



Economic Development Profile

**Locating Customer Contact Centers  
and Back Office Operations in  
Western New York State**

**Buffalo Niagara Enterprise**



## Resource Overview

### Introduction

Western New York State has over 50 companies with over 16,000 employees in customer contact centers and back office operations. Based on the success of our employers and their continual expansion in the area, we have the right resources and business environment to make your operation a success.

In addition to our well-developed telecom and transportation networks, diversity of colleges and universities producing 20,000 graduates annually, is our people. Their reputation for high work ethic, company loyalty and customer service focus, places us high on many location search lists.

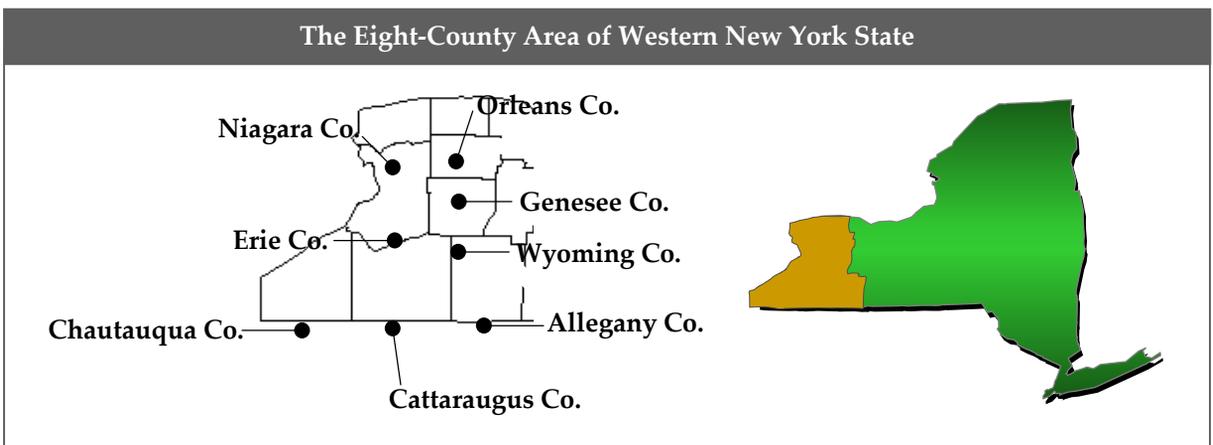
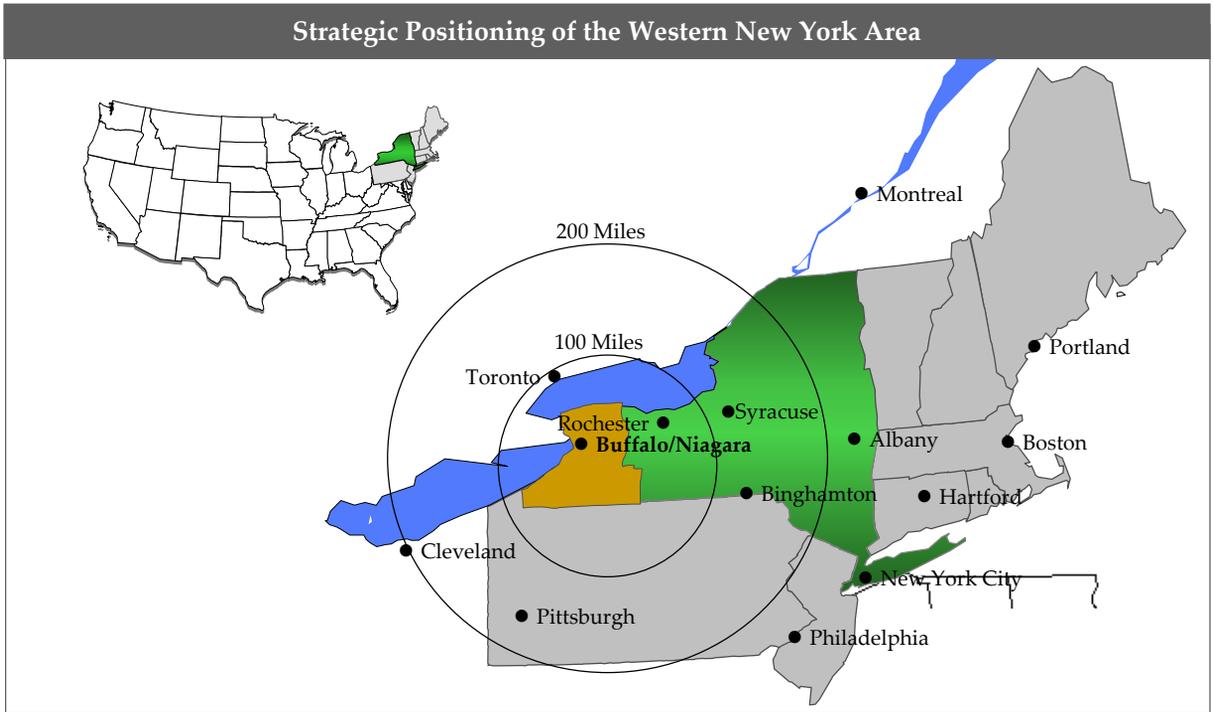
We encourage you to find out more about Western New York State, come visit us and talk with our employers, and take advantage of the resources we have to make your operation a success.



