



**KEDCO**  
KINGSTON ECONOMIC  
Development Corporation

## **Forging A Stronger Kingston!**

**The Story Of How The StarTek Call Centre  
Arrived In Kingston**

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## **Background Overview**

In June 2001, StarTek announced its decision to establish a new call center in Kingston, hiring for 1,200 new positions and acquiring vacant office space at 100 Innovation Drive. This was an extraordinary accomplishment after a three-year campaign by KEDCO to attract a major call centre to the community. This backgrounder documents this effort.

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## **Step 1 - KEDCO Focuses On Call Centre Strategy**

Shortly after KEDCO was established in 1998 to lead Kingston's development into the new millennium, it focused on the recruitment of call centres as a major component of its strategy to grow Kingston's knowledge-based enterprises. In 1998, the call centre industry was expanding at an annual rate of 20-30%, placing increased pressure on call center operators to find communities that could meet their requirements for expansion, especially their human resource requirements for a diversity of excellent technology oriented jobs -- full and part-time, flex-time and shift work.

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### Support For A Call Centre Strategy:

- Within Ontario, Kingston was the most cost competitive city among those selected in KPMG's Competitive Alternatives study with a 7.5% cost advantage over U.S. costs ('99).
- According to the Ministry of Economic Development and Trade (MEDT), Ontario and especially Kingston have all the right elements for call centre growth. In fact, the concentration of call centres in Ontario is one of the highest in North America; it increased by 22% in '98.
- KEDCO's 1998 Community Profile states that Kingston has a post secondary education rate of 60% and an unemployment rate of 9.1%. Kingston could offer a call centre considering expansion a highly skilled and plentiful labour force. Kingston's workforce is well educated, progressive and has a firmly entrenched work ethic.
- KEDCO's 1998 Community Profile also notes that Kingston has multi-language capability -- over 14,000 residents are French / English bilingual and many speak other languages.
- Kingston's extensive telecommunications infrastructure is based on a network that is 100% digital with high-speed data services as well as ISDN, ATM and Centrex.
- St. Lawrence College, in partnership with the private HR services company Manpower Inc., offers a customized corporate training program for the call center industry.

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## **Step 2 - Strategy Builds On Community Strengths**

Building on the community's strengths in the areas of customer service, education / research, telecommunications infrastructure, skilled labour and cost competitive advantages, KEDCO felt confident in moving forward with its call center strategy. The strategy was aligned with the community's long-term goals to be globally competitive, service driven, and knowledge and technology intensive.

### **Step 3 – KEDCO Identifies Kingston’s Capacity To Support A Major Call Centre**

In order to proceed with the call center strategy, KEDCO was faced with the task of researching Kingston’s call center capacity. As a result, KEDCO with partial funding from HRDC contacted Azure Communications Services to conduct a local market research study that would identify the capacity for a call center industry in Kingston. This report revealed several key points.

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1999 Azure Communications Report Highlights:

- If Kingston is able to attract 1% of the projected Ontario growth for 2000-2002, it would generate between \$30-45 million in annual wages.
  - The report identified a trend towards smaller call centers.
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### **Step 4 – Partnerships Play A Pivotal Role - KEDCO Seeks Out Call Centre Opportunities**

After confirming recruitment of call centers as a viable economic opportunity, KEDCO needed to identify networking opportunities to promote Kingston’s interest and capacity to support a major call center. As a result, KEDCO developed partnership with the call center Site Selection Service Team of Bell Canada and with the International Investment Services Branch of the Ministry of Economic Development and Trade (MEDT)

These partnerships played a pivotal role in KEDCO’s recruitment efforts. Both Bell’s Site Selection Service Team and MEDT’s International Investment Services Branch acted as prospectors, identifying potential business opportunities with companies in Canada and the United States. Along with KEDCO’s own leads, these partnerships assisted with the networking opportunities and contacts needed to attract call center industry interest and placed Kingston on their radar screen early in the campaign.

### **Step 5 – Networking Brings Kingston Early Success**

KEDCO and its partners were very active in attending key industry events that provided connections with site selectors and call center operators seeking to expand their current businesses. Together with Bell and MEDT, KEDCO attended several events promoting Ontario and Kingston as a potential site for expansion.

