



apc
Accounting Practise Center

CIMA/CGMA Strategic Case Study (SCS)

Preseen Application Note (PAN)

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Contents:

Introduction	3
Call centres	6
Call centres can take different forms.....	18
Outsourced call centres.....	29
Inbound call centres can take different forms.....	31
Metrics	35
Industry	42
Market by client industry	45
About Vennlisk	47
Artificial intelligence	50
Extracts from Vennlisk's annual report	53
Vennlisk's Board of Directors	54
Vennlisk's principal risks.....	56
Share price	59
Financials	60
Sustainability	65
News stories	68
Strategic analysis.....	73

Introduction

Vennlink is a quoted company that offers call centre services for clients. It specialises in the management of inbound calls, assisting callers on behalf of the businesses that have outsourced their inbound call centre activities to Vennlink.

BUSINESS RISKS:

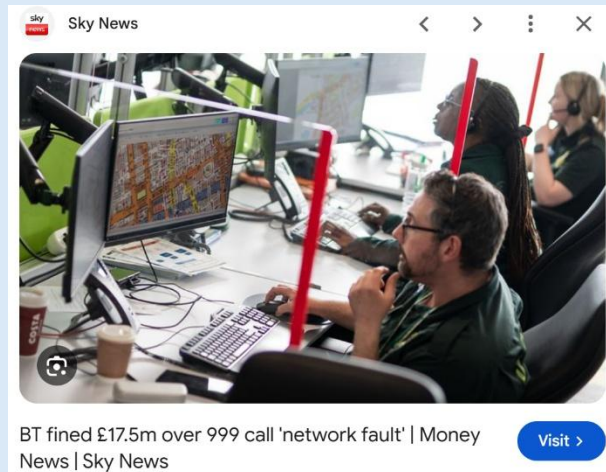
1. Failed recovery process

In June 2023, a configuration error disrupted BT's UK emergency-call handling service. Agents' systems restarted when calls arrived; some calls were dropped, transferred badly, or returned to the queue. BT attempted to switch to its disaster-recovery system, but the first attempt failed because the instructions were poorly documented and the team was unfamiliar with the process. The backup platform then struggled with demand.

Nearly 14,000 emergency call attempts were unsuccessful, and the regulator Office of Communications (Ofcom) fined BT £17.5 million.

Test the whole recovery process, not merely own a backup system.

This includes live simulations, clear escalation roles, alternative communication channels, and capacity that is tested at unusually high volumes.



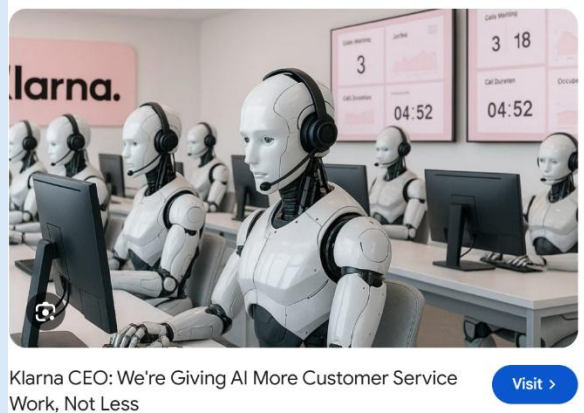
2. AI may destroy share price

Klarna launched an AI customer-service assistant in February 2024. The company said that, in its first month, the assistant handled two-thirds of its customer-service chats and performed work equivalent to around 700 full-time agents. It also said that resolution time fell from 11 minutes to two minutes.

Investors worried that if large clients can use AI to handle routine questions, they may buy fewer human-agent hours from outsourcing providers. Reuters reported that concerns following Klarna's announcement contributed to a sharp fall in Teleperformance's share price.

Stop selling only staff time:

The provider needs to sell outcomes: fewer repeat contacts, better first-call resolution, higher customer satisfaction, better compliance, or a fully managed service combining AI and human support.



3. Leakage of customer data

A call-centre provider can hold a much more dangerous set of information than people realise. During one ordinary conversation, an agent may see a customer's name, address, phone number, account history, payment details, health issue, insurance claim, or identity-check information. It is a concentrated store of personal information from many different brands.

Teleperformance USA submitted data-breach notifications to US state authorities in 2022, including a notification visible in the Maine Attorney General's breach-notice register, ie Teleperformance USA said that confidential consumer information had been accessed.



The risk is multiplied because the provider may serve many clients. A breach does not only affect the provider's own reputation; it can trigger concern among every client whose customers may have been exposed. Those clients may face regulatory notifications, compensation claims, media scrutiny, and loss of trust - even though the breach occurred at a supplier.

Internal controls: to reduce what any one person can see or copy:

separate client systems, minimum-access rules, restrictions on downloading and screenshots, careful treatment of recordings, monitoring of unusual access, and strict controls for temporary staff.