## Resource Overview

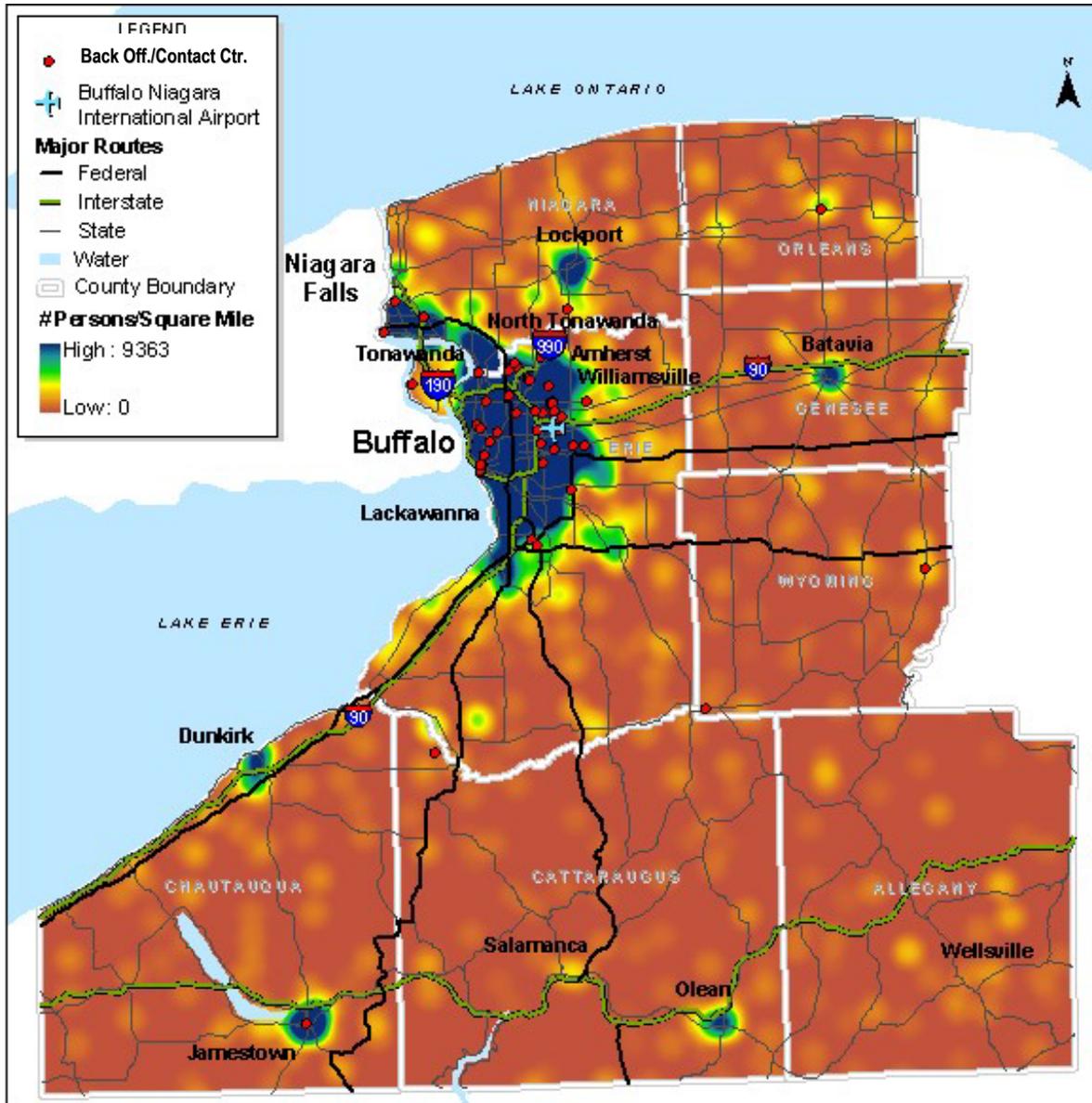
### Western New York . . . A Strategic Location

The Western New York area is comprised of eight-counties surrounding the Buffalo-Niagara region. The area has excellent access to both the Northeast and Midwest within a one-hour flying time.



## Resource Overview

### Location of Major Customer Contact Centers and Back Office Locations



## Resource Overview

### Current Customer Contact Centers and Back Office Operations

There are currently over 16,000 jobs in Western New York provided by business with customer contact centers or back office operations. A sample listing of the employers is provided below and each facility is plotted on the area overview map on page 3.

#### Customer Contact Center and Back Office Employers in Western New York with 50+ Employees

Company	Location	Scope of Operations	Employment	Inbound/Outbound(I/O)	Year Established
AAA Western/Central NY	Williamsville	Travel club operations	175	I	1985
The ABC Companies	Buffalo	Collection Agency	150	O	1929
Account Solutions Group	Amherst	Collection Agency	120	I/O	1995
Adelphia Communications	Tonawanda	Telecommunications sales/cust. service	120	I/O	2001
Albert F. Stager	Orchard Park	Claims adjusting	70	I	1936
Allstate Insurance Company	Williamsville	Back office/claims adjusting	100	I/O	1976
Azerty Incorporated	Orchard Park	Computer services, software development	300	O	1988
BankAmerica Mortgage Corp.	Amherst	Financial services back office	900	I/O	1993
Blue Cross/Blue Shield of WNY	Buffalo	Healthcare back office	300	I/O	1944
CIGNA (ACE)	Amherst	Insurance back office	100	I/O	1993
ClientLogic	Buffalo	Computer services, software development	1,550	I/O	1999
Computer Task Group	West Amherst	Computer services, software development	500	I/O	1999
Creditors Interchange	Cheektowaga	Collection agency	325	O	1960
Destinations.com	Buffalo	Travel services	70	I/O	2002
Equifax Risk Management	Amherst	Collection agency	125	O	N/A
Erie-Niagara Insurance Association	Williamsville	Insurance adjusters	50	I	1960
Fireman's Fund	Williamsville	Invoice expense and report processing	50	N/A	N/A
Fisher-Price	East Aurora	Invoice expense and report processing	55	N/A	2002
First Niagara Bank	Lockport	Financial services back office	300	I/O	1997
Fleet Bank	West Seneca	Financial services back office	400	I/O	2000
GE Capital	Depew	Collection agency	290	O	2001
Gibco, an Invitrogen Corporation	Grand Island	Customer service for biotech manufacturer	200	I	1995
HSBC Direct Banking	Buffalo	Financial services back office	500	I/O	1984
HSBC Mortgage Corporation	Depew	Financial services back office	550	I/O	1984
ICT Group, Smartline Division	Depew	Financial Services back office	700	O	1998

## Resource Overview

### Current Customer Contact Centers and Back Office Operations (cont'd)

#### Customer Contact Center and Back Office Employers in Western New York with 50+ Employees

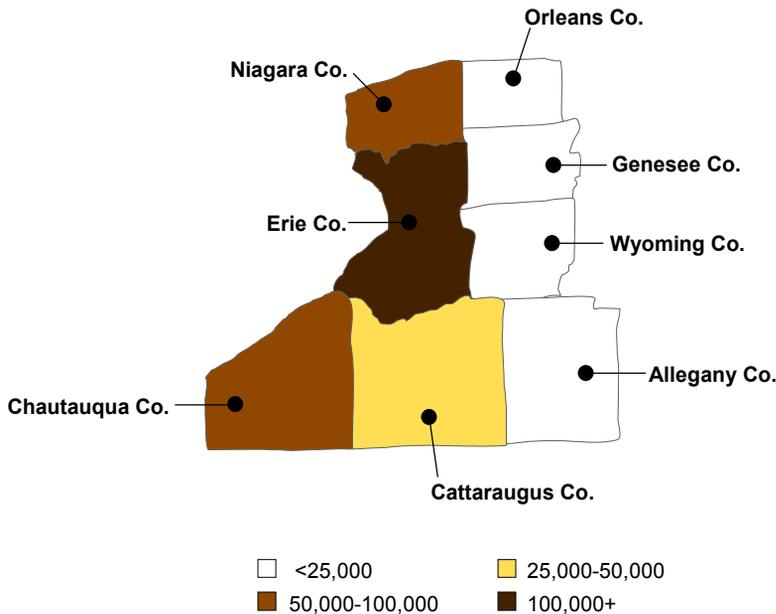
Company	Location	Scope of Operations	Employment	Inbound/ Outbound (I/O)	Year Established
Independent Health	Williamsville	Healthcare back office	750	I	1992
Ingram Micro	Williamsville	Computer services, software develop.	1,750	I	1982
JDR Marketing	Cheektowaga	Market research	200	N/A	N/A
KeyBank of NY	Amherst	Financial services	300	I/O	1939
Liberty Mutual	Williamsville	Insurance back office	45	I/O	1991
M&T Bank	Buffalo	Financial services back office	235	I/O	1856
Merchants Insurance Group	Buffalo	Claims processing	230	I/O	1986
National Action Financial Serv.	Williamsville	Collection agency	380	O	N/A
National Fuel Gas	Cheektowaga	Utility back office	110	I/O	1902
Nationwide Insurance	West Amherst	Insurance back office	40	I/O	2002
NCO Financial	Amherst	Collection agency	700	O	1974
Niagara Mohawk – A National Grid Co.	Buffalo	Utility back office	350	I/O	1887
North Americare	Amherst	Healthcare back office	500	N/A	N/A
Parmed Pharmaceuticals	Niagara Falls	Healthcare back office	140	O	1968
Pioneer Credit Recovery	Arcade/Perry	Collections agency	200+	O	1980
Positive ID Wholesale	Orchard Park	Computer services, software develop.	235	I/O	1988
Progressive Companies	Depew	Insurance Back Office	55	I/O	N/A
Remarking Services of America	Amherst	Financial services	500	I/O	1999
Rich Products Corporation	Buffalo	Customer service for manufacturer	125	I/O	1945
Sodexo Marriott Services	Amherst	Financial services	250	I/O	1954
Survey Service	Buffalo	Market research	100	I/O	1957
TeleTech	Niagara Falls	Third party customer service/telesales	300	I/O	1997
Travelers Insurance Company	Buffalo	Insurance back office	240	I/O	N/A
Univera HealthCare	Buffalo	Insurance back office	600	I/O	1976
Willcare	Buffalo	Healthcare back office	55	I/O	1986
Washington Mutual	Albion	Banking back office	1,000	I/O	2001

