CONTACTBABEL

THE UK CONTACT CENTRE DECISION-MAKERS' GUIDE

(8TH EDITION - 2010)

CONTENTS

Looking for true contact centre flexibility?

In an age of uncertainty, when customer expectations are higher than ever, the role technology plays within the contact centre has never been more important. Customers demand effective and efficient ways to communicate with organisations. Organisations need a flexible customer communications solution that is adaptable to their business.

CosmoCom™ provides a **Unified, all-IP Contact Centre Suite** that enables businesses to quickly, easily and economically fulfil the most complex customer interaction management requirements of today - and tomorrow. With a range of cost efficient, flexible delivery models, your business can consolidate all contact centre operations on one platform deployed directly on your premises, or via cloud-based, service provider hosted **Contact Centre on Demand (CCOD).**

CosmoCall Universe (CCU) was built from the ground as a scalable, carrier-grade IP platform to deliver a comprehensive suite of contact centre business applications and processes to unify your customer communications; Inbound or outbound, single site or multi-location, multi media, with unified recording, reporting & administration. CCU provides:

- Flexibility to quickly respond to unpredictable business challenges with highly customisable contact solutions
- Graceful scalability to grow your virtual contact centre with your business across any number of locations
- Lower operating costs through greater efficiencies from a single unified solution and flexible deployment models
- Improved operational efficiency and ability to manage peaks, increase productivity and try new markets
- Increased customer service satisfaction through intelligent contact routing with greater first-time call resolution
- Location Independence to deploy agents where needed; home, outsourcers, within your organisation, anywhere
- Rapid time-to-market and unparalleled integration capabilities beyond traditional systems

Call CosmoCom today to learn how your business can have true flexibility
across your contact centre operations for true ROI...

www.cosmocom.co.uk

01372 700810   uk-info@cosmocom.com

CosmoCom™

INTRODUCTION AND METHODOLOGY

The *"UK Contact Centre Decision-Makers' Guide (2010 - 8th edition)"* is the major annual report studying the performance, operations, technology and HR aspects of UK contact centre operations.

Taking a random sample of the industry, a detailed structured questionnaire was asked to 205 contact centre managers and directors between April and June 2010. Analysis of the results was carried out in Summer 2010. The result is the 8th edition of the largest and most comprehensive study of all aspects of the UK contact centre industry.

ContactBabel is very grateful to the support which it has received from all of the sponsors of the report. However, complete editorial independence has been insisted upon and given at all stages, and readers can be confident about the objectivity of the report's findings.

HOW TO USE THE REPORT

Unlike previous reports, which looked at discrete solutions without prior reference to the commercial and operational issues which they address, the UK Contact Centre Decision-Makers' Guide first identifies seven of the major pain points and issues that affect the contact centre industry:

- Improving quality and performance
- Maximising efficiency and agent optimisation
- New media and the customer of the future
- Increasing profitability
- Choosing a location
- HR management
- Strategic directions.

Within each section, specific solutions are identified that can be used to solve these issues, along with the analysis of the primary research data that are relevant to this area, including a comprehensive statistical analysis in graphical and tabular form.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

The report also contains a Supplier Directory, of organisations which provide services, products and solutions to the UK contact centre industry, divided by discrete category.

An Interactive Supplier Matrix, which allows readers to cross-reference specific commercial issues with the solutions available can be downloaded from www.contactbabel.com as an Excel spreadsheet.

SEGMENTATIONS

Looking at industry averages for contact centre statistics is only so useful. Only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors. As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact centre size (agent positions)
- by contact centre type (e.g. inbound/outbound).

We may also segment data along other lines (e.g. sales / service, and by region) where possible and relevant.

VERTICAL MARKETS

Where possible, we have segmented and analysed data along vertical market (business sector) lines, to highlight the specific issues and environments particular to that vertical industry. Below are the eleven vertical markets studied within this report which had sufficient respondents to justify inclusion.

Figure 1: Vertical market definitions

Vertical market	Sub-sectors
Finance	Banks, credit cards, loans, debt collection, credit checking, corporate
Insurance	Insurance for life, motor, house, corporate, reinsurance, etc
Manufacturing	Mainly B2B sales and support, along with customer helplines
Medical	Healthcare providers, medical equipment providers, medical advice
Outsourcing	Large full-service outsourcers and smaller telemarketing firms
Public Sector	Government, central and local, agencies, emergency services
Retail & Distribution	Retailers, home shopping, catalogue, parcel carriers, logistics
Services	Non-physical service offerings to public and business
Technology, Media and Telecoms (TMT)	Technology sales and service; Mobile and fixed line operators, TV and cable providers; Broadband
Transport & Travel	Transport information, booking, travel agents, airlines, hotels
Utilities	Electricity, water and gas providers

SIZE BAND

Almost every survey question is considered from the size aspect, as differences in resources, management techniques and technology vary greatly between size bands.

Contact centres surveyed fit into one of three categories:

- Small - 10 to 50 agent positions
- Medium - 51 to 200 agent positions
- Large – over 200 agent positions.

CONTACT CENTRE TYPE

Whether a contact centre is predominantly inbound or outbound can fundamentally determine how the contact centre is run. Therefore, we sometimes analyse data by contact centre type:

- Inbound: more than 75% of work is inbound
- Outbound: more than 75% of work is outbound
- Mixed: less than 75% of work is either inbound or outbound.

THE STRUCTURE OF THE DATASETS

The data provided by the 205 contact centres interviewed in this study were broken down into discrete segments:

Vertical markets

- Finance - 16
- Insurance - 18
- Manufacturing - 12
- Medical - 10
- Outsourcing - 27
- Public Sector - 28
- Retail & Distribution - 26
- Services - 21
- Technology, Media and Telecoms (TMT) - 14
- Transport & Travel - 21
- Utilities - 8
- Others (not included in vertical analysis): 4

Size bands

- Small (10 to 50 agent positions) - 79
- Medium (51 to 200 agent positions) - 66
- Large (200+ agent positions) – 60.

Inbound / outbound

- Mostly inbound (75%+ inbound) - 93
- Mixed (between 25% and 75% inbound and outbound) - 74
- Mostly outbound (75%+ outbound) − 38.

DISTRIBUTION AND USE OF THIS REPORT

This report is written for the community of people interested in the present and future performance of the UK contact centre industry. Amongst others, these may include:

- Contact centre managers and directors
- HR managers and directors
- Operations managers and directors
- Customer service directors and those involved in contact centre strategy
- IT managers and directors
- Contact centre solution providers: hardware, software & services
- Outsourcers
- Consultants
- Training providers
- New entrants to the UK contact centre industry
- Government bodies
- Academic institutions
- Contact centre industry organisations
- Regional & national development/inward investment agencies.

THE SUPPLIER DIRECTORY

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A&T Consulting

PSS

Consulting, Products, Professional Services
& Support for your Contact Centre

A&T Consulting is run by Alison Owen, a former banker and recruitment specialist, who has 20+ years experience in the Contact Centre industry. She specialises in strategic planning, location, attrition and retention support, acquisitions, outsourcing, and mentoring. Her client list includes many international organisations. She works both in the UK and on the Continent and has an extensive knowledge of the contact centre industry in Eastern Europe.

Alison chaired the CallNorthWest project, a publicly funded initiative to raise skill levels and promote the industry. This involved developing new academic qualifications in Customer Management. She sits on the Professional Advisory Board.

Contact:

w: www.a-tconsulting.co.uk

e: alison@a-tconsulting.co.uk

f: +44 (0)8707 060339

m: +44 (0)7712 449216

t: +44 (0) 1606 853977

Product Support Solutions (PSS), a global contact centre solutions provider, offers a unique portfolio of professional development and advisory services, products, and ongoing support programs to help enterprises solve complex contact centre technology challenges - enhancing customer interactions, improving operational efficiency and maximizing financial return.

With years of hands-on experience with older, current, and newer/cutting-edge technologies; we offer independent, unbiased insights that preserve and maximize our customers' return on investment in IVR, CTI, and other contact centre solutions. We also help them transition to next-generation premises-based and hosted contact centre solutions when the time is right for their business.

Contact:

t: +44 (0) 800 012 4054

e: sales@psshelp.com

w: www.psshelp.co.uk

CONTACT CENTRE SOLUTIONS

a global leader in contact centre solutions

The Altitude uCI™ (Unified Customer Interaction) suite is designed to improve the overall productivity of the contact centre.

Supporting the evolution from single-function to dynamic, multipurpose operations, and the technical shift to IP communications, Altitude's class leading desktop, multimedia blending and outbound features deliver flexibility and cost-effectiveness.

Altitude uCI is engineered to integrate easily with enterprise front office and back-office systems, and delivers significant financial and operational benefits with a limited up-front investment.

Altitude uCI is available as an on-premise, managed or hosted solution for all market segments and as a platform for CRM outsourcers.

Contact:

Altitude Software Ltd

e: info.uk@altitude.com

t: 01189 838 010

w: www.altitude.com

Aspect is a global software and IT services firm specialising in applying Microsoft® unified communications and collaboration to help customers achieve optimal results through enhanced business processes across the enterprise and in the contact centre.

Aspect provides IT consulting, integration services and business applications.

Contact:

Jodie Wright - Marketing Programs Manager, Northern Europe & South Africa

t: +44 (0)20 8589 1000

e: marketing.uk@aspect.com

w: www.aspect.com

azzurri

Azzurri Communications is a leading managed services company delivering flexible converged networks, unified communications and collaboration solutions.

Our Contact Centre Practice builds innovative platforms to support customer contact strategies from network level through to the applications on agent workstations. We provide managed connectivity from cloud to desktop, helping organisations improve customer interactions, enhance the customer experience and increase the operational effectiveness of their contact centres.

Our integration and innovation capabilities enable them to implement their customer contact strategies without compromise. Our consultants have integrated, optimised and accelerated the end-to-end business processes of major European contact centres across every industry sector.

Contact:

t: 0844 324 0000

e: findoutmore@azzu.co.uk

w: www.azzurricommunications.com

BT

BT has over 25 years' experience of delivering customer management solutions.

Operating in 173 countries worldwide, we have established 4,000 contact centres for over 1,000 customers.

BT provides hosted contact centres, inbound services, self-service solutions, multi-channel access, networked expertise and professional services.

Working with leading vendors including Avaya, Cisco, CosmoCom, Genesys and Verint, we provide solutions to over 75 per cent of the world's largest banks, 11 out of 20 of the largest airlines, 13 of the top 20 pharmaceutical companies, eight out of ten of the world's largest utility companies and have deployed the world's largest hosted contact centre at 32,000 seats.

Contact:

w: www.bt.com

CCT is a contact centre technology solutions integrator.

An Avaya Platinum Partner focused on all elements of their contact centre portfolio, CCT has the largest, most qualified team of Avaya experts in the UK. CCT also provides roadmap guidance to Nortel Symposium and Nortel CC6.0 users. Complementing our Avaya expertise, CCT provides applications from NICE, Verint, Teleopti and Syntellect.

Solutions offered:

- Call Recording
- Workforce Management
- Speech Analytics
- Quality Monitoring
- Customer Surveys
- Speech-based IVR
- Multi-channel contact centre design
- CTI integration with back office systems
- Multi-site contact centres/remote working
- Diallers
- Wallboards

CCT supports over 1000 client locations across nearly 50 countries and is known for providing exceptional customer service. Consequently, CCT is often shortlisted for any Avaya-based contact centre solution.

Contact:

Russell Attwood (CEO)
a: 540 Bristol Business Park, Coldharbour Lane, Bristol, BS16 1EJ
t: 0117 311 5885
e: info@cctonline.co.uk
w: www.cctonline.co.uk

CosmoCom™ provides a Unified, all-IP Contact Centre Suite that enables businesses to quickly, easily and economically fulfil the most complex customer interaction management requirements of today and tomorrow. With a range of cost efficient, flexible delivery models, your business can consolidate all contact centre operations on one platform deployed directly on your premises, or via cloud-based Contact Centre on Demand (CCOD) hosted by service providers.

CosmoCall Universe (CCU) was built from the ground up as a scalable, carrier-grade IP platform to deliver a comprehensive suite of contact centre business applications and processes to unify your customer communications; Inbound or outbound, single site or multi-location, multimedia, with unified recording, reporting and administration.

Customers include global Fortune-class enterprises. In addition, CosmoCom is the most selected provider of hosted contact centre platforms to top-tier telcos worldwide.

Contact:

CosmoCom

t: 01372 700810

e: uk-info@cosmocom.com

w: www.cosmocom.co.uk
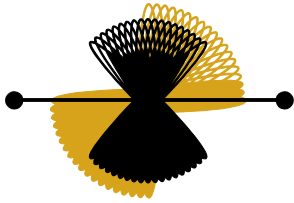
INTERACTIVE INTELLIGENCE·

Deliberately Innovative

Interactive Intelligence is a global provider of unified IP business communications solutions, providing innovative contact centre software delivered as a hosted service or on-premise product; IP telephony - including application-rich IP PBX and messaging functionality that can scale to meet the needs of your entire enterprise; and business process automation - providing the automation of multi-step, people-centric processes across a variety of vertical industries; as well as document management solutions designed specifically for the insurance industry.

For the contact centre, the enterprise and the remote and mobile workforce, our SIP-based, all-in-one IP platform provides a strong alternative to hardware-centric, multi-point systems and unifies each aspect of the communications required for your business.

Contact:

t: 01753 418800

e: info.uk@inin.com

a: Thames Central, Hatfield Road, Slough, Berkshire, SL1 1QE

w: www.inin.com

SAP is the world's leading provider of business software, offering applications and services that enable companies of all sizes and in more than 25 industries to become best-run businesses, with more than 97,000 customers in over 120 countries.

For contact centres, SAP offers end-to-end solutions allowing companies to provide consistent and high-quality customer service via all communication channels.

With SAP CRM, you can maximize customer loyalty, reduce costs, and boost revenue by transforming your contact centre into a strategic delivery channel for marketing, sales, and service efforts across all contact channels

SAP Business Communications Management software enables you to improve contact centre effectiveness and reduce costs through an all-software, IP-based communications solution. With the system, you can easily integrate communications directly into your business processes and applications, reducing needless delays and improving the efficiency of your customer service.

Contact:

t. +44 (0)800 0852 631

w: http://www.sap.com/uk/contactsap

w: www.sap.co.uk
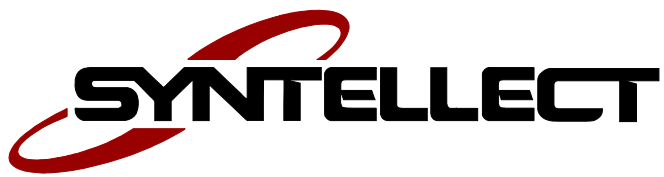
SYNTELLECT

infinity ccs

Syntellect has over 25 years of experience as a global provider of platform-independent contact centre solutions that leverage existing investments in technology. Syntellect's Customer Interaction Management solution intelligently processes multi-channel contacts and tasks to your customer advisors.

Syntellect CIM connects customers to the right resources first time, generating substantial increases in customer satisfaction and referral. Multi-layered reporting enables proactive management of quality and productivity and provides instant reassurance of investment return. Additional technologies such as IVR and a full CTI suite complete a comprehensive set of solutions and services that are targeted to provide maximum benefit to an organisation's contact centre.

Contact:

Andy Clune

e: aclune@syntellect.com

t: +44 (0)1252 618853

w: www.syntellect.com

e: info@syntellect.com

Infinity CCS understands contact centres and customer management; it is our only business. Many contact centres across Europe including the world's largest outsourcer use Infinity Contact Manager applications to increase operational performance and drive business efficiency.

This is why every one of our applications is delivered with a Performance Guarantee.

Infinity Contact Manager modules include:

- Infinity Agent Desktop
- Infinity CTI & Multi-Media
- Infinity Dialler
- Infinity Performance Reporting
- Infinity QA
- Infinity Timesheets

All of these applications have been designed specifically for UK call centres and as such can be rapidly deployed out of the box and configured for your specific needs.

Contact:

a: Infinity CCS (UK) Ltd, CIBA Building, 146-150 Hagley Road, Birmingham, B16 9NX (UK)

t: +44 (0)121 450 7830

f: +44(0)121 450 7839

e: info@infinityccs.com

w: www.infinityccs.com

ContactBabel

HEADSETS

Jabra is a global leader in headset solutions for the contact centre, office and mobile market. We are committed to developing products that provide an enhanced audio experience, robust build quality and outstanding comfort.

Jabra headsets are the perfect tool to the meet the demands of the busy contact centre. Our extensive portfolio includes state-of-the-art acoustic and noise-cancelling technology, ensuring you will always hear and be heard clearly. We offer headsets that comply with EU Noise-at-work legislation and feature IntelliTone™ to secure safe average sound levels, and every Jabra headset includes PeakStop™ acoustic protection as standard.

Our corded and wireless headsets provide freedom of movement for enhanced user productivity, whilst our multiuse headsets increase efficiency for home workers who use a mobile phone and PC softphone.

Contact:

t: +44 (0)1784 220 140

f: +44 (0)1784 220 144

w: www.jabra.co.uk

e: ukpartner@gn.com

Plantronics has been working with contact centres for over 40 years and still leads the field for headset solutions.

Plantronics uses innovative design and premium audio technology to deliver solutions that maximize productivity and improve customer experience. In trials, agents using Plantronics have improved productivity by up to 10%.

Plantronics offers one of the industry's most complete families of corded and wireless products. Recognized for sound quality, reliability and comfort, Plantronics' audio solutions promote better business communication and efficiency.

Contact:

t: 01793 842426

w: www.plantronics.co.uk

ContactBabel

Ultra provides complete Network Contact Centre solutions which include:

- Automated dialling incl. Predictive, Power, Preview and manual calling
- Inbound call management incl. full ACD capability/IVR/queue-buster
- Call-blending capability
- Voice-recording inclusive on every call
- Scripting-package included
- Unlimited real-time Supervisor monitoring & reporting tools
- All solutions provided with unique, proactive 24/7/365 UK-supported service, to help manage and ensure optimum results.

Benefits to contact centres:

- No-risk-set-up, live in 2-weeks
- Pay-As-You-Use/OpEx-cost-model
- Fully-compliant-future-proof-solutions
- Scalable & flexible to meet demand
- Software-as-a-Service(SaaS) on your desktop
- In-built Business Continuance and Disaster-Recovery
- Quick ROI with superior results and substantial cost savings

Contact:

Joanne Hatherley

a: The Granary, Cams Hall Estate, Fareham PO16 8UT

t: 0207 965 0207

f: 0870 033 0020

e: Sales@UltraASP.net

w: www.UltraASP.net

Established in 1994 to promote the profession of call centre management the CCMA (UK) is an independent, not for profit organisation for Call Centre Managers, Supervisors and Team Managers funded by membership subscriptions.

The CCMA is run on an unpaid, voluntary basis by an elected Board of call centre professionals who give up their own time to put something back into their industry and help to support others.

There are around 500 CCMA members in the UK and our mission is to contribute to the continuous professional development of call centre managers and supervisors and to assist wherever we can in sourcing high quality training courses.

Contact:

Keith Stagg, Membership Secretary

t: 01477 500826

e: keith.stagg@ccma.org.uk

a: PO Box 125, Sandbach, CW11 2FF

w: www.ccma.org.uk

CallNorthWest came into existence with backing from the Northwest Regional Development Agency and the University of Central Lancashire back in October 2003. The aim of the project was and is to support the call and contact centre sector within the North West.

The main areas of activity initially focussed around education and training, market intelligence and research with major breakthroughs being achieving in up-skilling Managers and Team Leaders across the region.

This has since expanded to include a 12-month calendar of specialist events including the Annual Conference, Good Practice Networks and the CallNorthWest Annual Awards Ceremony, which is the highlight of the year, celebrating the successes within the industry.

Contact:

CallNorthWest

a: 3rd Floor, Marshall House, Ringway, Preston, PR1 2QD

t: 0845 402 2303

f: 01772 894 986

e: info@callnorthwest.org.uk

w: www.callnorthwest.org.uk

The Welsh Assembly Government is committed to helping companies relocate to Wales, providing both support for setting up a business and access to 'Welcome to Wales' a personal relocation service to help busy executives build their new lives in Wales.

Once established, companies are allocated a dedicated Relationship Manager with the aftercare skills to help grow the business over time. The Welsh Assembly Government also supports existing Wales based companies to help them grow, in conjunction with the Welsh Contact Centre Forum (WCCF) Ltd.

If you are considering basing your operation in Wales, UK, please contact us:

Contact:

e: ruth.millersmith@wales.gsi.gov.uk or

rowena.o'sullivan@wales.gsi.gov.uk

w: www.ibwales.com/Financialandbusinessservices

t: +44(0) 1443 845500

Professional Planning Forum

The Professional Planning Forum is the independent industry body, promoting best practice and professionalism in contact centre planning. Our members benefit from our benchmark research, specialist training, accreditation, bespoke support, events and networking opportunities. Our aim is to help every centre develop confident skilled analysts, planners and managers in order to improve the customer experience.

Particular areas of interest include: People and Lifestyle planning, Resource planning, Management information and performance, Customer strategy and journey planning, The National Back Office Forum, The National Outbound Forum and the public sector. Why struggle on your own when the industry has its own forum for best practice and professional development?

Contact:

Steve Woosey

t: 0333 123 5960

e: info@planningforum.co.uk

a: 12 Baldwyn Gardens, Acton, London W3 6HH

w: www.planningforum.co.uk

south east contact centre forum

The South East Contact Centre Forum is the regional call/contact centre user group for Berkshire, Buckinghamshire, Hampshire, Kent, Oxfordshire, Surrey & Sussex, being home to around 800 contact centre operations.

The SECCF has been created in response to a growing demand for a regional network that allows operational managers to meet with their peers, review and discuss key challenges and hear how other organisations are responding.

Over the next 12 months a series of 9 Forum events will take place across the region, each one focusing on a Hot Topic for the sector, including

- Leadership and Management within Contact Centres
- Team Leader Selection and Development
- Reward and Recognition
- Analytics
- Call Recording
- Induction Programmes
- Benchmarking
- Recruiting and Retaining Generation Y
- Retaining Talent

Contact:

Trevor Butterworth, Membership & Events Manager

t: 01252 540 768 / 07932 669 299

e: trevor@seccf.co.uk

w: www.seccf.co.uk

south west contact centre forum

The **South West Contact Centre Forum (SWCCF)** gives contact centres the opportunity to be heard and to influence the shape of the industry in the region. The SWCCF offers a range of products and services designed to add value to members' businesses:

- Industry updates and developments both from national and regional perspective
- An understanding how businesses can engage with many business contacts within the contact centre industry
- An extensive programme of conferences, seminars and special interest groups to keep in touch with issues relevant to all contact centres
- Access to free helpdesk facilities offering strategic advice and information to contact centres
- Free benchmarking
- Access to supply chain information
- Members also have the opportunity to attend a quarterly Best Practice event free of charge

Contact:

Jane Thomas – Managing Director

a: South West Contact Centre Forum Ltd., Stangate House, Stanwell Road, Penarth, Vale of Glamorgan CF64 2AA

t: 02920 709800

f: 01443 335601

m: 07966 092149

e: jane@swcontactcentreforum.com

w: www.swccf.co.uk

The Welsh Contact Centre Forum Ltd

The WCCF is a high value employer-led forum which looks after the interests of 30,000 employees working in contact centres throughout Wales.

Providing strategic direction for contact & shared service centres in Wales, the forum holds four key seminars a year, provides help desk facilities, free research and market intelligence, training, round tables and networking opportunities.

The contact centre & shared service sector is one of the success stories of an evolving modern day Wales and has seen unprecedented growth in the past five years.

Members also get discounts on the Forum's flagship event, the annual Welsh Contact Centre Awards.

Contact:

Sandra Busby - Managing Director

Lucinda Butler, Members Manager

t: 029 2070 9800

e: lucinda@callcentrewales.co.uk or callcentre@callcentrewales.co.uk

w: www.callcentrewales.co.uk

a: 2nd floor, Stangate House, 5 Stanwell Road. Penarth CF64 2AA

LIST BROKING AND SOURCING

Prospect 360 is a leading UK List Broker, providing up-to-date and compliant databases to be used as part of telemarketing, postal, SMS and e-mail projects.

As an independent broker we objectively recommend which list sources will be the most applicable for your requirement, maximising your budget, conversion rates and overall ROI.

Utilising intelligence from recent telephone surveys, online research, magazine subscribers and a variety of other data-capture techniques means you can target fresh prospects who achieve pre-agreed criteria.

Please contact us to discuss your potential marketing list requirements.

Contact:

a: Prospect 360, Intertec House, 1 Tomlins Avenue, Frimley, Camberley, Surrey GU16 8LJ

t: +44 (0)1276 691199 or +44 (0)1709 374985

w: www.prospect360.co.uk

e: data@prospect360.co.uk

MAGAZINES AND PUBLICATIONS

Call Centre Helper is the UK's most popular call centre magazine with over 50,000 readers. It is a free, weekly online magazine aimed at giving call centre people advice on how to make their businesses work more effectively.

There are 4 distinct call centre areas – management, technology, life and jobs – readers can navigate swiftly to the area that interests them most. There are many regular features including articles that ask experienced people to answer real-life contact centre problems faced by their peers. We have also produced a number of reference guides aiming to be the main source of content on the internet for specialist call centre areas.

Contact:

a: Trevethin, Dixton Road, Monmouth, NP25 3PR

e: newsdesk@callcentrehelper.com

w: http://www.callcentrehelper.com

![ContactBabel logo]

OUTSOURCING

![firstsource - Innovative Outsourcing logo]

![spark logo]

Firstsource is a global leader in Business Process Outsourcing, with a range of services across the entire customer life cycle including inbound customer service and support, transaction processing, email response and webchat, through to retention and collections.

One of the UK's top 10 contact centre providers, Firstsource offers a choice of delivery locations, including four UK centres, as well as India, Philippines and USA.

Firstsource's award winning services have enabled its clients to reduce AHT, improve FCR, enhance the customer experience and achieve higher NPS scores, as well increase revenues through effective online interactive chat and cross-sell and up-sell programmes.

Contact:

Firstsource Solutions

a: Space One, 1 Beadon Road, London W6 0EA.

t: +44 (0)208 237 4500

w: www.firstsource.com

e: marketing@firstsource.com

Spark Response is one of the UK's most respected providers of outsourced contact centre services.

Our inbound services range from order taking and customer services to donations handling, tourist information and fraud management, whilst our outbound services cover sales and acquisition, appointment setting and telemarketing. Our client portfolio includes Toys R Us, E.ON, Cancer Research UK, Red Direct, FitFlop and Soap & Glory.

We thrive on making a difference to our clients and their customers. And with a focus on quality, technology, efficiency and people, we provide a level of service that delivers real results in enhancing the customer experience.

- ISO 9001: 2008 Accredited
- ISO 14001:2004 Accredited
- Registered Investor In People
- Compliant with the Payment Card Industry's Data Security Standards (PCI DSS)

Contact:

Sales: Natalie Sehnal

e: Natalie.Sehnal@sparkresponse.com

t: 0191 418 6014 or reception: 0191 495 9999

f: 0191 495 9900

w: www.sparkresponse.com

UNIFIED DESKTOP

Established in 1990 and based in Brighton, The Telemarketing Company is the UK's biggest Business-to-Business outbound telemarketing agency. We provide a range of high quality, unscripted services, including appointment setting, lead generation, data cleansing and profiling and market research to organisations ranging from SME's to the world's leading organisations.

With 200 workstations, trained, salaried, mature agents and an in-house software development team, we can handle projects of any size and complexity.

The Telemarketing Company is authorised by the FSA, holds Investors in People Accreditation and is a member of the DMA and is a Market Research Society company Partner.

Contact:

t: 01273 765 000

f: 01273 765 111

e: info@ttmc.co.uk

w: www.ttmc.co.uk

Jacada is a leading provider of unified desktop and process optimisation software solutions for the customer service and support market.

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Contact:

UK & EMEA: Jacada Europe Limited, 2 Queen Caroline Street, London W6 9DX, UK
t: +44 20 3178 4803   e: emea@jacada.com

North America: Jacada Inc, 400 Perimeter Center Terrace, Suite 100, Atlanta, GA 30346, USA
t: +1 770-352-1300   e: info@jacada.com

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Contact:

Sean Keane

e: speechsolutions@salmat.co.uk

t: 01628 632 263

w: www.salmat.com/speech

IMPROVING QUALITY AND PERFORMANCE

Within this chapter, methods and solutions are discussed that improve the quality of the customer experience and allow the contact centre to gain insight into each customer and agent to improve their own business strategy.

Topics include:

- Quality management and improvement: challenges and solutions
- Quality assurance
- Call recording and analytics
- Performance management
- The supervisor desktop
- Management information systems and reporting
- Scripting
- Customer satisfaction and complaints
- Queue management systems
- Training and coaching.

QUALITY MANAGEMENT AND IMPROVEMENT

Quite apart from managing costs and delivering performance, contact centre managers are expected to be improving the quality of the service and interactions that customers have with the business. To achieve this is not simply a matter of dropping in a piece of technology, but rather is a continuous, ongoing process involving the input of agents, supervisors and managers, as well as targeted training and regular evaluation.

The following chart, which looks at the ideals of quality, rather than the reality, shows that the two most popular meanings of quality are those which are focused on the customer's experience, which is perhaps not a surprise. The three internal quality measurements - compliance with regulation, achieving performance targets and adherence to corporate message and brand - are far less well-supported - in theory.

Figure 2: What does 'quality' really mean within your contact centre?
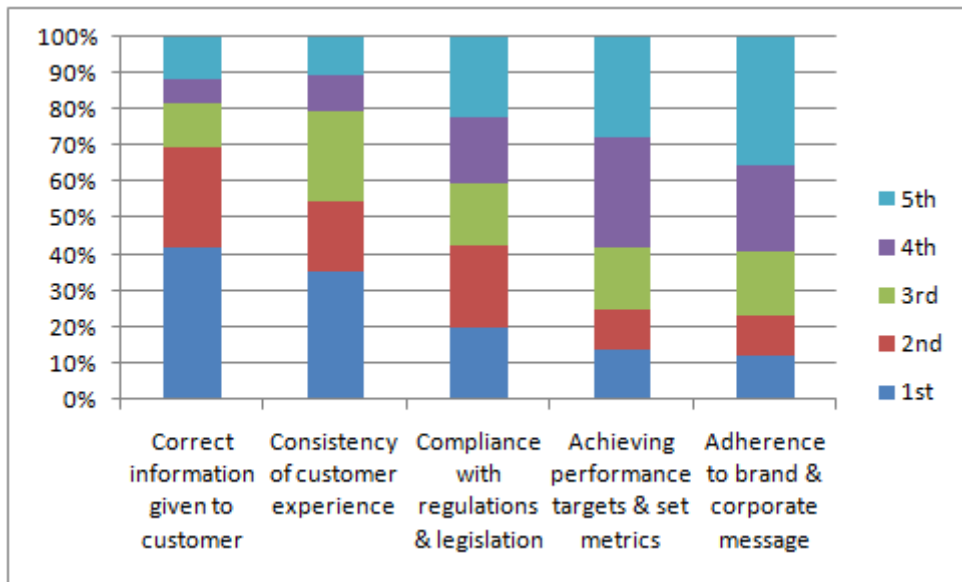
However, despite this idealised focus on the customer, the following chart shows a somewhat different reality. It is interesting to see that 45% of respondents state that quality measurement is internal (defined and measured by the contact centre's own targets) rather than an externally-focused metric (defined by the customer's own experience). This internal focus is particularly prevalent in the retail & distribution and insurance sectors, and is far more likely to be the case within large contact centres, where 64% of respondents say that 'quality' is decided and measured from an internal perspective.

