

## **Offshore Outsourcing an Effective Extension of Domestic Field Services Operations**

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The rise of loans in default shows no end in sight and all aspects of the property preservation process are feeling the pressure. There are more houses to inspect, more winterizations to perform, more investor involvement, and more regulations to consider. The bottom line shows demand is immense to ensure assets are maintained at the highest level to minimize losses.

Not only is volume stressing the foreclosure network, national field services providers and individual property preservation contractors, but the need to meet deadlines not only on time but also accurately and completely has never been more intense.

The answer? The opportunities that lay beyond America's borders are certainly worth exploring.

More and more field services providers, loan servicers and property preservation contractors are turning to offshore resources to take on the most manual, repetitive and time/man-power draining tasks when clients permit them to do so. And while offshore outsourcing is not a replacement for domestic field services operations, the benefits speak for themselves.

### **Relieving Pressure, Increasing Focus and Turn-Times**

Consider the advantages of access to what is essentially a second staff working 24/7, every day of the year enlisted to use its technological proficiency and attention to detail to take on repetitive tasks, find and eliminate errors throughout the field services cycle, and be at-the-ready for any volume spikes.

It's typical in the industry for inspections to take place during the day and for the results to be delivered in the evening. The 24/7 availability means that results delivered at night can be entered and checked that same night. When domestic staff comes to the office the next morning the work has been completed and is ready for the next step in the process.

At locations around the globe there are industry-educated, college-level professionals working in safety-verified facilities available to take on the everyday tasks that can strangle the timely completion of field services and provide an additional layer of quality control.

Field services and property preservation can be a cumbersome process. If one step is not precise – an inspector misses a deadline, photos don't match up, a contractor lists damages but repair bids aren't sought, there is missing or mismatched information – the entire order can be compromised. That means lost value, disappointed customers, and a heightened potential for adverse property conditions.

Offshoring provides for an extra set of fingers focused on keying data, an extra set of eyes focusing on quality control and 24/7 access. Work in progress and the resulting actions can be tracked in real time by the stateside field services provider through advanced technology. In addition, repetitive task reduction offers the more tenured stateside processors the opportunity to focus on more complex conditions.

### **Adding Layers of Fraud Protection, QC and Accountability**

There are many different functions that can be outsourced to an overseas staff. These tasks include: data entry, placing follow up calls to vendors as orders near client-specified deadlines, photo verification, verifying that all required work has a bid submitted and is completed on time, and invoicing and order reconciliation. The offshore staff can play an even more important role by enabling stateside staff to shift to more of an escalated specialist function. Because the weight of time-consuming tasks is shifted, field services providers can allocate increased time and effort to monitoring for fraud, better audit capability and monitoring service quality.

Including additional process step reviews has a direct impact on future decisions. These multiple checks translate into increased quality control and improved throughput for the client. But, given the complexity of the industry, not all audit functions can be programmed through technology and proprietary systems.

A computer program can compare today's inspection to the one from the month prior to ensure that the property has consistent data points. If previously reported as a single family home with an in-ground pool and no active utilities, did the subsequent inspector report the same finding? If the inspection reported a manufactured home with the electricity on, a computer program could flag the account. The computer program, however, cannot identify items that need attention if the inspector did not complete the form accurately.

As an overseas team reviews work order completions, they work from a checklist to verify that not only are the data points consistent month over month, but that the photographic evidence substantiates what the data elements are reporting. Ultimately, nothing replaces the human eye for photo review.

The provider can also make sure their vendors are properly staffed to get the job done through volume management assistance. Without the extensive data entry process, some percentage of stateside resources can be used to pay greater attention to individual contractor workload.

Pockets of delinquencies are now developing in areas that had very limited volume in prior years. This new geographical volume, as well as sheer increase in volume nationwide, has created a need for additional contractors. Offshore employees who work in the same relative time zones as the United States have the skill set to assist with cold calling potential contractors for recruiting purposes. These same employees can then follow the necessary steps and information collection for the initial new partner boarding process. Eliminating these early steps enables the stateside recruiting staff to devote more time to new contractor development and training.

Additionally, with increasing demands, pressure and time constraints, the unfortunate reality of fraud can occur. There have been instances when inspectors did not physically go to the property as ordered, submitted forged results and re-used prior month photography. Occasionally, these unacceptable actions would go unnoticed unless damages were discovered at a later date. Having human review and intervention can detect potential fraudulent behavior and disciplinary actions can result before negative situations occur.

The national field service providers are not the only group utilizing offshore resources. Recently a few of the larger scale preservation and inspection contractors having been tapping into these opportunities. Especially when large providers have sub-contractors, adequate time to quality check their results and still provide timely product back to the national companies has proven to be a challenge. By using a 24/7 workforce as well, data entry can occur overseas and the quality control review in the local field office prior to submission.

This increased attention to detail goes a long way in enhancing the accountability of a service provider in the eyes and pocketbooks of customers.

### **Education and Flexibility Eliminates Customer Hesitation**

There has been some customer resistance to having their processes conducted at offshore facilities. Some customers believe that their processes are too complex to offshore, such as ensuring that the numerous regulations are met with full compliance. Some customers are hesitant to have offshore staff contact their clients due to the various overseas accents that may be difficult to understand. Others are concerned about the distance that information travels and the possibility of data compromise or communication interruptions.

If process execution steps exist on paper, such as adhering to HUD regulations or how to compare property photos for irregularities month-to-month, and can be taught to domestic staff, it can be taught to offshore staff. The major offshore providers work diligently to ensure the quality, education and training of their staff members overseas. The offshore facilities are a direct extension of U.S.-based operations and are, in the case of First American, held to the same standards of service, support and execution.

First American has been in the offshore arena for more than a decade. We, like major providers, have created facilities at various locations and time-zones around the globe, not just in India, so customers have options if they are concerned about any issues that may occur due to call-center staff accents.

In addition, major offshore providers have adopted technology standards and data-flow alternatives to protect the security of facilities and information exchange and to address any possible communication interruptions.

Take the recent crippling shutdown of Internet service in the Middle East for example. It could be an American field services customer's worst fear that property information is lost, photo histories are unavailable and the deadlines won't be met. In the case of First American, we were able to use predetermined, alternate ways of transmitting information to meet deadlines and continue processes without interruption.

### **Better Communication Between All Parties**

Because the major field services providers connect seamlessly with their offshore facilities, reports, flagged items, quality control issues and more are communicated directly to their applications stateside.

Many field vendors also have their own proprietary systems. The direct connection and uploading of data between the provider, the system of record for a field services vendor and offshore facilities eliminates extra steps and speeds turn times. This communication between parties also facilitates additional checks and balances, information integrity and high-quality end results from the field services and property preservation processes.

### **The Bottom Line**

Seemingly every month new industry statistics point to more and more properties entering into default and significant spikes in volume are common. More regulations means increasing quality

control so all requirements are met. Turn-times are under constant pressure as deadlines have to be made.

Offshoring the time- and resource-consuming steps of the field services process can help to maintain asset value, speed the process, implement multiple layers of quality control and ultimately create the bottom line benefits needed to thrive in today's unprecedented real estate market.

*Tracy Hager serves as associate vice president of Client Initiatives at First American Field Services. In her current position, she is responsible for analyzing and implementing technical and quality improvement opportunities for First American clients. Additionally, she monitors regulatory compliance and conducts special programs for the organization and its clients and is responsible for First American's client liaison teams located across the country.*