**Summary of Area Population and Work Force**

County	Population	Work Force	% Population With High School Diploma <sup>1</sup>	% Population With Some and 2-Yr. College	% Population With 4-Yr.+ College
Allegany	50,500	16,900	39.1	22.7	14.7
Cattaraugus	84,400	30,800	40.5	21.7	12.4
Chautauqua	136,800	56,900	36.3	24.0	14.2
Erie	920,500	476,700	31.8	25.0	20.8
Genesee	60,400	22,100	36.5	26.9	13.9
Niagara	215,500	81,400	37.2	25.6	13.8
Orleans	45,100	10,900	39.2	22.1	11.0
Wyoming	44,000	12,800	40.6	21.3	9.9

Source: U.S. Census Bureau

**Size of Work Force**

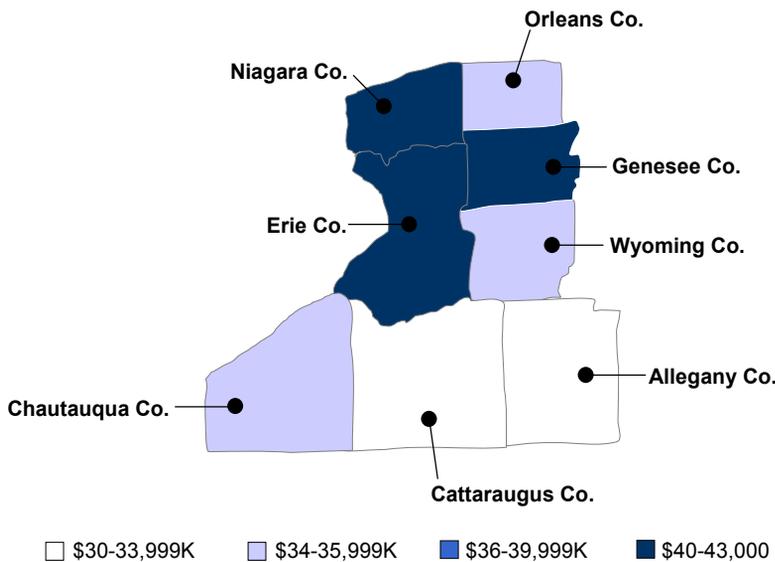


**Area Median Household Incomes and No. of Households by Income Bracket**

County	Median HH Inc.	HH Inc. <\$15,000	HH Inc. \$15-24,999	HH Inc. \$25-34,999	HH Inc. \$35-49,999	HH Inc. \$50-74,999
Allegany	\$31,965	3,546	3,263	2,803	3,508	2,975
Cattaraugus	\$31,941	5,951	5,971	5,340	5,946	5,353
Chautauqua	\$33,311	10,574	9,443	8,219	9,534	10,201
Erie	\$44,842	56,143	48,456	43,506	58,881	77,978
Genesee	\$40,228	3,138	3,523	3,192	4,270	5,254
Niagara	\$40,543	14,124	12,186	11,669	15,764	18,810
Orleans	\$35,182	2,476	2,510	2,672	3,122	3,107
Wyoming	\$34,956	2,276	2,543	2,680	3,131	2,998

Source: U.S. Census Bureau

**Median Household Incomes**



### Results of Employer Survey

A survey of the current area customer contact center and back office employers was conducted by Moran, Stahl and Boyer, a nationally recognized business location and economic development consultant. The survey consisted of both a mailed questionnaire and a series of interviews with a representative sampling of employers. The focus on the survey was on the success factors of the local employers within the available resources and operating conditions. Results of the survey are summarized below.

### Overall Impressions and Feedback

The customer contact center and back office operations in Western New York are thriving and in many cases growing. Employers have found the labor resources, the operating cost and the work ethic to be highly conducive for these types of operations. The impact of unionization within the older manufacturing industries has had no impact on contact center/back office operations and the perceived issue of winter weather has minimal impact on productivity compared to other geographic areas. In several cases, this area had to compete with other Northeast, Southeast and Western locations during company mergers and consolidations, and in the final analysis, come out the winner.

### Local Supply of Qualified Labor

Employers from throughout the area consistently gave positive feedback on the available supply of qualified labor, even when the economy is tight, due to the large number of two and four-year colleges in the area and the restructuring of manufacturing employers in the area. They have also found that the local high school graduates have excellent customer service and computer skills and are often hired after two or three years in some retail or other customer-oriented job. The favorable work environment, good benefits and reasonable wages (in-line with local cost of living) provided by the employers has made recruiting relatively easy.

### Results of Employer Survey (cont'd)

#### Key Skill Requirements

- Customer Service

The majority of the local operations hired high school grads with some related experience for their customer service staff. There was a consensus that the local high schools are graduating individuals with very good computer, key boarding and team-work skills. One company has started to hire four-year college grads and some very qualified two-year college grads and use the customer service role as an entry point for other functions within the organization. They also found the four-year grads interested in engaging in various analysis projects and in training of other company staff.

- Information Technology: primarily four-year college grads are hired from local labor market. During tight economy periods, IT skills were very competitive and relatively hard to recruit if the company does not have a leading-edge operating software platform.

- General Support Functions (HR, Accounting, Finance, etc.): four-year college grads are hired from the local labor pool – ample supply is available.

- Specialized Functions: area colleges have a wide array of programs that generate specialists to support different industries.

#### Recruiting Resources into the Area

A number of employers noted that there is a constant stream of inquires from former residents and graduates from local colleges who want to relocate back to the area. They are usually the prime resource for recruiting into the area. Individuals from other Northeast and Midwest locations are also targeted for recruitment.

**Results of Employer Survey (cont'd)****Average Attrition Rate**

Rates ranged from less than 10% to around 25% (depending on job situation) with the majority of attrition due to spouse relocation, life stage issues and promotion. There is a relatively low incidence of job-hopping except at the lowest pay levels (<\$10/hour).