In cases where quality focus is said to be internal, one could argue that it is not really 'quality' that is being measured or strived towards, as it is clearly the consumer who decides on quality, rather than the producer. In these cases, the contact centre has arbitrarily decided on the definition of quality, and measures that without reference to the actual customer experience.

It may be that senior managers are being told that their contact centres are delivering 'quality' because they are adhering to strict processes and meeting first call resolution targets. However, in reality, their customers may not be getting the special attention that is necessary to keep them happy and loyal. Businesses have to make sure that quality control goes way beyond metrics, and strives to understand the customers' experience and opinions far more than seems to be the case for many.

CHALLENGES TO IMPROVING QUALITY

Once businesses start to measure quality from the perspective of the customer, they then to need to implement ways to improve it. Respondents were asked what their biggest challenges were to improving their quality.

Figure 3: What is the biggest challenge to quality improvement that you face?
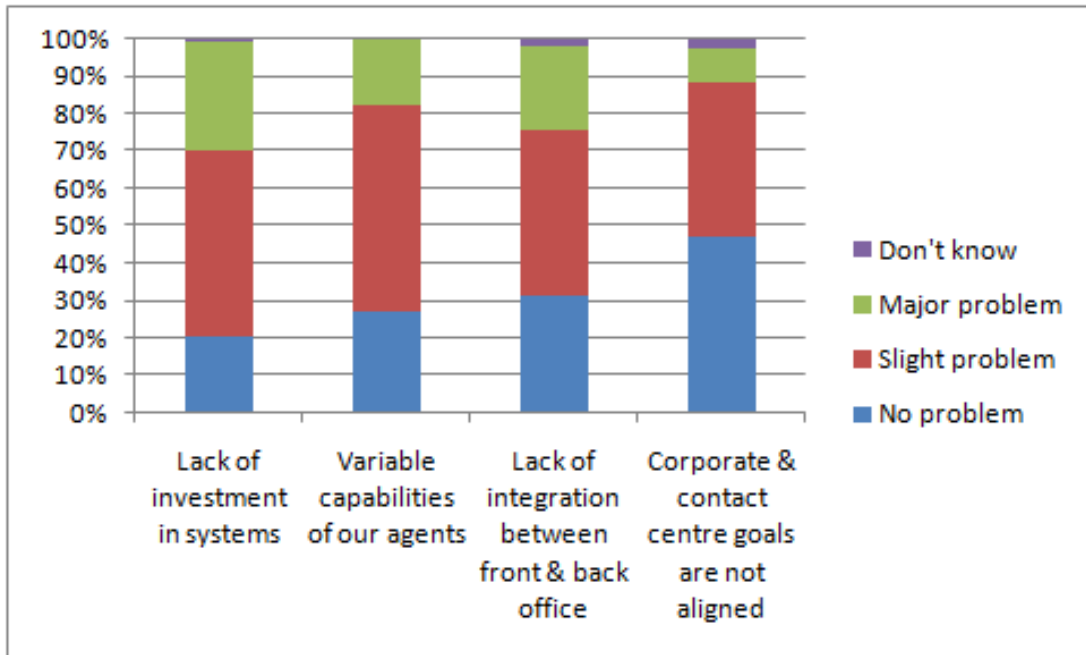
Respondents felt that the lack of investment in systems was holding them back the most, with over 30% seeing this as a major problem, and only 20% saying that it did not affect them at all.

34% of small contact centres felt that a lack of integration between front and back office was holding them back from delivering a high-quality service, compared with only 8% of large operations. Smaller contact centres are much less likely to have workflow in place that supports the seamless and automatic movement of a job throughout the required processes, and the use of a unified desktop that can assure the collection of the required data and automatically kick off the necessary processes is far less likely too.

QUALITY ASSURANCE METHODS

Whether quality is an internal or external matter, there are various ways of measuring and tracking this. Some methods, such as scripting, support the consistent, correct and standardised customer experience which many contact centres stated earlier was one of their views on what quality was really about.

Other methods, such as customer surveys, are to do with understanding quality after the event, in this case, from the customer's perspective. Listening-in (call monitoring) and call recording are more about measuring quality against a set of targets or items that the contact centre's management believes quality consists of. Performance dashboards provide a quantitative, real-time view of quality that can include elements such as average handle time, customer satisfaction ratings, first-call resolution, schedule adherence, etc). As such, they are generally more used within the 45% of operations where quality is defined and measured as an internally-focused metric.

Figure 4: QA methods

QA method	Average score from 10
Call monitoring	8.4
Call recording	8.2
Customer surveys	7.9
Performance dashboards	7.3

Directly checking what an agent has actually said - through real-time call monitoring and post-call reviews of recordings - are seen as the most effective ways of quality assurance, providing the supervisors with touchpoints of real conversations, and these are explored in greater depth within the next section. Customer surveys are also seen as an effective QA method, with feedback from real customers being valued especially by those for whom quality is an external issue. Performance dashboards are highly rated by operations whose quality focus is on internal processes.

CALL RECORDING AND ANALYTICS

For the past decade, there has been increasing desire within contact centres to improve upon customer satisfaction and experience, in order to keep customers loyal and profitable for longer. ContactBabel studies have consistently shown that increasing customer satisfaction is the no.1 focus of UK contact centres, outperforming other key areas such as decreasing costs or increasing sales.

Call recording and monitoring may have been around for a long time, but it is at the forefront of the battle to improve quality and thus customer satisfaction and loyalty. Sophisticated call recording solutions have the tools within them to recognise patterns and anomalies, allowing management to identify the issues that are impacting customer service, and to deal with them at an agent or process level. Such recording solutions record every call that comes in and analyses them on an agent- or subject-level to identify areas for immediate action, such as whether it is a training issue, a process issue or a product issue.

This real-time analysis, and of course, the actions leading from it, can mean that customers' hold time and call time is shorter because of the increased agent efficiency, and customers call less often about processes that

have been fixed as a result of the new system, with agent performance improving as well due to the identification of training needs.

Effectively, the call recording and analytics can act as an exceptionally well-informed and alert team leader who can oversee the entire operation instantaneously, which is vital, as supervisors are struggling under the mass of tasks they have and need something to keep them organised, and contact centres need something to monitor the supervisors and of course, prove compliance.

However, most contact centres still find themselves managing QA with paper-based processes and bulging filing cabinets. Leading call recording solutions have the capabilities to allow QA scoring to be performed retrospectively as well as by listening in live, with automated scheduling of QA assessments, management of compliancy obligations (with audit trails), and less reliance on paper forms stored in filing cabinets.

Agents can feed back and comment on their assessments, including requesting more training. Management can use dashboards to give visibility of QA and operational performance by campaign or agent, quickly identifying non-compliant calls and assisting with coaching and appraisals.

Recording and analysing the effectiveness of interactions is a vital part of the customer satisfaction and quality mix, especially when it is used for multiple purposes – training, educating the upper management about what customers are saying, and for quality assurance. Agents have to be encouraged to feel that recording is there for their own benefit, improving the standard of service which they provide, rather than just being a "Big Brother" waiting to catch them out, and, if used correctly, recording's influence can be felt right across the contact centre.

HR issues:

- Reducing supervision time, by allowing the supervisor to choose which calls to review at a time which suits them

- Increasing the effectiveness of agent training

- Demonstrating the investment a company makes in its agents to reduce attrition and the cost of employing and training new agents

- Rewarding agents based upon customer-focused metrics, which creates a better culture in the contact centre and serves customers more effectively.

Profitability:

- Managing costs and improving operations through reducing the paper trail

- Measuring agent and contact centre performance based upon key performance indicators which the business chooses, e.g. average revenues per call, customer satisfaction rating etc.

- Changing the culture of the contact centre towards balancing concerns with cost with loyalty and satisfaction, which interaction recording allows a business to measure

- Feeding back into the whole enterprise, allowing knowledge transfer to occur rapidly enough to change a business's direction immediately based on actual customer responses.

Customer loyalty:

- Measuring the contact centre performance against metrics which matter to the customer, which will align customer demand with contact centre success

- Recording all interactions and analyzing them in depth means business processes can be improved and customer response acted upon immediately

- Best agent practice can be identified and shared rapidly, and worst practice avoided

- Reasons for poor responses to sales and marketing campaigns or product launches can be identified quickly based upon detailed analysis of specific areas.

Multimedia:

- Allowing the business to treat each set of related interactions as a single conversation, regardless of media, thus improving the understanding of customers' opinions and preferences

- Creating more highly-trained and knowledgeable agents which will be required as low value-add agents become scarce, and each agent-customer interaction becomes more important

- Fulfilling legal compliance and managing risk across all media.

Virtual contact centre:

- Helping to manage agents remotely without the time or costs of physically seeing them

- Creating the same level of agent skills across sites regardless of actual location, which is critical to an international or global business.

PERFORMANCE MANAGEMENT AND THE ROLE OF THE SUPERVISOR

The supervisor's role within a contact centre can be thought of to be akin to that of a sergeant in the army: the link between the foot-soldiers (agents) and officers (management), who have to understand the strategy and direction of the company, as well as manage the individuals who make up the team that does the actual work.

Supervisors - usually in charge of teams of 10-20 agents - have an average tenure of 3 or 4 years, and have almost always excelled in the position of agent before being promoted, rather than being recruited directly into the role with no previous agent experience. However, without the right support, training and tools, a good agent will not necessarily make a good supervisor, as the latter is a management position which also requires a high ability to multi-task. Despite the big step-up in responsibility, supervisors usually earn only around 25% more than an experienced agent .

The front-line supervisor is widely acknowledged to be the key to a successful contact centre, having roles and responsibilities far in excess of their official job description, most of which impact directly upon the performance of the contact centre.

Figure 5: Supervisor activities

Supervisor activity	Importance to the contact centre
Manage agent performance to required service levels	Missing service levels has a major impact upon cost and customer satisfaction
Review agent career goals against the requirements of the contact centre	Lack of opportunity for promotion and advancement seen as the no.2 cause of attrition. However, the needs of the business must also been considered
Identify agent training needs and provide opportunities for learning	Through a combination of silent monitoring, scorecards and call recording, supervisors can develop a good understanding of their team's needs, and schedule training (whether eLearning or away from the desk)
Increase agent skills through mentoring, coaching and training	On average, mentoring (support from senior agents or supervisors) is rated as the best induction course training technique. On an ongoing basis, supervisors will spend around 1- 2 hours per agent per week on coaching
Identify the attributes of agents who are performing well and encourage others to follow suit	Top agents outperform poor agents by 3 to 1. Supervisors identify the best-practice behaviours and characteristics of top agents (making sure that they are aligned with the brand and strategy of the organisation) and propagate these to other agents

Troubleshoot technology problems	Supervisors are the first port-of-call when a technology issue has been found, and have to sit with agents to see if they can replicate the conditions in which the error occurred, documenting this for the IT department to deal with. Recording technology can be used to capture screens, data and voice automatically which fit the given criteria
Answer questions and distribute relevant information	The supervisor is a hub of information: upwards from agents who have found specific issues and answers, and downwards from management who wish to make things known. The supervisor needs tools to collate and distribute relevant data in real-time to the right people
Create and alter forecasts and schedules	Supervisors need to use workforce management solutions to plan their schedules, but also have to have the ability to change on the fly as internal and external factors kick in, otherwise service levels will be missed
Handle escalated calls	Supervisors can improve first-call resolution rates by being skilled and supported enough to deal with exceptional and difficult calls which an inexperienced agent simply could not handle
Monitor calls - whether random or exceptional - and provide real-time help if required	Real-time monitoring of calls (perhaps looking for voice stress or key words) can bring in a supervisor to listen to a live conversation, perhaps joining in if the business's needs are not being met or the brand is being damaged by off-message agents
Liaise with the rest of the organisation	The supervisor, unlike the manager, will listen to and deal with multiple calls each day, as well as understanding exactly what agents are listening to and talking about. This gives the supervisor an understanding about what customers are saying, which can be fed into the wider enterprise and learned from. Supervisors will also deal with ad-hoc requests from other departments and areas of the contact centre as they have all of the information and knowledge required - although it may take a very long time to find in all the data to which they have access
Stand as examples of how to behave and perform	Supervisors are usually top agents as well, and are seen as role models by their teams. If supported by superior business intelligence and reporting tools, they will not miss a trick

Contact centre managers may not always be aware how much extra-curricular activity their supervisors have to perform, with the list of work growing ever longer. This combination of too much data, not enough actionable information, too few hours in the day and excessive expectations can mean that supervisors underperform through no intrinsic fault of their own. The right tools, processes and technology solutions can go a long way to alleviating these issues.

MULTIPLE KPIS AND THE UNIFIED SUPERVISOR ENVIRONMENT

Today's agents and supervisors must deal with multiple applications - ACD, CRM, workforce management, quality management, performance management, order entry, knowledge base, etc. However, applications still reside in separate silos, each dealing with different information and presenting a different user interface. As a result, supervisors usually see multiple views of the contact centre, and these confusing displays waste time, degrade service quality and interfere with productivity and effectiveness.

These siloed applications need a unified and customisable approach which integrates them and presents the information that is relevant to the situation in a way that the supervisor will find most useful, in real-time.

As supervisors have a limited amount of time to spend coaching each agent - usually no more than two hours per agent per week - it's vital to use the same performance measurements at both supervisor and agent level. In this way, the real-time call statistics being reported to the supervisor are the same metrics that the agent is being measured against, and which are also aligned with the aims of the wider contact centre so that gaps in agent and team performance can be easily recognised. There is an increasing trend to measure performance against real-time KPIs (key performance indicators) that are based upon the wider strategy of the organisation (such as first-call resolution and customer satisfaction ratings), rather than just standard ACD metrics.

The following chart shows that 31% of respondents believe that what the wider business wants will often clash with how agents are measured - for example, setting targets for average handle time may be counter to the organisation's stated desire to increase customer loyalty and satisfaction, as agents who are overly-focused on performance statistics could miss opportunities to go the extra mile with a customer. Financial services respondents were the most likely to believe this is the case, and surprisingly, it was the smaller contact centres that agreed most strongly with this statement. It might have been thought that large contact centres, with their focus upon efficiency and throughput, would be the most likely to be unable to align with the wider business's stated customer-centricity. However, the opposite is true: it may be that small contact centres simply do not have the presence to make their opinions heard at higher levels of a business, or that organisations with small contact centres do not have the senior management capabilities to understand the pressures on the contact centre operation.

Figure 6: 'It's often difficult to align agents' performance targets with corporate objectives'
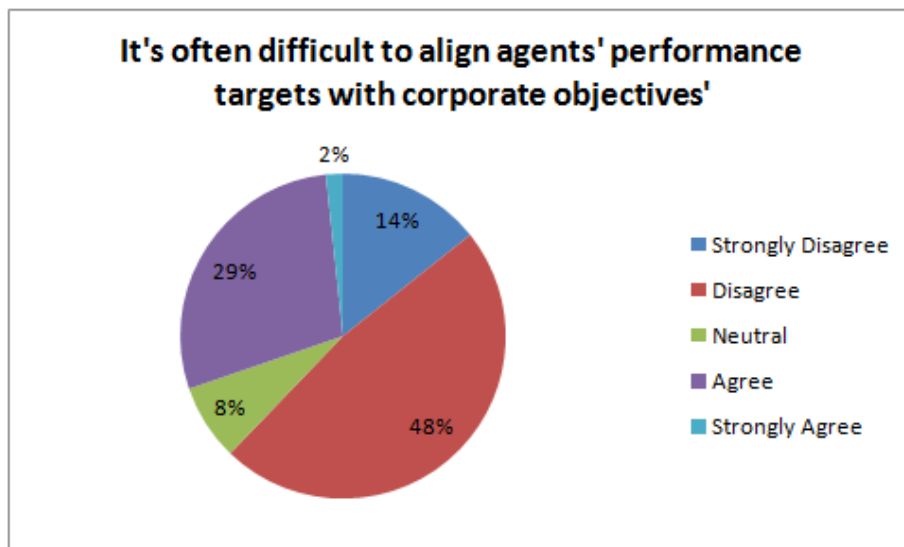
Many of the gaps noticed in respondents' current performance management solutions talk about integration, and the absence of the data that are needed to get a complete picture of what is happening in the whole contact centre. 34% of respondents stated that they could not integrate everything they needed to in order to understand fully what was happening in their contact centre operation. There was little real difference between size bands with this question, but once again, the majority of financial services respondents indicated that their systems were too complex to integrate fully (often as a result of M&A activity, as well as a reliance on legacy systems).

Figure 7: How true? 'It is too costly and complex to integrate our data sources to provide a full view of what is happening in the contact centre'
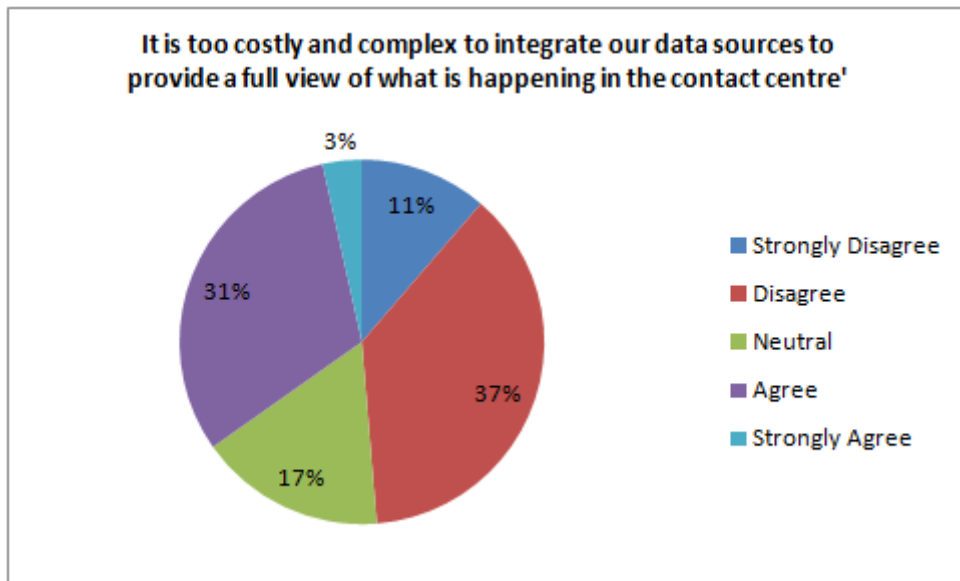
Agent scorecards record performance against key metrics: first call resolution, revenue, AHT, quality and adherence. However, finding the reason for an unsatisfactory score can require extensive searching through multiple data sources and archives. If possible, a unified approach more efficiently and effectively relates performance to specific contributing statistics. Not all relevant data comes from an ACD - agent performance scorecards and informed comment on the types of calls being received are also part of understanding the overall picture, thus closing the loop between quality assurance at a agent level and optimising the performance of the contact centre as a whole.

With a unified approach, a supervisor views a composite performance management scorecard with a single value that represents performance in a number of areas: first call resolution, revenue, AHT, quality, adherence, etc. Using a streamlined process, the user drills through the data and views contributing scores in each area— quality scores, for example. The user then drills down further and views the recording and evaluation of a particular quality score, relating that specific instance to the top-level composite score. The facts behind the top-level score are discovered without time-consuming searches through multiple sources, and a unified approach even allows the supervisor or manager to identify training needs specific to the agent. 44% of respondents state that they have this functionality, in some form, with those in the outsourcing sector particularly confident of their ability to target agents with the right training based on their performance management solution.

Figure 8: How true? 'Our performance management solution can identify training needs right down to an individual's level'
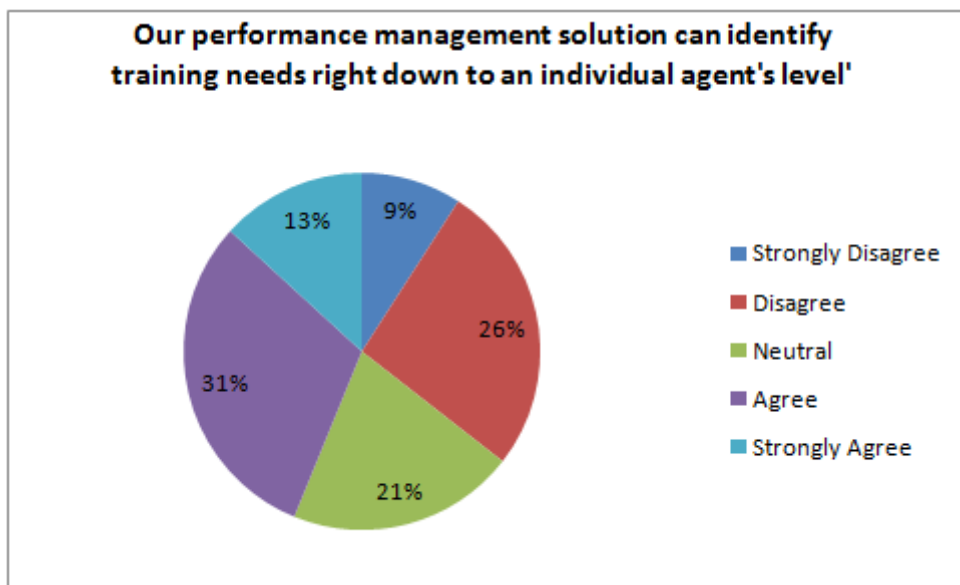
REPORTING AND BUSINESS INTELLIGENCE

Another of the supervisor's, or manager's many roles is to identify, collate and distribute business intelligence - not just raw data - making sure the results go to the correct parts of the contact centre and wider organization.

By collecting and analysing data, tools can be used to report assessment results at all levels - supervisor, team or agent - which can highlight the attributes of a successful team. By reviewing these assessments, supervisors can learn from each other. Additionally, best-practice calls can be saved and used by agents so that they learn from them.

At a higher level, the management in the contact centre and the wider enterprise can also be provided with business intelligence gleaned from consolidating supervisor-level reports. It is vital to gain an understanding of the type of calls that the contact centre is receiving, as well as how well it is coping with them. Understanding and using all of this input at a micro- as well as macro-level means that the contact centre equips itself better to address its performance, scheduling and training needs, making itself more effective and providing a better service to its customers.

From a technical viewpoint, recording and reporting is also used to report exactly what happens before a technology system fault occurs, as it is of great importance to a business's IT department to understand the exact sequence of events that occurs before a fault, so they can duplicate it and then repair it.

REAL-TIME SERVICE LEVEL MANAGEMENT TOOLS

Much of the supervisor's and manager's time is spent making sure that teams are performing to agreed service levels, and improving efficiency and effectiveness. There are a number of specific applications and tools that help in this ongoing process.

- **'What-if' scenarios:** hypothetical models that give an idea of staffing requirements and service levels depending on whether certain events happen, such as a new TV campaign driving up calls, a 'flu epidemic keeping agents off work or a self-service option going live. Practising their responses in virtual environments can mean the right decisions are made quickly by management when the worst happens.

- **Messaging to teams and agents:** electronic team messaging, especially in a virtual environment, is vital to keeping to the same message. Supervisors can immediately let agents know about changes in service levels, or even the answer to a question which is suddenly being asked by numerous people. Management can also make changes to customer messages, informing them within the IVR announcement of quick fixes, or awareness of a specific issue which is being dealt with.

- **Queue and team management (real-time re-skilling):** the unified supervisor / management desktop allows changes to be made to agent groups based on the skills required to handle specific issues at certain times.

- **Automated processes:** A very high proportion of contact centre processes are initiated manually or with mixture of manual and automation, which is not the optimal way to manage processes, and can lead to delay and error. A better way of dealing with multi-step processes is to automate all of the steps that follow logically from the initial change or initiated process. For example, if a scheduled training session will impact too negatively on the future service level, the automated scheduling tool can search for and select a better time, alter each agent's individual schedule and trigger alerts to inform each agent of the new time.

- **The customised supervisor management desktop and automated alerts**: The supervisor or manager can be provided with a single console screen that contains all of their key metrics and alerts that are triggered at certain user-defined parameters, even though the logic itself may be spread across various systems. This unified environment means that they can react more quickly and accurately to issues that arise, and the troubleshooting capability may follow them around the contact centre by sending a page or text message as required. Automated alerts can trigger once performance slips below a pre-set level, and be targeted at management, team leader or even agent level.

Management information systems interpret call event data sent from one or more ACD switches. Contact centre managers can then access critical information necessary for management of available resources within their contact centre operation (s). Detailed information may be offered on:

- Real-time ACD and agent performance monitoring: simultaneous queue and agent data for efficient analysis of call activity and staff performance. Information on individual agents and groups, as well as on inbound / outbound queues is available.
- Historical reporting: measures success at reaching service quality objectives by monitoring the performance of personnel and equipment, determining how staff adjust to the workload and identifying peak and quiet times for better utilisation of personnel, which can be fed into workforce management systems.

- ACD load management: enhances the ability to make on-line changes to the ACD configuration in response to real-time calling patterns.

Respondents to this survey were asked what they would most like to improve within their management information systems.

Figure 9: Most desired improvements to management information systems

MIS improvement	Proportion of respondents
Consistency and consolidation across systems to give full view of contact centre	37%
Agent-level reporting inc. adherence to schedule	14%
Real-time reporting	14%
Link of sales and agent performance data	8%
100% customer view	7%
Automation of reports	7%
Cross-site management	3%
First-call resolution measurement	3%
Multimedia handling	3%
Data integrity	3%

Almost every respondent had something to say about how they would like their management information system to be improved. By far the most important issue was the difficulty in getting data from various systems into a format that was reliable and useful. There was a general lack of integration across systems, teams and sites which results in multiple reports being generated from different places, rather than the single overall accurate view of the contact centre that so many respondents were wanting.

There were also requirements for real-time reporting and agent level reporting, especially to check whether they were adhering to their schedule. This touches upon workforce management functionality, and emphasises the point that agent performance, contact centre performance, workforce management and quality management have all become interdependent.

SCRIPTING

As the previous section showed, the majority of contact centres of all sizes and sectors noted that the variable capabilities of agents was a contributory inhibitor to quality improvements. One possible solution is to look at scripting applications within an overall unified desktop environment, as well as understanding agent training needs through call recording and monitoring, and delivering the right training.

Scripting has a mixed reputation, rightly or wrongly, widely seen as disliked by customers and agents alike, and using overly-rigid scripting is certainly often counterproductive. However, scripting within a unified desktop environment can actually be beneficial to agent and customer alike, supporting complex interactions where multiple systems and media are required. Applications that define each step of the call interaction flow and present the relevant data to the agent allows agents to take advantage of pull-down menus, on-screen buttons, pop-up windows, inheritance mechanisms, and fill-in-the-blank parameters. Scripts guide agents dynamically through dialogues with customers which change as required, while managing contacts, controlling interactions, and updating databases.

Figure 10: Do you use scripting?
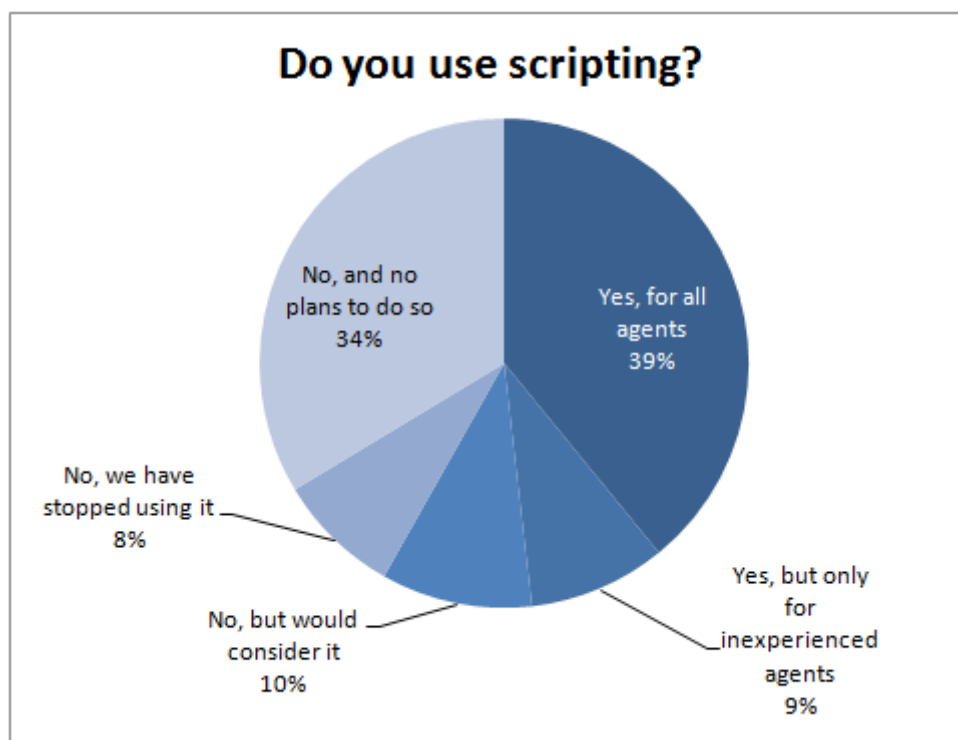
Insurance, public sector and utilities are amongst the greatest users of scripting, with around half of respondents from each of these sectors stating that all agents used the application (although we should not assume this is for 100% of calls - scripting may be used widely in some industries for legal disclaimers, terms and conditions, etc). Those in manufacturing, retail and technology were least likely to use scripting for all agents.

Utilities and medical contact centres were most likely to use scripting for inexperienced agents, and the manufacturing and insurance sectors were most amenable to considering scripting in the future. Of those respondents who have rejected the idea of scripting, retail, technology and medical operations were the most prevalent.