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Networking Overview - Events Attended By KEDCO, Bell & MEDT:

- IDRC -- the International Development Research Council -- is the world's leading professional association for managers of corporate assets including corporate real estate, facilities, information technology, human resources, finance and other support units that define corporate infrastructure.
- KEDCO attended 4 IDRC events held in Nashville, New York, Florida and Seattle over a period of 2 1/2 years in order to speak with site selectors who play a critical role in assisting call centre operators find

their ideal locations for expansion. At the Nashville and Florida events, MEDT hosted a hospitality suite in which KEDCO participated as a sponsor. These trips produced working relationships with site selectors and developers including Texas-based Arledge Power Real Estate Group, as well as TAPP Development Corporation, CB Richard Ellis Corporate Services and Adevco Realty Group.

- KEDCO also attended 5 Call Centre Expos throughout Canada and the United States over a period of 4 years networking with site selectors, call centers and companies that supply products to the call center industry. These events included the Incoming Call Centre Management Shows in Denver and Chicago and the Call Centre Solutions Shows in Dallas and Toronto. Each event provided networking opportunities that allowed KEDCO to obtain a clear understanding of the industry, the direction it was heading in and to get a feel for what companies were interested or actively seeking expansion.
  - KEDCO also advertised in various industry publications and conducted familiarization tours for media working on behalf of call center publications. These familiarization tours attracted specific interest from Call Centre Magazine, a publication that showcased Kingston and the city's capacity.
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## **Step 6 – Prospecting Sparks Industry Excitement Surrounding Kingston**

Early results from the efforts of Bell, MEDT and KEDCO were positive. Kingston received several inquiries from call centres interested in expanding into Kingston. KEDCO fielded as many as 48 inquiries, some more labour intensive than others. With many of the inquiries, prospects indicated that they working with short timelines and were interested in viewing potential real estate properties.

KEDCO showed Kingston's real estate portfolio which included but was not limited to: 100 Innovation Drive, Beaver Lumber Building, 18 St. Remy Place, K-Mart Building, KEC Building, Staples Building and the Alcan redevelopment at 945 Princess Street.

Prospects were seeking anywhere from 30-100,000 square feet of floor space on a single floor plate.

Call centers, which were growing quickly, could not wait for the 9 to 12 months necessary to have a building built for them. Most call centre operators want to move into existing facilities within 3 months of choosing a location.

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Real Estate Proves To Be A Major Obstacle:

- KEDCO estimates that Kingston lost 2000 jobs in a little over six months due to a lack of appropriate real estate facilities to meet the client's needs. Major call centres require about 30,000-100,000 square feet on one floor plate, which Kingston was unable to provide.
- Communities such as Belleville, Sudbury and Brantford were getting the call centres because they already had the necessary space, usually in

the form of defunct manufacturing plants or closed department stores such as Eaton's and K-Mart.

- Kingston was at a disadvantage. There were no large retail or manufacturing spaces available to provide immediate space at a cost effective rate.
  - As an alternative, KEDCO approached developers about building a spec location that meet the requirements of interested clients but was unsuccessful.
  - Despite the disappointment of losing these prospects to other communities, these findings proved to be very useful as they provided KEDCO with an experience that guided revisions to its marketing strategy and prompted it to explore alternatives that would allow Kingston to meet the needs of future clients.
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### **Step 7 – Call Centres Are Only As Good As Their People**

In an attempt to build on some of the early successes and to learn from disappointments experienced by earlier marketing efforts, KEDCO focused on broadening its marketing strategy by incorporating more components into its discussions with prospects. KEDCO needed to sell Kingston's strengths and push the idea that call centers are only as good as their people. Focusing on Kingston's labour force allowed KEDCO a competitive advantage for marketing Kingston's capacity.

### **Step 8 – Bell Call Centre Expansion Gives Strategy Vote Of Confidence**

In March 2000, Bell Canada announced that they would hire approximately 110 new employees for the Bell contact centre in Kingston, a number that eventually grew to 150. The contact centre specializes in providing information to the consumer market in Ontario. Bell Canada also expanded in Kingston again in January 2001 with 70 jobs for total of 220.

Their expansion added credibility and highlighted the capacity and the skilled labour pool that Kingston had for the emerging call center industry.

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Bell Call Centre Expansion Highlights:

- As well as having the highest productivity levels in Ontario, Bell's Kingston call center has one of its lowest employee turnover rates.
  - Bell's expansion required an educated workforce, which the area's post-secondary institutions provided. Rudi Engel of Bell Canada stated: "If anything, we hired up in terms of education and skills, so that in the event we channel calls to this location that are representative of the new economy, [such as] Internet-related calls, clearly we've got the right ... skill sets."
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## **Step 9 –Expo Reveals Outstanding Results**

With a vote of confidence provided through Bell's announcement, KEDCO continued to market the city's labour pool and also commenced an educational campaign to inform members of the Kingston community of potential opportunities within this sector. As a key component of this effort, in partnership with Human Resources Development Canada, St. Lawrence College, and Bell Canada, KEDCO hosted a one-time community call center expo held in June 2000 at St. Lawrence College.