Employers described work force as having a high loyalty and work ethic. In general, the local rates were significantly lower than employers experience in other regions of the country.

**Unionization of Local Labor Force**

Although unionization has been traditionally present among steel and automotive industry companies in the area, as well as government workers, there is no unionization within the companies surveyed and interviewed. This was attributed to the favorable work environment, the family-oriented employer/employee working relationships, and the reasonable pay and benefits offered. Several operations have been approached in the past but the employees showed no interest.

**Average Commute Time ("20 Minutes")**

There was a consistent response of ~20 minutes as the average commute time for the greater Buffalo area. Individuals will commute further, particularly in the more rural areas. The accessible interstate and improved secondary road system allows for relatively smooth and short commute times in contrast to other metro areas of its size of over 1 million people.

**Access to Bilingual Language Skills**

Employers that need bilingual skills accomplish it in two different ways. When the need is infrequent or the level or language diversity is broad, they utilize AT&T or other third party interpreter service. If there is a need for Spanish or French, they can hire this language skill relatively easy in the local market.

**Comparison of Wage Rates**

The average customer service job pays \$10-\$12/per hour based on the survey and the published average for the area is \$10.08 - \$10.92/hour. A significant attraction to the customer service jobs is the benefits package offered and should be considered in estimating the overall compensation required to compete in the area.

### Education Resources

There are over 100,000 full-time students attending colleges and universities within the region that produce approximately 20,000 graduates each year. There are both private and public institutions offering a wide variety of programs ranging from business to sciences, professional degrees and liberal arts.

The State University of New York at Buffalo is the largest and most comprehensive center in the State University system. Located on two campuses in the Buffalo area, it is one of the nation's premier research universities with strengths in engineering, life sciences, medicine, pharmaceutical science, and information technology. Canisius College offers insurance-related courses and there are a number of options for taking specialized continuing education courses in customer service and other customer service and back office disciplines.



**Education Resources (cont'd)**

Table 3 - Colleges/Universities Within the Region With 500+ Full-Time Students			
No.*	College/University	Location	No. Students
1	Alfred University	Alfred	2,400
2	Bryant and Stratton Business Institute	Buffalo	500
3	Canisius College	Buffalo	4,800
4	Cornell Univ. School of Industry & Labor Relations	Buffalo	2,000
5	D'youville College	Buffalo	1,900
6	Daemen College	Amherst	1,900
7	Erie Community College*	Buffalo/Williamsville	5,400
8	Genesee Community College*	Batavia	4,100
9	Hilbert College	Hamburg	860
10	Houghton College	Houghton	1,400
11	Jamestown Community College*	Olean	900
12	Jamestown Community College*	Jamestown	4,000
13	Medaille College	Buffalo	1,600
14	New York State College of Ceramics at Alfred	Alfred	800
15	Niagara County Community College*	Sanborn	3,000
16	Niagara University	Niagara Falls	3,000
17	Roberts Wesleyan College	Rochester	1,500
18	Rochester Institute of Technology	Rochester	12,600
19	St. Bonaventure University	St. Bonaventure	2,800
20	State University of NY at Brockport	Brockport	8,500
21	State University of NY College at Buffalo	Buffalo	11,200
22	State University of NY College at Fredonia	Fredonia	6,300
23	State University of NY College at Geneseo	Geneseo	5,600
24	State University of NY at Buffalo	Buffalo and Amherst	23,600
25	State Univ. of NY College of Technology at Alfred*	Alfred	3,100
26	State Univ. of NY College of Technology at Alfred*	Wellsville	560
27	State University of NY Empire State College	Buffalo	1,300
28	Trocaire College	Buffalo	660

\* Two-year college programs



**Education Resources (cont'd)**



## Resource Overview

### Air Access

The Buffalo Niagara International Airport, located just east of the Buffalo downtown area, has recently undergone a major renovation that included a new main terminal and an expansion to 25 gates. The area is served by 15 air carriers that offer very competitively priced air service to 22 non-stop destinations.



### **Snow in Buffalo . . . the Myths and Realities of Dealing With the Weather**

After the record snow fall in December of 2001, the Buffalo area was informally nominated by the Weather Channel as the snow capital of North America. What did not get a lot of press was the speed at which the area recovered from the avalanche of snow and quickly resumed their business, education and general activity within the community.

Local employers noted that, on average, they lose only about one to two days per year of operations as a result of adverse weather conditions. Compare this to the devastation that is caused by hurricanes, tornados, ice storms, severe lightning strikes and floods experienced by other areas that can put an operation off-line for weeks.

Western New York State communities know how to deal with snow - how to plow it away in a few hours, how to drive in it safely, and how to stay focused on getting to work and keeping things "business as usual".