Figure 11: Use of scripting, by contact centre size

Use of scripting, by contact centre size
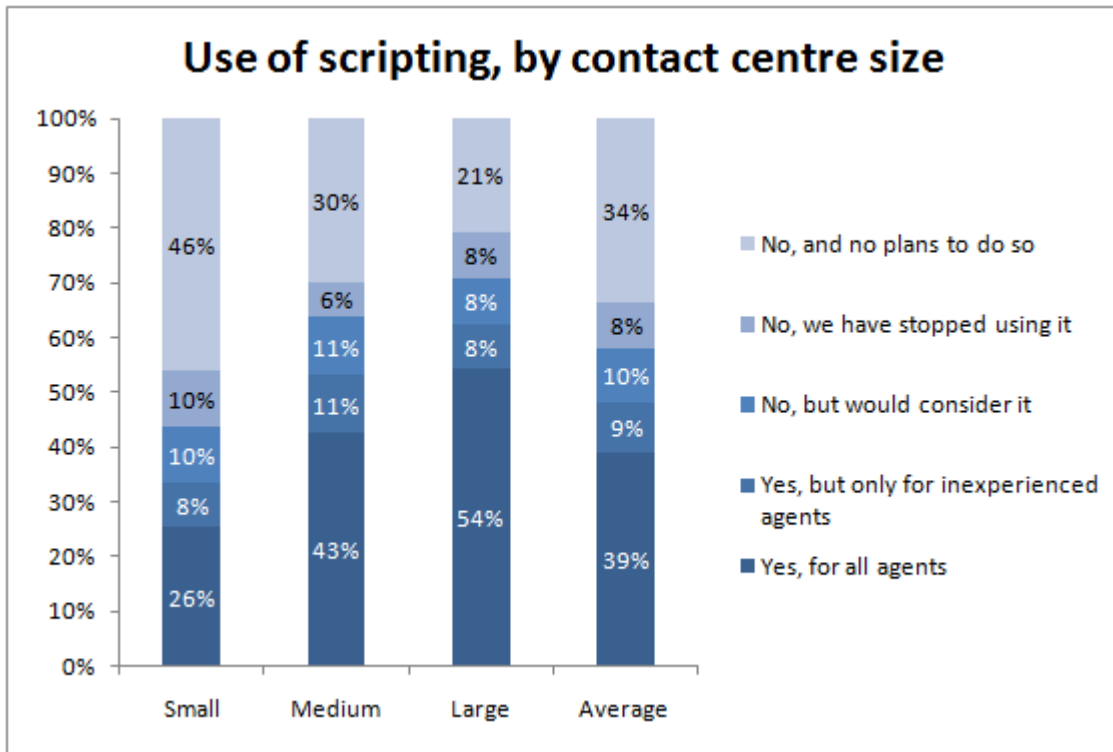
The use of scripting certainly appears to be a factor of contact centre size, with over half of large operations implementing it for all agents, whereas only around a quarter of smaller contact centres do so. As larger contact centres will tend to invest most in efficiency-generating applications, this might reasonably be expected to be the case.

A fairly small proportion of respondents in any sector or size band have stopped using scripting, but there are a third which have no intention of using the application. The next pages will look at what scripting is used for, how effective it is, and why some businesses are against it.

Figure 12: The effectiveness of scripting
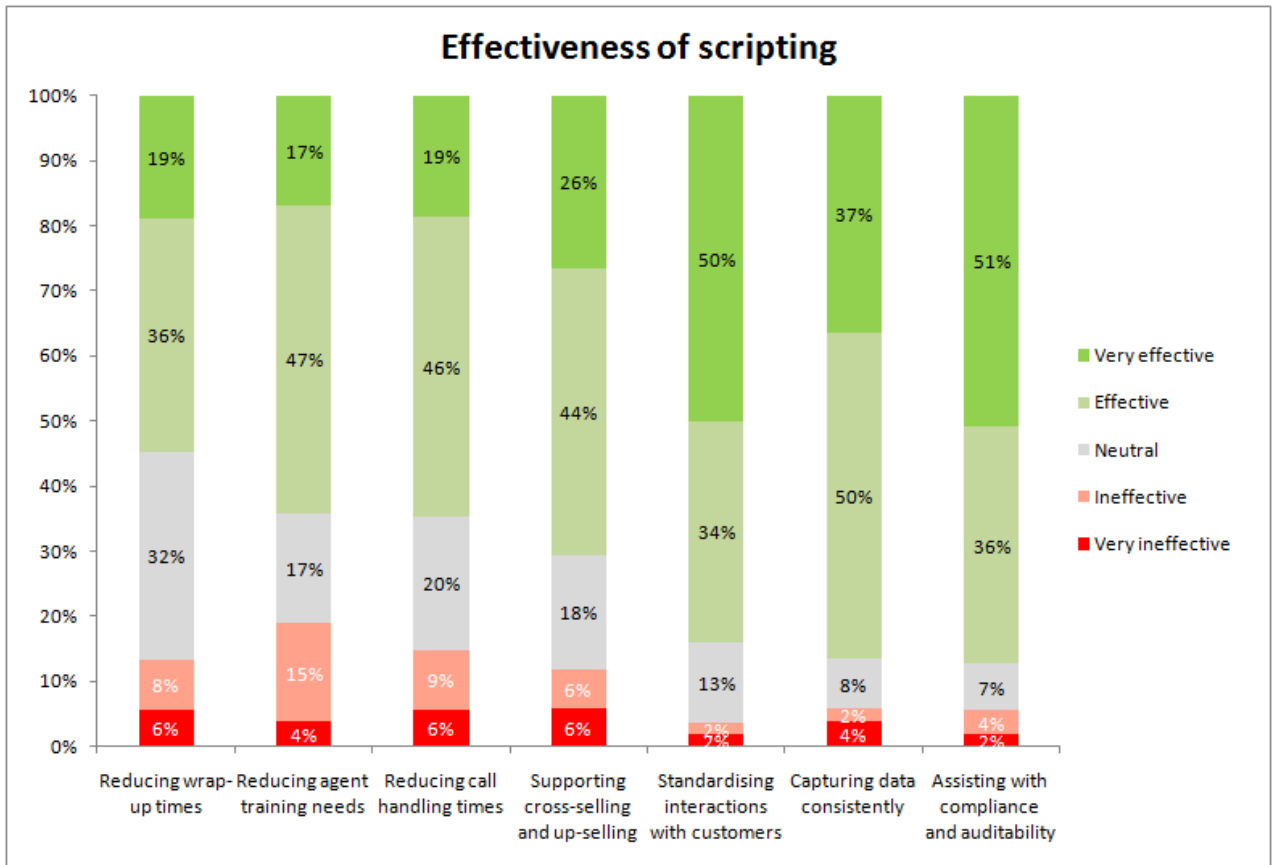
Those respondents who used scripting were generally enthusiastic about the benefits they had received. In particular, the assistance with compliance was particularly well-thought-of, as was the consistency of data capture (as the same information is collected each time, with no short-cuts or missed questions). Half of respondents found that scripting was very effective at standardising interactions with customers - of course, this only helps quality of the 'average' interaction is of a good quality to begin with.

Secondary benefits around reducing call handling times (through a structured call flow) and as an agent training tool were also reported, with 70% of respondents also saying that scripting was an effective tool for assisting with cross-selling and up-selling.

It seems fair to say from looking at these results that, while overly-scripted conversations are frustrating for both caller and agent, a dynamic script or prompt which guides an agent through a conversation and provides relevant information and suggestions is certainly worth considering and tends to yield positive results.

Is your **agent desktop** letting your customers down?

When agents use multiple systems and screens they can easily lose focus and get distracted. This invariably leads to re-keying, mistakes, longer calls... and unhappy callers. Infinity's Agent Desktop overcomes this by defining structured flows across all interactions using a single, easy-to-use interface.

- Does not replace your existing systems - it just pulls them together to make the call process faster, simpler, better
- Manage workflow between different agents, software applications and departments
- Controls the structure of each call
- Handles interactions across multiple media
- Monitors and measures performance

What we achieved for some clients:

- 73% increase in contacts per hour
- 50% increase in agent productivity
- 61% more sales

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Our unified agent desktop will improve your contact centre efficiency by at least 20% - or you'll pay nothing at all. You can't lose, why not call me today?

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Despite these positive responses from users, scripting has had a bad name, engendered by the uncomfortable-sounding scripts often used by outbound sales agents. Part of this problem is that the agent can sound robotic after delivering the same spiel dozens of times, but there is also the fact that outbound sales calls are generally not well-received by customers, so anything that is associated with them (be it scripting, offshore agents, silent calls, etc) will have a negative connotation to overcome in any case.

Figure 13: Inhibitors to scripting
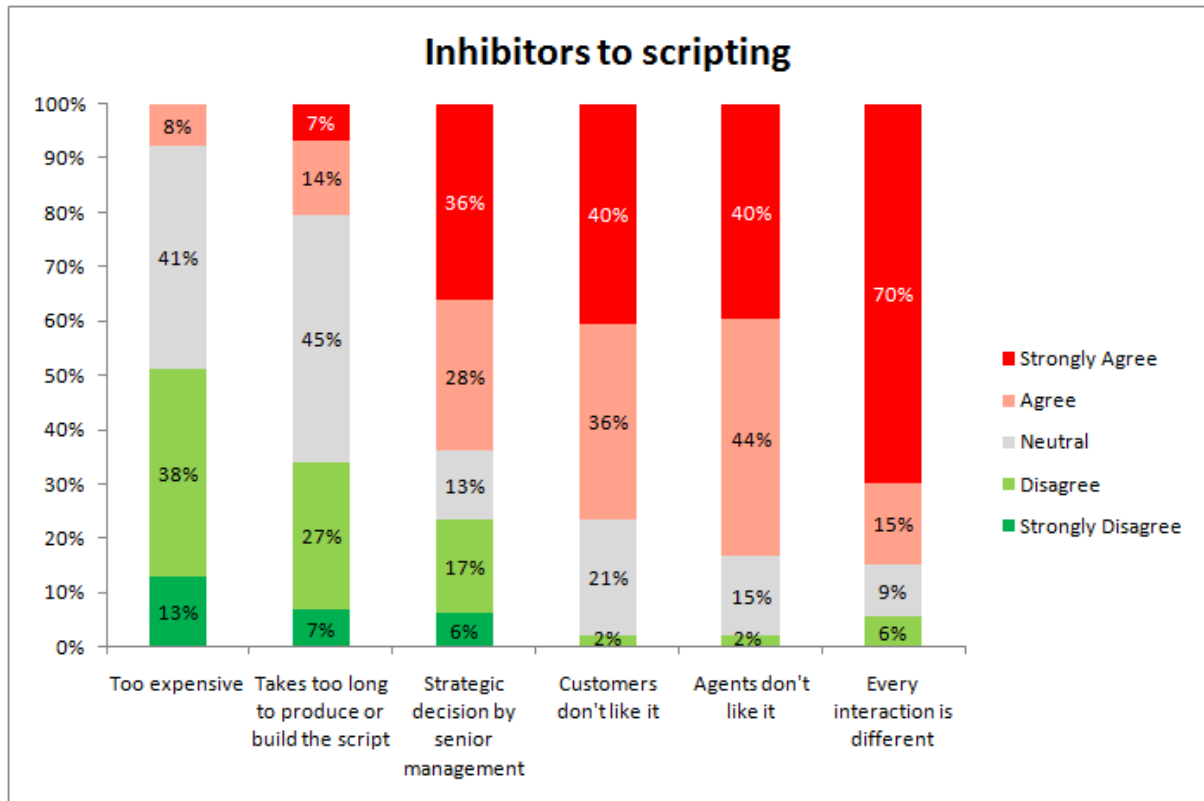
The biggest objection to scripting is that every conversation is different. While this is certainly true, readers should be aware that contemporary solutions offer a whole spectrum of scripting, from tight to loose, with the latter simply offering checkpoints within the conversation: much of the negativity around scripting comes from familiarity only with the tight, constrained version, and as the previous graph shows, contact centre management strongly believe that neither customers nor agents like scripting (and seemingly, neither do the people at the top of the organisation, who appear to hand down non-scripting edicts).

Scripting is much more than a series of dialogue prompts, as it is now more about designing the customer experience and journey for a particular type of interaction - for example, making an insurance claim - using design sessions fitting together workflow, data sources and dialogue. People with less experience of modern-day scripting often think the robotic 'scripted conversation' experience is what scripting creates, and indeed, many of the respondents to this questionnaire believe that there are too many variables to anticipate within a conversation and that letting agents make the best decision about the conversation is really the only way to handle things. However, real-time decision engines are an example where online resources can be leveraged to work within the contact centre as well: real time responsiveness in an online environment is achieved through automated decision-making built on a set of business rules which identify pre-defined customer profiles and the solutions, products and data that are suitable for presentation to the customer.

The design environment that new scripting solutions provides can use existing back end resources without further development, so scripts no longer have to anticipate every possible alternative. Data gathered during conversations, combined with customer profiling, trigger appropriate responses which can be immediately presented to the customer, which is beneficial for customer and agent alike.

CUSTOMER SATISFACTION

Most businesses say that customer satisfaction is vital to them. Yet this raises more questions: how satisfied do customers have to be? And what do customers want from contact centres? Quite simply, they would like to be answered quickly by a person who is able to help them without passing them around, and have the correct answer given to them quickly by someone with whom they feel comfortable talking. Additionally, the business has to deliver on the reason the customer is calling in the first place – by sending out the purchased item promptly, changing the database details or refunding money, for example. So the contact centre does not stand alone: it orchestrates the rest of the business.

Various pieces of research show that the benefits to a business that are made from increasing customer satisfaction are non-linear: if a customer is very happy, they are likely to be worth a great deal in additional direct purchases and possibly more importantly, will act as a brand advocate for your company. A customer who is merely 'satisfied' will not have anywhere near the same positive impact on revenues or profits, and is likely to be a good deal less loyal.

A contact centre can achieve all the operational performance measurements which it sets for itself, without actually being successful. If the customer does not hang up the phone feeling that she has been treated appropriately and that her query has been resolved to her satisfaction, then that counts as a failure, regardless of how good the internal metrics may be (the earlier section on quality as an internal or external metric is a case in point).

As customers become more demanding and their expectations of what constitutes good service increase, then contact centres are forced to develop greater external focus. This is in part due to the growth of outsourcing, which has introduced a new competitive edge to the business of handling calls. In addition, the greater choice available to customers in terms of suppliers means that customer retention is now as important as customer acquisition. Without knowing what your customer thinks of your service, you cannot legislate for their requirements.

The following table shows how customers of each sector rate their satisfaction with businesses. The average has stayed similar to last year's figure of 61% and, as with last year, the customer satisfaction with financial services sector is unimpressive, with the ongoing unhappiness about the financial system's role in the current economic crisis almost certain to be playing a significant part in these woeful figures.

Figure 14: Proportion of customers giving maximum customer satisfaction rating

Vertical market	Proportion of customers giving maximum customer satisfaction rating
Medical	80%
Transport & Travel	78%
Retail & Distribution	75%
Utilities	71%
Public Sector	69%
TMT	62%
Outsourcing	60%
Services	61%
Manufacturing	58%
Insurance	54%
Finance	39%
Average	**63%**

In terms of contact centre size, there is a slight decline in customer satisfaction as the operation gets larger, with 68% maximum customer satisfaction ratings being experienced in small contact centres, 64% in medium-sized operations and 61% in large contact centres. It may be that large operations are more efficiency-focused and have less time to spend with customers, or simply the fact that banks tend to have large contact centres and are very unpopular at the moment.

White Paper: "Customer Service Still Struggles to Satisfy" (YouGov for Jacada)

Synopsis: Primary research: customer service in the UK struggles to satisfy customers through existing online and phone based programs, leaving consumers with poor expectations for future products or services.

Download: http://www.jacada.com/whitepapers/yougov-survey

CUSTOMER SATISFACTION MEASUREMENT TECHNIQUES

The numerous methods of surveying customers include the following:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which asks generic questions and typically requires 'yes' or 'no' responses, the theory being that the customer can provide an impersonal and immediate reaction, as well as it being cheaper for the company than massive outbound customer satisfaction surveys. However, the 'play rate' - the proportion of people taking the survey is low, and tends to be self-selecting, with those who have experienced either very good or poor service being more likely to take the survey, which skews results. Contact centres should also limit the ability of agents to prevent callers from taking the survey, as the agent will know how the customer feels and will not want to encourage disgruntled customers from being surveyed.

Written: a system-generated letter is posted to the customer soon after an interaction takes place, requesting feedback. Typically more customers who have had a poor experience will bother to return the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's an expensive way to survey customers. It's also the case that results will be tilted towards the demographics with more time available to them, especially older people. There can be a lack of immediacy, and some people might fell that sending out a written questionnaire to ask about how well a call was handled is over-kill.

Outbound: frequently, the contact details of a proportion of incoming callers will be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ **outside agencies** to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact centre to use this information for agent performance as well as satisfaction with the business. SMS does not allow detailed or multiple questions though, and businesses will have to collect mobile numbers if they do not already have them. However, play rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics. This form of survey can allow the contact centre to identify very unhappy customers and schedule an outbound call to deal with the problem.

The following figure shows that respondents believe that telephony is the most effective customer satisfaction survey method currently being used. There is a more lukewarm feel to written surveys, although respondents were more likely than previous years to consider post-call IVR to be a good way of gauging customer satisfaction. SMS was rarely felt to be more than a secondary technique, perhaps due to the limited nature of feedback, although it does have the benefit of immediacy, and can be linked to specific agents. However, 73% of respondents had never used SMS for customer satisfaction purposes, so it is fair to say this is currently under-used.

Figure 15: Effectiveness of customer satisfaction survey techniques
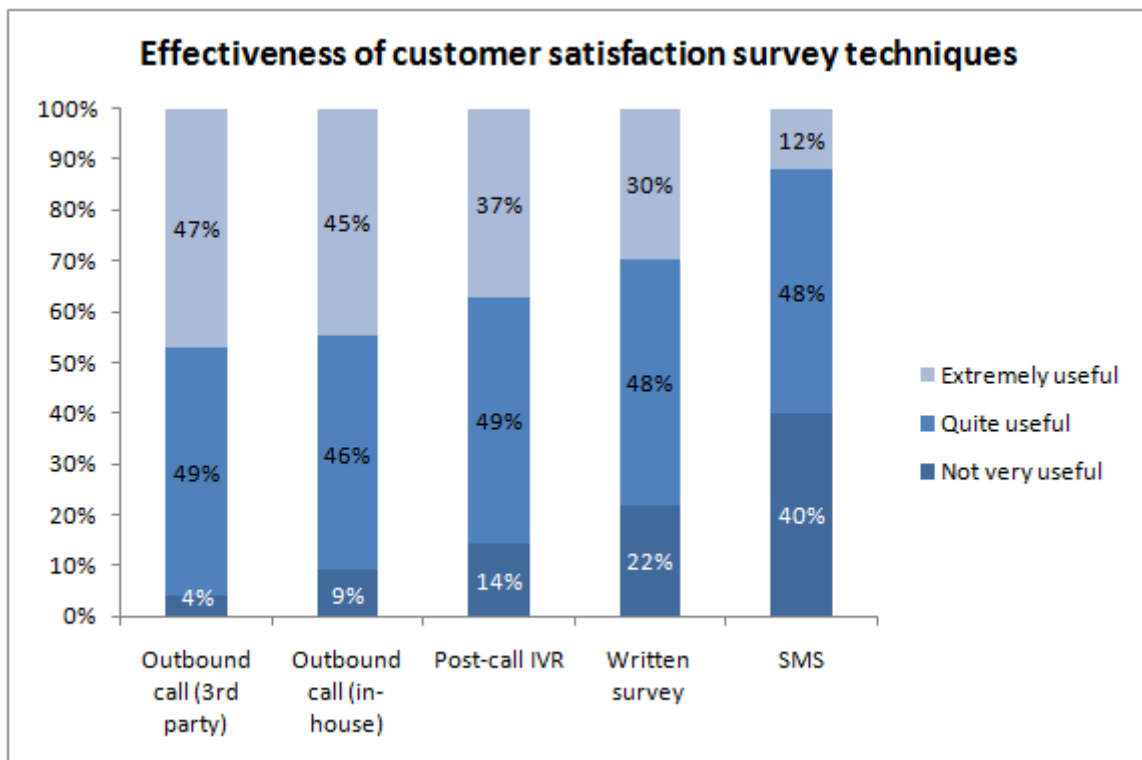
While there is not a single measurement method which is generally agreed upon to be the best, outbound telephone surveys (whether carried out by the business or an outsourcer) rate slightly higher than more hands-off approaches, perhaps simply because people are less likely to refuse a person rather than a machine. It would be interesting however to see whether the customer satisfaction rankings that are gathered by people are generally higher than those gathered by machine, as there is a hypothesis that suggests that people will be more likely to tell the whole truth if they do not have to be negative towards another person. However, although outbound calls are expensive, they can gather more detailed information about specific comments, rather than just statistics, further allowing the company to rectify unacceptable service hopefully before the customer defects elsewhere.

A few businesses are beginning to look at **SMS** to gauge customer service (but not enough to warrant data analysis within this report).

We would suggest that there is no single best way to gauge customer satisfaction. If detailed feedback is what's needed, a written or telephone-based questionnaire is best. If what you need is immediate knowledge about an issue (including your customers' views of your agents' performance), consider post-call IVR or an SMS

survey. The more information you have at your disposal, the more confident you can be that you understand your customers fully.

Despite this discussion, carrying out the survey is the easy bit. Many companies pay lip service to listening to their customers. The question is…do they actually hear what their customers say? And more importantly do they act upon it to change or improve their processes? There is no point in generating an expectation which you have no intention of fulfilling. Don't ask the customers for feedback if you have no intention of using it to make the service you provide them with substantially better.

Formal surveys of customer satisfaction offer the customer a chance to feed-back, and the business to learn. Setting up surveys involved various elements which should not be overlooked, including:

 Defining the purpose and objectives of the survey

- Deciding the approach

- Developing the questionnaire

- Carrying the survey out

- Collating the data

- Analysing the results

- Presenting the findings - and acting upon them.

The point of a customer satisfaction survey is to discover what the company is doing wrong, where improvements can take place, how the company is perceived against its competition and how it can improve. It is important to view the survey from the customers' perspective, rather than checking boxes that just relate to internal company metrics, which is self-serving.

Survey forms should be simple and quick to complete, but if possible should carry enough weight to allow the company to change its processes and behaviours if that is what is required, using a mixture of objective questions that can be segmented and scored, as well as free text, especially in telephony questionnaires, where customers can be encouraged to add real value.

Despite customer satisfaction being consistently reported as one of the most important issues for contact centre managers to track, more than two-thirds of respondents do not reward agents based upon the customer satisfaction rating achieved, with traditional call performance metrics being used far more often to reward agents. Without the direct link between customer satisfaction (preferably at an agent-level) and reward, it is difficult to promote those behaviours that lead over time to customer loyalty and advocacy. As things stand, if an agent has to choose between hitting call targets or spending longer with the customer, it would usually be more rational for them to pursue better call metrics, and this is holding back superior customer experiences.

Figure 16: How do contact centre staff get rewarded?

Reward method	Proportion of contact centres
Call performance statistics	58%
Cross-sell / up-sell rates	33%
Customer satisfaction rating	31%
Revenue	28%
First-call resolution	16%
Net Promoter Score	7%

Customer satisfaction scores - given as marks out of ten, for example - are of limited use, although they have the benefit of being easy to understand and track over time. However, businesses should be looking beyond simple metrics, which in themselves give little in the way of actionable intelligence. The majority of respondents collect verbatim responses from dissatisfied customers, which is beneficial for two reasons: responding immediately to the disgruntled customer to bring them back onside, and to analyse and understand which processes are broken so as to fix them.

However, apart from this fire-fighting, customer satisfaction measurement is generally limited in its practical use, with only 38% of respondents tracking customer satisfaction at an agent-level (doing this with written questionnaires is especially difficult), and 37% being aware of which processes are causing the greatest displeasure. It should further be noted that this awareness of broken processes is rarely collated into meaningful and actionable data, relying on the diligence of management to go through individual verbatim responses and find patterns to process failures themselves.

It should be a matter for concern that so few respondents identify the specific behaviours and characteristics associated with successful or unsuccessful agents and conversations, as how a customer feels about a company is key to whether they will stay loyal or defect if a cheaper alternative comes along.

Figure 17: Customer satisfaction measurement, in-depth

Outputs from customer satisfaction measurement	% respondents
Verbatim responses from dissatisfied customers	72%
The agents providing the highest levels of customer satisfaction	38%
The business processes that are causing customer dissatisfaction	37%
The specific characteristics and behaviours most liked / disliked by customers	15%

Looking in more depth about how disgruntled customers are treated, 83% of respondents that identified this customer type actually did something about it, there and then, usually calling them to discuss the matter further. This offers businesses the chance to prove themselves to the customer, potentially turning a detractor into an advocate. It is disappointing to see the finance sector's reluctance to engage with unhappy customers, particularly in light of a later data set, which shows their complaint rate as particularly high.

Figure 18: Immediate response to dissatisfied customers, by vertical market
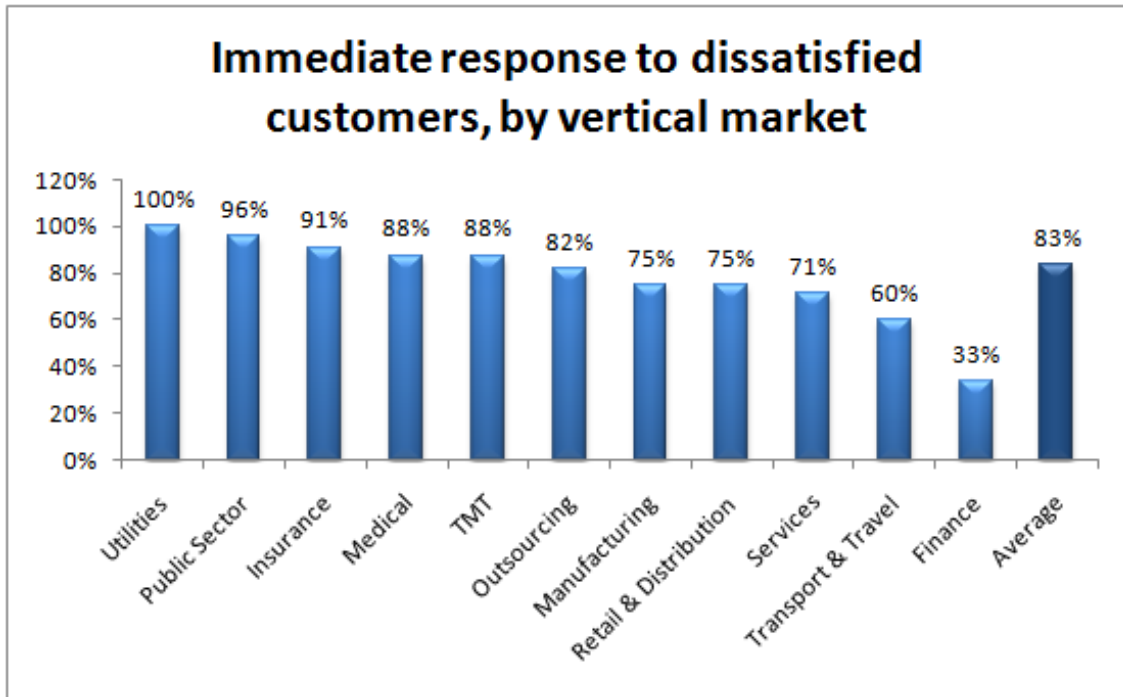
Tracking and measuring customer satisfaction and opinion is important, but many businesses are missing key parts to the customer experience jigsaw by not being able to interpret their findings correctly. 40% of respondents compare their customer satisfaction to their direct competitors, but only 13% try to match themselves against the best-in-class service providers - those which are a byword for top-quality customer service. It is not enough to be the best of a bad bunch - if customers experience superb quality service from a bank, they can reasonably expect that a telco, utilities company or broadband provider should be able to deliver a similar quality of service.
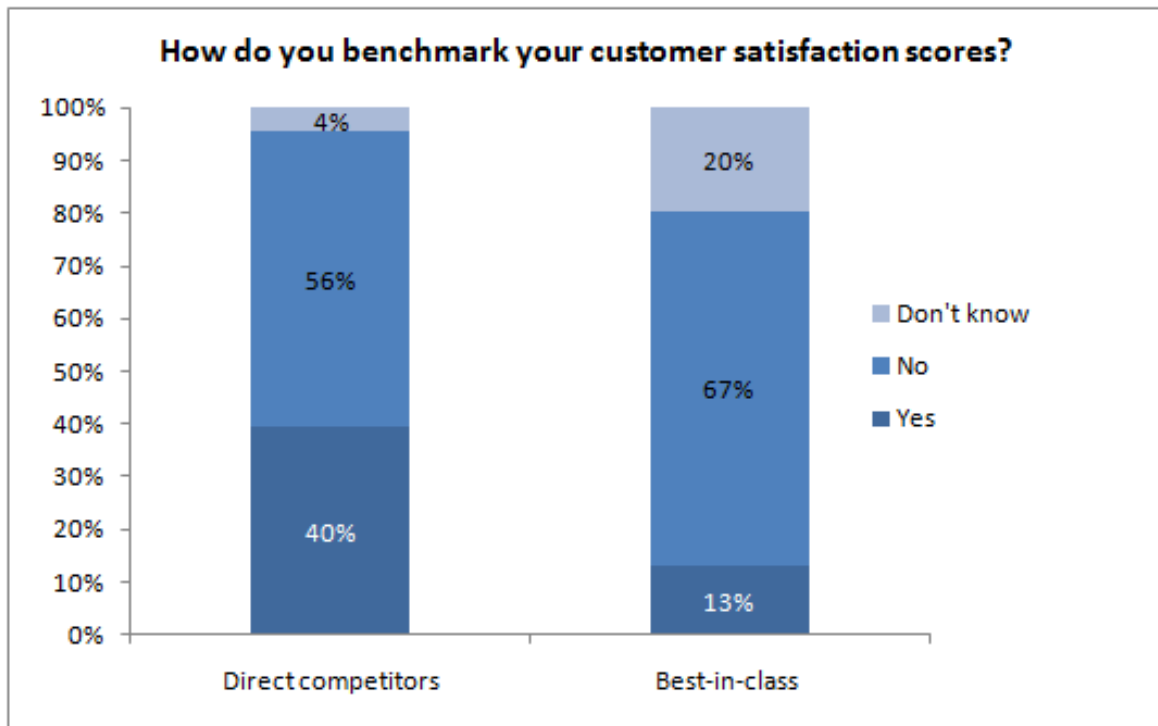
White Paper: "Customer 2.0: Customer Experience and Profitability in the New Economy" (ContactBabel)

Synopsis: An extended, free White Paper investigating what UK organisations can expect from post-recession consumers, and how to move beyond traditional customer satisfaction measurements towards an insightful and actionable customer experience framework.

Download: http://www.contactbabel.com/reports.cfm (requires registration)

COMPLAINTS

John Seddon uses the term "failure demand" to describe calls that are created by the inability of the business's systems to do something right for the customer:

> "A failure to do something - turn up, call back, send something…causes the customer to make a further demand on the system. A failure to do something right - not solve a problem, send out forms that customers have difficulty with and so on - similarly create demand and creates extra work. Failure demand is under the organisation's control, and it is a major form of sub-optimisation."[1]

Seddon cites the instance of the UK bank where failure demand created almost half of the calls which they had to deal with. Another classic example of failure demand is where emails go unanswered, leading to calls being made (first-stage failure demand). Later, the email will be answered, unnecessarily, as the customer already has their answer (second-stage failure demand). This redundant work will then impact on other (still live) messages in the email queue, creating a vicious circle of failure demand. Redesigning and restructuring the way in which work flows around the organisation, putting the contact centre at the heart of it, rather than treating it as a separate silo, will go much of the way to reducing unnecessary contacts. The customer ends up getting a better service from the whole company, not just the contact centre.