4. Helpdesk became front door for attackers

Attacker may not need to “break into” a system technically. They may simply persuade a person with access to let them in.

In September 2023, MGM Resorts (although this is the hotel industry company) suffered a major cyber incident. Its customer-facing systems were disrupted, and the company shut down certain systems to limit further harm. MGM later estimated that the incident had reduced its September operating result by about US\$100 million, before additional legal and recovery costs.



Cyber attack method: social engineering.

Criminals research staff online, pretend to be a colleague, and call a helpdesk asking for a password reset or a new multi-factor authentication code. People working in support roles are often trusted to solve urgent problems quickly. That helpfulness can be exploited.

Therefore, identity checks deliberately inconvenient for high-risk requests: callback procedures, independent verification, limited permissions, and a second approval for sensitive account changes.

Call centres

A call centre is a unit in which employees make or receive large numbers of telephone calls. These units are usually equipped with technology that can be used to improve the management and servicing of calls.

COSTING IMPLICATIONS:

Who bears the cost when calls are low?

The answer depends on the contract.

Model	How the client pays	Who suffers more when call volumes are low?
Shared-agent model	The client pays for actual call minutes, transactions or interactions handled.	The outsourcing provider suffers more. Its client revenue falls, but it still has agent, supervisor, technology and premises costs. It can reduce the risk by moving spare agents to other clients.
Dedicated-agent model	The client pays for an agreed number of agents and hours, even if those agents are not fully busy.	The client suffers more in the short term. It is paying for a dedicated team to be available, even when there are few calls.
Hybrid model	The client pays a minimum monthly fee or minimum number of agents, plus a variable charge for additional work.	The risk is shared. The client has guaranteed capacity, while the provider has some protection against an unexpected fall in demand.

TP likely charges a simple shared-service client roughly US\$0.30–0.70 per handled call minute. For a dedicated general customer-service agent, a reasonable estimate is around US\$25 per paid hour, rising to US\$40–60+ for regulated, multilingual or specialist work.



Which model suits which client?

Client situation	Best model	Reason
Low, unpredictable call volumes; simple enquiries, bookings or messages; small businesses	Shared-agent model	Pay mainly for actual calls or minutes. Lower cost when volumes are low.
Stable call volumes; complex, sensitive or regulated work; agents need detailed knowledge of the client's systems and products	Dedicated-agent model	A trained team works only for the client. Higher cost, but better control, consistency and availability.
Stable day-to-day demand but seasonal peaks, promotions or occasional disruptions	Hybrid model	A dedicated core team handles normal demand. Shared or extra agents handle peaks.
Emergency lines, utility faults, major complaints or high-value customers	Dedicated core team + emergency backup	Critical calls should not depend entirely on a shared pool.

Suitable models for clients:

1. Low, simple and unpredictable demand: shared model.

2. Stable, complex, sensitive or critical demand: dedicated model.
3. Stable normal demand plus peaks: hybrid model.

How to design contracts? – From clients' perspective

1. Buy dedicated capacity only for normal demand

Use at least 12 months of data to analyse:

- call volume by 15- or 30-minute period;
- average handling time;
- seasonal peaks, promotions, billing dates and product launches;
- sudden incidents;
- complexity of different call types.

Only pay fixed fees for the number of agents normally required.

2. Agree flexible capacity for peaks

The contract should state:

- how many additional trained agents can be provided;
- how quickly they must be available;
- the price for additional capacity;
- what happens in an extreme event.

Example:

- Core team: 12 agents.
- Extra capacity: up to 8 agents available within 48 hours.
- Major incident: backup site, another call centre, or digital self-service support is activated.

3. Set measurable service levels

The contract should include targets such as:

- 80% of calls answered within 20 seconds;
- call abandonment rate below 5%;
- minimum first-call resolution rate;
- minimum customer satisfaction score;
- staff training and quality standards;
- recovery time after a system failure;
- regular reports on call volumes, waiting times, quality and complaints.

If the provider misses these targets, the client may receive service credits. However, service credits do not replace lost customers, so capacity planning is more important than penalties.

4. Share demand risk fairly

Include the following points:

- a minimum monthly fee for the core team;
- an agreed range around the forecast, for example plus or minus 15%;
- a higher unit price for demand above the agreed limit;
- 30, 60 or 90 days' notice before the client can reduce the dedicated team;
- a requirement for the provider to give notice before removing trained staff.

Costs first, calls did not come

Concentrix is a large listed customer-experience and business-process outsourcing company. It provides telephone, chat, email, back-office and automation services for more than 2,000 clients worldwide.

It does not simply sell one fixed monthly “customer-service package”. Concentrix explains that almost all of its revenue is earned as services are performed. It is usually paid either for staff hours or for the number of customer interactions or transactions it handles.



Cost problem: Concentrix needs people ready before the calls arrive, but it may not earn enough revenue until the calls actually arrive.

