

Florida Trend

Friday, October 06, 2006

[ARCHIVES](#) [INDEX](#) [SEARCH](#) [CURRENT ISSUE](#) [LOGIN](#) [REGISTER](#) [SUBSCRIBE](#)


CURRENT ISSUE

[COVER STORY](#)
[FEATURE STORIES](#)
[AROUND THE STATE](#)
[SOUTH FL EXTRA](#)
[TRENDSETTERS](#)
[ICON](#)
[ENTREPRENEUR](#)
[EXECUTIVE LIVING](#)
[TECHNOLOGY](#)
[LAW & POLITICS](#)
[VIEWPOINTS](#)
[TOPRANK FLORIDA](#)
[Your Profile](#) | [Email Article](#) | [Email Editor](#) | [Print](#)

FEATURE STORIES

IN THIS SECTION:

[A Trip Through Cubicle Country](#) | [A Wealth of Information](#) | [Changes in Latitude](#) | [Plastic — and Paper?](#)

- OCTOBER 2006 ISSUE

A Trip Through Cubicle Country Call Centers

By Mike Vogel

The trends in call centers

A Trip Through Cubicle Country

SERVICES

[VACATION GETAWAYS](#)
[TRAVEL GUIDE](#)
[LUXURY REAL ESTATE](#)
[RESTAURANT GUIDE](#)
[BOOKSTORE](#)
[ADVERTISING](#)
[CUSTOMER SERVICE](#)

- [About Trend](#)
- [Contacts](#)
- [FAQ](#)
- [Feedback](#)
- [Site Map](#)
- [User Profile](#)



Cadillac Cubicles

With about eight of every 100 workers employed at call centers, Jacksonville is no stranger to headsetwearers. But in June, Fidelity Investments drew attention after it announced a new call center. It wasn't just the number of jobs — 400 by next June and 1,200 in four years — or the \$5 million in incentives that Gov. Jeb Bush pledged to recruit the company. What sets the Fidelity center apart is the education level required to work there — a college degree and a license to sell securities are highly preferred — and the pay: An average of \$50,000 annually. "They are highly skilled, professional jobs," says Mike Shamrell, a Fidelity spokesman.

The upscale trend isn't universal. In Melbourne, MedSolutions recently opened a 132-employee call center. Most workers need only a high school diploma and will make in the low- to mid-\$20,000s, with the 30 to 40 nurses earning more, says Jessica Riley, marketing director for the Franklin, Tenn.,-based company.

Going forward, the industry in Florida is likely to see a mix of more traditional low-end call-center jobs along with higher-wage posts like the Fidelity center. "It's a maturing of the industry," says John H. Boyd of The Boyd Co., a Princeton, N.J.-based site-selection consulting firm. "The skill sets are more demanding."

Fewer Disrupted Dinners

One industry segment not showing growth in Florida is telemarketing. While the public most identifies call centers with outbound sales operations, telemarketing makes up less than 15% of the overall callcenter market. The federal no-call list and public disgust over unsolicited calls have sapped telemarketing, and

telemarketing employment in Florida fell nearly 9% to 32,400 from 2004 to 2005, according to the state Agency for Workforce Innovation. (The count, however, is inexact. Call-center employment numbers are difficult to track. For example, an inhouse call center for a financial services company likely would be counted under financial services rather than telemarketing.)

Plenty of Churn

Florida's low wages and growing population have made it attractive for call-center operators ever since telephone deregulation eliminated distance-ofcall as a driver of costs, enabling the industry to move out of the middle of the country. In the past four years, Florida netted 3,334 call-center jobs, says David Butler, executive director of the National Association of Call Centers and director of the Call Center Research Laboratory at the University of Southern Mississippi. The industry nationally grows by 8% to 15% per year. "Florida and Texas have historically been very strong markets, and they trend similarly," Butler says.

The growth masks considerable churn, however. From 2002 to 2006, 10 centers expanded in Florida, and two contracted. Twenty closed, and 18 opened, the national call center association reports. And the churn continues:

In September, Delta Air Lines closed its 500-worker Miramar call center and another in Alabama to save \$2.7 million annually.

Fort Lauderdale-based PRC announced that a 450-plus employee call center that provides tech support for an undisclosed wireless provider has opened in the Palatka facility that Tampa-based Sykes Enterprises closed in 2004.

Frontier, a Stamford, Conn.-based provider of telecom and internet, was scheduled to open a call center in DeLand last month with almost 500 workers — in a building vacated by another center operator.

In addition to lower-paying call-center jobs, Florida can expect more higherpaying positions in the future, with many employees expected to have college degrees.