One way in which this can be achieved is to unify and automate the agent desktop, bringing in the relevant data automatically, depending on who the caller is and what they want. At the end of the call, the correct data is written back to the relevant places, and the correct processes kicked off automatically, meaning that the right departments will be provided with the right information, thus reducing the risk of failure demand, unnecessary calls and irate customers. This also takes the pressure off the agents to remember which systems to update and how to navigate through them within the call (which causes long delays, negatively impacting customer satisfaction), or in the wrap-up, which risks agent forgetting to do things, and also decreases agent availability, increasing the queue length, and decreasing customer satisfaction.

Information on failure demand can be gleaned from the contact centre, which can also hold huge amounts of knowledge about what customers' views of the products, services, competitors and company are. Feedback loops will be established in leading contact centres to push information and insights upwards to those who can make a difference in product development, process improvements and customer strategies. It is vital then to act upon this knowledge, proving to both customers and agents that the business takes them seriously.

Customers who take the time to complain are also taking the time to state what went wrong with your process, product or communication, and this effort should be acknowledged and treated as being important. Businesses have found that fixing the problem for one customer can help many other customers, including the ones who never contacted you. Most customers are not complaining to cause trouble - they want you to know what went wrong, and believe that you can fix it. If one customer makes a complaint, the chances are that there are many more who are experiencing the same thing. A customer that has given up on your company will probably not complain, but go elsewhere and tell everyone who will listen that they are doing so.

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[1] *Freedom from Command and Control: A better way to make the work, work*, John Seddon, 2005

Figure 20: Proportion of calls received that are complaints / target of complaints, by vertical market (sorted by largest proportion of complaints about the contact centre - high-to-low)

Vertical market	Proportion of calls that are complaints	% complaints about the contact centre	% complaints about the wider business
Finance	8.5%	14%	86%
Public Sector	4.4%	20%	80%
TMT	3.6%	15%	85%
Insurance	2.3%	22%	78%
Medical	2.7%	16%	84%
Manufacturing	2.9%	9%	91%
Services	1.8%	13%	87%
Utilities	6.0%	3%	97%
Outsourcing	5.6%	2%	98%
Transport & Travel	3.5%	4%	96%
Average	**3.9%**	**13%**	**87%**

The preceding table shows, by vertical market, the proportion of inbound calls received that are complaints, and also, in the widest sense, what that complaint is about (i.e. internal - such as a rude agent or not being called back when promised, or external - such as failure demand, which is explained below).

The table is sorted by those vertical markets which have the greatest proportion of their calls being complaints about the contact centre itself. In this case, the finance sector has 1.2% of its overall calls being complaints about the service received in the contact centre itself (calculated by multiplying the % of complaints - 8.5% - by the % that refer to the contact centre - 14%). On the other hand, the transport & travel sector has a miniscule 0.01% of calls being about the failings of its contact centre operations.

This calculation and ordering helps to show the true nature of each sector's contact centre operations and also the underlying level of competency in the wider business. For example, the utilities sector receives a high proportion of complaints (6% of all calls), but 97% are about failures in processes elsewhere in the enterprise, for very large, siloed and complex operations like many utilities operations are, is unsurprising.

The vast amount of complaints received by a contact centre are not about the contact centre itself (or its staff), but rather 'failure demand', caused by a breakdown of process elsewhere in the organisation. However, the contact centre has to deal with the dirty work, and further failures within the complaints procedure (or lack of it) can see customers calling into the contact centre again and again, becoming more irate each time, despite the real problem lying outside the contact centre.

There is also a real risk, especially within large contact centres, that a single agent does not have the capability or responsibility to deal with the customer's issue, which may reach across various internal departments (e.g. finance, billing, provisioning and technical support), none of which will (or can) take responsibility for sorting out the problem.

VIRTUAL QUEUE MANAGEMENT

In 2007, a telephone questionnaire was asked to a representative sample of the UK population by ContactBabel on behalf of Vicorp[2], which aimed to explore why the UK public hated queuing to speak to a contact centre agent, yet were legendarily happy to queue for almost everything else.

Figure 21: Reasons given for dislike of contact centre queuing

Reason for disliking queue	Average score from 10 where 10 is "extremely frustrating"	% of public scoring this at a maximum 10
Not knowing how much longer you'll have to wait	8.7	61%
Repetitive announcements	8.0	45%
Having to restate account information already given earlier in the call	8.0	45%
Can't do anything else in the meantime	7.9	46%
The music you have to listen to	7.3	39%

The key finding from this table is that 61% of the public absolutely hate not knowing how much longer they will be waiting. This is less of a problem when waiting in a shop to speak to an assistant, as although they cannot give you an exact statement of when someone can help, the queuing system allows a customer to see how many people are ahead of them, and to estimate their own wait time. This makes queuing psychologically easier for the customer, **even if the actual waiting time is significantly longer than it would be in a contact centre queue**.

The phenomenon of 'Dentist-Chair Time' - time which seems to stretch out to infinity - is very much active in the contact centre world. ACD statistics from thousands of UK contact centres, over many years indicate that an average wait time is around 20-25 seconds. However, when the UK public was asked to estimate the time they usually spent waiting to speak to a contact centre, the average answer was 11½ minutes - 27 times longer than the reality.

Clearly, trimming 10% off a queue time isn't going to make a lot of difference to the perception of the caller, even though it may be a very difficult task to carry out. If customers aren't informed of wait time, they may become discouraged and frustrated as hold time drags on. This can lead to increased abandonment and starts a call off badly, leaving the agent with a lot of work to do. Customers waste time complaining about their experiences and may even ask additional questions on the call so that they get their money's worth.

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[2] "Your call is important to us…" Why does the British love of queuing not extend to contact centres? - available from www.contactbabel.com without charge

If customers hear the estimated wait time, they may decide to abandon immediately or may judge that the wait is acceptable and remain on the line to speak with an agent. This alleviates some customer frustration but means that some of the callers which abandon may not call back - ever - and it doesn't solve the fact that customers are still having to wait. One solution is to implement a virtual queuing system, which provides customers with information about current queue conditions and presents them with various options, such as remaining on hold or being called back when it is their turn.

There are several different varieties of virtual queuing systems: the standard "First-In, First-Out" (FIFO) system keeps the customer's place in line by monitoring queue conditions until the estimated wait time hits a set target, at which point it intercepts incoming calls before they enter the queue, informing customers of their wait time and offering the option of receiving a return call in the same amount of time as if they had personally waited on hold.

At this point, customers choosing to remain on hold go directly into queue. Customers who opt for a call-back (typical acceptance rates of a FIFO call-back are around 50%) are prompted to enter their telephone number and then hang up. Virtual placeholders keep the customers' places in line and the virtual queuing system launches an outbound call to the customer at the agreed time. When the callback is answered by the customer, the system checks the right person is on the line and ready to talk. If this is the case, the call is routed to the next available agent, who handles it as a normal inbound call.

By replacing real hold time with this virtual version, customers are free to do other things, thus removing four of the five problems that they have with queues - unknown queue times, hold music, the inability to do anything else and repetitive announcements.

It is also worth considering a scheduled call-back system, which differs from a FIFO system in that customers do not keep their place in queue, but are called back at some time in the future that is more convenient for them. There are several flavours of scheduled virtual queuing:

- **Datebook-type scheduling systems** allow customers to schedule appointments for days in the future, with times blocked-out that are unavailable for scheduling, and limiting the number of call-backs available. This system also allows customers that reach a contact centre out-of-hours to schedule an call-back during normal working hours
- **Timer scheduling systems** promise a call-back after a specific amount of time, regardless of queue conditions. While this ensures an on-time callback for the customer, a surge in call volume or staff reduction due to a shift change can create problems for the contact centre's queue, lengthening wait times for other callers.
- **Forecast-based scheduling systems** offer appointments during times that are expected to have low call volumes. These times may not be convenient for the customer, and the contact centre runs the risk that their scheduling may be inaccurate.

Virtual queuing and call-back, when implemented - and explained properly to customers - can be a win-win for both business and customer by:

- Increasing customer satisfaction
- Reducing average speed to answer
- Reducing call abandonment rates
- Reducing call lengths as customers should spend less time complaining and adding-on unnecessary queries "while they're on..."
- Reducing freephone costs, as virtual queuing time does not incur telephone charges.

The following table shows the prevalence of call-back options, with 16% of respondents using this. Interestingly, it is the service-oriented respondents that are more likely to offer this, whereas it might have been expected that sales-focused contact centres should have been more concerned about losing a potential sale and thus to offer call-back.

The use of a website 'call-me' button (which initiates an outbound call at a time specified by the recipient) is weighted more towards sales operations, and is present in the case of 15% of all respondents.

Figure 22: Use of website 'call-me' buttons and call-back options, by contact centre activity type

Contact centre activity type	Website call-me button	Queue call-back option
Sales	25%	8%
Mixed	21%	17%
Service	10%	17%
Average	**15%**	**16%**

TRAINING AND COACHING

Although agent attrition is less of a concern for many contact centres than it has been for some years, the need to improve customer satisfaction and quality has come even more to the fore. This makes agent training is one of the most high-profile and important issues within the industry, with its importance to contact centre managers growing year on year. As the types of role that contact centre agents perform continue to grow in complexity, ongoing training must go beyond simple call handling and top-line product information. There is an increasing trend towards cross-selling and up-selling, which requires agents to switch between very different skill-sets at a moment's notice, and the importance of empathy and listening skills cannot be underestimated.

Contact centre training starts with induction courses, initial periods of two to four weeks that prepare an agent for life in the contact centre. After this, the coaching provided by team leaders and senior agents is invaluable, but the agent must continue to receive support throughout their career, and to be able to gain the skills and experience they need to move upwards and of course to do their current job effectively.

To this end, a mix of internal and external training is often used, and there are a growing number of external qualifications in and around the contact centre industry for contact centre employees at all levels, with the majority of contact centres offering agent those opportunities. There have been polarised views on this across the industry: some cynics believe that externally-recognised qualifications will just encourage agents to leave sooner, whereas most see it as an investment in the agent, and proof to the agent that the business values them.

Most contact centre managers are aware and concerned that the skills available in their contact centre are leaking away too quickly, due to high attrition rates, or that the general availability of skills is not high enough in any case. The content and aim of training can be roughly divided into hard and soft skills. Hard skills are those which are specific to the job in hand, and/or that can be measured. Examples include:

- Data entry speeds
- System navigation
- Product knowledge
- Application usage
- Understanding of relevant business processes.

Soft skills are more about influencing the agent's behaviour and character, as well as looking at the non-measurable elements. They include:

- Empathy and listening skills
- Cross-selling and up-selling
- Managing intra-team dynamics
- Developing self-motivation
- Dealing with abusive customers.

INDUCTION COURSE TRAINING METHODS

Respondents were asked to state how effective various training methods are within an induction course environment. The following table shows that one-to-one tuition and support is seen as far more effective than the one-way information flow of lectures and eLearning, although these are much more cost-effective ways to disseminate information to large numbers of people at once.

Figure 23: Effectiveness of induction course training methods

Training method	Average score from 5	Proportion giving maximum score
Mentoring (experienced staff and supervisor support)	4.4	49%
Real-world' call taking	4.3	39%
Buddying (peer-level support)	4.2	43%
Classroom lectures	3.2	14%
eLearning	2.9	10%

The traditional method of training is to sit a number of people in a room and *lecture* them. This is certainly a useful, well-proven and cost-effective way of passing on information, although of course it cannot really take into account the specific requirements of each employee. However, as a way of passing on structured information - for example, about a new product - it is a very effective and well-used training method.

Almost all respondents use the '*buddying'* technique, giving a current employee responsibility for a new starter, so that they can learn the ropes in an informal environment and have someone to discuss any of the hundreds of new tasks and situations that a new starter has to deal with. While this is in theory a good idea, and certainly cheap, there is often little quality assurance of buddying technique, and the experience can vary widely depending on the 'buddy' in question. Some organisations deliberately ask less-motivated employees to be buddies, in the hope that the extra responsibility will help them to improve their own attitudes, although this is obviously fraught with risk. Generally though, buddying is a positive and cost-effective way of easing a new starter into the company, although it should not be relied upon to take the place of structured training methods, particularly as the 'buddy' themselves will often not have received any detailed training on what to do.

The *mentoring* technique is a more hierarchical version of buddying, involving more knowledge and skill transfer and often a more formal setting, with specific time set aside, perhaps with a small group rather than an individual. Again, most respondents state that they use this method of training, although in reality, some of the mentors will actually be more like buddies - those on a similar level, albeit with more experience of how the business works. Mentoring comes with a definite cost, as the mentor is likely to be an experienced and skilled individual and thus, their time will be in great demand. The mentor may run specific regular sessions for their protégé or group, based on transferring specific knowledge and skills, and perhaps being involved in the protégé's career progression. This method is rated the most effective way of training new agents.

Live call-taking is a training method specific to contact centres, whereby new agents make the transition away from the classroom by taking live calls in a tightly-controlled environment, with one-to-one supervision that is gradually eased as the agent's competency and confidence grows.

E-Learning currently lags some way behind the other training methods in terms of its use, although it is far more prevalent than it was even 2 or 3 years ago. This training method involves the agent taking software-based course modules at their own desk, which reduces the need for expensive formal training sessions at times which may not be suitable for the business (e.g. taking agents away from their desks for training in the middle of a call spike isn't generally welcomed). Such courses are may delivered via the web as 'software-as-a-service', or the company can buy licences, either of which can be cost-effective and flexible, although there are limited options to change content or ask questions in most cases.

TIME REQUIRED TO BECOME FULLY-PRODUCTIVE

The main purpose of any type of training is to improve employee's abilities to do their job well. On average, respondents state that it takes almost 8 weeks before a new starter is fully-productive, which means that for the first two months, an agent is still coming to terms with their job and is not pulling their full weight.

Figure 24: Number of weeks for a new agent to become fully productive, by contact centre activity type
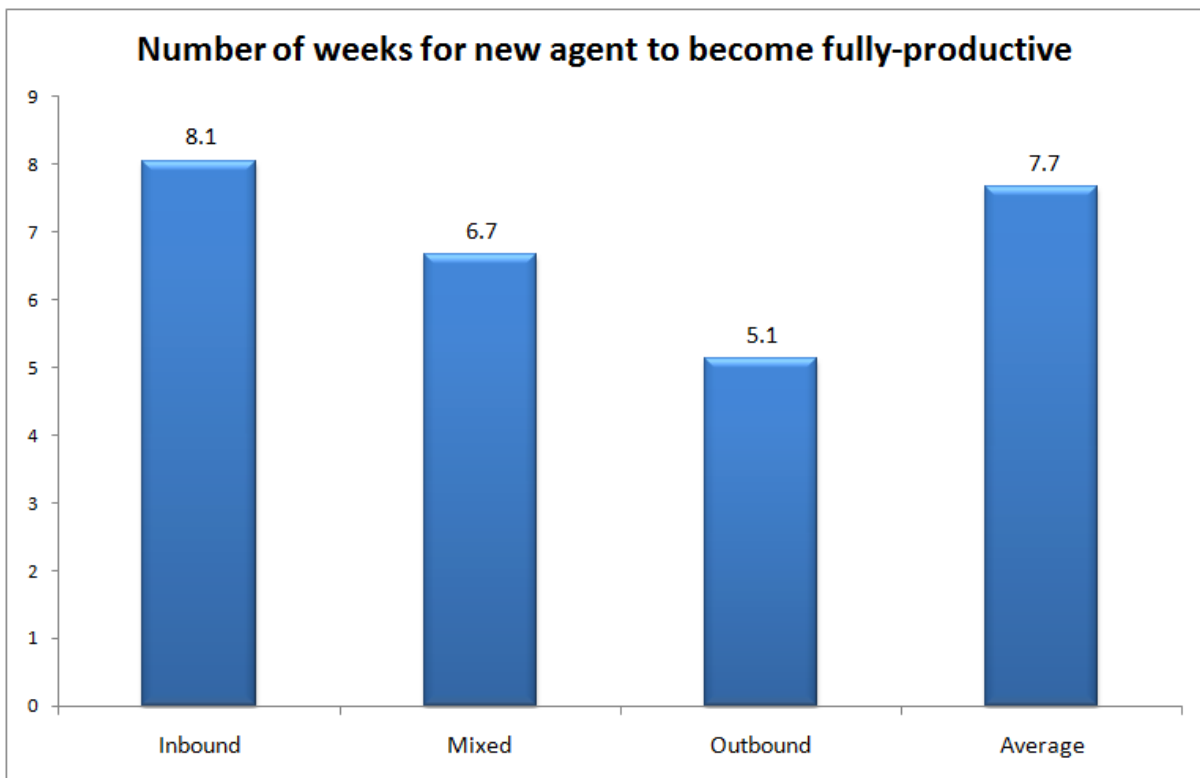
There is little difference between size bands in the amount of time required to get an agent totally up to speed, but as we might expect, the type of contact centre activity that an agent is asked to do has a large bearing on their speed to competency. Outbound-focused operations (usually sales-orientated), get their staff fully-trained and selling in much less time that an inbound operation requires. This is probably due to the higher number of systems that an inbound operative has to use, as well as the often-required need to blend service with sales, a less prevalent use of scripting and a greater variety of requests and topics that an inbound agent will often have to deal with.

Figure 25: Number of weeks for a new agent to become fully productive, by vertical market

Number of weeks for a new agent to become fully-productive

Vertical Market	Weeks
Public Sector	10.1
TMT	9.7
Services	8.3
Finance	7.7
Insurance	7.3
Utilities	7.0
Transport & Travel	6.8
Medical	6.6
Retail & Distribution	5.9
Outsourcing	5.7
Manufacturing	5.3
Average	7.7
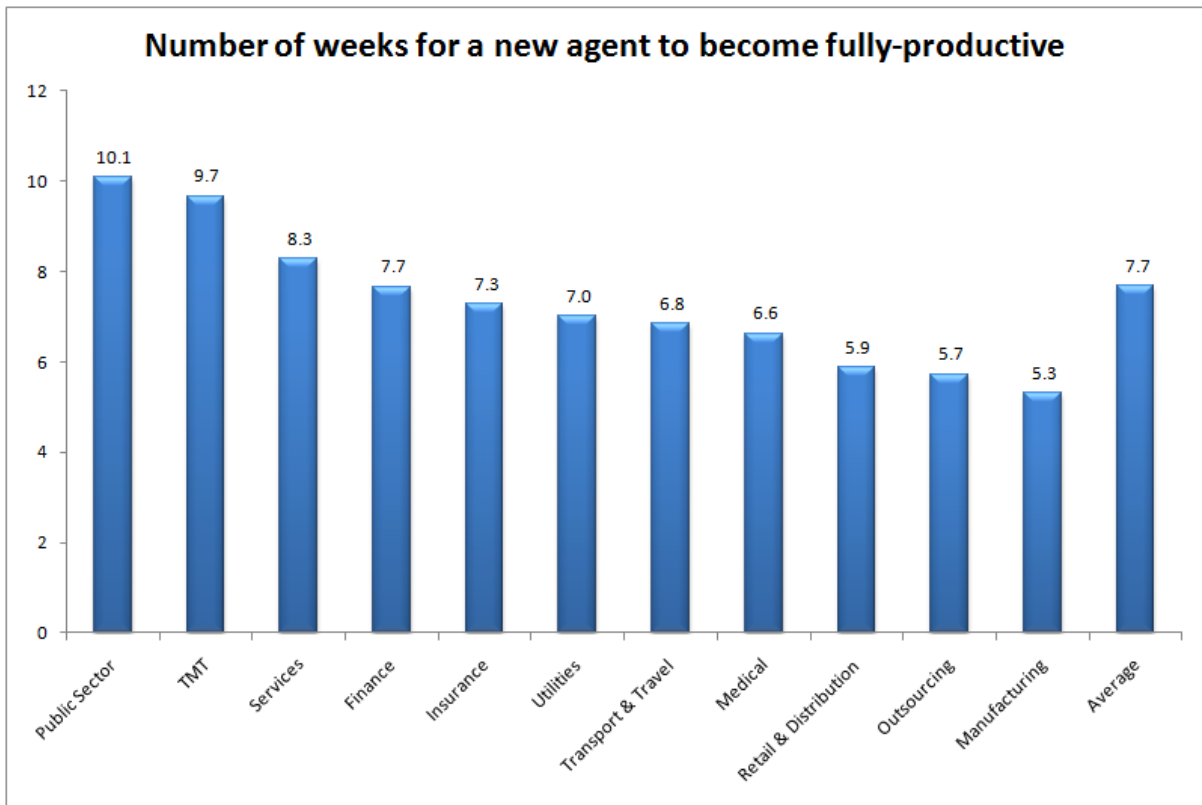
This delay in achieving full productivity is more noticeable in businesses where the role is generally more challenging, probably as a result of the technical complexities of the role, the legislative requirements or any other business-specific reason for delayed competency. The public sector in particular takes its time before declaring that an agent is fully-productive.

INDUCTION COURSE COSTS

The cost of the induction course varies significantly across vertical markets, as the complex and often technical inbound service activities often found in the medical and finance vertical markets pushed the per-capita induction course expenditure up to almost £1,900, which is a 60% increase on last year, and a sign that businesses believe that the worst of the recession is over. As ever, the outsourcing sector spends the least, as vertical markets with a lot of sales focus, especially outbound, have a much lower induction course cost, and the outsourcers have had margins squeezed in any case.

Overall, induction course expenditure per head has bounced back considerably for almost every sector, with the appearance of the medical sector in the 2010 report pushing the average up even higher. It is often said that the first cuts to be made in a recession are in training and marketing budgets, as the negative results of these will be felt in the future rather than immediately and the 2009 figures bore that out, but this trend seems to be in reversal now.

Figure 26: Cost of induction course by head, by vertical market
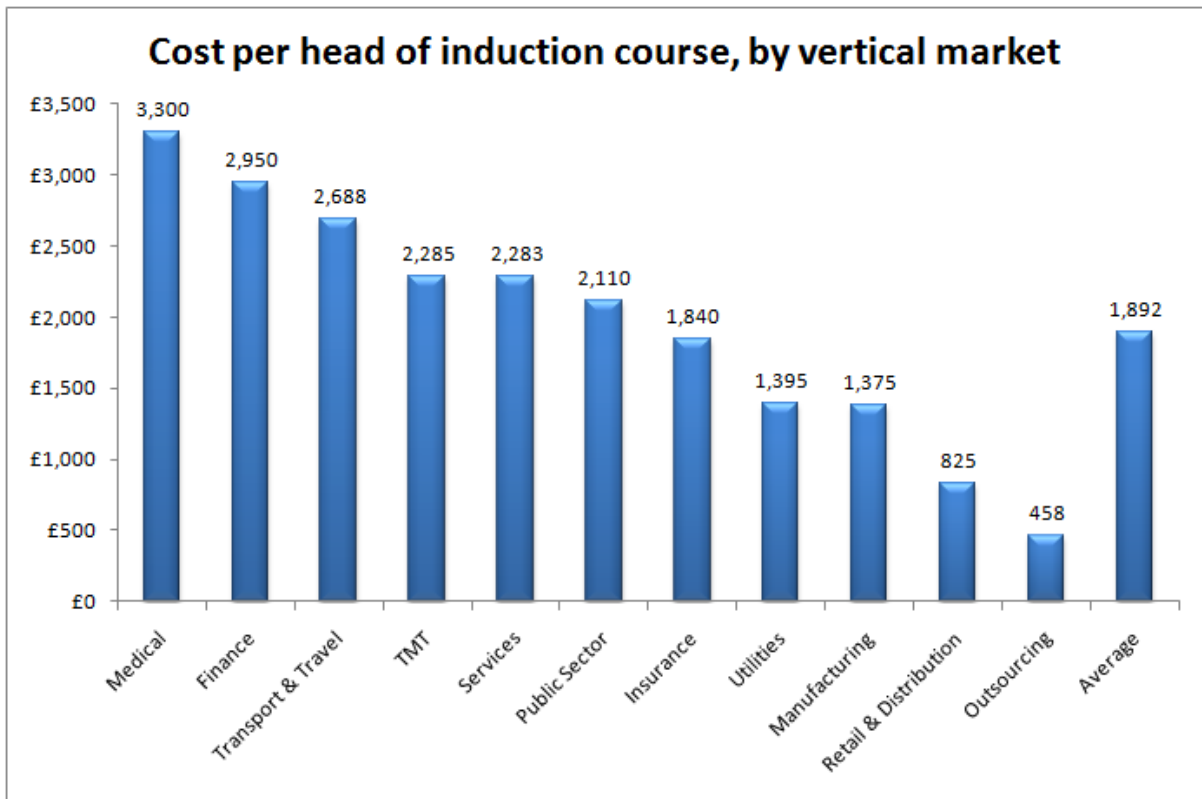
Across the board, training budgets have bounced back, with the mixed sector (with many medical respondents in there) more than doubling induction course expenditure.

Figure 27: Cost of induction course per head, by contact centre activity type

Contact centre activity type	Cost of induction course per head (£)	Change since 2009
Inbound	£1,775	+43%
Mixed	£3,062	+124%
Outbound	£1,258	+81%
Average	**£1,892**	**+62%**

The largest contact centres usually tend to spend slightly more than smaller operations, as they have more access to training techniques that lower-budget operations do not (e.g. external trainers, e-Learning, etc), as well as the standard training methods. In 2009, large operations saw huge cuts in per-capita expenditure as businesses reacted to the recession by slashing costs. However, 2010 has seen this more than rebound, passing 2008 levels, especially for large operations which have almost doubled per-agent expenditure on induction courses.

Figure 28: Cost of induction course per head, by contact centre size

Contact centre size	Cost of induction course per head (£)	Change since 2009
Small	£1,518	+57%
Medium	£2,102	+55%
Large	£2,130	+87%
Average	**£1,892**	**+62%**

ONGOING TRAINING AND COACHING

Once an agent comes out of the induction course, their team leader or supervisor should take over the day-to-day development of the agent, supported by regular and targeted formal training courses (whether internal or external), and possibly computer-based training sessions as well.

The types of training that agents receive can be broadly split into product or marketplace knowledge, internal systems and processes (IT systems training, business processes and flows, etc.) and soft skills (listening and conversational skills, learning and reinforcing positive behaviours, cross-selling and up-selling, etc.). Hard skills (product and IT systems) training is more focused upon than soft skills across all industries.

Figure 29: Type of ongoing training time, by vertical market
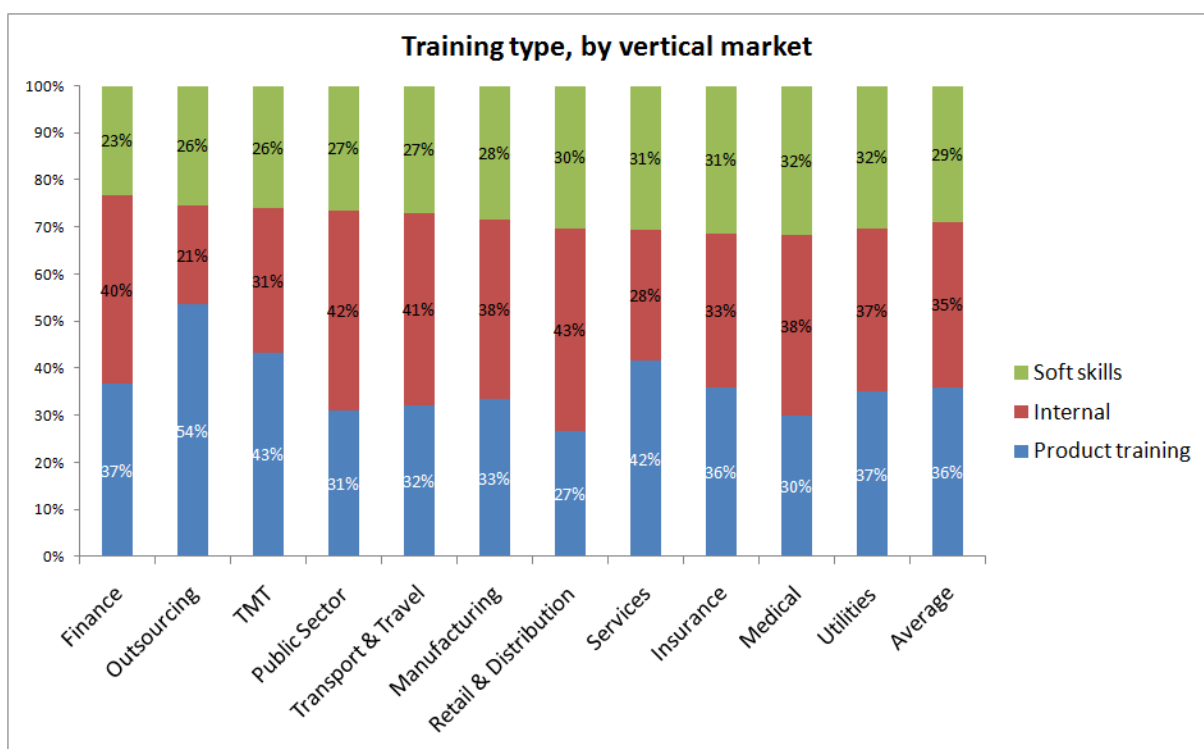
It is negative that a very significant amount of the agents' time is spent on training them how to navigate between multiple archaic legacy systems, when desktop integration applications could be put in place to ease the flow of the interaction, allowing the agent to focus upon the customer. Through this, the use of dynamic, intelligent scripting or prompting can be promoted, providing the agent with the right information at the right part of the conversation, without them having to learn first about every product and service that might be relevant.

Once this major barrier to quick, successful interactions is removed, agents will have more time to listen to customers, and to use some of the softer skills, such as negotiation, cross-selling and up-selling and consultative selling rather than having to wrestle their way through multiple complex and arcane systems.

It is not just soft skills that should be focused upon, and it is positive to see that 36% of the typical agent's training time is spent upon learning about their products, services or competition, although this is up on last year's figure of 30% , which was itself an increase on 2008's figure of 27%. An agent that does not feel

confident that they know all they can about what they are selling cannot be expected to initiate cross-selling or up-selling with any sort of competence, nor answer most of the questions that a well-informed customer or prospect can ask about competitive products.

There is little pattern to how ongoing training is spent across the contact centre size bands, although there is a significant difference when looking at the type of activity of the contact centre.