In 2025, the problem was not that all Concentrix clients suddenly cancelled their contracts. Instead, some clients had planned to move more customer-service work to Concentrix.

It needed trained customer-service agents, team leaders, trainers, office space, computers, system access, quality-control processes and work schedules. For financial services, healthcare or technical support clients, agents may need specialist training before they can take a single call.

Management’s decision to prepare early made sense. If a client suddenly sends a large volume of calls, Concentrix must have enough people ready. Otherwise, customers wait too long, abandon calls, complain, and receive poor service.

However, the expected work moved across more slowly than planned. The extra calls and transactions did not arrive at the speed that either the clients or Concentrix had expected.

The difficult choice:

Once a call-centre provider has excess capacity, it has two main choices.

The first option is to keep the team in place and wait for the promised work to arrive. This protects service quality if volumes rise soon. The company can take the calls immediately, without rushing to recruit and train people. The disadvantage is that profits remain under pressure while staff are under-used.

The second option is to reduce capacity. This could mean freezing recruitment, moving people to other client accounts, reducing temporary staff or making redundancies. This lowers costs, but it creates a new risk: if customer demand suddenly returns, the company may not have enough trained people to handle it.

Reducing capacity is not free. It can create severance costs, disrupt teams and weaken service quality. Concentrix later reported restructuring costs, including severance and employee-related costs, as part of its cost-reduction initiatives.

Technology investment order

1. Reliable call systems, customer records, security and backup arrangements.
2. Better forecasting and staff scheduling.
3. AI assistants for human agents.
4. Chatbots and voicebots for simple questions.
5. More advanced AI, such as agentic AI, only after testing accuracy, data protection and human approval processes.

Basic Vs New Technologies

1. Basic technology (minimum requirements):

Call routing and queues	Sends each call to an available agent and puts callers in a queue if nobody is free.	Without this, calls cannot be managed properly.
Interactive Voice Response (<i>IVR</i>) telephone menu	"Press 1 for billing, press 2 for technical support."	Directs callers to the correct team and reduces unnecessary transfers.
Customer record system / CRM	Shows the caller's account, previous contacts and relevant details on the agent's screen.	The customer does not need to repeat information.
Call recording	Records calls so supervisors can review them later.	Used for training, complaints, quality checks and evidence.
Workforce management and scheduling	Predicts busy periods and prepares staff rotas.	Reduces long queues and prevents too many agents sitting idle.
Data security controls	Limits access to customer information and protects recordings and payment details.	Essential when handling banking, healthcare or insurance data.

2. New investment (emerging in the market):

CCaaS cloud platform	Instead of relying on telephone equipment inside one office, the provider runs calls, queues, recordings and reports through an online cloud platform.	Calls can be moved between sites, agents can work from approved remote locations, and capacity can be expanded more easily.
Omnichannel service + CRM integration	CCaaS runs the contact centre; <u>omnichannel</u> joins the customer's history. If a customer chats today and calls tomorrow, the agent can see the earlier chat.	Customers do not need to repeat themselves. This improves service quality and first-call resolution.

Workforce-management software	The system predicts when calls will arrive and prepares staff rotas. For example, it may show that Monday morning needs 30 agents but Friday afternoon needs only 15.	It reduces the expensive problem of too many idle agents or too few agents during a rush.
Network resilience and disaster recovery	The provider has backup lines, systems and locations. If one site loses power or its system fails, calls can be redirected elsewhere.	An unanswered call cannot be recovered later. This protects service levels and client trust.
Cybersecurity and data-loss prevention	The system controls who can see customer information and tries to stop copying, screenshots, downloads or unauthorised access.	Call-centre agents may handle payment, health and identity data. A breach can affect many clients at once.
Voice biometrics and digital identity checks	Instead of asking many security questions, the system helps confirm that the caller is genuinely the customer through voice or secure identity checks.	It reduces fraud and shortens calls, especially for banks, insurers and utilities.
Process automation (RPA)	A "digital worker" completes repetitive administration: updating records, sending confirmation emails or moving data between systems.	Human agents spend more time solving customer problems and less time doing routine paperwork.
Speech analytics and automated quality monitoring	Software analyses recordings to find frequent complaints, long silences, incorrect wording or missed compliance statements.	A supervisor cannot listen to every call; technology can identify problems across thousands of calls.
Chatbot: A customer asks a website bot, "Can I change my delivery date?" Generative AI: "Yes, your delivery can be moved to Friday." AI agent-assist: Instead, the customer calls a human agent, and the AI quietly suggests that same answer to the agent.		
Private blockchain	This is not for routing calls. In rare cases, it can hold encrypted proof that a customer has been verified, without showing all identity details to the agent.	It is mainly relevant to high-security financial, government or identity-fraud work. It is not a normal investment for every call centre.