The call center expo focused on educating individuals as to whether call center / customer service employment was the right fit for them, and if so, provided assistance to help them determine what additional training they needed. The expo also provided KEDCO with a labour force profile that could be used as an effective marketing tool.

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### Labour Force Profile Identified Via Selection Advantage Test

- Funded by Human Resources Development Canada (HRDC), the Selection Advantage test gave individuals the opportunity to assess their customer service skills utilizing a unique screening process. Provided by Kaplan Professional, which is an educational and career services testing company, this unique CD-ROM program incorporated realistic customer calls within a simulated call center environment and then prepared a personal skills profile.
- Of approximately 400 participants who attended the expo, about 325 completed the Selection Advantage test.
- The test determined an individual's experience and/or aptitude in 5 core call centre skills; (1) customer service, (2) problem solving, (3) influence, (4) investigative skills and (5) multi-tasking.
- Indirectly, Selection Advantage also identified other strengths in 6 call centre competencies, including oral communications, listening, organization, use of technical/product knowledge, written communication, and attention to detail / follow through.

### Selection Advantage Results:

- The Kingston Call Centre Expo was well attended, which indicated that residents have a strong desire to become employed in the call centre sector.
- Kingston candidates scored extremely well in three key call centre skills; (1) problem solving, (2) influence, and (3) investigative skills. These skills are essential for more complex call centre operations which focus on technically and emotionally complex customer calls, and/or have an up-selling / reactive selling emphasis in their inbound call centre operation.
- Over 90% of Kingston candidates reported that they had some level of telephone, computer and Internet skills. In addition, over 80% of candidates reported that they had worked in a customer service

environment, and over 65% had a retail background, which indicated solid transferable skills for a call centre operation.

- The Kingston Selection Advantage test results showed that Kingston candidates scored higher with medium and strong performance compared to other sites. This is especially significant because close to 85% of candidates tested never worked in a call centre type environment.
  - Given the education levels, skills and interest demonstrated by participants at the event and the relevant training resources available within the region, the Kingston Expo demonstrated the community's potential to provide the labour force for several call centres.
  - The organizing efficiencies of the Kingston planning group (KEDCO) was demonstrated by having the Expo organized in less than three weeks.
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### **Step 10 – KEDCO Competes Nationally For StarTek Expansion**

Building on the results of the expo, KEDCO continued to market Kingston to call centre prospects placing an emphasis on the city's human resource capacity.

In the fall of 2000, Bell Canada identified StarTek Inc. as a call center prospect. To solidify the opportunity associated with StarTek's expansion, Bell introduced StarTek to Texas-based Arledge Power Real Estate Group. Arledge Power was impressed with Ontario's capacity to support a major call center and was particularly sold on Kingston after visiting the community on several occasions. Arledge Power and Bell played a pivotal role in promoting the region and Kingston to StarTek.

In November 2000, KEDCO received confirmation from Bell Canada that StarTek was indeed considering a possible expansion into Canada and that Kingston was one of the communities short-listed within Ontario. Kingston was identified due to the community's strength to support a call center, but also because of KEDCO's strong working relationship with Bell and with Arledge Power, whom KEDCO had begun working with back in 1998 at a site selection familiarization tour.

As a result, KEDCO was given the opportunity to present the community's proposal to StarTek executives in Toronto. Competition for StarTek's expansion was fierce.

### **Step 11 – KEDCO Delivers A Unique & Effective Presentation**

On November 10, 2000, KEDCO President & CEO Stephen Kelly traveled to Toronto to meet with StarTek President & CEO Mike Morgan. Mr. Kelly's presentation focused on highlighting Kingston's strengths and their relationship to StarTek's needs. He also gave a strong commitment to work with StarTek hand in glove with regard to any human resource issues surrounding their expansion, a unique commitment that stood out. Some of the key points during the half hour presentation also included:

Showcasing Kingston's Strengths:

- Kingston Labour Force, population, student population, French / English bilingual
- Strong Service Base – 81% of Labour Force
- Education Levels – 61% have post secondary education
- Accessibility of Kingston by air, rail and ground transportation methods



- Selection Advantage Result Synopsis / Kaplan Study
- Overview of the current call centre industry in Kingston
- Education Partners

KEDCO's presentation was also supported by MEDT and Bell Canada who were presenting the advantages of doing business in Ontario.