Figure 30: Type of ongoing training time, by contact centre activity type
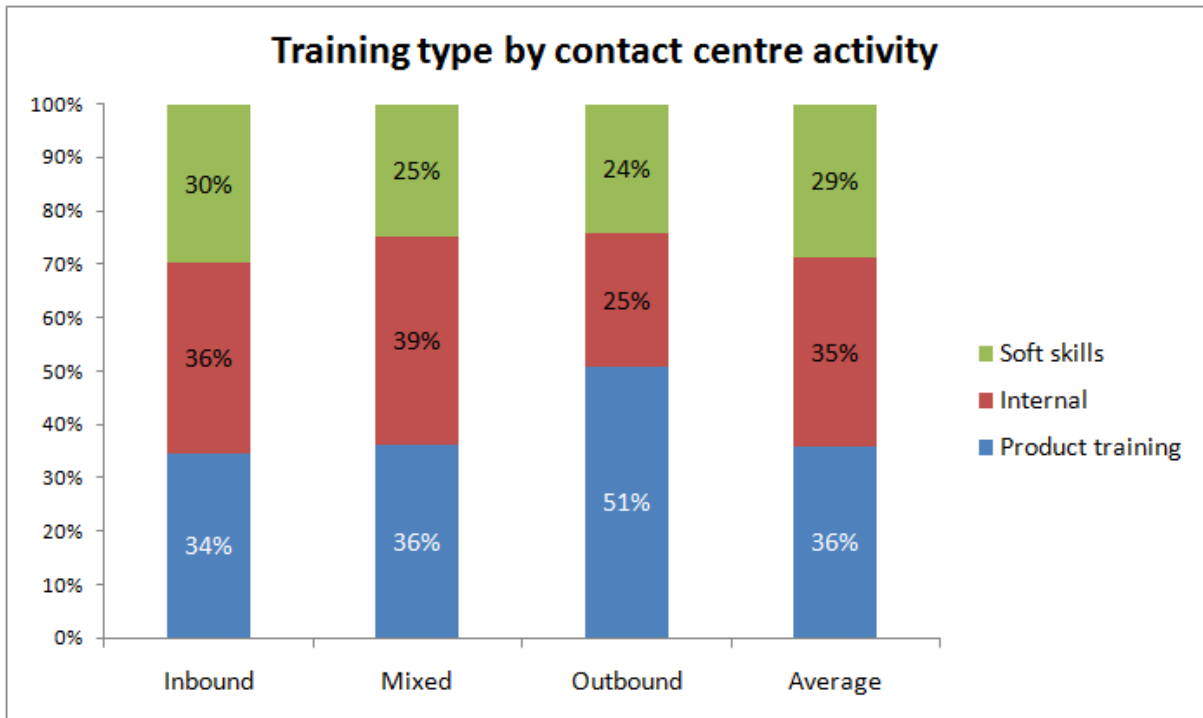
Sales-focused, outbound operations spend 51% of ongoing training time informing staff about new products, features and competition, as they are likely to be asked about these, and this knowledge, along with how to present it, is likely to be vital to whether a sale is made. However, the amount of type dedicated to soft-skills, especially sales techniques, empathy training, matching communication styles and attitudes with callers, and listening skills is perhaps lower than it should be for this sector.

Quite apart from the time spent on formal training courses, agents will receive one-to-one coaching with their supervisor and are also likely to have some form of computer-based eLearning facilities available to them.

Figure 31: Types of ongoing training, by vertical market (hours per agent per week)

Vertical market	Coaching	eLearning	Classroom training	Total ongoing training
Finance	2.5	1.2	1.0	4.7
Medical	2.2	0.3	1.5	4.0
Public Sector	2.2	0.5	1.0	3.7
Insurance	1.8	0.4	1.4	3.6
Outsourcing	2.0	0.6	0.8	3.4
TMT	1.6	0.2	1.2	3.0
Transport & Travel	1.4	1.0	0.6	3.0
Retail & Distribution	1.9	0.4	0.7	3.0
Services	2.0	0.2	0.6	2.8
Manufacturing	1.7	0.4	0.7	2.8
Utilities	1.5	0.4	0.4	2.3
Average	**1.9**	**0.5**	**1.0**	**3.4**

NB: 'Classroom training' data converted from 'days per year' into 'hours per week' by assuming 8 hours per day, and dividing by 52 weeks

The finance sector provides agents with the greatest overall amount of ongoing training, with an equivalent total of 4.7 hours per week devoted to training.

Whereas large contact centres will tend to spend more time on induction courses than smaller operations, the tables are turned where ongoing training is concerned, at least in terms of time. Smaller contact centres spend a lot more time on their staff for ongoing training, as coaching is one the cheaper forms of training and does not require the external training resources that assist many larger operations.

Sales-focused outbound contact centres are more likely to spend money on ongoing training to their staff, as much of this will be driven by new products and campaigns, as well as honing sales skills. Much of this will be highly-specialised, and may be from external trainers. Outsourcers are particularly keen to coach staff rather than to wait for formal training courses.

In terms of cost, the annual per-head expenditure on ongoing training is £1,058, around £100 lower than last year's figure.

TEAM LEADER COACHING AND DEVELOPMENT

Many people say that team leaders are the most important people within the contact centre, as they are what makes the difference between good and mediocre agents. Yet many team leaders are promoted out of the agent role at which they were good, without being fully taught the skills of management or coaching, including excellent people skills, training and coaching, learning how to balance the demands of their own teams with their operational workload and acting as the ultimate arbiter with difficult customers.

Figure 32: Monthly hours of coaching and development for team leaders, by vertical market

Vertical market	Monthly hours of coaching and development for team leaders
Retail & Distribution	7.4
Medical	5.3
Manufacturing	4.8
Finance	4.7
Outsourcing	4.4
Public Sector	4.4
Insurance	4.0
TMT	3.6
Utilities	3.3
Transport & Travel	3.0
Average	**4.6**

On average, an agent can expect to receive only around 1 hour of coaching and development per week from their superiors. Many contact centres have flat structures, and senior management has to try very hard to make the time to develop team leaders, without taking them away from the teams for too long.

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MAXIMISING EFFICIENCY AND AGENT OPTIMISATION

Improving call throughput and decreasing costs has been a focus of most contact centres since the industry started, and few solutions or processes are considered without understanding how they will affect productivity.

This section looks at ways in which contact centres can make the most of what they've got, through increasing efficiency, or by avoiding unnecessary calls in the first place. Solutions and issues include:

- Contact centre performance metrics
- Changes in Opex and Capex
- Alternative ways of working - virtualisation and homeworking
- The enterprise-wide contact centre
- IP and convergence
- The unified desktop
- Voice biometrics
- CTI and call routing
- Workforce management
- Headsets.

CONTACT CENTRE PERFORMANCE METRICS

The success or otherwise of contact centres has traditionally been measured by observation of key metrics, usually related to cost and efficiency – average call length, average speed to answer, % of calls answered within a certain time, etc. While these figures are a useful and still widely-acknowledged and understood benchmark, times are changing, albeit slowly. Many contact centres now try to measure the effectiveness of their operation by tracking metrics such as first-time call resolution and customer satisfaction levels, although there are no standard measures or agreements on what constitutes a satisfied customer or fully-resolved call. This does tend to strengthen the hand of those who believe that because the contact centre **can** provide detailed data on call volumes and handling times, then that is what it **should** primarily be measured against. Depending on the type of work that they do, contact centres may consider focusing upon various measurements from the following table.

Figure 33: Contact centre metrics

Metric	Comments
Call duration / Average Handle Time	A typical 'old-fashioned' metric, which seems to be going out of favour, based on the idea that each call is different and should take as long as it takes. However, it is one of the easiest statistics to measure, and work out cost against.
Cost per call	Although this is an attractive and easily-understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact centre has many short calls (which may be better off being dealt with by self-service), this will produce a lower cost-per-call figure, which makes it look as though the contact centre is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates. Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact centre management understand how cost figures impact the business more than occupancy or call abandonment rates, although these have an impact on all parts of the business. At the most basic level, cost per call can be calculated by dividing the overall spent budget of the contact centre by the number of calls, although this does not take into account although this does not take into account abandoned calls or where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand - where the contact centre cleans up after processes elsewhere in the business go wrong, leaving the contact centre to sort them out. As such, it should be viewed with caution.
Schedule adherence	Schedule adherence is a metric that looks to help with the fine-tuning of a contact centre's labour force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance.

Agent occupancy rate	The agent occupancy rate is made up the call-time plus wrap-up, that is, the proportion of time that each agent spends on dealing with the call itself and the actions deriving from it. A laborious wrap-up time caused by slow back-office systems or lack of familiarity from the agent's perspective, can go some way to producing high occupancy rates, which looks good at first glance, but is actually worse for the business in these cases.
Customer satisfaction ratings	A very hot topic for some time, customer satisfaction is seen to be directly linked to profitability through increased loyalty, share of wallet and customer advocacy. There is considerable debate about how satisfied (or delighted) customers have to be before it starts making a noticeable difference to the bottom-line (i.e. how happy does a customer have to be before they accept premium pricing strategies, and how unhappy do they have to be before they go elsewhere?). There's no easy answer, but high customer satisfaction ratings - at a reasonable cost for the business - are surely good for everyone. The Customer Satisfaction section in the previous chapter should be read into order to understand the various methods and meanings of customer satisfaction scores.
Call throughput and abandonment rates	Understanding the types of call being received as well as tracking the number that are dropped can be translated into lost revenue within a sales environment, making a pitch for greater investment easier.
Call transfer rate	This metric can indicate training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and call recording in cases of high transfers should identify the issue.
Revenue per call	As many contact centres are now profit centres, understanding the effectiveness of the sales efforts is vital to judging the success of the contact centre itself.
Staff attrition rates	A well-publicised cost that senior management are very aware of, high levels of staff attrition are poisonous to the effective running of the majority of contact centres, causing high levels of recruitment and training cost, lower average call handling quality and longer queue times due to inexperienced staff, as well as the vicious circle of lower staff morale.
Average speed to answer / longest call waiting etc.	Has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused be excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact centre's staffing levels as well as impacting directly upon the customer experience. As such, it is similar in nature to the call abandonment rate. Contact centres should of course consider the amount of time that a customer spends in the IVR segment of the call when considering the 'speed to answer' metric - as the customers themselves surely do so.

Customer loyalty / lifetime value / churn rates	A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (or otherwise of losing such customers).
First call resolution	Improving first call resolution (FCR) benefits customers (who are more happy / loyal / profitable / etc); agents (higher morale; fewer frustrating calls); and business (lower cost of repeated calls; higher profitability): everyone wins. Although this can be very hard to measure, as it is the customer, and not the contact centre that should be stating whether the issue has been resolved successfully.

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AGENT ACTIVITY

Agent activity per hour is a key structural metric aimed at helping contact centre management understand how the agent's time is being spent. We have segmented it into five parts:

- **Call time**: amount of time actually spent on the inbound call
- **Post-call wrap-up**: after-call data input and actions driven specifically by that call
- **Training:** whether desk-based or lecture-type
- **Administration**: general administration and keyboard- or paper-driven work which may be for internal purposes only (e.g. timesheets) or for external work as well (e.g. sending faxes).
- **Idle**: time spent not taking calls or doing other work.

Figure 34: Agent activity by vertical market

Vertical market	Call time	Wrap-up	Training	Admin	Idle
Outsourcing	65.4%	9.7%	4.8%	5.7%	14.4%
Medical	64.5%	9.3%	8.1%	9.0%	9.1%
Transport & Travel	63.3%	8.8%	3.6%	8.7%	15.6%
Retail & Distribution	61.9%	10.0%	8.4%	12.2%	7.6%
Services	60.7%	11.7%	6.4%	4.9%	16.3%
Manufacturing	59.9%	6.8%	10.4%	12.9%	10.0%
Utilities	57.3%	13.6%	16.9%	3.7%	8.5%
Insurance	55.7%	10.2%	6.9%	9.5%	17.7%
TMT	53.1%	10.9%	8.9%	12.0%	15.2%
Public Sector	50.5%	20.4%	7.4%	9.7%	11.9%
Finance	50.1%	13.4%	12.0%	18.9%	5.6%
Average	**57.1%**	**12.5%**	**7.6%**	**9.0%**	**13.9%**

As in previous year's, respondents' agents spend an average of just under 60% of their time on calls, with around 12-14% of time spent on each of wrap-up and idle time, although the training plus admin time has increased from 13% to over 16% this year. These figures are generally similar to what is found in the US's contact centre industry, which is also a mature, technically-capable sector.

Looking by contact centre size, the general gains due to economies of scale are clearly shown: the sub-50 seat sector achieves talk time of 53.0%, the mid-sized (50-200) segment is 55.2% and the large (over 200 seat) sector manages 59.9% talk time.

There is a significant opportunity for reducing the non-productive call time at the beginning of the call, where an agent is authenticating the caller's identity. By doing this automatically, either through IVR or more securely, through biometric identification, the business can free up around 20-30 seconds of agent time, which makes a big difference to call and queue lengths. This element is investigated in-depth in the Voice Biometrics section later in this chapter.

Post-call wrap-up time is also ripe for slimming-down. There are many applications in the market which are capable of reducing the amount of after-call work that an agent has to do, by bringing together all of the systems and applications the agent needs on that specific call into a single virtual application, and then

updating the relevant databases accordingly. This removes the need for a specialist knowledge of legacy system navigation, reducing keying errors and dramatically shortening wrap-time through kicking off relevant back-office processes automatically. Most of these agent desktop optimisers do not touch the logic of the existing systems, but act as a user interface that picks up and presents the relevant fields and business processes at the right time.

CALL DURATION

Average inbound call length has traditionally been a metric which most contact centres have measured, as it is directly related to cost (and is also easy to quantify).

Enlightened operations regard this metric with wariness, as a call which is cut short too quickly can often mean a worse experience for the customer (with lower revenues over time), lower first-call resolution rates (which increase costs in the long-term) and fewer cross-selling or upselling attempts being made. Low call duration can also mask a lack of agent capability, as knowledgeable and confident agents may go out of their way to deliver the best service possible, which leads to longer call times. The use of call recording and monitoring, as well as close supervision by team leaders can assess whether this is the case.

Helpdesks and sales contact centres now pay much less regard to managing call lengths (especially in premium rate environments), but most operations will still be aware of it, especially it is obvious that a high-quality agent will spend less time on certain types of call than a low-quality agent. Additionally, although the contact centre's own management is aware of the questionable value of average call duration as a useful metric, the senior management (who are used to measuring this) may be less willing to replace such a definite and cost-related metric with something else.

Average call duration varies between vertical markets, as we would expect, especially for sales calls. For example, an insurance sales call will often involve a complex explanation of products, along with legislative explanations and disclaimers, with perhaps time needed to run credit checks and to refer upwards to more senior decision-makers, making the average sales call duration over 7 minutes. At the opposite end of the scale, retailers and manufacturers are usually in the business of simple order-taking - often from a catalogue - which is highly-automated and involves the customer knowing exactly what they wish to buy before the call is made.

Figure 35: Average call duration (service & sales), by vertical market

Vertical market	Service calls	Sales calls
TMT	7m 35s	4m 7s
Public Sector	5m 2s	n/a
Utilities	4m 22s	5m 48s
Retail & Distribution	3m 58s	4m 20s
Finance	3m 58s	5m 3s
Transport & Travel	3m 51s	6m 9s
Insurance	3m 44s	7m 22s
Medical	3m 42s	4m 35s

Services	3m 33s	3m 47s
Outsourcing	3m 19s	5m 16s
Manufacturing	2m 42s	2m 55s
Average	**4m 10s**	**5m 15s**

As the role of an agent becomes more complex, call lengths will increase if no additional investment in technology or training is made. Contact centres need to alleviate the effect of the increasing complexity of the work by managing agent occupancy rates and reducing the amount of the call which is wasted, such as silences when the agent is waiting for the system to deliver what is needed, and the caller ID process at the beginning, which can be securely automated and authenticated through voice biometrics.

CALL ABANDONMENT

Call abandonment rates link directly to customer satisfaction, cost, average speed to answer and revenue as well, and is widely seen as one of the most important and complete key performance indicators that a contact centre has at its disposal. The TMT sector, perhaps as a result of long service call times and peaky nature of the calls (many service calls are taken first thing in the morning, after the systems are found not to be working), experiences high levels of call abandonment on a mean average basis. The mean average of the public services sector is also very high, but this is as a result of a smaller number of hugely under-resourced operations taking part in this year's survey, as the median is one of the lowest.

Figure 36: Call abandonment rates by vertical market

Vertical market	Call abandonment rate (median)	Call abandonment rate (mean)
Utilities	1.7%	1.4%
Manufacturing	2.6%	2.4%
Medical	2.0%	2.6%
Retail & Distribution	2.5%	2.6%
Services	2.0%	2.9%
Finance	3.5%	3.5%
Outsourcing	3.5%	3.7%
Insurance	3.6%	4.3%
Transport & Travel	4.9%	4.9%
TMT	4.5%	5.5%
Public Sector	2.5%	5.7%
Average	**3.2%**	**4.1%**

It is important to note the median rate of call abandonment is only 3.2% (down from 3.9% in 2009), and that looking at median averages reduces the impact of very high call abandonment rates (which might be seen as freakish to most of the industry). Last year, the vertical markets which have the largest contact centres within them (usually finance and outsourcing), had amongst the lowest abandonment rates, probably caused by the efficiency-improving technologies that most employ. This year, the past link between contact centre size and lower abandonment rates (as analysed in the table below) is somewhat weakened, perhaps as a result of large operations having been more likely to have cut spending on recruitment, training and technology in 2009, thus reducing the benefits previously seen through their economies of scale.

Figure 37: Call abandonment rates, by contact centre size

Contact centre size	Call abandonment rate (median)	Call abandonment rate (mean)
Small	3.3%	4.2%
Medium	3.4%	3.9%
Large	3.2%	3.7%
Average	**3.2%**	**4.1%**

SPEED TO ANSWER

Speed to answer is another of those traditional statistics which has always been measured, and there is a strong case for keeping it at the forefront of how contact centres measure their success. Speed to answer plays a vital part in improving the customer experience, and also feeds into other performance measures such as call abandonment rate. However, contact centres should also keep a close eye on "longest call waiting" statistics to get a fuller picture of the pre-call experience that customers are having. Some contact centres reduce their speed to answer figures by not counting the time taken for the caller to deal with IVR or listen to announcements before speaking with an agent: it is our opinion that the call should be measured from the moment the caller dials the last digit to the moment the agent answers the phone. Of course, not everyone sees it that way, but your customers certainly do.

As an aside, ContactBabel research[3] indicates that the public believe that they wait for an average of 11½ minutes to speak with an agent. As average speed to answer is consistently around 20-30 seconds, and has been for many years, this statistic does not make sense, particularly in the light of the average time to call abandonment being well under 2 minutes (i.e. this makes the 11½ minute statistic is very unlikely to be true, as the vast majority of callers would actually have hung up long before this time). Our certain conclusion is that the "11½ minute" figure is collected from people's subjective view, rather than anyone waiting by the phone with a stopwatch. Also, people tend to remember the times they had to wait a long time, rather than the times they were answered straightaway. Regardless of the reality, speed to answer does affect customers' perceptions of the contact centre's quality.

Figure 38: Average speed to answer, by vertical market
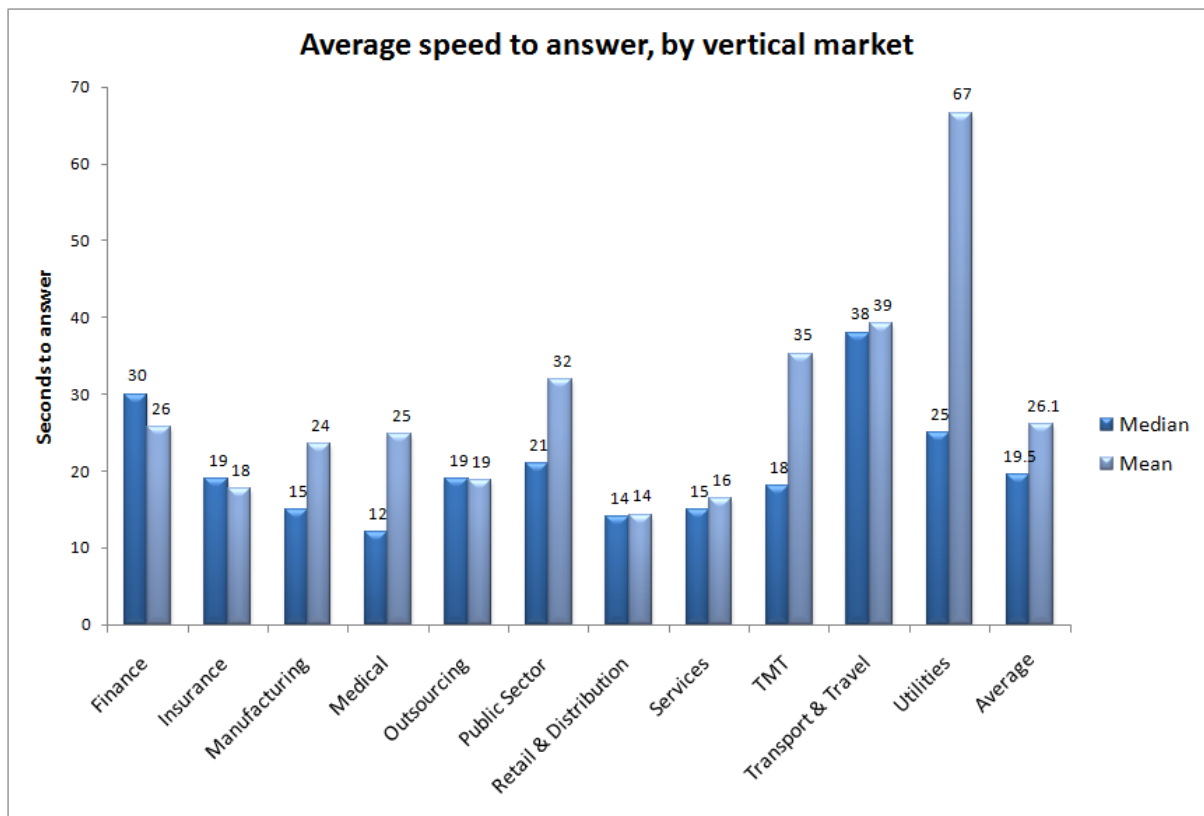
Most sectors have greatly improved their speed to answer over the years, with many of the high-volume yet simple interactions, such as password reset and account balance, now being carried out via self-service. The overall industry ASA mean average has stayed relatively steady, at 26.1 seconds, slightly up from 23.8 seconds in 2009. Of more interest to readers using this report as a benchmarking tool, the median average has been included this year, so as to dilute the negative upward effect of a very few respondents that have ASA figures of 2 or 3 minutes, which skew the whole industry upward, especially their sector.

Comparing mean and median side-by-side, we can see that the utilities sector has a few poor performers which drag the mean upward, away from an entirely respectable 25 second median ASA. The transport & travel sector, whose mean and median are similar (and high) seems to be the sector under the most pressure.

The mathematics of contact centre performance tends to indicate that larger operations should have an advantage over smaller contact centres where ASA and queue management is concerned. In fact, there is very little real difference in ASA or call abandonment rates between contact centre size bands in either this year's or last year's study, perhaps because the more radical cost cutting measures in the recession have happened to the larger operations.

FIRST-CALL RESOLUTION

The ability to understand a query and deal with it in a reasonable timeframe at the first time of asking is the key to a contact centre's success, reducing the overall number of calls while providing the customer with a good experience which will impact on the company's overall performance. It also has a positive effect on the agent's morale (and thus, staff attrition rates), and increases the chances of a successful cross-sell and up-sell being made. Little wonder that this metric is growing in importance, although first-call resolution can be problematic to quantify accurately, risking this metric being ignored, especially as it is not simply a matter of producing a monthly report from ACD statistics.

This year, a worrying 61% of respondents **did not** measure their first-call resolution rate, meaning that only the finance, outsourcing, public sector, service and telecoms & utilities sectors had enough respondents to make FCR measurement in this report worthwhile at a vertical market level. Average FCR has steadied at 77% (mean) & 84% (median) after decreasing last year from 2008's figure of 79% (mean) and 85% (median). The median is included as a few respondents have a very poor first-call resolution rate, which can drag the mean average down considerably. This can be shown by looking at quartiles: the top quartile (best 25%) FCR rate is 92%, with the bottom quartile at an FCR rate of 68%.

Figure 39: First-call resolution rate by selected vertical market

First-call resolution rate, by vertical market
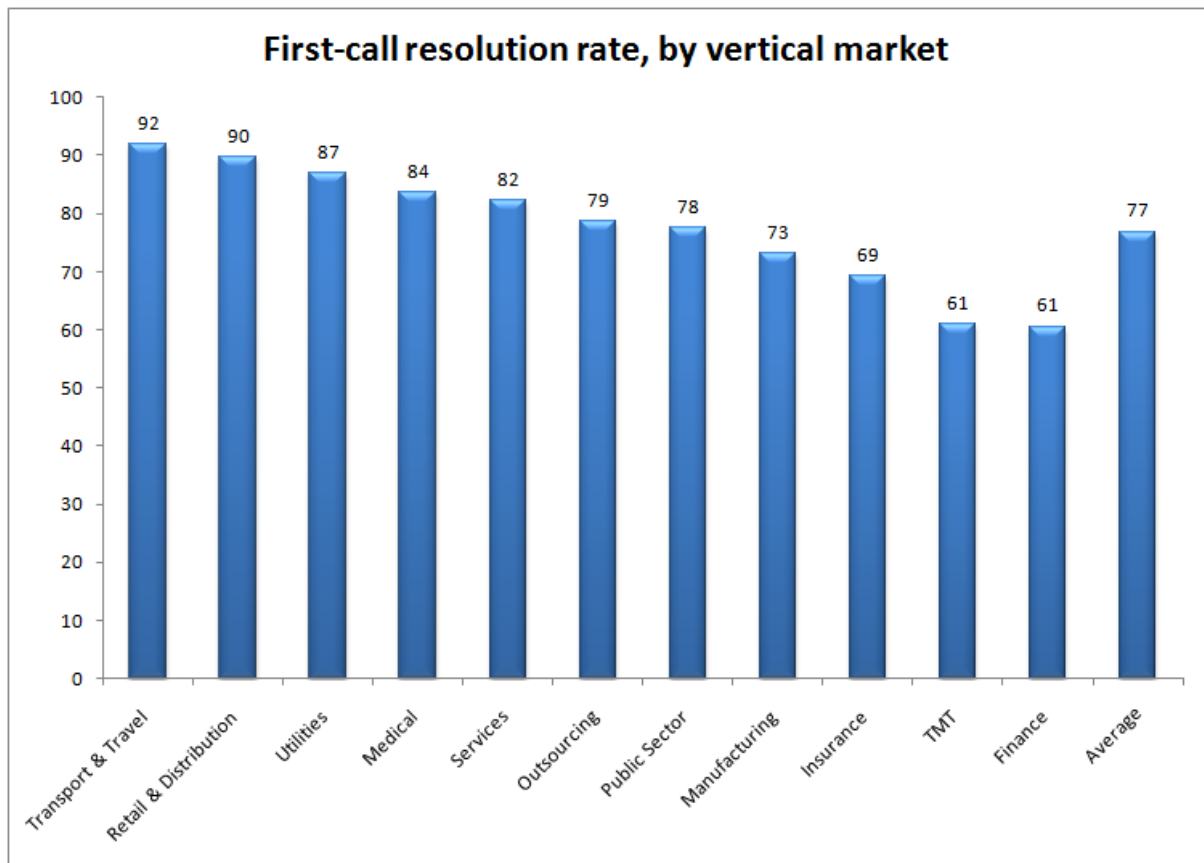
METHODS OF MEASURING FIRST-CALL RESOLUTION

These statistics lead to a conclusion that more must be done to measure first-call resolution rates accurately. With an average of 23% of calls not being resolved first-time, and an average call cost of around £3, a reasonable-sized contact centre taking 2m calls per year will spend around £1.4m dealing with the calls that they didn't handle successfully the first time around, which should make FCR a priority for any contact centre.

It's easy to see how dealing with more calls straightaway can benefit everyone concerned. So why is it that first-call resolution rates haven't really improved over the past eight years?

Figure 40: First-call resolution rates and measurement, 2003-2010

Year	Mean first call resolution rate	% of contact centres tracking FCR
2003	77%	71%
2004	74%	70%
2005	76%	75%
2006	80%	58%
2007	80%	49%
2008	79%	60%
2009	77%	39%
2010	77%	69%

First-call resolution rates have stayed fairly constant, varying between a low of 74% in 2004 and a high of 80% in 2007, suggesting that the underlying causes of multiple calls have not been addressed.

No-one can suggest that this decline in FCR measurement can be caused by first-call resolution becoming less important. Businesses' focus upon customer satisfaction and operational efficiency - which both directly benefit from an improvement in FCR - has actually increased in recent years. The answer perhaps lies in the inability of contact centres to measure their first-call resolution rate effectively and thus to do much that is commercially meaningful with it.

There are various ways to measure, or at least estimate, first-call resolution rates:

- Agents provide opinions on whether the call was resolved completely
- Tracking of issues shows if they are re-opened
- Supervisors monitor calls and score based on their opinion
- The company or a third-party can contact customers later to ask their views
- Customers provide feedback in end-of-call IVR sessions
- SMS messages are sent to customers at times defined by the business.

Whether or not a call has been managed completely is really a matter for the customer to decide, rather than the business, so involving and agent or supervisor - both of whom will be rewarded or otherwise for these results - leaves the FCR measurement open to creativity, with results often following a gently-improving path upwards over time. 70% of respondents rely on supervisor input. Tracking re-opened issues - often used within the helpdesk environment - is the purest way to measure FCR, but can be difficult to measure if there is not helpdesk software already in place. 52% of respondents use this method.

Contacting a customer later to see whether they are satisfied that the matter has been dealt with is better, but this is an expensive option, and it may be hard to get hold of the customer at a time that suits them. Leave it too long and they have forgotten what the call was about, and outbound calls are rarely welcomed in any case. 54% of respondents state that they use this method.

End-of-call IVR sessions - used by 38% of respondents - provide real-time opinion, but does not give the company any information on whether the entire transaction (i.e. the actions that came directly from the call, such as sending out a brochure or solving a technical issue) was actually completed satisfactorily: in such cases, calls could be marked as completed first-time that actually require more work after the back-office processes eventually fail to deliver on the contact centre's promise.

The SMS option to identifying true first-call resolution rates - used by 30% of respondents - although simple and cheap, is very flexible. Based on business rules such as who the customer is and what they have called about, SMS messages can be sent either immediately (for real-time results), or after a few days, allowing the customer and business to judge whether the back office processes kicked off by the call have succeeded or failed. SMS responses can be tracked by agent, group, customer, product or any other data tag that a contact centre captures on each call, and these data can then be reported upon, offering an opportunity to identify underperforming agents and repetitive problems. However, with only 160 characters to play with in an SMS message, the business has less opportunity to explore customer views in depth and cannot continue a conversation with the customer in that medium, although some businesses use solutions which routes very negative feedback via email to a virtual outbound team that can call the customer immediately to work through any problems with them.