**“We average only about one to two days per year of lost operating time due to adverse weather conditions.”**

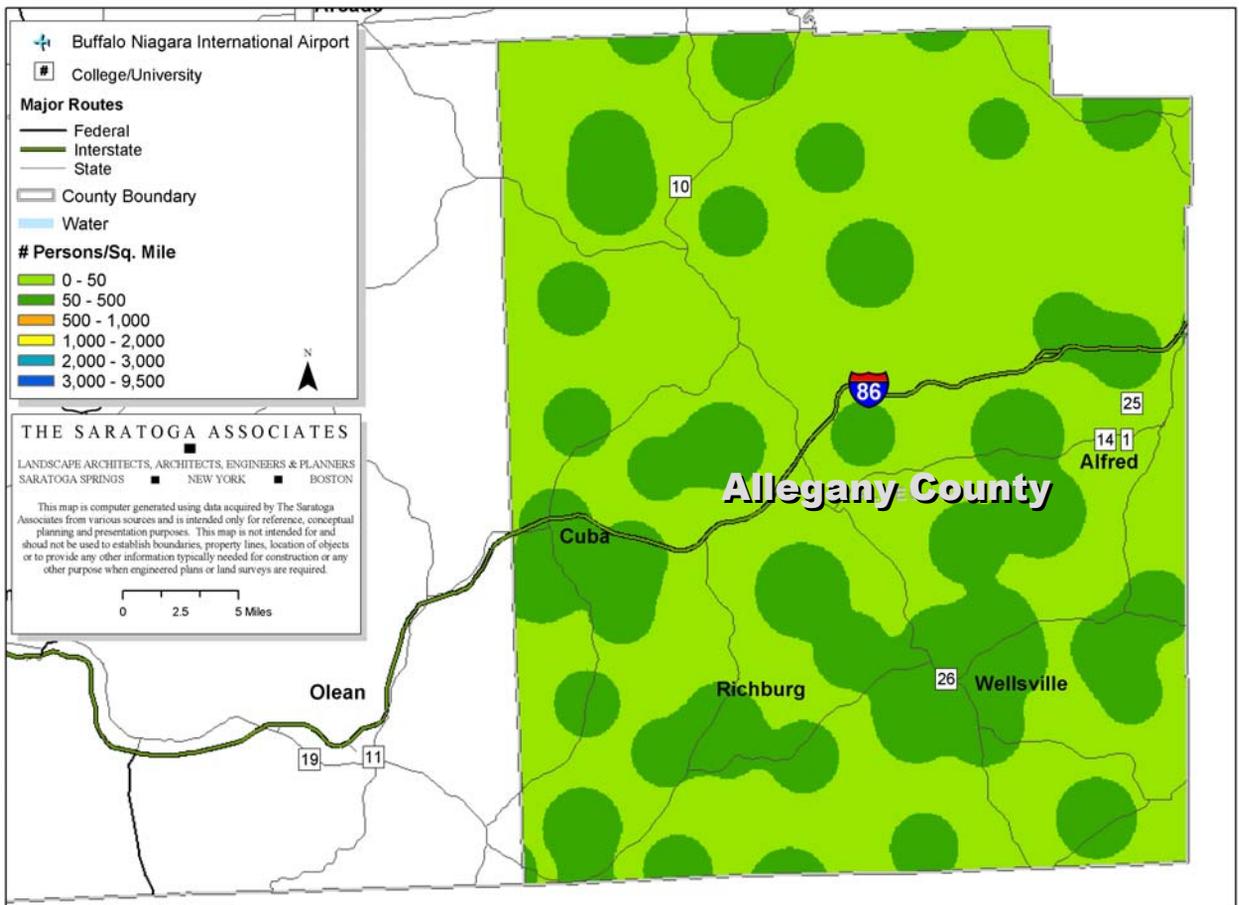
- Comment from local employers



# Appendix

## Allegany County

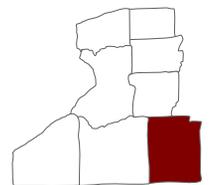
Population Density, Location of Principle Cities and Colleges/Universities



County Population: 49,412

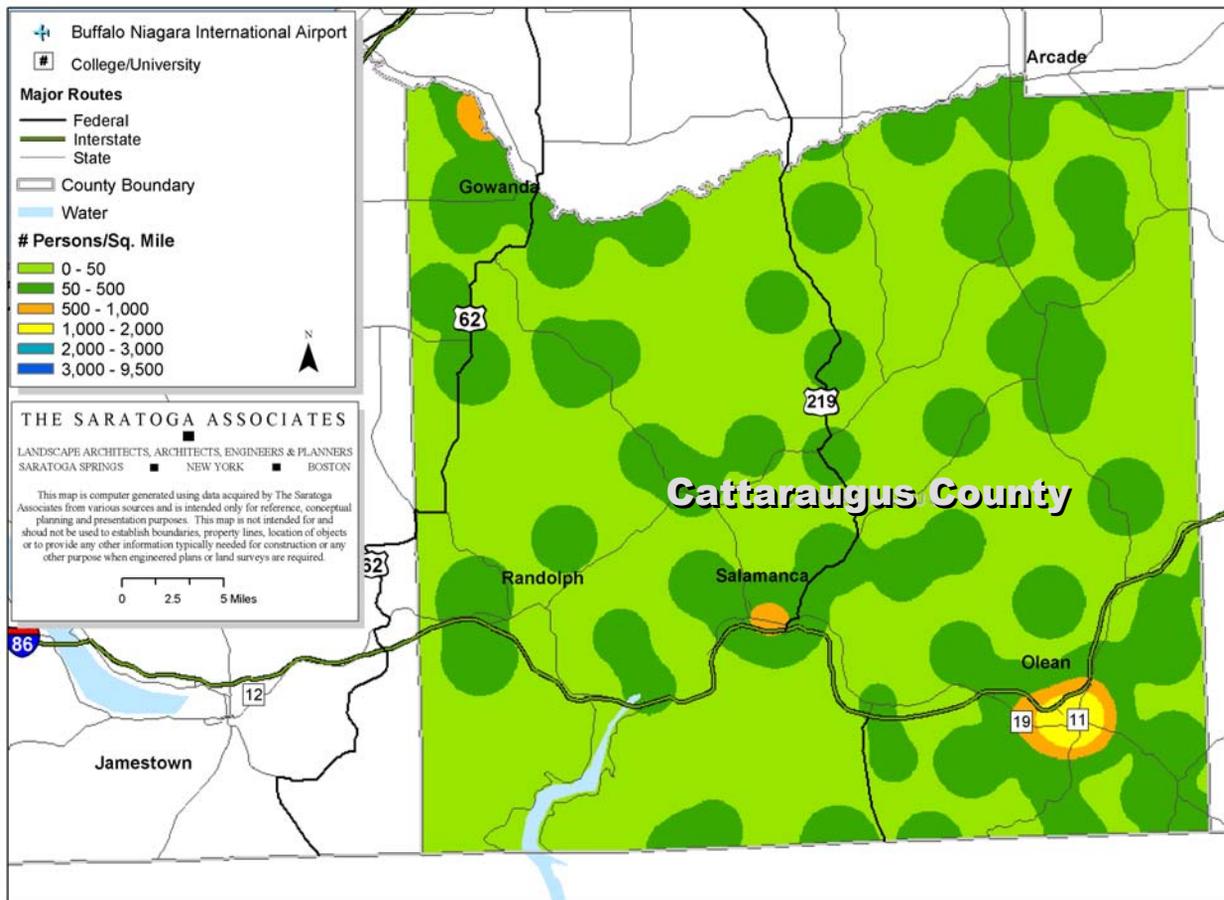
### Major Colleges and Universities:

Designation	Name of School
1	Alfred University
10	Houghton College
14	New York State College of Ceramics at Alfred
25	State University of NY College of Technology at Alfred
26	State University of NY College of Technology at Alfred (Wellsville Campus)