### **Step 12 – StarTek President Pays Kingston A Visit**

In January of 2001, KEDCO organized a formal visit by Mike Morgan, President & CEO of StarTek, to look at Kingston. KEDCO also took a lead role in introducing Mr. Morgan to several key individuals who would lay the foundation for the community partnership needed to attract the StarTek call centre. Introductions included Mayor Isabel Turner and representatives from Ontario Works, HRDC and St. Lawrence College. While in Kingston, Mr. Morgan also viewed several facilities within Kingston's real estate portfolio and took an interest in 100 Innovation Drive.

This visit by Mr. Morgan allowed KEDCO to illustrate that Kingston was still very serious about hosting a major call centre and clearly demonstrated that there was great community support behind the proposal.

### **Step 13 – StarTek Requests Kingston To Hold A Job Fair**

After the January visit, StarTek asked KEDCO to organize and host informational meetings and interviews on February 15<sup>th</sup>, 2001 to discuss 300 potential positions that StarTek might seek to fill in Kingston. StarTek also requested that the communities of Barrie and Cornwall host similar events. Kevin Cory, StarTek's Corporate Director of Human Resources, presented an overview of the company and the employment opportunities.

The success of this event was critical in competing against Cornwall and Barrie, and KEDCO organized it in 5 business days. The staff of Ontario Works also put forth a tremendous effort in promoting and staffing the event. The local media also deserve credit for the success of this event due to the coverage they provided.

Job Fair Attendance Gives Kingston A Significant Advantage:

- KEDCO organized the event and worked with Ontario Works to promote and execute the event
- Kingston's Attendance – 983
- Barrie's Attendance – 150
- Cornwall's Attendance - 540

All 3 municipalities received applications after the events were held. However, Kingston's attendance level clearly illustrated the community's enthusiasm towards the call centre industry as well as the size of the community's available workforce. StarTek was very impressed with KEDCO's support and was particularly impressed by the degree of enthusiasm displayed by the event's participants.

### **Step 14 – StarTek President Makes Informal Visit To Kingston**

On April 11, StarTek President & CEO Mike Morgan arrived in Kingston for an informal visit. This visit was unescorted, as Mr. Morgan was getting a personal feel for the Kingston community as a whole. However, Mr. Morgan did invite KEDCO staff to join him on a tour of the property located at 100 Innovation Drive. Mr. Morgan also inquired whether or not the owners of this property would consider selling. In discussions with KEDCO staff later that day, Mr. Morgan indicated that he would also be visiting B.C. to view another

potential location. He suggested at this time, that this location provided companies looking to expand with substantial incentives to relocate.

### **Step 15 – StarTek Makes Verbal Confirmation**

On April 24, 2001 StarTek President Mike Morgan verbally informed KEDCO President & CEO Stephen Kelly that StarTek had decided to expand into Kingston with its 13<sup>th</sup> call centre facility, the company's first expansion into Canada.

### **Step 16 – StarTek Reconfigures Deal & Expands Plan For Kingston**

During the week of June 4, 2001 KEDCO staff continued to work hand in hand with StarTek to ensure their needs were being fulfilled. StarTek's Corporate Director of Human Resources, Kevin Cory was impressed as the Kingston community continued to show tremendous enthusiasm and support for StarTek. This enthusiasm, together with the city's available labour pool, prompted Mr. Cory to expand upon the initial agreement with KEDCO. He subsequently announced that StarTek had plans to expand on the number of job opportunities available in Kingston -- from 500, to 800, to 1000, to 1,200. All these decisions were made during this one week.

### **Step 17 – StarTek Vaults To City's Second Largest Private Sector Employer**

On June 25, 2001 along with its partners Bell Canada and Ontario Works, KEDCO announced the largest company recruitment news in Kingston in recent memory, welcoming Colorado-based StarTek Inc. The announcement immediately vaulted StarTek into the position of Kingston's second largest private sector employer behind DuPont Canada.

- The fact that Kingston was chosen by StarTek, a recognized leader in its field, sends a very powerful message about Kingston's future and the success of the community partnerships represented by KEDCO.
- The creation of over 1,200 new jobs enhanced Kingston's reputation as a high-tech business centre and provided the opportunity for locally trained employees to staff StarTek's call centre.
- The StarTek announcement is a powerful demonstration of what partnerships and teamwork can accomplish. The Kingston Economic Development Corporation and Bell Canada's Site Selection and community development teams, along with many other community partners helped StarTek identify the best location for the new business centre.