📞 Dialing In				
City	Centers	Jobs	Percent of labor force	Top employers / number of employees
Jacksonville	44	31,183	7.9%	Bank of America, 4,000; Citibank, 4,000; Convergys, 3,600
Tampa	135	60,535	7.3	JP Morgan, 2,140; Bank of America, 2,000; Raymond James, 2,000
Orlando	87	27,149	3.4	Cingular, 1,800; JP Morgan, 1,350; Sprint, 460; Disney, 822
Fort Lauderdale	48	24,616	2.0	The Answer Group, 3,000; American Express Travel, 2,000; PRC, 3,500 (2 locations)
Miami	34	18,403	1.4	PRC, 2,000; First Data, 1,500

Note: Numbers reflect call centers within a 20-mile radius. Source: CB Richard Ellis Call Center Solutions Group, Phoenix

Weather and Workers

John H. Boyd of site-selection consulting firm The Boyd Co. in Princeton, N.J., says that while “there’s no perfect location,” the recent spate of active hurricane seasons in Florida has raised concerns in an industry preoccupied with information assurance and data security. “Florida is working against trends rather than with them,” Boyd says. “There has to be some very compelling advantages on the plus side of the ledger to sign off on a call center in Florida.” Florida also has a hefty 6.8% communications services tax that pushes up the cost of operating here.

Florida remains attractive because of its cheap labor, however. Labor costs can make up between 70% and 85% of the cost of operating a center. “It all comes down to labor costs, the demographic, the profile,” says Jim Trobaugh, who heads CB Richard Ellis’ national call-center real estate practice based in Phoenix. A 50 cents per hour labor savings at a 500-employee center translates into a \$520,000 savings annually, Trobaugh notes, adding wryly, “You wonder why people went offshore.” Indeed, growth in call centers in the Caribbean, Canada and other locales abroad continues. While Florida is expensive compared to those, it remains relatively inexpensive compared to most other U.S states.

Competition for workers is more the issue in Florida than hurricanes. Once a market has more than 2% of its labor force employed at call centers, employee turnover and wages go up, Trobaugh says. Jacksonville call centers employ 7.9% of the overall labor force. All else being equal, “I wouldn’t go to Jacksonville because of all the call centers there,” he says.

Fidelity Investments, however, with its unusual wages and education requirements, found Jacksonville to its liking. The cost of doing business there and incentives helped, says Fidelity’s Mike Shamrell. Also, “We definitely saw the labor pool as being attractive.”

Incentives

Since 2000, Florida has provided \$12 million in incentive grants to train 18,918 employees at 48 call centers. In 2000, to bring a call center of Tampabay-based Sykes Enterprises to Palatka, Putnam County offered a \$3-million grant, a five-year property tax break, state incentives and a 22-acre site. Sykes closed the facility in 2004. Fort Lauderdale-based PRC, Florida’s largest homegrown, third-party call-center operator, has taken it over. Delta, which closed a Miramar center in September, didn’t stay long enough to collect on the nearly \$500,000 in incentives it got from the city and Broward County in 2003.



Labor costs can account for up to 85% of a call center’s operating expenses. While Florida has a hefty communications services tax, it remains attractive because of its cheap labor.

Call-Center Costs

In Florida ...	Average hourly wage	Total labor costs* (in millions)	Electric power costs	Office rent	Management travel costs	Telecommunications costs	Total operating costs (in millions)
Orlando	\$11.57	\$15.20	\$33,597	\$810,000	\$21,896	\$897,803	\$18.28
Tampa / St. Petersburg	11.43	15.02	42,528	607,500	22,472	899,873	17.91
Fort Lauderdale	11.14	14.64	38,712	855,000	20,239	895,733	17.76
Miami	10.96	14.39	38,712	945,000	22,681	899,183	17.62
Jacksonville	11.02	14.48	29,344	753,750	23,358	899,873	17.50
Fort Myers	10.84	14.24	37,425	742,500	18,768	895,733	17.26
... and around the nation							
Boston	\$13.42	\$17.63	\$53,088	\$787,500	\$33,378	\$849,942	\$20.67
Los Angeles	12.72	16.71	80,423	1,035,000	23,738	884,442	20.05
Phoenix	12.55	16.49	44,484	846,000	24,041	815,442	19.54
Cincinnati	11.67	15.33	26,772	708,750	22,721	815,442	18.23
Mobile, Ala.	10.88	14.29	35,748	438,750	22,661	815,442	16.93

Note: Includes all major geographically variable operating costs for a 500-worker call-center occupying 45,000 square feet and \$1.32 million in equipment amortization.
 * Includes annual base payroll and benefits Source: BICosts.com, The Boyd Co.



ALSO IN THIS SECTION:

A Trip Through Cubicle Country | [A Wealth of Information](#) | [Changes in Latitude](#) | [Plastic — and Paper?](#)

Copyright © 2006. Trend Magazines, Inc. All Rights Reserved.