### Cattaraugus County

Population Density, Location of Principle Cities and Colleges/Universities



County Population (2002): 83,059

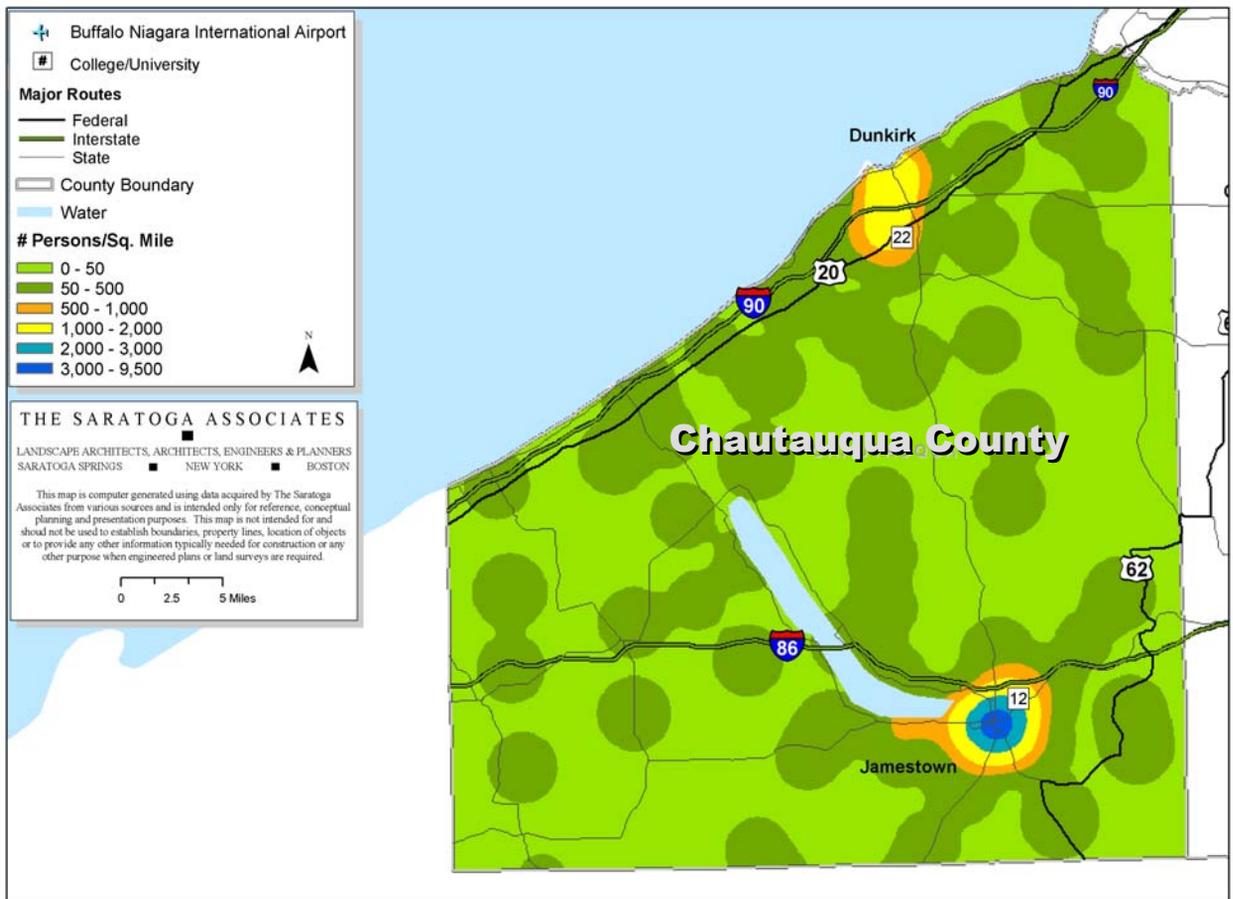
#### Major Colleges and Universities:

Designation	Name of School
11	Jamestown Community College at Olean
19	St. Bonaventure University



### Chautauqua County

Population Density, Location of Principle Cities and Colleges/Universities



County Population (2002): 138,567

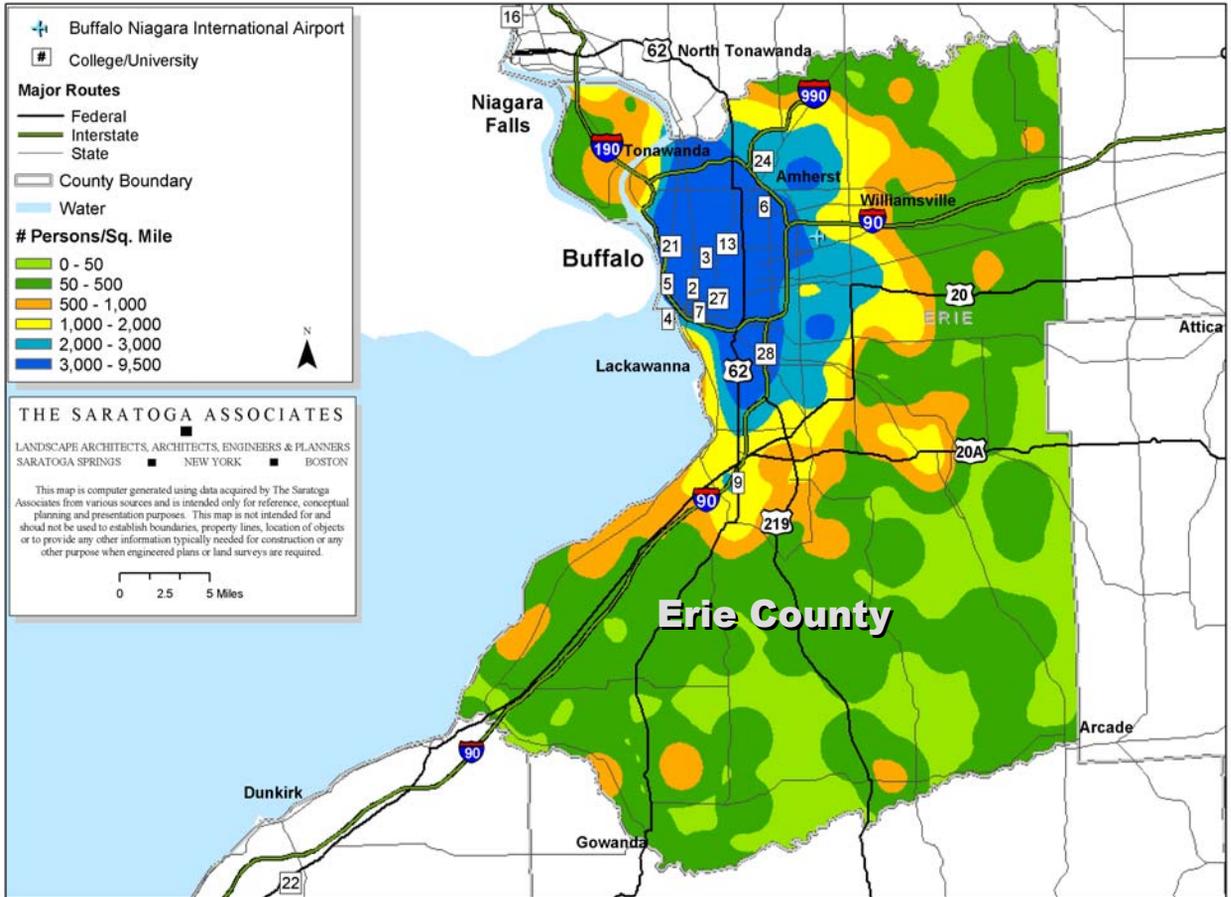
#### Major Colleges and Universities:

Designation	Name of School
12	Jamestown Community College
22	State University College at Fredonia



