

# Unlocking Value Through Centralized Call Centers: The Economy of Scale for Private Equity Firms



## Executive Summary

In the high-stakes environment of Private Equity (PE), value creation is paramount. Firms tirelessly seek operational efficiencies to maximize EBITDA and prepare portfolio companies for profitable exits. However, one significant area of opportunity is frequently overlooked or deferred: the centralization of call center operations.

Many PE firms acquire businesses with decentralized customer service models—often legacy setups where individual locations manage their own phones. While maintaining the status quo seems less disruptive in the short term, it leaves substantial money on the table. Decentralization breeds inefficiency, fragments brand identity, and hampers the ability to leverage economies of scale.

This white paper argues that centralizing call centers is not merely an operational tactical shift but a strategic financial lever. By consolidating operations, PE firms can deploy sophisticated Workforce Management (WFM) to reduce headcount without sacrificing service levels, ensure rigorous brand standardization, and ultimately enhance the customer experience. The financial impact is tangible: moving from fragmented, low-volume seats to a centralized model drives immediate ROI and long-term asset value.

J11 Consulting stands ready to guide your organization on this transformational journey. As a consulting partner with proven expertise across multiple brands, companies, and industries, we specialize in helping businesses create actionable roadmaps for successful call center centralization. Our approach combines deep industry knowledge, practical insights, and innovative strategies to help you move better, faster, and smarter—ensuring your centralization initiatives deliver results with speed, consistency, and lasting impact. Let us help you unlock value at every step and position your portfolio for sustainable growth.

## Centralization vs. Outsourcing: Know the Difference

It's important to recognize that centralizing your call centers is not the same as outsourcing them. While both approaches aim to optimize efficiency and reduce costs, the operational impacts and outcomes for your brand can be quite different.

**Centralization** brings your customer service operation under one unified, company-controlled roof. This ensures your team is immersed in your culture, values, and brand standards. You maintain full ownership of training, quality assurance, and the customer experience. Centralized solutions allow for consistent messaging, rigorous agent education, and robust workforce management—preserving the unique aspects of your brand and enabling you to build long-term relationships with both employees and customers.

**Outsourcing**, on the other hand, involves contracting third-party providers—often in different regions or countries—to handle customer interactions on your behalf. While the main advantage is usually a lower direct labor cost, this approach carries trade-offs. Outsourcers may struggle to consistently represent

your brand's voice and values, which can result in uneven customer experiences. High rates of employee churn are common in outsourced environments, leading to frequent retraining, less experienced agents, and reduced continuity for customers. These factors can ultimately erode customer loyalty and cause fluctuations in key performance indicators (KPIs).

At J11 Consulting, we help our clients navigate the crucial distinction between centralization and outsourcing. We know that the most effective strategy is not one-size-fits-all. Our experts work with you to assess your current operations, clarify your business priorities, and develop a tailored roadmap that balances cost savings with the need for strong brand representation and high-quality service. By focusing on operational efficiency without sacrificing your culture or customer experience, we ensure you realize the full value of a centralized approach while avoiding the common pitfalls of outsourcing.

In summary, while outsourcing may appear attractive on the basis of cost reduction alone, it often falls short in delivering consistent brand representation and customer loyalty. Centralization, in contrast, delivers operational efficiency alongside cultural cohesion and service excellence—outcomes that directly enhance both brand value and long-term growth.

1. **Audit Current Operations:** Assess the total headcount currently dedicated to call handling across all portfolio locations.
2. **Model the Savings:** Use WFM principles to calculate the potential headcount reduction based on aggregated volume.
3. **Pilot the Centralization:** Begin with a cluster of locations to prove the concept and refine the playbook.
4. **Invest in WFM:** Ensure that the new centralized center is managed with professional workforce management tools to sustain the efficiency gains.