### **Step 18 – KEDCO Accomplishes HR Recruitment Drive In Record Time**

After announcing StarTek's expansion to Kingston, KEDCO was faced with the challenge of assisting StarTek with their human resources recruitment drive, a commitment that KEDCO had made during its presentation in Toronto back in November 2000. In order to accomplish this, KEDCO turned to its partners within the community to ensure a successful launch of StarTek in Kingston. Partners included St. Lawrence College, Bell Canada, St. Lawrence Job Training, Ontario Works, City of Kingston and MEDT.

### Kingston's Biggest, Fastest & Most Successful Human Resource Recruitment Drive:

- The first step in the process was for KEDCO to work with St. Lawrence College to establish a facility that would become known as the "StarTek Recruitment Centre". The facility conducted a thorough review of the company's human resource practices in order to ensure their international practices met with Canadian employment standards.
- Concurrently, the team had to set up and support an effective hiring program in Kingston – functions that included confirming the job requirements, implementing hiring procedures, and creating forms and record keeping systems to satisfy both operational demands and legal requirements.
- KEDCO hired staff that would supervise sixteen administrative support people registered through the St. Lawrence College Job Connect program. Within the first three days this team made over 1,000 calls to applicants that were received through the job fair in February, booked 500 interviews, prepared systems and procedures to support the massive recruiting process, organized space for interviewing and testing and worked tirelessly in a mini call centre environment dealing with both inbound and outbound calls regarding StarTek's recruitment.
- By the fifth day, the recruitment centre team was prepared for the arrival of the interview team from StarTek's Colorado operations and added two more local interviewers. These six interviewers would work more than 12 hours a day, six days a week conducting approximately 120 interviews from 6:30 AM until 8:30 PM – an all-out effort to meet StarTek's hiring targets.
- In the next stage, a process for new applications was implemented for recruiting, screening, testing and interviewing. This stage represented the "nuts and bolts" of the work that needed to be accomplished in order to attract and select the high caliber of customer service employees StarTek desired. During this period the recruiting team processed up to 400 walk-in applications per day in addition to handling a call volume of over 900 enquiries per day.
- Next, employment offers were made. The interviewers stated that they were impressed with the caliber of candidates interviewed and hired 8 out of every 10 candidates interviewed.
- The final step in the human resource process was to begin the initial employment training with StarTek. Finding and selecting people to work at StarTek was only one part of helping the new operation open its doors in Kingston. The recruitment team's next challenge was to help new hires learn employment-related routines, become quickly productive, acquire the particular kinds of skills and behaviors needed, adapt to all operational conditions in an embracing way, and make more than a casual contribution to the organization's goals.
- Throughout this process, KEDCO's Tourism Information Office (TIO) utilized their resources to secure accommodations for visiting StarTek staff. StarTek's recruitment drive was during Kingston's high tourism season, including the Canada Day weekend when the accommodation sector was reaching its capacity. The TIO team worked in cooperation with its partners to facilitate StarTek's accommodation needs, securing 360 room nights over the span of 10 weeks and ensured that, with the arrival of additional StarTek staff, rooms were available on demand. Automobile rentals were secured, travel arrangements confirmed, and any facet associated with their stay was catered to. The TIO was also proactive in creating information packages tailored to StarTek employee interests and by arranging a variety of recreational and cultural activities. The TIO organized tours, distributed tickets and planned activities for all staff to attend. Highlights included the tour trolley, Haunted Walks of Kingston, windsurfing, dining recommendations, shopping excursions, the Fort Henry Sunset Ceremony and boat tours of 1000 Islands. StarTek spent an estimated \$28,000 in the accommodation sector.

- KEDCO was also instrumental in meeting the needs of StarTek executives. KEDCO staff facilitated discussions between StarTek and different groups within the city, assisted with securing government and city documentation, including immigration and customs papers, and trouble-shot any problems associated with StarTek's technology requirements.

### **Step 19 - StarTek Opens Its Doors**

Operational since August 6, StarTek now employs 1,200 people and based on Kingston's capacity to provide educated and motivated people, has expanded its operations into two facilities. StarTek's CEO Bill Meade recently confirmed how pleased he was with the support and cooperation that StarTek has received on this project from KEDCO and its partners at St. Lawrence College and MEDT.

### **Step 20 - KEDCO Commissioning Economic Impact**

To date, KEDCO estimates that StarTek's expansion into Kingston has produced 1,200 job opportunities with an annual payroll of \$24,000,000 dollars (KEDCO estimate). These are estimated figures based on specific calculations conducted by KEDCO. A more detailed independent economic impact study will be conducted in the coming weeks and will be made available through the StarTek Kingston website [www.startek-kingston.com](http://www.startek-kingston.com) when completed.