**Erie County**

Population Density, Location of Principle Cities and Colleges/Universities



**County Population (2002): 938,597**

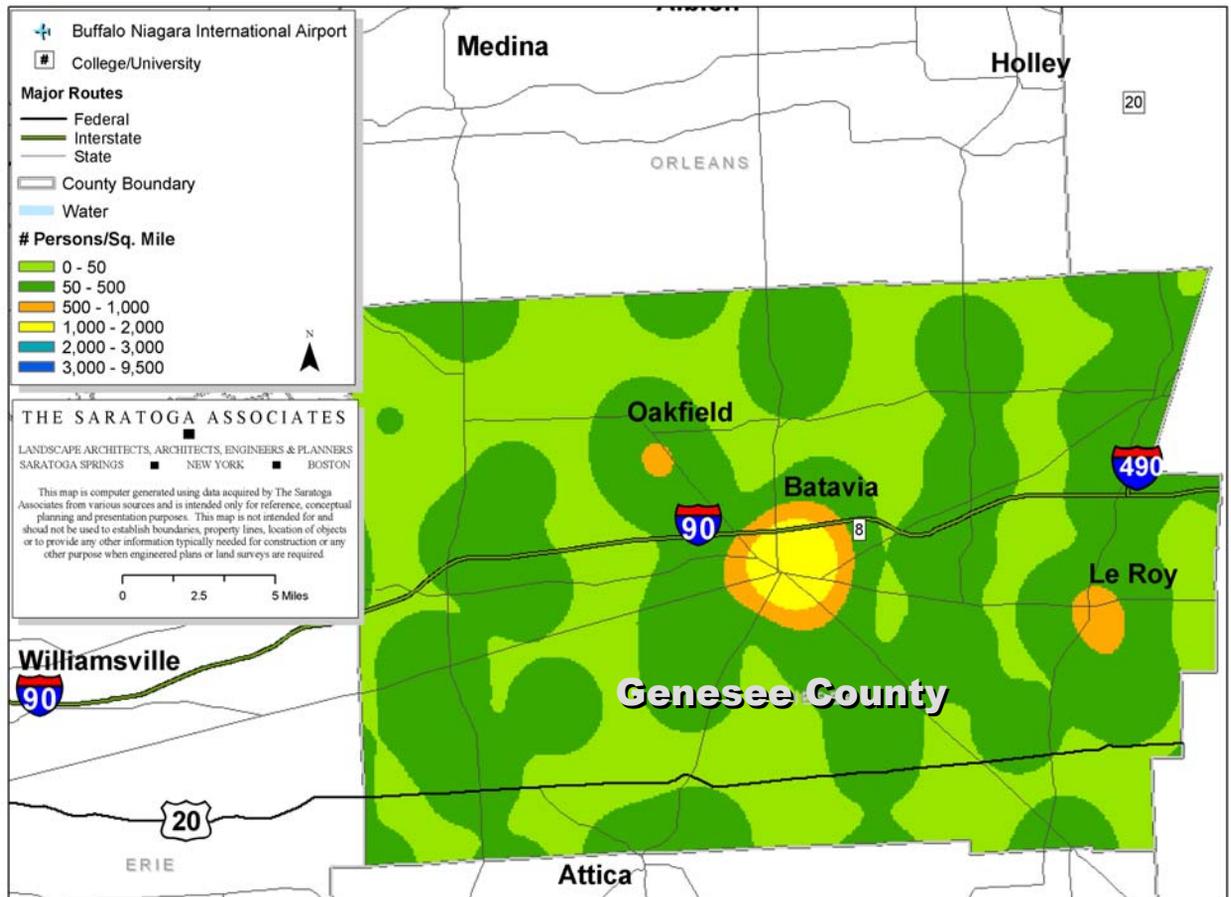
**Major Colleges and Universities:**

<u>Designation</u>	<u>Name of School</u>
2	Bryant and Stratton Business Institute
3	Canisius College
4	Cornell University School of Industry and Labor Relations
5	D'youville College
6	Daemen College
7	Erie Community College
13	Medaille College
16	Niagara University
21	State University of NY College at Buffalo
22	State University of NY College at Fredonia
24	State University of NY at Buffalo
28	Trocaire College



### Genesee County

Population Density, Location of Principle Cities and Colleges/Universities



County Population (2002): 59,877

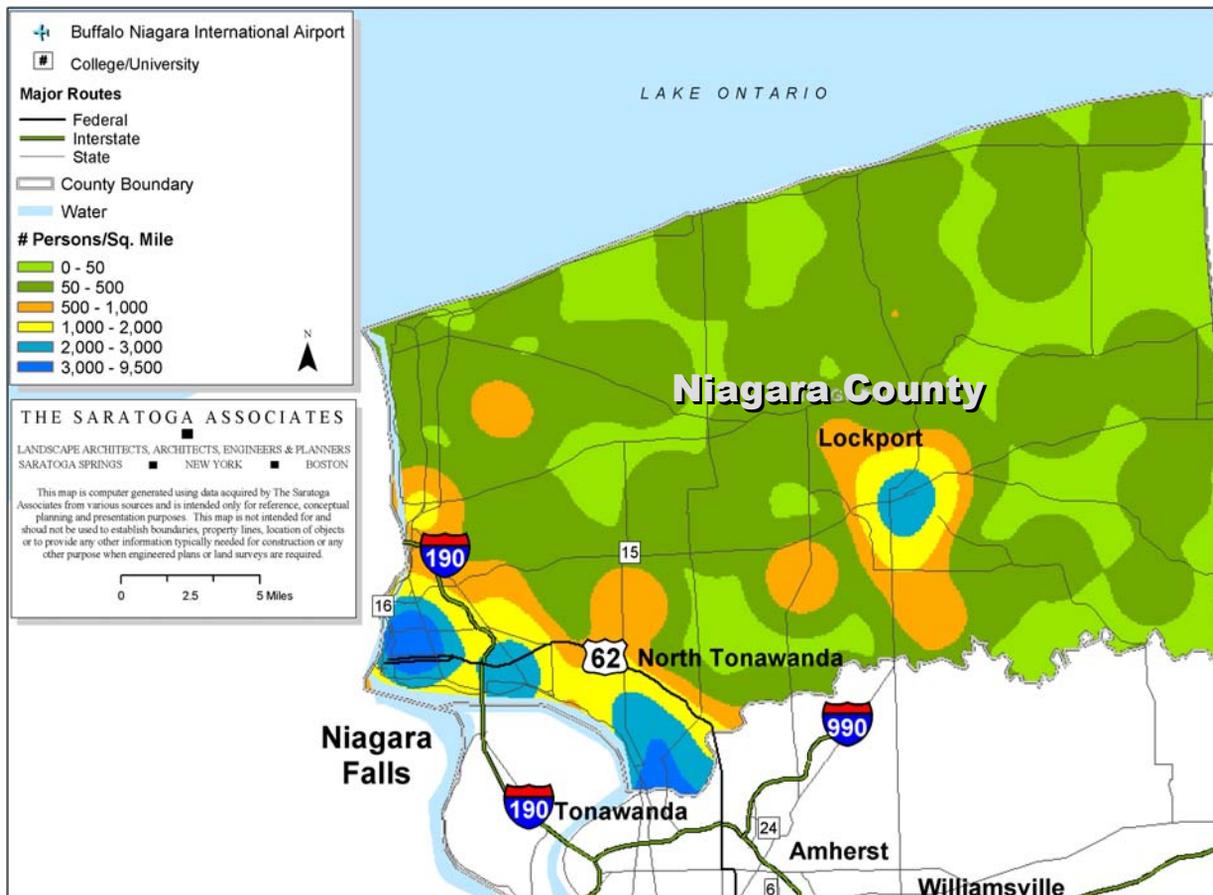
#### Major Colleges and Universities:

Designation	Name of School
8	Genesee Community College
20	State University of NY at Brockport



### Niagara County

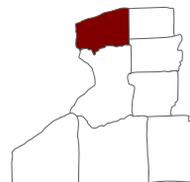
Population Density, Location of Principle Cities and Colleges/Universities