Figure 41: Use and effectiveness of FCR measurement method
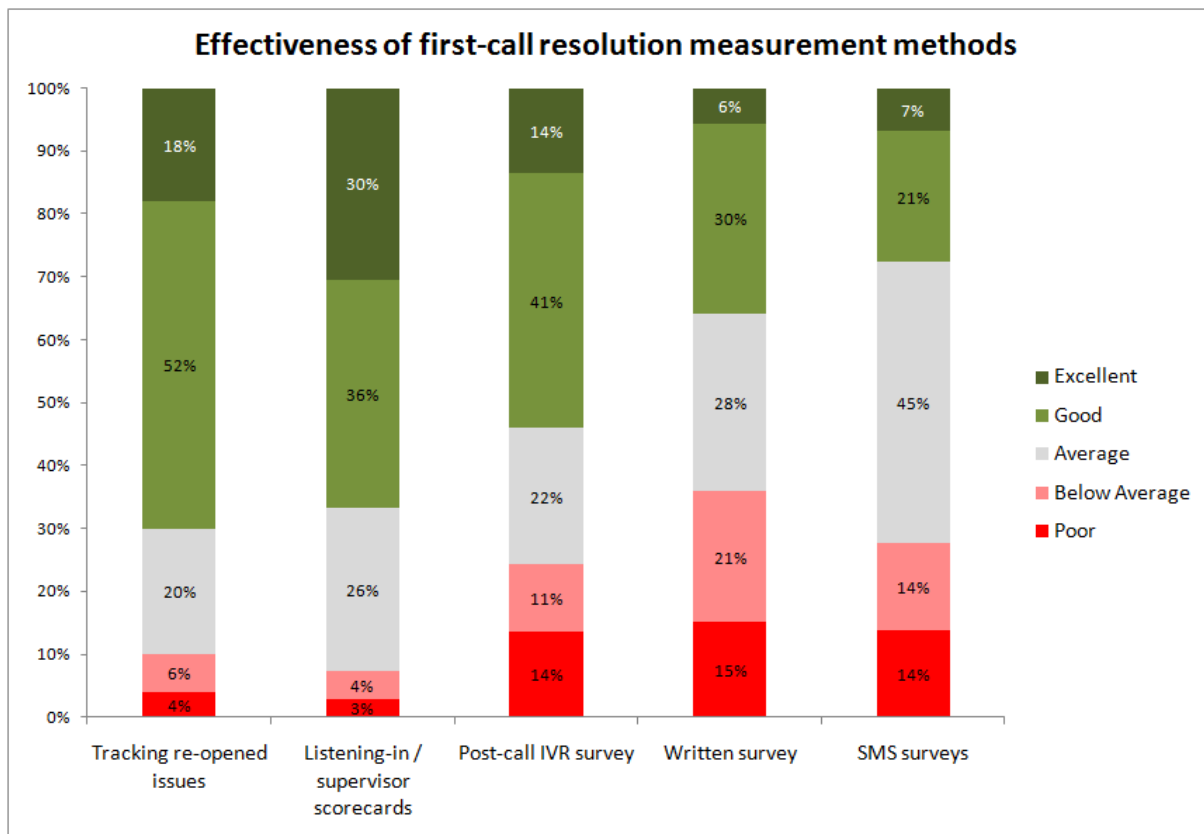
It is worth noting that 58% of the respondents who track first-call resolution do so only based on the telephone call itself: that is, they do not check whether the action or business process initiated by the call has been followed through successfully. As has been previously demonstrated, the vast majority of the complaints received by a contact centre are about the failings of the wider business, so focusing entirely upon the work done within the contact centre is missing the point of measuring first-call resolution. The traditional insularity of the contact centre operation fails the needs of the wider business, but without an explicit remit to investigate and report on processes outside the contact centre, it can hardly be blamed for the failure to hunt down and fix the wider problems.

Why it may be good for first-call resolution rate to decline (at first...)

First-call resolution rates have to be viewed in context: an improving business may well see its FCR rate actually decline after it implements process improvements, which is counter-intuitive.

Some businesses are currently handling live calls that are more suited to self-service or better marketing communications. Many of these calls are about the same issue, and are answered quickly and accurately, which improves FCR rates, but of course, piles up cost and impacts negatively upon other performance metrics, such as queue length and call abandonment rate.

Businesses should consider what is causing these unnecessary calls, rather than just focusing upon a single metric, and high first-call resolution rates may actually be masking underlying problems:

- The contact centre is handling simple and repetitive calls that could be moved to self-service, or which could be addressed on a website and through better marketing communications
- Callers are dropping out of self-service to speak with agents because the self-service application is failing in its task and should be re-engineered
- Unclear marketing communications are causing customers to call
- Calls are being received that are actually driven by mistakes from elsewhere in the enterprise.

When businesses begin stopping unnecessary calls at the source, those left are usually of a more complex nature. This will lower first-call resolution rates initially, allowing a clearer picture of what is really happening in the contact centre to emerge, which can then be addressed more fully.

CALL TRANSFERS

This metric indicates training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and call recording in cases of high transfers should identify the issue.

Figure 42: Call transfers by vertical market

Vertical market	% of calls transferred (median)
TMT	10.0%
Manufacturing	7.1%
Utilities	7.0%
Services	5.3%
Insurance	4.9%
Retail & Distribution	4.2%
Medical	3.5%
Public Sector	3.2%
Finance	3.1%
Outsourcing	2.2%
Transport & Travel	1.5%
Average	**3.8%**

Care must be taken when analysing these figures, as a switchboard-type operation is likely to have very high call transfer rates - as that may be what the agent is supposed to do, and a technical helpdesk may require significant amounts of 2nd-line support to be provided. As such, this year's average figure has been changed from mean to median, to remove the few very high anomalies that occurred in the respondent data, in order to make it more representative of a 'typical' contact centre.

COST PER CALL

Cost per call is a very difficult metric to work out, and even more difficult to benchmark in any meaningful way, as calls can vary massively in cost even within the same contact centre. Whereas with most data analysis, there can be conclusions drawn from vertical market comparisons, the differing nature of each company makes this impossible. For example, respondents within the TMT sector posted vastly different cost figures, as one dealt mainly with high-level technical queries (for which costs considerably in excess of £20 per call are not unusual) whereas another would be handling simple interactions.

As such, the best way to display the information is by showing the frequency of each call cost. The majority of inbound call costs are under £3, however, the mean average is £4.08. The median average is £2.50, the 1st quartile is £4.00 and the 3rd quartile is £1.95.

Figure 43: Cost per inbound call
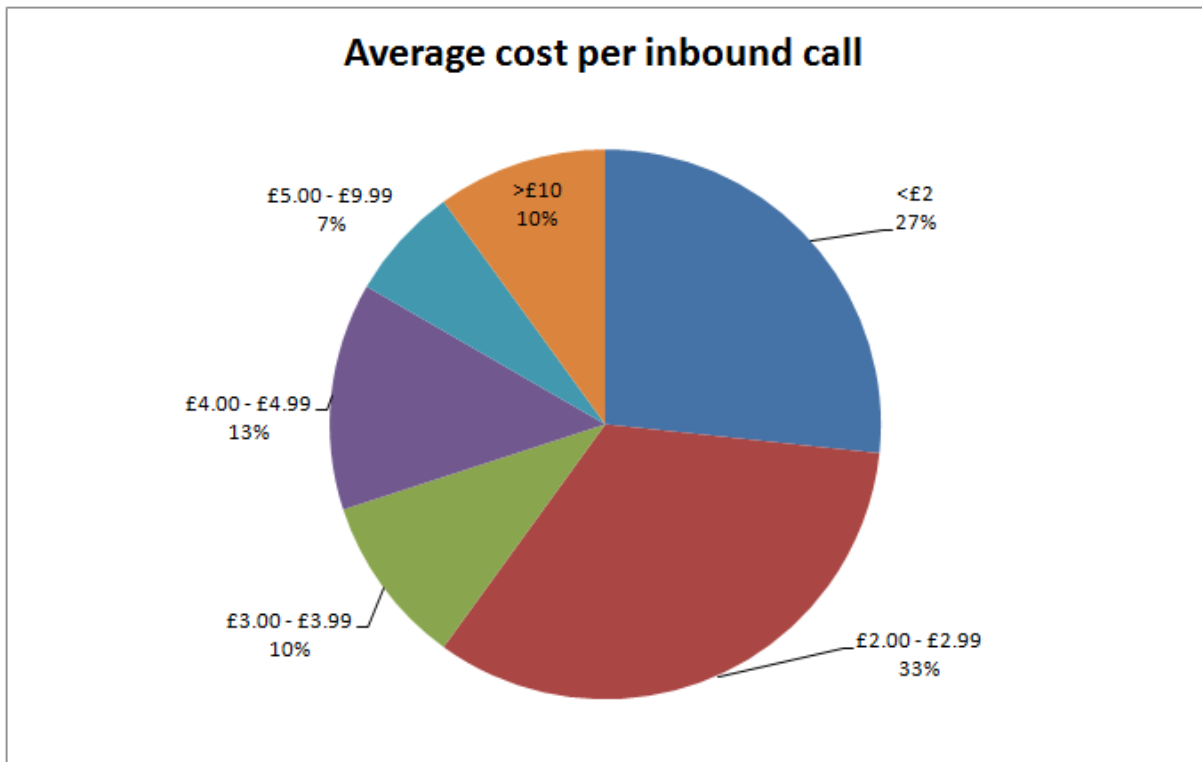
For outbound sales calls (only including instances where the agent got through successfully to the intended recipient), the mean average was £5.03, the median £3.70, the 1st quartile was £6.00 and the 3rd quartile £2.40.

BUDGET

This section looks at how contact centres spend their money, and the effect that the economic downturn has had on operating and capital expenditure. To define the difference between the two, capital expenditure (Capex) refers to upfront investment costs, e.g. for large IT systems. Opex (operating expenditure) are the ongoing costs, such as agent salaries, rent and IT maintenance costs.

OPERATING EXPENDITURE, 2010

It is typical for agent salaries to account on average for around 60% of a contact centre's Opex, and the 2010 results bear this out, being slightly up from last year. IT operating expenditure has dipped again, and the 'other salaries' segment has also declined slightly.

Figure 44: Contact centre operating expenditure

Contact centre expenditure

Recruitment 2.7%
Telecoms charges 3.4%
Training 3.1%
IT maintenance 3.8%
Other 4.0%
Utilities and local taxes 2.6%
Rent 5.0%
Agent salaries 63.7%
Other salaries (e.g. IT, management, etc) 11.7%
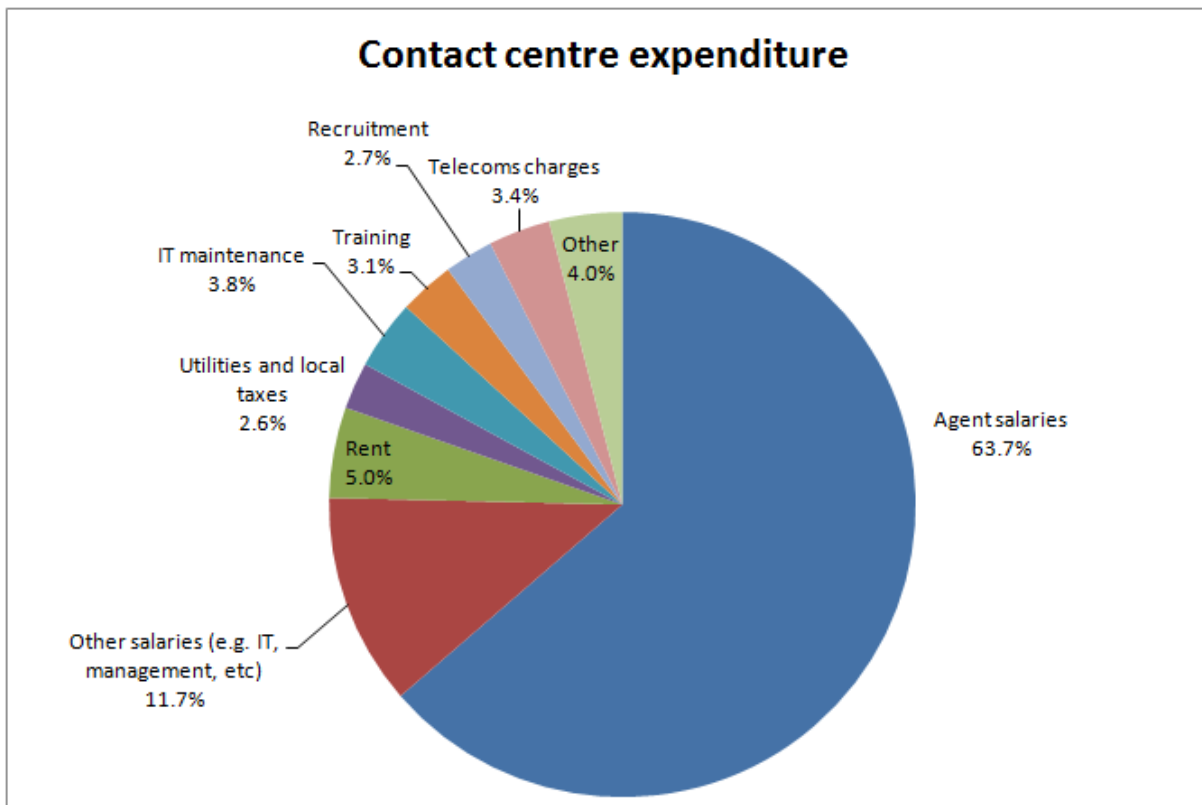
When looking in-depth at how Opex differs across size bands, there is not a huge difference. Salaries as a whole are a somewhat higher proportion the larger the contact centre, which is historically the case as well. IT maintenance costs are a smaller part of the whole in large contact centres, which are more likely to be able to leverage economies of scale.

Figure 45: Contact centre operating expenditure by contact centre size
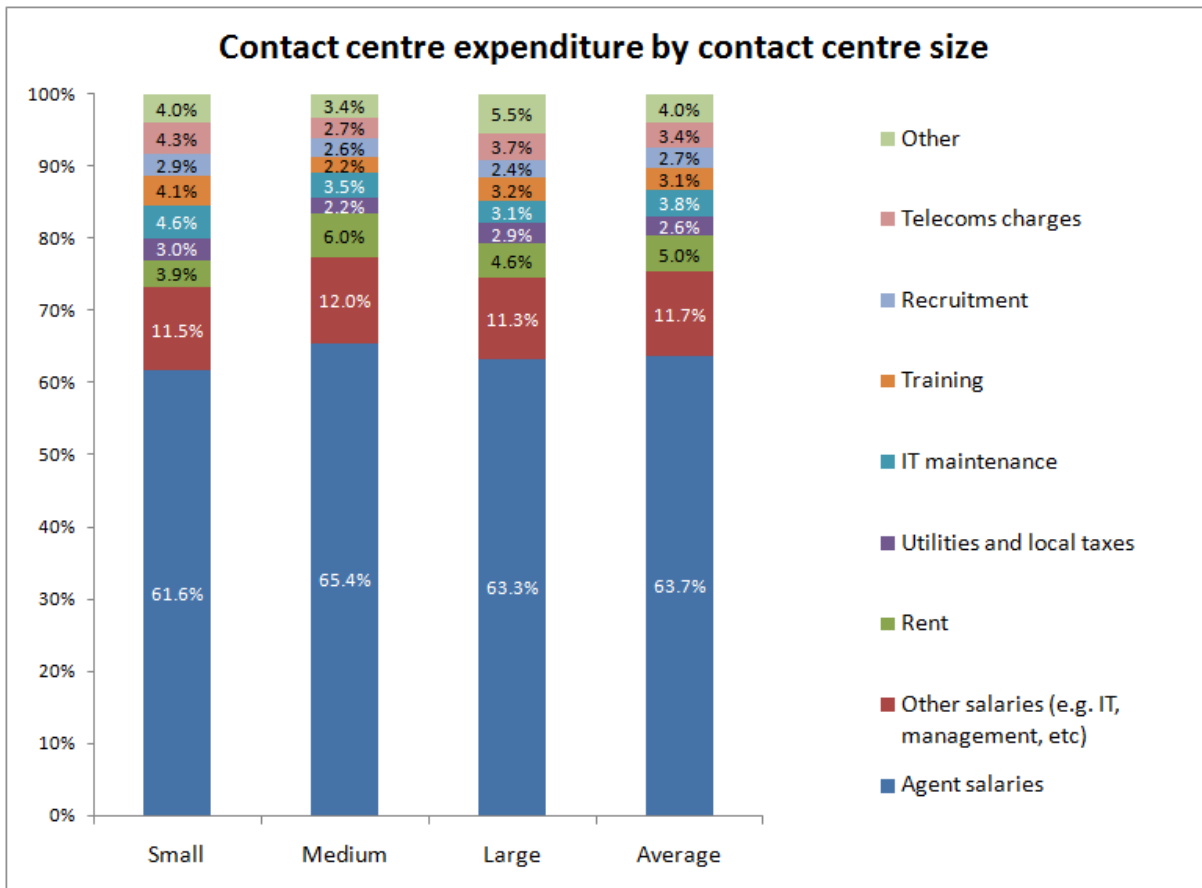
CHANGES IN CONTACT CENTRE SIZE, OPERATING AND CAPITAL EXPENDITURE, 2009-2010

After years of generally steady increase in headcount and investment, the events of the last two years have stopped a great deal of the investment required by contact centres from actually being made.

In 2009, both Opex and Capex budgets were cut for many of our respondents, with 48% decreasing their Opex and 27% their Capex. However, unlike last year, some have been able to increase their budgets, with 35% seeing an increase in Opex, and 30% in Capex.

Figure 46: Changes in OpEx and CapEx, 2009-2010

Change in expenditure	Proportion of respondents experiencing this change in OpEx	Proportion of respondents experiencing this change in CapEx
Decreased by 25%+	6%	6%
Decreased by 10-25%	14%	11%
Decreased by < 10%	28%	10%
No change	17%	43%
Increased by <10%	21%	16%
Increased by 10-25%	12%	9%
Increased by 25%+	2%	5%

As the following chart shows, slightly more respondents experienced growth as did shrinkage in the past 12 months, which was more positive than the results of 12 months ago. Although the general feeling then looking forward was that this is a blip, rather than the start of a structural change in the contact centre industry, the industry has been slower to kick-start itself than had been expected by 2009's respondents.

Looking forward to the next 12 months, of those contact centres which had experienced a decline in agent figures in the past 12 months, only 28% expect an upturn next year, with 35% expecting a further decline. Of those contact centres that grew in 2009-2010, the majority expect this to continue.

Amongst all respondents, the average change in agent figures was an increase of 2.0% over the past 12 months. The manufacturing, transport & travel, utilities and finance sectors were all hit harder than average, with more than half of these respondents experiencing a drop in headcount. The majority of outsourcing, retail & distribution and insurance contact centre respondents posted headcount increases, although it should be noted that figures from respondents - by definition - do not take into account any business closures, with a number of high-profile incidents happening in each sector.

Respondents expect the next 12 months to see a rebound in agent figures, with an average growth rate in headcount of 6.8%. Public sector respondents are, unsurprisingly, the least bullish, along with the transport & travel and utilities sectors. The majority of retail & distribution, outsourcing, finance, TMT and services respondents expect significant increases in headcount.

Figure 47: Actual and expected changes in contact centre size, 2009-2011
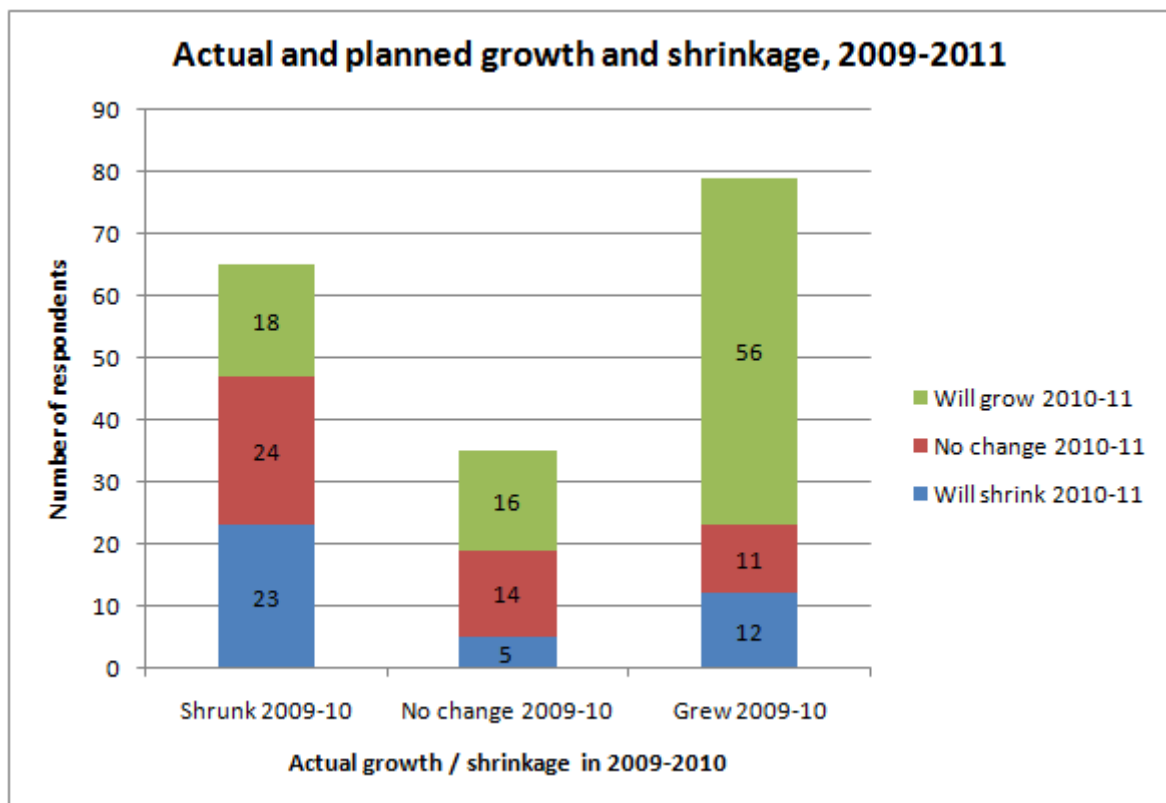
The following chart shows that larger contact centres are more likely to have bounced back from the reduction in Opex forced on most operations last year, with 45% actually increasing Opex in the past 12 months. However, at least half of medium and large respondent contact centres experienced a drop in Opex, so it is far too early to say that operating expenditure is definitely back on the way up industry-wide.

Figure 48: Changes in operating expenditure 2009-2010, by contact centre size
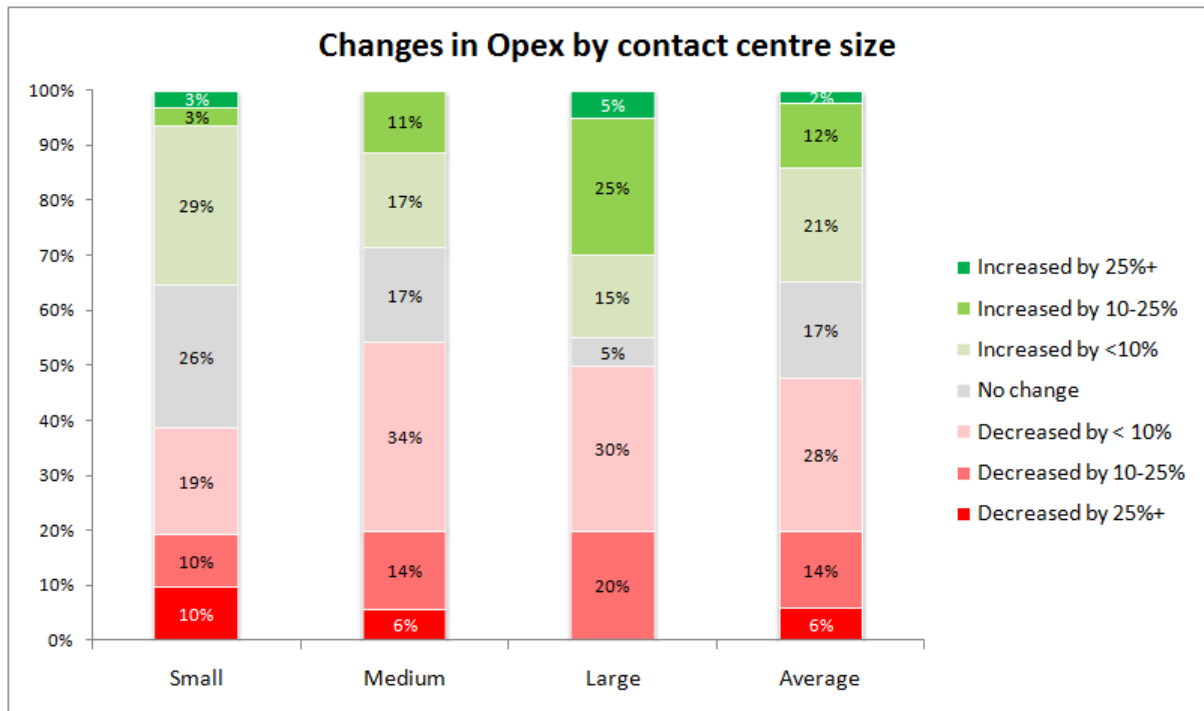
Looking at the change in capital expenditure, we would not have been surprised to see a wholesale abandonment of investment as organisations conserve cash by putting a general investment freeze in place. However, while there is still as yet little evidence for a strong increase in Capex spending, 30% of all respondents said that there had been an increase in Capex budgets (of course, this may have been because they had already been cut to the bone 12 months ago).

In 2009, many large contact centres were told to curtail their investment plans, with only 24% increasing Capex and 44% decreasing it. However, the past 12 months have seen more of a step up in Capex for these operations, with 40% of respondents seeing investment growth, and only 20% a further cut. However, there is still little cause for celebration, although the figures suggest that investment is finely balanced and that perhaps the bottom has been reached.

Figure 49: Changes in capital expenditure 2009-2010, by contact centre size
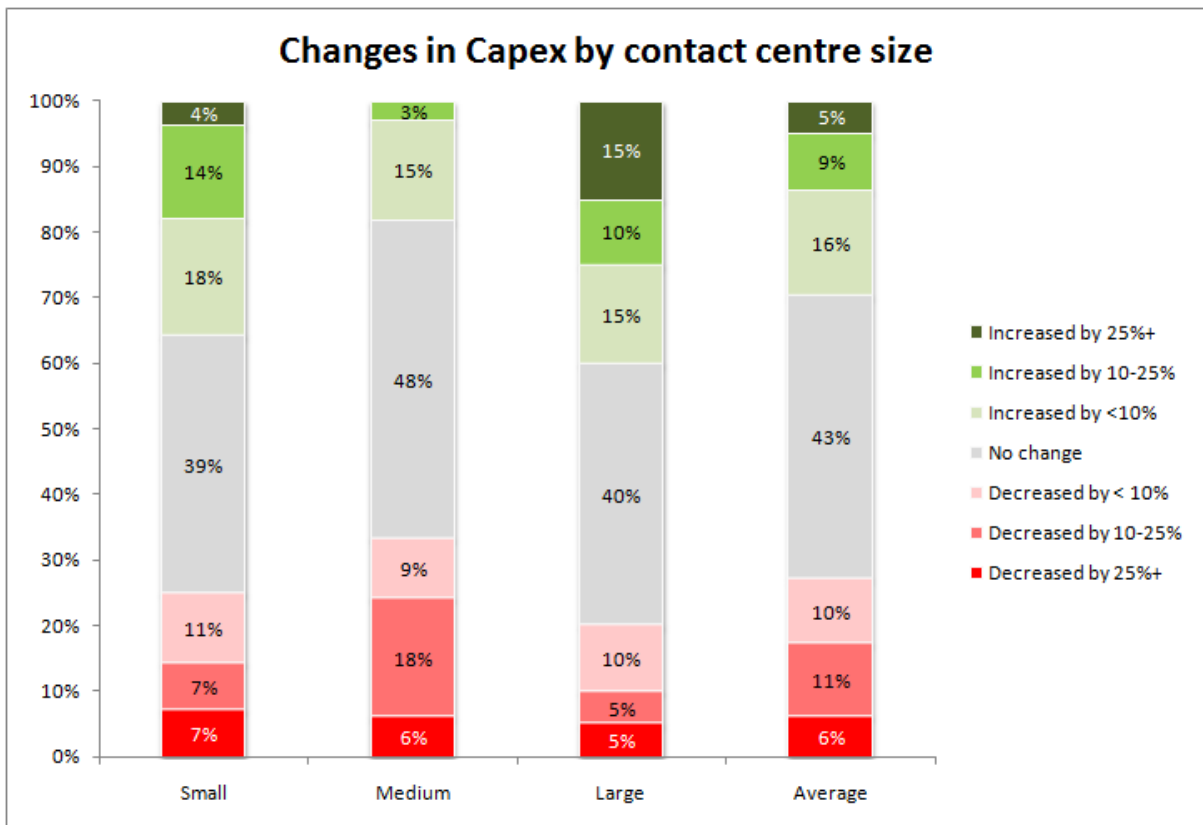
NEW WAYS OF WORKING

Although many contact centres still operate in the same way in which most were originally set-up – a single, centralised site – there increasing pressures within the industry to look at alternative ways of working, such as using virtual contact centres, or encouraging homeworking.

The causes for this include:

- the presence of multiple contact centres – possibly gained through mergers and acquisitions (especially in the finance, insurance, telecoms and utilities sectors) which are not linked together in any way, thus not gaining from any economics of scale
- increasing levels of staff attrition and difficulty in finding the right staff to replace them, especially highly-skilled agents
- the requirement of many contact centres for better-qualified staff, rather than just "warm bodies" to answer phones
- the need to keep the contact centre open for longer, despite agent not wishing to work anti-social hours
- the rising concern about coping with call spikes, which could be dealt with by logging agents on for an hour or two, rather than having them come in for a full shift
- the desire to increase the size of the contact centre, which may not be possible in that location.

This section looks at alternatives to the 9-to-5, full-time, centralised ways of working, and investigates the number and type of contact centres that are using these alternatives.

VIRTUAL CONTACT CENTRES

The application of technological abilities to commercial issues has created a new breed of contact centre - the virtual contact centre – which, although located in multiple sites, can still be run as a single entity. The virtual contact centre consists of many operations (or even homeworkers) which are linked together so as to be viewed and managed as a single mega-site, allowing significant economies of scale and improvements in performance to take place, but hopefully without the attendant problems around environment, morale and attrition that plague many very large operations.

The virtual contact centre model has been driven by several factors. These include:

- For businesses involved in acquisitions or mergers, the number of contact centres they run have increased. M&A activity peaked in the late 1990s and early 2000s, especially in businesses such as banks and insurance companies

- Rapid contact centre growth in particular areas has caused agent recruitment and retention issues. This has meant that businesses have moved to new physical locations in which to establish and grow their operations

- A rise in teleworking and remote locations means agents may never see their parent contact centre. This is increasingly the case in 2nd- and 3rd line technical support, where skilled agents can be extremely scarce and expensive to replace

- Some companies prefer to offer a local touch to customers by basing operations in the area which they serve

- Improvements in networking and communications, such as IP telephony and converged networks, have meant that the virtual contact centre is now much more easy to realise at an affordable cost

- Companies have increasing needs to serve global customers, necessitating either contact centres operating in different time zones, or paying overtime for working anti-social hours

- Operational redundancy and disaster recovery are possible with multisite contact centres

- Smaller contact centres tend to have lower staff attrition rates than large operations.

