BPO partners might incur due to staffing in more expensive regions and/or providing overtime for agents.
- Consider relaxing any restrictions you may have on “native speakers only” requirements, as it may be increasingly challenging for your partners to source native speakers who can serve your customers. For instance, you could modify the requirement that reads, “native speakers only” to read “proficient in X language” or “proficient in conversational X.”

Recommended by the Authors

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Responding to the Russian Invasion of Ukraine

Quick Answer: What Actions Should I Take to Protect My IT Services From Disruptions Caused by the Russian Invasion of Ukraine?

Magic Quadrant for Customer Service BPO

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