County Population (2002): 217,711

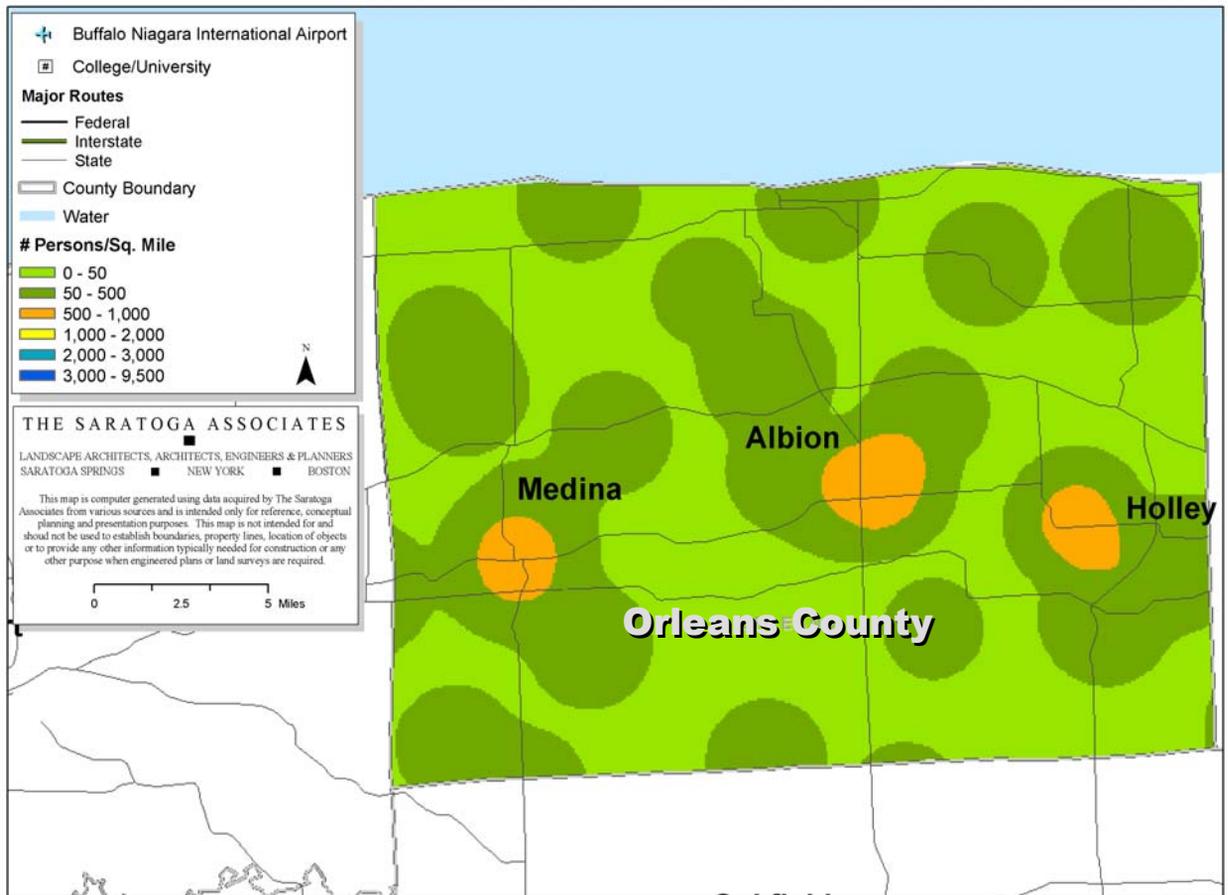
#### Major Colleges and Universities:

Designation	Name of School
15	Niagara County Community College
16	Niagara University



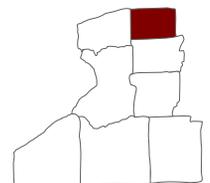
### Orleans County

Population Density, Location of Principle Cities and Colleges/Universities



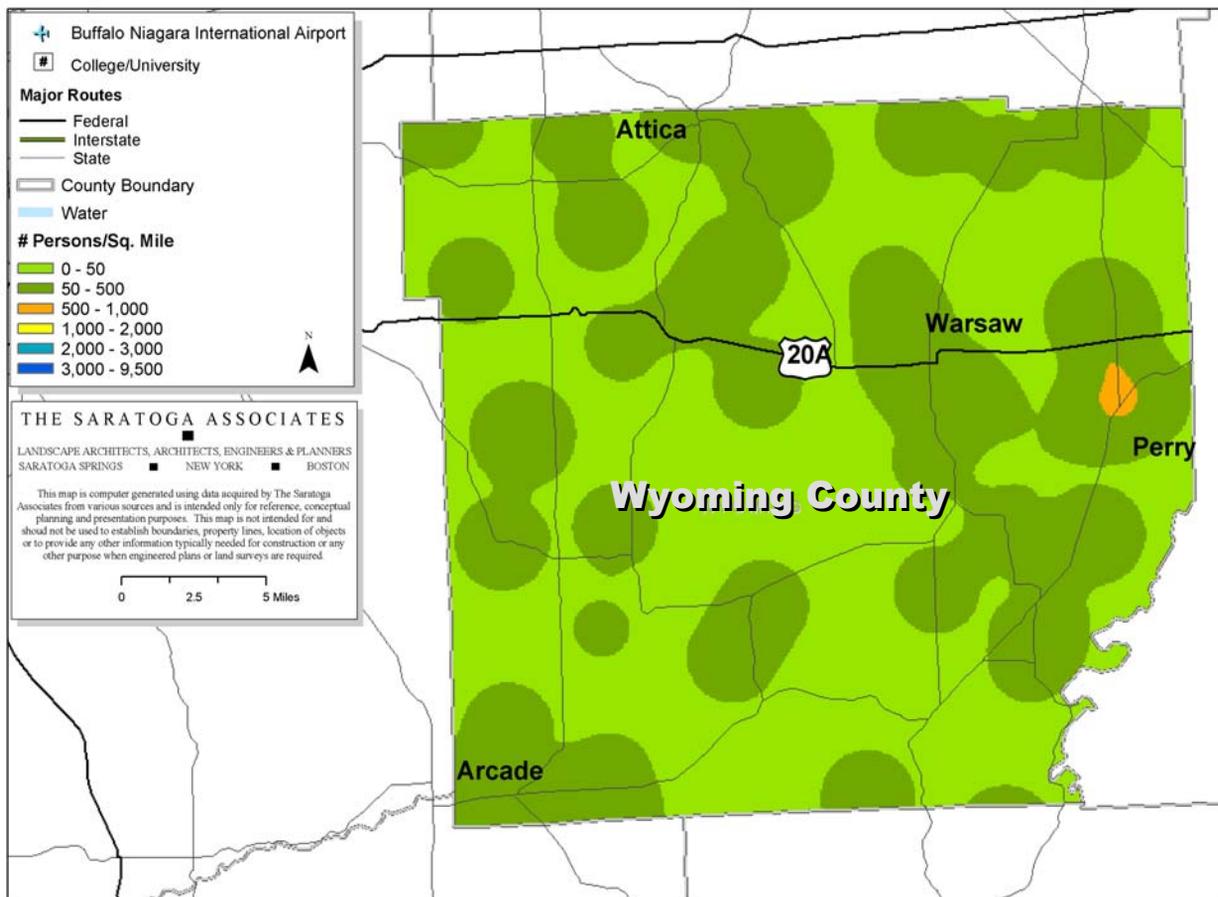
County Population (2002): 47,077

Major Colleges and Universities:  
 None within the County



### Wyoming County

Population Density, Location of Principle Cities and Colleges/Universities



County Population (2002): 43,239

Major Colleges and Universities:  
 None within the County