Treating multiple contact centres as a virtual contact centre allows great efficiencies can be made through economies of scale. This is especially true where businesses are using skills-based routing. All agent competencies are displayed to the scheduler – regardless of agent location - who can be more flexible, simply because the available resource pool is so much more deep.

COMMUNICATIONS as a SERVICE

OR that "infrastructure" word again.

Build out the infrastructure. Add staff. Build out more infrastructure. Procure equipment. Isn't there an easier way?

Yeah, there is… let us host your contact center communications.

When you choose the CaaS offering from Interactive Intelligence, we manage the contact center apps you use on virtual servers in our secure Tier 4 data center — yet you keep voice traffic local and secure within your own domain.

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the contact center

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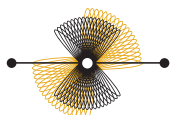
INTERACTIVE INTELLIGENCE®
Deliberately Innovative

Figure 50: Virtual contact centre commercial and operational benefits

Effect of virtual contact centre	Commercial advantage
Larger pool of skills available	More likely to be able to match the call to the customer effectively. This improves first-call resolution, customer satisfaction and also improves agent morale, as they are able to help more customers first-time. It also means that businesses can route calls based on more detailed criteria than previously, as the available pool of skills is greater (e.g. if there are 5 contact centres, but only 1 person in each contact centre speaks a specific language, then it only becomes feasible to offer this as a routable skill once the contact centres are linked together to create a virtual language team)
More balanced work across contact centre locations	In a stand-alone multiple contact centre environment, there is a very real risk that agents in one contact centre will be overworked (leading to stress and increased queue times), whereas those in another may be underused yet unable to help their colleagues. The ability to overflow calls between physical locations is a key advantage of virtual contact centres, which can improve both customer and agent experience
Skills may be widely deployed and managed	Virtual contact centres can look at agent skills and competencies with a view to scheduling staff and routing calls accordingly. This allows specialised virtual teams to emerge
Forecast and schedule only once	Where many contact centres are treated as a single entity, work can be shared across sites as the contact centres are viewed as a single resource. Viewing the operations and skills available as one entity makes scheduling easier and more flexible. The resource pool is much deeper, allowing customers to be offered more skills, and the time and cost of scheduling is greatly reduced
Increase global coverage	For global businesses which have contact centres spanning distant time-zones, the opportunity exists to create a follow-the-sun contact centre, where the customer can be served 24/7, without the need to increase headcount or bear the costs and inconvenience to staff of working anti-social hours
Deploy applications in a standardized way	Virtualisation can mean that improving and standardizing the functionality available to agents in separate locations can be easier, if solutions which allow remote upgrades are in place. Making the same functionality available to each agent regardless of their location means that a consistent level of customer service and agent experience can be achieved
Offer 24/7 availability and use more flexible and imaginative agent resourcing	Agents which work from home or smaller offices allow the business to expand dynamically, offering 24/7 cover without the cost of keeping the major contact centre operation open. Virtual contact centre technology also allows businesses to reach out to new labour pools such as the housebound and other non-traditional sources
Allows dynamic choice of outsourcers	If a company uses multiple outsourcers, these outsourcers can bid dynamically for the work available, e.g. the company does 80% of the work with its own people, but outsources the overflow as and when needed

Linking contact centres together can be a complex task, especially in circumstances where the business has multiple types of switch and other infrastructure, perhaps as a result of merger and acquisition history. In such cases, businesses are advised to look closely at underpinning the contact centres with a single, open platform: think of the platform on which your contact centres operate as a foundation upon which you build applications. Without a solid and scalable platform, separate applications, hardware and locations will remain isolated, or cost so much time and money to integrate that it would be better to leave them alone.

Using a single open platform, this investment becomes much lower, and leaves the way open for businesses to add locations, channels and applications without having to concern themselves unduly about the technical feasibility. The single open platform should be a concept which is always in the minds of people making decisions about the future of their multi-site, multi-platform operations.

Figure 51: Respondents with multi-site contact centre operations, by vertical market
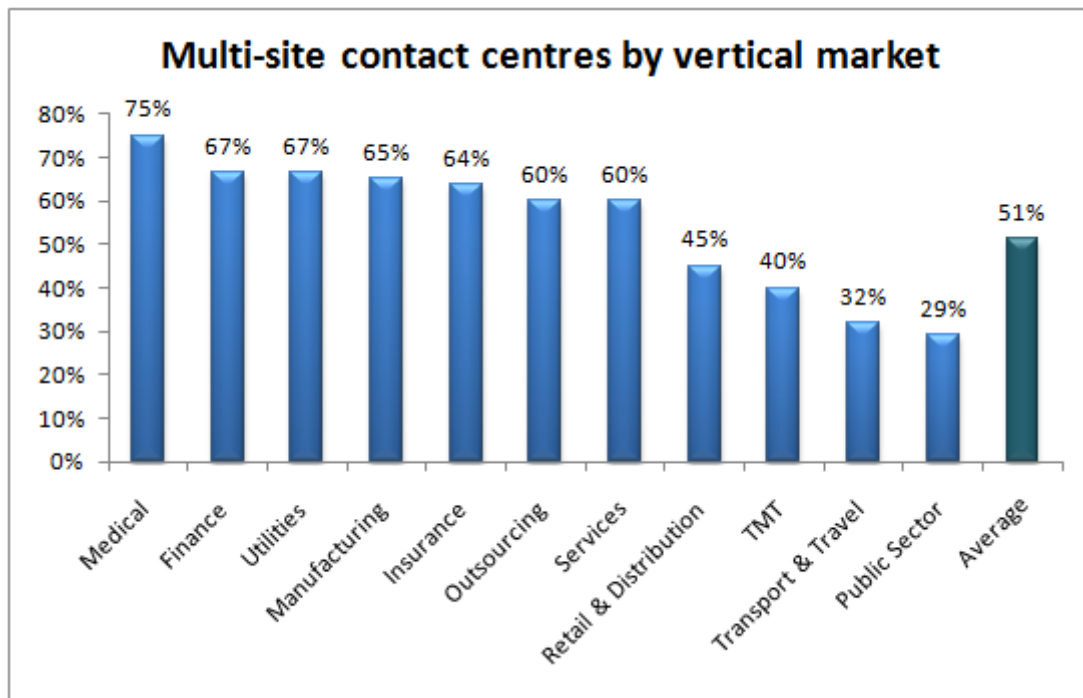
Around half of UK contact centres are part of a multiple-site operation, and as such, are potentially part of a larger virtual contact centre structure. However, only 33% of multi-site contact centres act as part of a full virtual contact centre operation, with a further 22% acting as a part of a partial virtual operation (e.g. in cases where a only few of the overall number of UK operations are linked together). These figures are similar to last year, with a slight increase in the proportion of entirely-virtual operations, at the expense to stand-alone multi-site contact centres.

Looking at the uptake of virtualisation by contact centre size, it is plain to see that the larger operations have been much more likely to put enabling technology in place to gain further from their existing economies of scale. The following chart would suggest that virtualisation is certainly a factor of size as well as of the number of contact centres.

Figure 52: Virtualisation by contact centre size
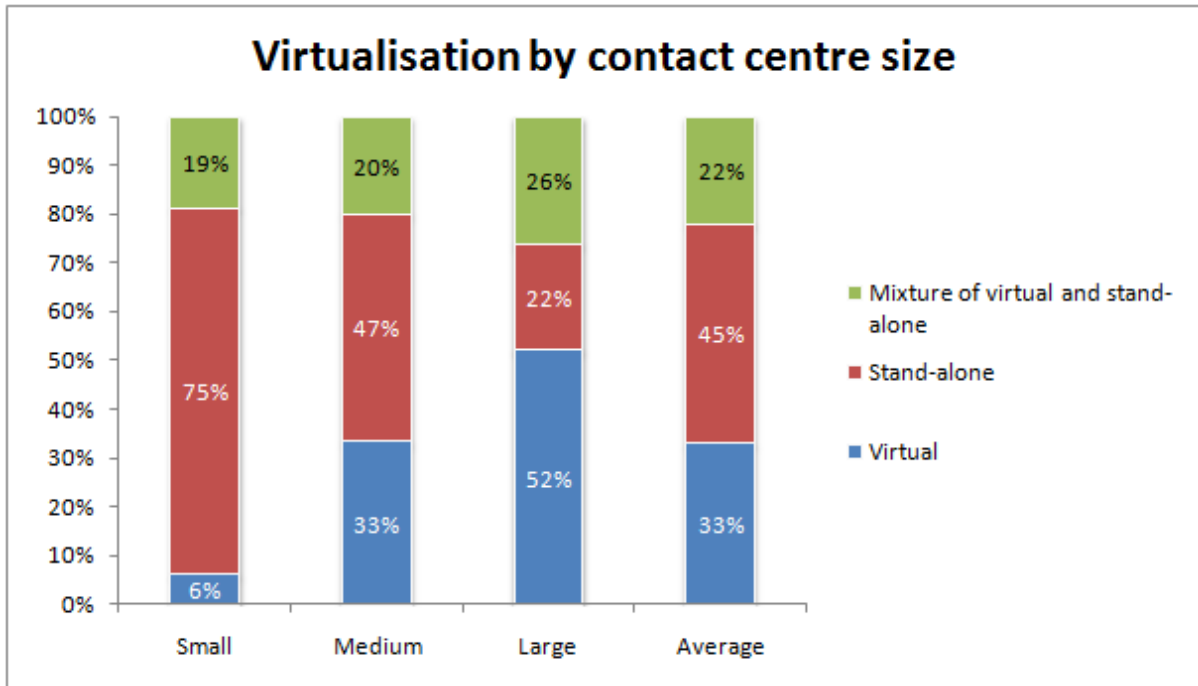
Respondents with virtual contact centres were generally very pleased with the gains in efficiency and service level that they have experienced. The ability to smooth out call spikes by moving them between contact centres, and the reduced wait times were particularly mentioned, although all of the potential virtual contact centre benefits mentioned were rated positively, and both the mean average and the proportion of respondents rating benefits highly has significantly increased since 2009.

Figure 53: Benefits of virtualising a contact centre

Benefit from virtualisation	Mean average (from 10)	Proportion of respondents rating this as 8,9 or 10
Improved ability to handle call spikes	8.1	73%
Fairer agent utilisation and reduced queues	7.7	60%
Wider range of agent skills available to callers	7.6	66%
Savings on call costs between sites	7.4	52%

NB: The question asked was: "What benefits have you seen from implementing a virtual contact centre (1 to 10, where 10 is 'very much improved')
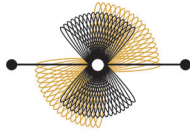
Ceridian implements Interactive Intelligence technology

Supporting resources with managed communications

About Ceridian

Ceridian, a provider of human resources services for business, needed to find a single businesses telephony system to replace the five different phone systems they were currently using to serve different parts of their operations.

Ceridian can date its history back to 1932 when its forerunner launched the first payroll service bureau in the world. Globally it serves more than 130,000 clients and, through them, 25 million employees.

www.ceridian.co.uk

The Challenge

Its UK operation alone serves more than 6,000 clients including some of the biggest names in retail. Its payroll operation alone processes 24 million payslips a year, corresponding to close to £20 billion. This is serviced by 900 staff in the UK, operating from eight offices around the country together with an offshore operation in Mauritius.

Martin Eade, head of contact management systems at Ceridian UK, joined the company in 2006. "Ceridian UK had grown its business through acquisition, so we had five different phone systems serving the different parts of the operation. My first task was to make a strategic decision on a single business telephony system."

Ceridian in the USA was already a user of voice over IP and communications solutions from Interactive Intelligence, and were happy to recommend them to Martin. He took that on board, but made a comprehensive study of all the suitable suppliers before making a decision. Ultimately though, he realised that it was the right strategic decision and set about implementing the technology as the standard across the UK. "We have two switches, in Glasgow and Manchester, plus a third in Mauritius," he explained. "The other offices act as satellites."

The Solution

Once rolled out, Martin was able to add more functionality like multi-site linking and the Interaction Director. "This is where we really reap the rewards," he said. "If a switch goes down, you go over to another seamlessly.

"That is literally true," he emphasised. "There was one occasion when one of our systems went down and the first we knew about it was when Interactive Intelligence called to say they had corrected the problem and it was back on line. Otherwise we would never have known there had been a problem."

The architecture of the Interactive Intelligence solution means much more than simple redundancy, valuable though that is. Despite being on different servers it is simple to establish workgroups across different offices. Routing of calls can be made on the basis of skills, so the right calls get to people who can answer the question, wherever they happen to be.

"That is a huge operational benefit for us," Martin said. "We actually see a reduction in call numbers because issues are resolved on the first call. It means fewer interactions but higher satisfaction because people are talking to someone who can solve their problem.

"In turn that focuses our internal training programmes," he continued. "We know what subjects we are being called about and when we are under pressure. From that, we can increase our staff skills in that specific area, either for our systems or an individual client, to better balance the load."

The ability to provide a service at all times is critical for Ceridian. As part of the HR offering it can include what it calls "Lifeworks", an employee assistance programme which offers confidential counselling services. Clearly when someone is in need of personal advice they want to speak to someone immediately, so availability is critical. "We can tolerate no downtime on this, so the ability to hand over to other centres – even to the USA if necessary – is a tremendous benefit."

There are multiple layers of communication requirements at Ceridian. Support calls come from end users – employees at client companies – and operational calls will come from the primary contacts at those companies. Overseas clients are also handled from the UK with the Potters Bar office north of London providing support in more than 30 languages. Many of Ceridian's own staff are also highly mobile, managing accounts and winning new business.

"The Interactive Intelligence system is perfect for staff who need to be mobile," according to Martin Eade. "Hot desking is as simple as sitting at a desk and logging on. If a colleague needs to find you they dial you by name, wherever you are. Through Wifi or 3G any laptop can be a part of the system."

The Benefits

As well as reducing the load on its own call staff, Ceridian has found that the Interactive Intelligence solution has reduced its need for support and professional services. "It may seem an odd thing to be pleased about, but the user guide is really impressive," Martin claimed. "Users, engineers and administrators all say the same thing: it is simple to find out what you need, so 90% of the time you get the answer without needing to pick up a phone."

Administering and maintaining the system is also simple, with a helpful user interface and online access. "I can make configuration changes to any of our servers from my laptop in the car if I need to. It means we spend less time and money because there is rarely a need to physically go to the switch to make an adjustment.

"We are continually rolling out new functionality," he continued. "The current project is to develop the use of listening for quality control as part of our staff scorecard scheme. All this functionality is fully integrated into the system. We do not need to negotiate for new services and go through an implementation process, we just configure a few new forms and the service is up and running."

The decision to go with Interactive Intelligence has clearly paid off for Ceridian. As Martin Eade concluded, "our business is in providing good services to our clients. With this fresh approach to communications we are succeeding in managing our customers and our cost base."

The issue of coping with call spikes is one which is growing year upon year, and has been particularly noticeable in the past two years' surveys. Virtual contact centres allow agents from other locations (including homeworkers) to make themselves available to deal with a different queue, being seamlessly moved back to their original work when the spike has flattened or the length of their own primary queue triggers a move back to their original work. Dealing early with such call spikes can often remove the issue before it becomes a real problem, and such movement between call groups can be done automatically by setting thresholds in each queue. Such flexibility of agents means that there is a fairer agent utilisation, as the situation of a set of agents sitting idle while others are under great pressure is less likely to happen.

Figure 54: Reasons for not implementing a virtual contact centre
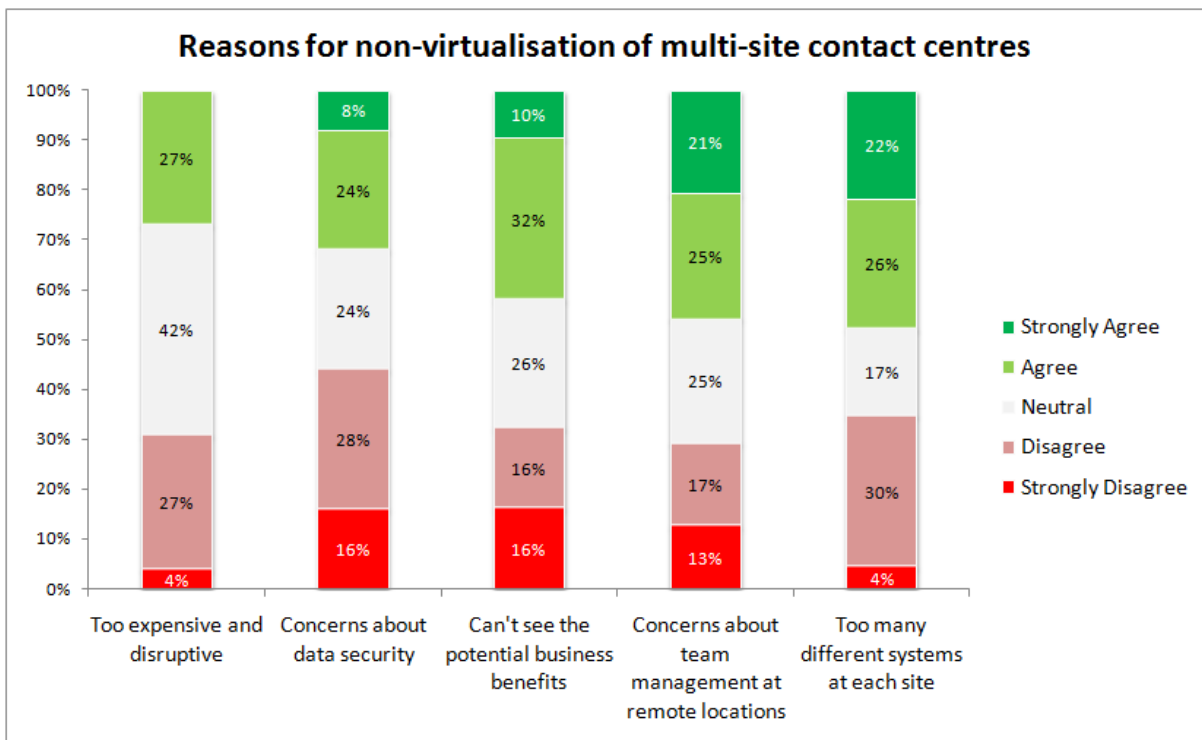
Of the multiple-site respondents who had not virtualised their operations, the complexity of doing so and worries about team management were the most important reasons, unlike the years up to 2007, when the biggest issue was failing to see the commercial benefits of virtualisation. It seems as though some of the industry has become more convinced about the benefits, but is being held back through needing to persuade the senior management to make the necessary investment, or through technical issues that they believe to be insurmountable (or at least, not worth solving compared to the potential gain). Interestingly, the cost of virtualisation has become much less important this year.

HOMEWORKING AND TELECOTTAGES

Homeworking and homeshoring promises contact centres significant benefits, but is certainly not for every agent or every contact centre. Amongst the potential advantages are:

- the environmental benefits of working at home, reducing carbon emissions and decreasing congestion on the roads
- offshored contact centres are generally unpopular yet businesses are looking at ways to cut costs
- increased flexibility in working hours means rapid response and reduced idle time
- the increasing costs of recruiting and retaining staff allow agents outside the commutable distance to work as well.

Remote working is becoming a real option that people are talking about and in many cases, actually using today. Although there are real concerns about remote management of agents - and obviously, not all agents are suitable for this type of environment - remote working opens the door to the sorts of people might never seek employment in a typical contact centre (as the industry does not have a good reputation as a whole) but who would happily work in their own home or small telecottage taking calls. For an industry facing a crisis in recruitment - but which refuses to pay more to keep or attract more staff - this opportunity to deepen the labour pool should not be ignored. The contact centre could also use limited homeworking (for example, one day a week) as a reward for its top agents, encouraging their loyalty and offering a tangible promise to others, although some are dubious about the effectiveness of this.

Remote agents, whether working at home, or in a telecottage (small, remote sites), can be a part of the larger virtual contact centre by being linked to the main operation via ADSL, ISDN or a leased line (in the case of telecottages). Some solutions permit least-cost routing and redundancy, where if the IP voice quality deteriorates, the call can be switched onto a back-up ISDN connection until the IP quality improves sufficiently to move it back to IP. Agents need only a PC which may act as a softphone, a headset (or IP phone) and a data connection.

15% of this year's respondents were using at least some homeworking (up slightly from 13% in 2009 and 12% in 2008), and overall, 1.8% of agent positions in this survey were based at home (down slightly on the 2009 survey's 2.2%, but supporting a definite upward movement over the medium-term). The TMT (especially the IT element) and outsourcing sectors were as usual the most likely to be employing some homeworkers, with respectively 27% and 31% of respondents doing so, and the services sector (33%) was also important this year.

20% of small contact centres were using some homeworking, compared to 10% of large and 13% of medium-sized operations, a reversal on 2009, indicating that homeworking may not be a factor of size.

As a comparison, 2009 US figures show that 36% of contact centres were using some form of homeworking, with 5.6% of agent jobs in the industry being based at home.

Homeworking does not just have to be a matter of moving your own employees from a centralised location to their own homes. It is also possible to add an outsourced contingency workforce through a homeshoring model (for example, ki-work or Arise), employing staff as and when they are needed, rather than employing them directly. Stated benefits include increased agent productivity and decreased staff turnover, and cost savings of up to 20% are claimed.

Respondents' view on the future of homeworking are more positive than they have been in the past, perhaps as a result of there being some definite successes experienced from businesses which have started using homeworking.

"It would be difficult to manage homeworking agents effectively"

The concern that homeworkers cannot be managed effectively from a remote location has always been a fundamental objection to this way of working. Isolation can be a problem for both agent and management, and not all roles or agents are suitable for homeworking. It is generally considered that new mothers returning to work part-time, or older people who wish to reduce their working hours but who are not yet ready to retire completely are particularly suitable to be considered for homeworking roles, which require experience and maturity in the agent.

With real-time adherence and call management systems in place, there is no real reason that a virtual contact centre made up of homeworkers is more difficult to manage than a 'typical' operation, although the role of the team-leader (being someone to help actively) will have to be re-addressed.

Figure 55: Opinion: "It is / would be difficult to manage homeworking agents effectively"
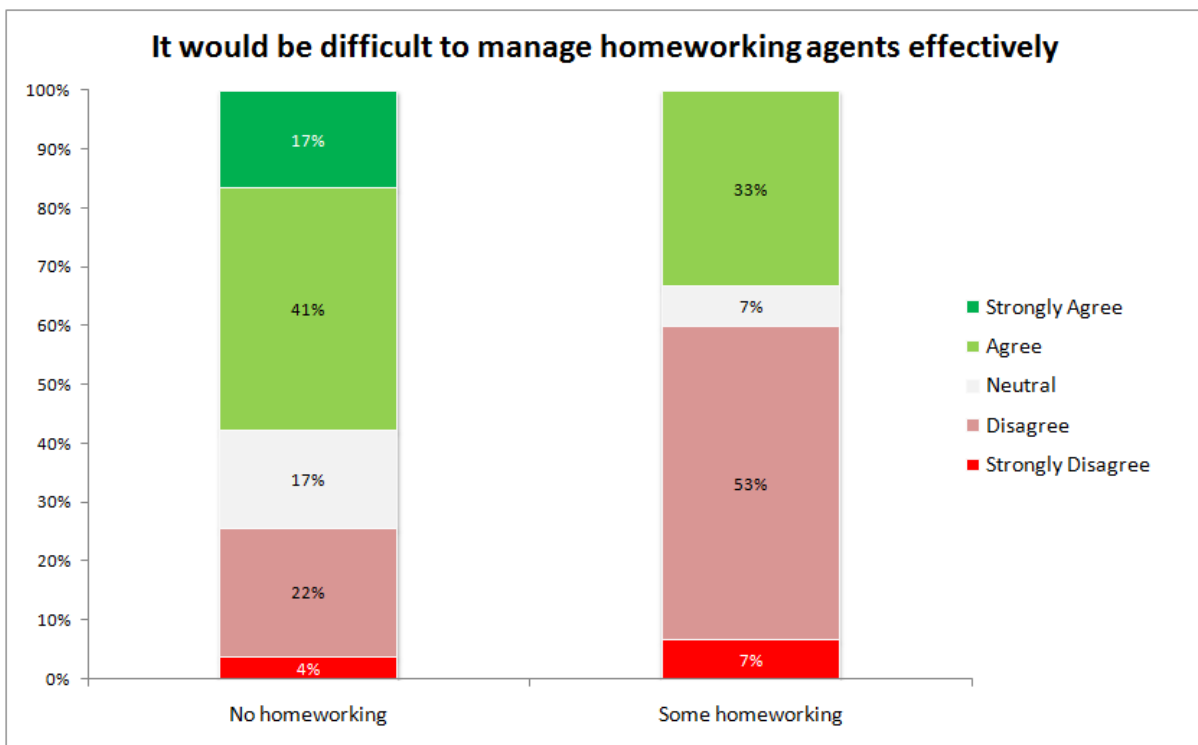
Mirroring last year's results, those contact centres with some experience of using homeworking are far more likely to be positive about management of staff than those without this experience. 58% of non-homeworking contact centre respondents are concerned about this, and while 33% of those which have implemented some homeworking agreed that remote management could be difficult, 60% disagreed that it was any harder than managing someone in a traditional contact centre environment.

Non-homeworking respondents are more likely to expect homeworkers to be less productive than centralised staff, perhaps as they are not in such a high pressure environment, with supervisors encouraging them, peer

pressure and wallboards telling them the state of play. To some extent, it depends on the definition of 'productive': if it is a matter of call volumes, then not having these cues to hurry up may well have an effect. On the other hand, there are perhaps fewer distractions in the home. In any case, there is no reason to expect that quality will suffer - probably quite the opposite - and the homeworking model is particularly suitable to moving agents between queues rapidly, which in fact will improve the productivity of the entire operation.

"Homeworking would bring us flexibility to add agents and be open longer hours"

This is perhaps the main advantage of homeworking, in that travel-to-work time is eliminated, and in an emergency, agents can be requested to log-on for an hour or so by a text message to their mobile phone (in a typical contact centre, the operation just had to deal with it, or overflow calls to an outsourcer, which can be expensive). Many contact centre agents rely upon public transport which may not run well outside core hours, and some are put off by having to wait around and travel in the dark. Homeworking also opens the door to the sorts of people might never seek employment in a typical contact centre - as the industry does not have a good reputation as a whole - but who would happily work in their own home taking calls.

Figure 56: Opinion: "Homeworking would bring us flexibility to add agents and be open longer hours"
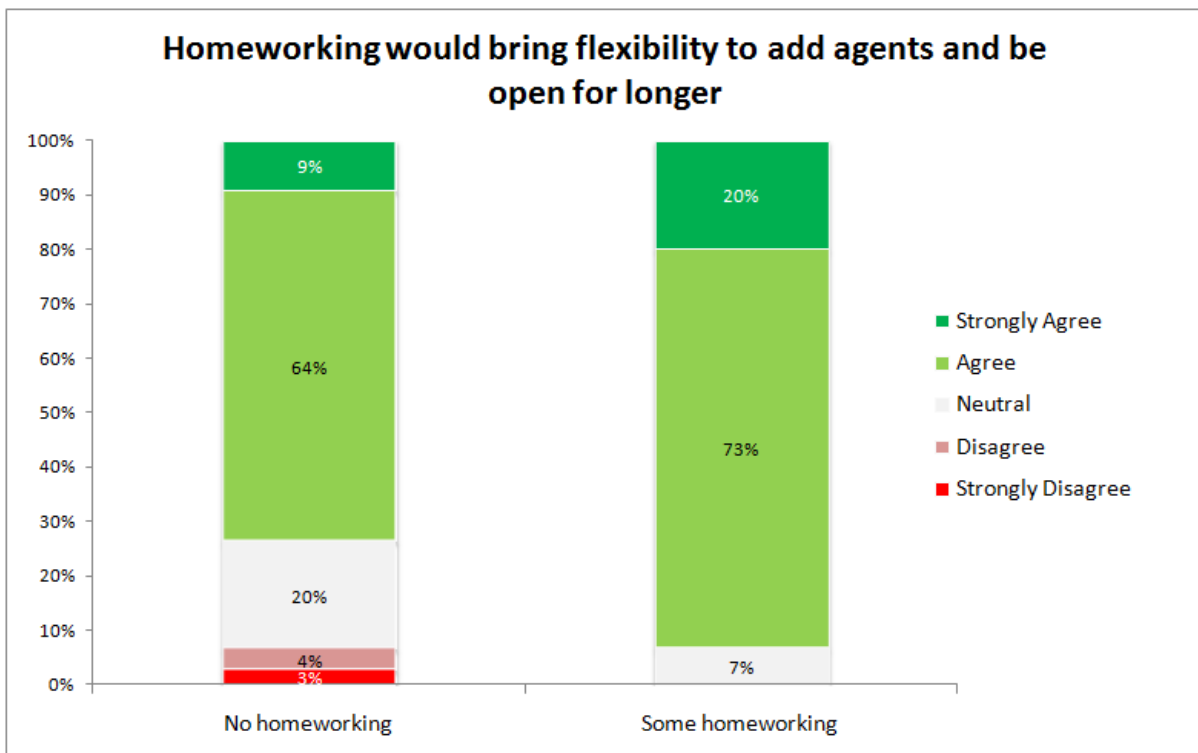
There is a general opinion that flexibility of staffing is a major advantage of homeworking. 93% of contact centres using homeworking agreed that flexibility was a benefit to them as a result, almost identical to last year's findings.

"Data security issues are a concern"

Working in an unsupervised environment is likely to mean that the potential risks for data theft and fraud are greater than in a closely-supervised environment such as a traditional contact centre, especially if any physical paperwork is involved, payment card details taken or passwords written down. With the home workspace available to family members and visitors as well, risks are not just restricted to the homeworker.

The use of an automated payment card application would reduce the opportunity for deliberate card fraud and definite policies around the storage and usage of equipment have to be agreed upon. There are various data access methods available that circumvent the need for written passwords, such as voice biometrics or coded key-fobs, and strong firewalls and encrypted hard drives will also reduce risk.

