

TaskUs takes unpleasant job of customer service off startups' hands

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People use Uber when they need help hailing a ride or Tinder for help finding a date. When those companies need some assistance of their own, they turn to TaskUs.

The startup, based outside Los Angeles in Santa Monica, provides call center operations for Internet companies and has become one of the fastest-growing outsourcing firms in the country. Unhappy about your latest Groupon experience or harassed by someone you met on Whisper? Chances are, you'll be talking to a TaskUs employee in the Philippines about your woes.

Customer service is among the least flashy parts of running a business, but one of the most important in ensuring users are happy - particularly for young tech startups still ironing out the kinks. As such, TaskUs has become an integral, if behind-the-scenes, backbone of the growing Internet ecosystem.

The company is the brainchild of Bryce Maddock and Jasper Weir, two 29-year-olds who met when they were freshmen at Santa Monica High School. The pair set out to open a chain of frozen yogurt shops in Argentina - it failed spectacularly - before founding TaskUs in 2008 while they were still living with their parents.

The first few years were slow, but now the company is having a huge growth spurt. It's on track to pull in \$50 million in revenue, up from \$15.7 million in 2014, and it's profitable. TaskUs recently opened its fifth call center in the Philippines and has 4,000 employees in the country, plus 30 people at its modest headquarters tucked behind the Santa Monica Airport. In June it received its first outside funding when Philippine private equity firm Navegar invested \$15 million.

TaskUs' success stems in large part from concentrating on a thriving niche: Nearly all its clients are Internet startups such as HotelTonight

and Expensify, unlike traditional outsourcing companies that serve corporations such as big banks and telecommunications providers. And in a nod to Silicon Valley, it has modeled its business - from the kinds of employees it hires to the internal culture it fosters - after its tech clients, reshaping typically dull call centers into cool places to work.

"There's no company that has done what TaskUs has done, which is to focus on a very high-growth segment," said Javier Infante, managing partner at Navegar. "It's a very unique approach."

Customer service outsourcing has become common in Silicon Valley and tech communities in Los Angeles and New York. For fledgling startups, many of which are losing money, the cost savings are essential. Many prefer to use their limited funds to build their core product instead of worrying about hiring, training and paying employees to handle complaints.

A year ago, dating app Tinder reached out to TaskUs when it was experiencing rapid growth and a proportional increase in [customer service](#) requests.

"We needed a company that was going to be able to help us build our support as quickly as humanly possible," said Victor Colomes, director of community at Tinder. "The TaskUs team impressed us the most."

Despite its rising popularity in the tech world, outsourcing is a rarely discussed trend. Companies want to give the appearance that customer service operations reside in-house; many of TaskUs' biggest clients stipulate that their relationship be kept secret.

There's also the prickly issue of outsourcing jobs to foreign workers.

Maddock, who is chief executive, won't say how

much TaskUs employees in the Philippines are paid but concedes that salaries are "a lot lower than what you make in the United States."

"We're not trying to hide the fact that people outsource because they want to save money," he said.

Although Maddock acknowledged the stigma that surrounds outsourcing, he noted the positive economic impact that TaskUs has brought to the Philippines and criticized "a very American-centric view of the world."

"In that, there's an assumption that an American life is more important than a Filipino life," said Maddock, who spends a week each month in the Philippines to oversee the company's operations there. "I grew up with a view of the world that just doesn't agree with that."

TaskUs today boasts 80 clients, with 10 to more than 1,000 customer service reps assigned to each. Employees work on only one account so they are highly familiar with a company's specific needs, answering concerns via phone, email or online chat room.

Going after the startup market was more a matter of circumstance than a stroke of genius for TaskUs. As outsourcing newcomers, "the only people who would take us seriously were startups," Maddock said.

Not only did it end up being a smart business move, it was a good cultural fit. As entrepreneurs themselves, Maddock and Weir personally understood the challenges that startups faced. As millennials, they already used many of the apps and websites that became TaskUs clients.

TaskUs, which prioritizes hiring accentless and Internet-savvy young workers, is also bringing some Silicon Valley-esque perks to its Philippines offices, albeit for a lot less money.

All of its employees are salaried and get health insurance, 10 vacation and 10 sick days a year, and fully paid school tuition for one child. Its newest call center features a gym, cafeteria, video games,

nap room and movie theater; there are no cubicles. Karaoke and bowling nights are common, and the top 2 percent of performers every year receive a paid vacation to an exotic locale.

"It's a differentiator for TaskUs," said Weir, the company's president. "Because we work with so many San Francisco and Silicon Valley startups, we want to re-create an environment that is just like their offices."

That has led to high levels of retention, a rarity in the turnover-plagued outsourcing industry. TaskUs said it held onto 86 percent of its Filipino employees last year, and most of its new hires are employee referrals.

Clients are encouraged to make TaskUs reps feel included. Many companies fly their executives to TaskUs' offices in the Philippines to get to know the people interacting with their users and to train them directly. After hiring TaskUs this year, storytelling app Flipagram sent company shirts and signage to its 10 TaskUs reps, who used the swag to decorate their workspaces.

"They're really an extension of our company, except the fact that they're managed by TaskUs," said Hogan Lee, Flipagram's director of project management.

TaskUs began as a startup specializing in virtual personal assistant tasks, such as building a PowerPoint deck or designing Excel spreadsheets, for busy professionals. But serving individuals quickly became unwieldy and costly; it pivoted to outsourcing for businesses in 2010. The company today also provides other back-office support such as photo retouching, data entry and content moderation, though its customer service work accounts for nearly three-quarters of its business.

With its recent \$15 million infusion, TaskUs plans to open offices in other countries and has its sights set on El Salvador, Nicaragua and Colombia to add Spanish-speaking employees. It expects to triple its revenue and head count by the end of 2016.

Despite swelling in size, TaskUs wants to stick with startups.

"When we started, we would have worked for anyone," Maddock said. "Now, we're not really interested in selling out."

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