Figure 57: Opinion: "Data security issues are a concern"
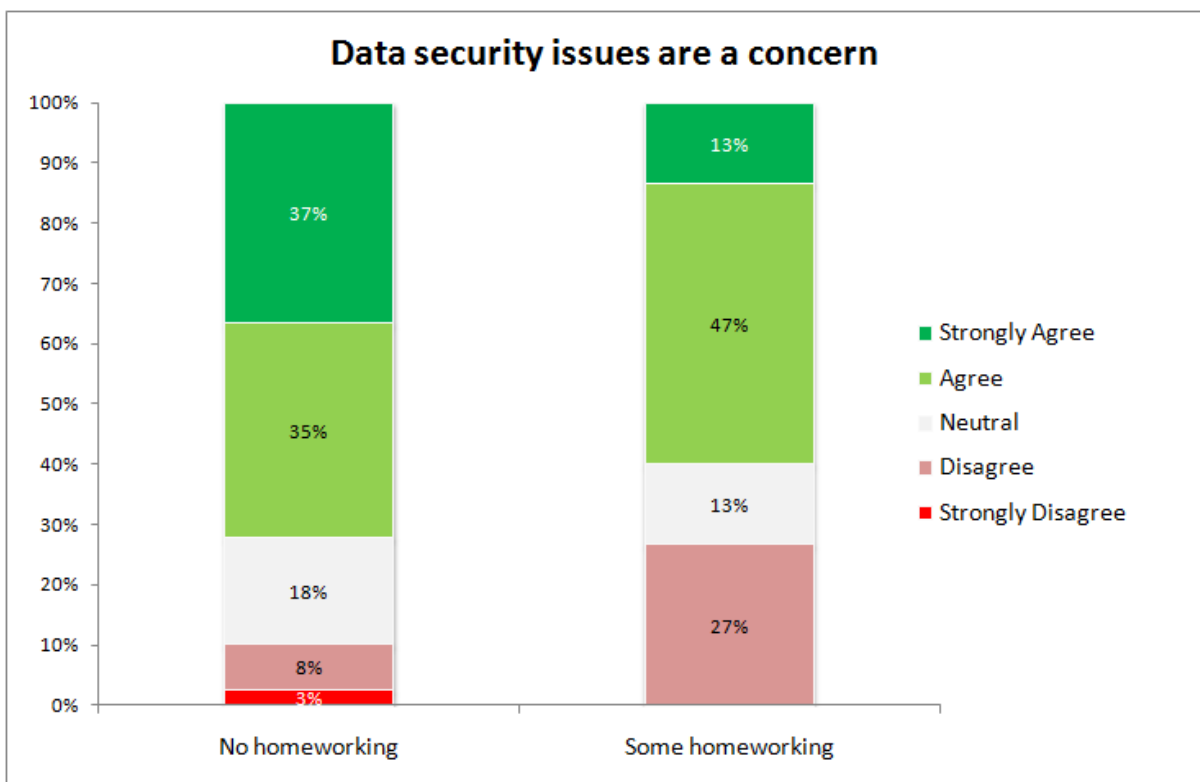
As might be expected, those with no experience of homeworking are very concerned about data security risks. However, 60% of those who use homeworking agree or strongly agree that data security is a concern to them as well, so it appears that this issue is key in reality as well.

White Paper: "e-Crime: the Present and Future Impact on Financial Services" (Deloitte, commissioned by Welsh Assembly Government)

Synopsis: Investigates e-Crime fraud and proposes mechanisms to achieve greater e-Security.

Download: http://www.ibwales.com/business-sectors/business-and-financial-services/case-studies/e-crime-the-present-and-future-impact-on-financial-services

"Homeworking could be used as a performance incentive or reward"

Interestingly, this possible advantage to homeworking is one which inexperienced respondents are more likely to think is feasible. Homeworking contact centres are split on seeing homeworking as a potential carrot to dangle in front of staff. It may be that the work required to get an agent into a successful homeworking environment (health & safety checks, IT and telecoms infrastructure, training, etc) is so onerous that rewarding staff with homeworking is just not possible or desirable. Homeworking may be seen as a more strategic option and one which the management alone has control over.

Figure 58: Opinion: "Homeworking could be used as a performance incentive or reward"
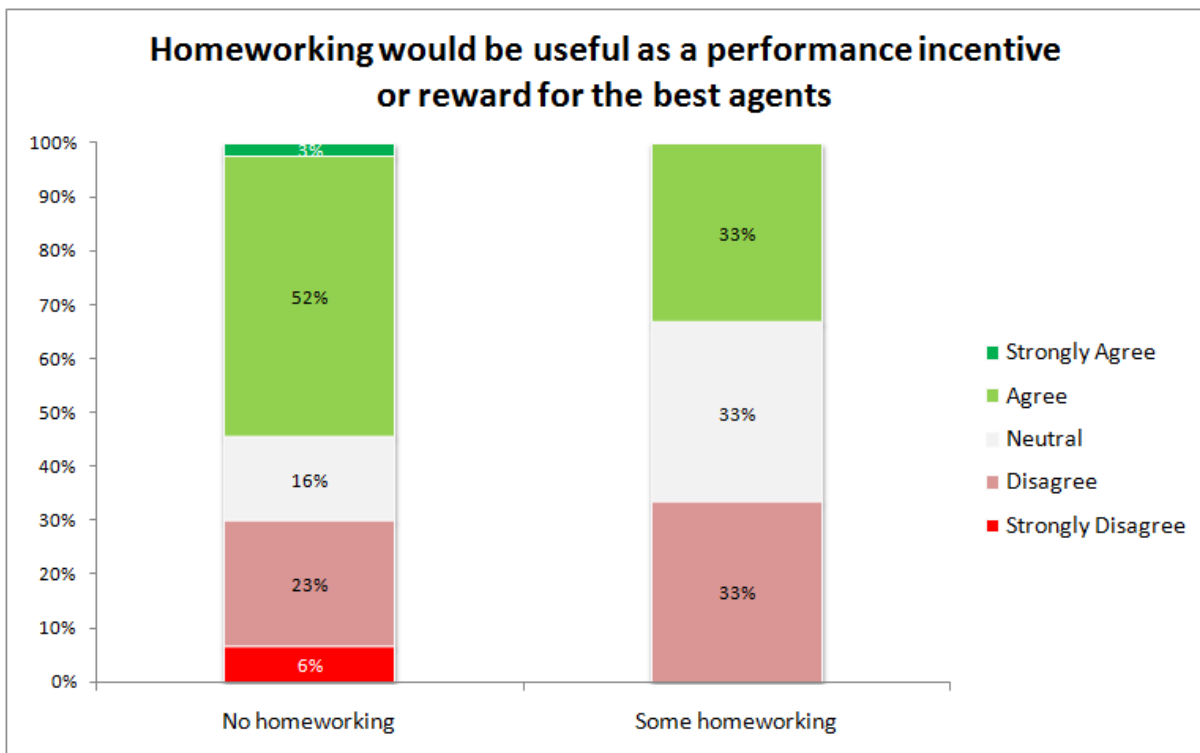
"Many staff would not have anywhere suitable to work in their homes"

For many contact centre workers, it would be difficult to have a room away from the noise of the household, and this is a major concern for those operations that do not have any experience of homeworking, with half agreeing that this would be a problem. Even for those with experience of homeworking, 33% say that finding somewhere quiet for agents to work is an issue. Obviously, it's important to consider working location on a case-by-case basis to assess the suitability of the agent for homeworking.

Figure 59: Opinion: "Many staff would not have anywhere suitable to work in their homes"

Many staff would not have anywhere suitable to work in their homes
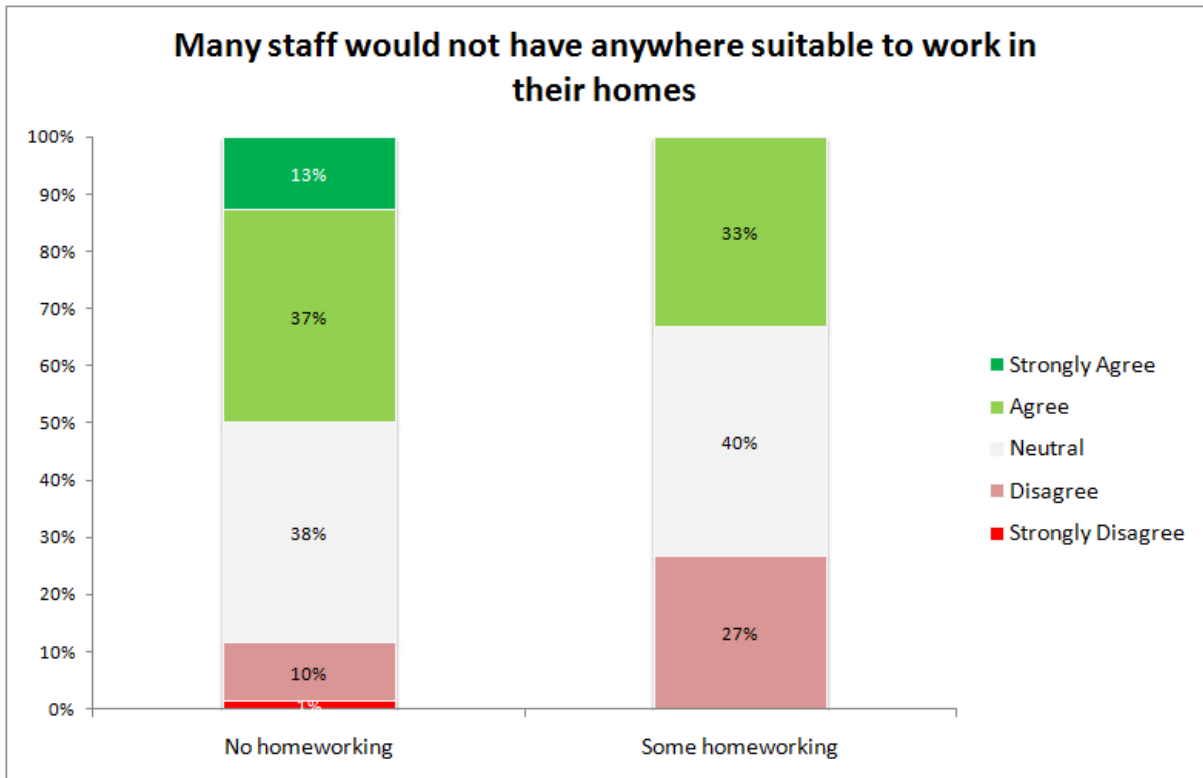
THE ENTERPRISE AS THE CONTACT CENTRE

For some years, the larger contact centre solution providers have been encouraging businesses to look beyond the four walls of a typical operation and consider how and when to involve other knowledge workers in the enterprise, whether office- or field-based, in the business of customer service.

IP contact centre solutions have the potential to break down the boundaries between contact centre and wider business, allowing every employee to act in the capacity of a contact centre agent if in the best interests of the business. In many cases, the drive and interest towards IP telephony is coming from the internal corporate telephony and IT departments, especially in the multi-office environments where real savings can be made.

From a contact centre perspective, there are potentially massive advantages to having non-contact centre personnel available to speak with customers on occasion: superior customer service (and the attendant improvements in customer spend and retention), immediate interaction with the right person, reduced call abandonment rates, shorter resolution times, as well as more intangible benefits, like the ability of executives to listen to the customer first-hand and learn from the experience.

Figure 60: Non-contact centre staff who handle a substantial number of calls
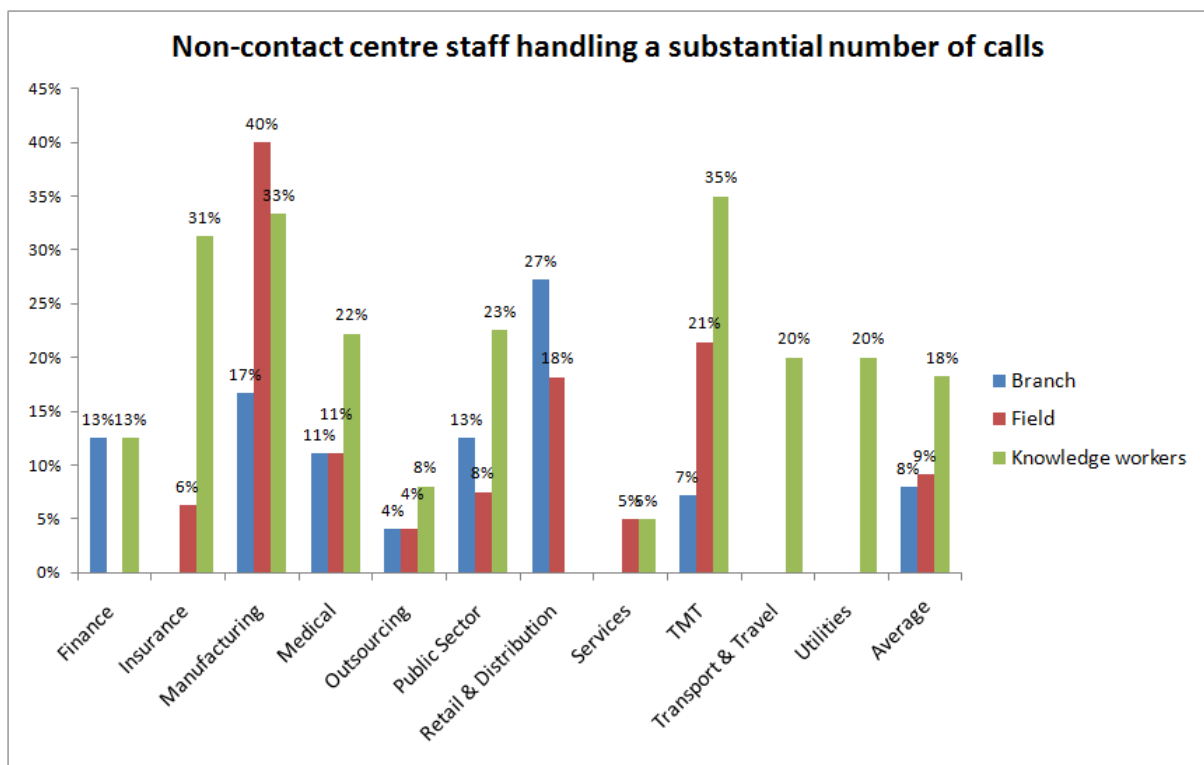
Knowledge workers / experts form part of the overall customer handling resource pool in 18% of cases (especially in the IT helpdesk environment), with field staff and branch staff handling customer calls in 9% and 8% of organizations respectively. This suggests that the wider enterprise is not yet quite integrated into the contact centre, but the demand for these services is certainly taking it that way, especially in specific vertical markets such as manufacturing, retail and TMT.

Knowledge workers can be incorporated into the contact centre on a part-time basis, without actually becoming a customer service agent. 'Presence management' links workers from diverse back office departments into the contact centre by allowing communication and collaboration across sites and functions. Presence management shows if a user is available to communicate via a specific medium, such as instant messaging, email, telephony etc. Availability can be defined either by the knowledge workers themselves, or via device detection. It is possible to route calls to experts using the same criteria as in the contact centre.

Presence can be seen as an extension of multi-channel contact routing by being integrated into software-based contact routing solutions, and can take multimedia routing further, particularly in a SIP environment where presence can be detected in a greater variety of modes.

There are, of course, some potential dangers:

- Highly-paid knowledge workers may be overworked by the demands and interruptions placed on them by agents, and become less productive
- Most collaborative tools include directory search, instant messaging and presence for every individual, however, it is skill sets rather than names that should be used, to discourage dependency on one expert.

Intelligent routing should be used to govern requests for help to experts, creating routing rules to decide when experts should be used, and at what times. This should have the benefit of keeping the knowledge workers onside, and not choosing to show their presence as unavailable to avoid interruptions. Each skill area or department could offer a schedule to make sure that someone is available for the contact centre, thus ensuring the privacy of the others in that virtual team.

White Paper: "Consolidation Trends in Contact Centre Technologies and Operations"

Synopsis: View the latest and most effective call centre consolidation strategies. Offering a wider range of favourable impacts than any of its predecessors. Its core concept is simple: to consolidate the many, diverse activities of the enterprise contact centre on a single virtual platform that supports the global distribution of contact centre agents.

Download: http://www.cosmocom.com/to/cbab10uk-consolidate

IP AND CONVERGENCE

Traditional contact centres operate their telephony functions in a circuit-switched telephony environment, where a fixed, dedicated line is left open between caller and agent. Running alongside this, a packet-switched data network breaks up any data (e.g. a customer record to go along with the phone call), sends it in packets along many routes, and reassembles it at the destination in the right order.

IP contact centres differ from traditional PBX-centric operations in that voice traffic is converted into packets of data and carried around the contact centre (or between contact centres) on a data network, rather than a voice network. There are two types of IP contact centres: those running on an IP-only architecture, and those running a hybrid environment, where both IP and traditional circuit-switched infrastructures are used.

However, all IP-enabled contact centres are not the same. A distinction should be made between the type of IP systems where there is still some need for proprietary equipment and software to communicate, and "Open IP", which is entirely open standards-based and will allow any standard-based application or piece of infrastructure to communicate with another.

There are many reasons to consider changing from a traditional to an IP contact centre, including:

- The use of common protocol (IP) and the growth of key standards such as SIP allow rapid development of new application functionality
- IP enables virtual contact centres, homeworking and the remote office model
- IP promotes the successful take-up and management of multimedia customer interactions
- More affordable functionality is made available to smaller contact centres
- IP reduces the cost of maintaining two networks
- There is more flexibility to add and change agents in an IP environment
- There is a reduction in call charges between sites via IP trunking
- IP supports reduced staff attrition through allowing flexible working
- The boundaries between contact centre and the wider business are breaking down, and IP is a common theme across all parts of the enterprise
- IP infrastructure may be cheaper to upgrade than a circuit-switched platform.

The use of IP within the contact centre is very much a thing of the here-and-now, rather than another possibility for the future. Despite the relatively slow start to IP implementation, these statistics point towards IP being an integral, definite and strategic part of the contact centre industry's future, and in many places, its present.

Moving contact centre operations to an open IP environment should be seen as a strategic enabler, rather than just an obvious cost-cutting exercise. It is very difficult to put a number on the really important pieces, which are the business functionality improvements, but over time these will be far more important than short-term costs or savings that are associated with IP.

The key to understanding the real value of IP is through how it enables functionality to be deployed quickly and effectively regardless of physical location. Put simply, completely and genuinely adopting open standards means that contact centres release themselves from high maintenance costs associated with proprietary systems, and can choose the applications that exactly suit their needs at the time. Standards-based IP solutions are the closest the industry has come to being truly able to future-proof their contact centres.

In the following diagram which represents a likely return on investment scenario for an IP contact centre, the initial capital outlay can be considerable, and far outweighs the immediate savings made from reduced telecom costs. However, over time, the business benefits from IP's greater openness and flexibility, allowing it to be more innovative and responsive. Costs are reduced as the system beds in, allowing maintenance of a single network. Over time, the benefits keep accruing, making the quantitative return on investment take longer than in most IT projects, but deliver greater benefits for longer.

Some return on lower telecoms costs, etc.

Benefits from new ways of doing business

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FINANCIAL EFFECTS

Saving / revenue increase

Cumulative effect

TIME

Cost

-ve

High initial CapEx on network and phones

Ongoing operating costs decrease due to single network
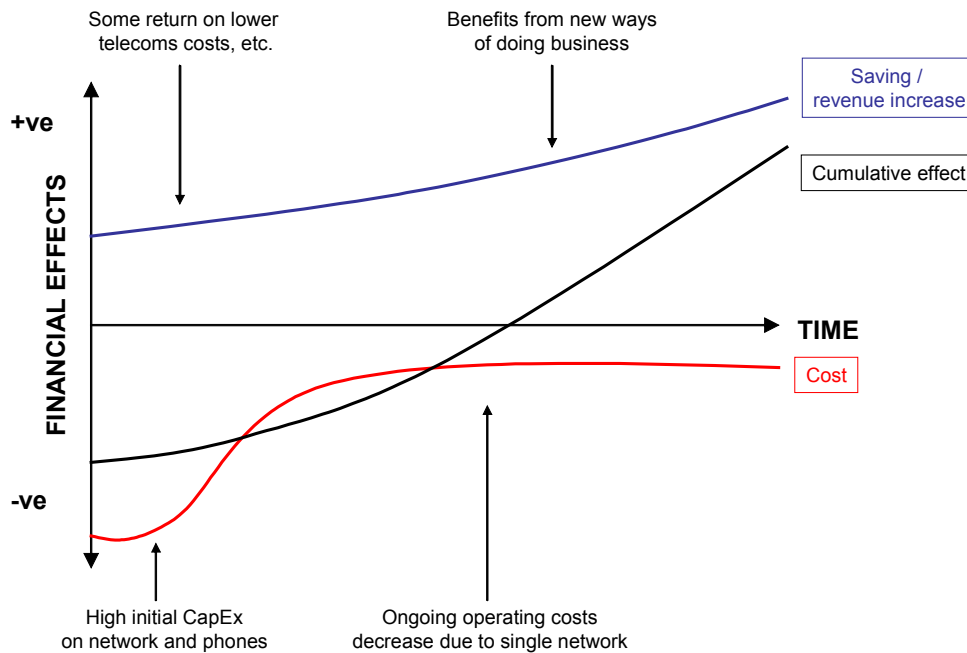
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SIP – Session Initiation Protocol

Advances in standards such as the Session Initiation Protocol (RFC 3261) enable telephony applications to interface with each other and provide functionality that used to be only available using proprietary infrastructure hardware.

- Widely regarded as the successor to H.323 for IP-based telephony
- Gaining increased attention and visibility due to major technology solution providers
- An alternative to TAPI-based IP telephony models
- A protocol that removes the need for a separate IP-PBX and contact centre solution
- The emerging standard for session control for a variety of media - greater flexibility and more scalability than many alternative multimedia communication protocols in use today
- Software-based, open and lightweight, allowing organizations of all types to support the new breed of SIP phones along with soft phones, analog phones, desktop PCs, and even mobile devices and PDAs
- SIP also provides strong support for real-time voice communications, text-based messaging and application sharing – SIP can initiate real-time, multimedia sessions that seamlessly integrate voice, data and video

Open systems allow customers to select non-proprietary hardware and software for queuing, routing and applying treatments to interactions. This means that future contact centres will be free of the restrictive nature of proprietary systems, and able to develop and deploy applications which may have previously been too complex to integrate or maintain cost-effectively. The widespread use of a truly open standard will encourage application developers to push functionality boundaries further as time-to-market should be significantly decreased because integration will become much easier.

It is important to understand that there is no CTI link in the SIP world – true interoperability takes care of the integration. This has a distinct cost benefit, a reduction in complexity of deployment and maintenance, and an ability to implement quickly. Through SIP, the value of contact centre solutions is moving from routing to applications – not so much "how shall we do it?" as "what shall we do?".

Recently, some vendors have developed unified communication platforms that allow contact centre solutions to operate on standard servers with no specialised hardware components, providing an infrastructure that can be supported and maintained by clients' existing IT staff. This offers an easy path to a software-only platform or to allow hybrid applications where both traditional telephony and software-only SIP environments can be unified for a best-of-breed Unified Communication approach.

Figure 61: Current use of IP, by contact centre size

Current use of IP, by contact centre size
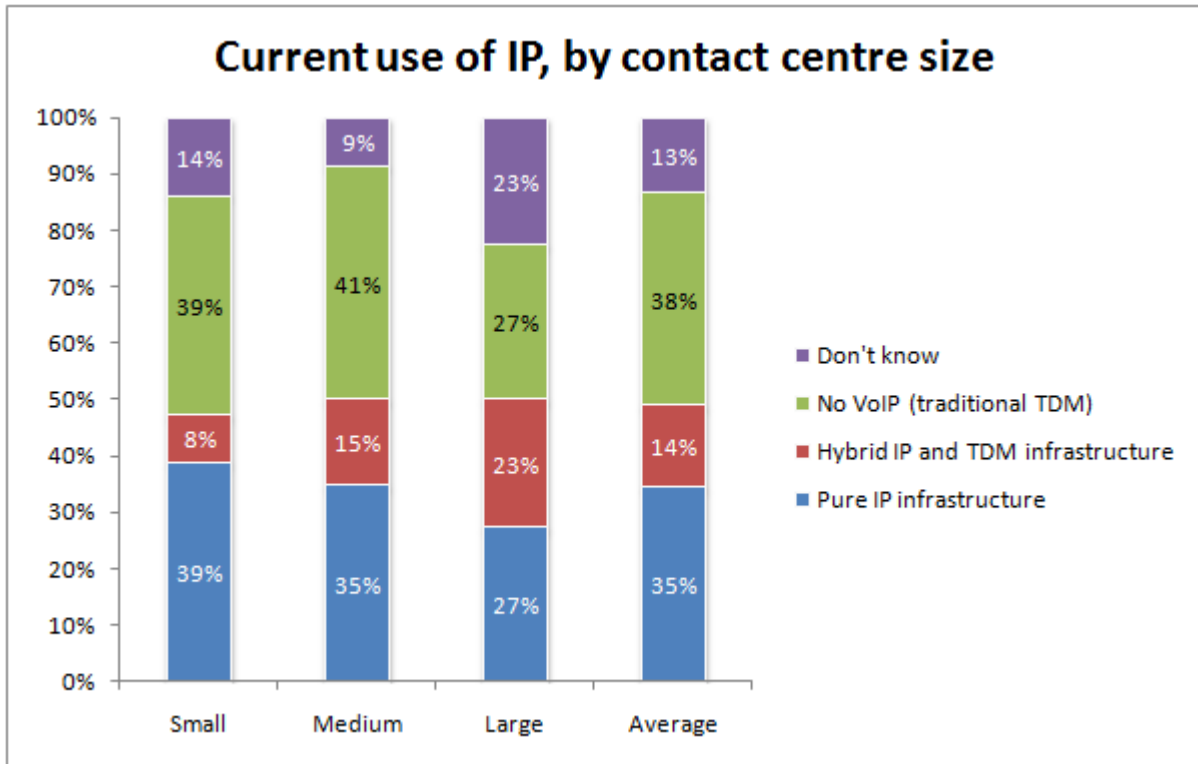
The mantra "evolution, not revolution" is often applied to the IP contact centre environment, with vendors encouraging contact centres to consider the option of moving at their own pace towards IP, and this is what has happened in recent years. However, there is a significant proportion of respondents (20%) using pure IP within their contact centres, up very slightly from 19% in 2008 and 17% in 2007.

Medical, insurance and public sector contact centres are the most likely to be using pure IP infrastructure. Financial services and outsourcers were most likely to be using a hybrid solution, with more one-third of these respondents doing so. (As contact centre size is here a far more relevant consideration, vertical market figures have not been included here).

In the past, it was usually left to smaller contact centres to use a pure IP solution, as to upgrade or replace equipment and networks is much cheaper for them. The past 12 months have seen a big jump in the proportion of larger contact centres indicating that they are using pure IP, up from 14% last year, which in itself had jumped considerably year-on-year since 2007. For the first year, pure IP is in greater use than hybrid in the large contact centre sector of the industry.

The movement towards pure IP has been guided by smaller contact centres, with the mid-sized operations joining the party in the past two years, with the larger operations getting into pure IP in the past 12 months, as

had been predicted in last year's report. The following chart shows the enthusiasm that large contact centres are showing for pure IP is unlikely to diminish in the near future, although these figures should be taken as an indication of intention rather than definite fact.

Figure 62: Future implementation of pure IP, by contact centre size

Future implementation of pure IP, by contact centre size

	Small	Medium	Large	Average
Don't know	18%	11%	23%	15%
No plans to do so	16%	11%	5%	11%
2-5 years	8%	11%	9%	10%
1-2 years	11%	24%	5%	15%
< 1 year	8%	9%	32%	13%
Already have it today	39%	35%	27%	35%
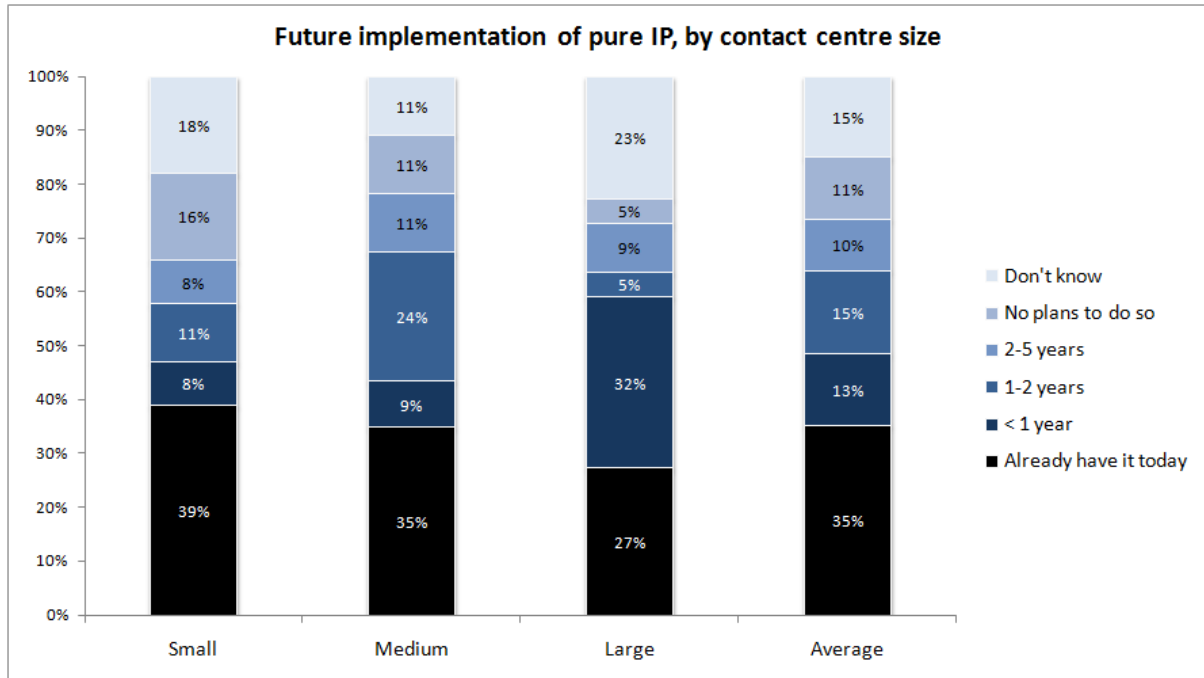
In many cases, the decision on whether to make most contact centre technology investments tends to boil down to operational cost savings: the amount of money saved by implementation is greater than the cost of the solution plus its maintenance. In many cases, IP contact centre solutions do not easily fit into this simple model. There are some contact centres (especially small, or new operations) where the value of having an IP-based solution is immediately obvious and provable, but at the other end of the spectrum, short-term ROI can be more complicated to find.

Yet in all cases, when businesses are considering implementing IP contact centres, they must look beyond the present day. IP contact centre solutions are enablers, not necessarily ends in themselves. The value of an IP solution for many will come in what it will allow the contact centre to do in the future, not the short-term cost savings it can make now. Having said that, IP solutions can certainly reduce operational costs in some cases, but anyone either researching or actively considering implementation of IP contact centre solutions must be aware that they will be enabling their contact centre to change and improve the way it operates. IP is a critical strategic decision which will support what you want to use your contact centre for in 1, 2, 5 or 10 years time.

Figure 63: Main drivers for moving to IP, by contact centre size

Why do it?	Small	Medium	Large	Average	% of respondents rating as 'strongly agree'
Reduce telecoms and network costs	4.2	4.0	3.8	4.0	21%
IP will help us support and develop a multimedia environment	4.0	4.2	3.4	3.9	27%
Support the use of open standards and wide range of applications	4.1	3.8	3.7	3.9	13%
It was a corporate-wide telecoms decision	4.2	4.0	3.0	3.9	33%
PBX needs / needed replacing	4.0	3.9	3.5	3.8	20%
Deploy of virtual contact centre or homeworking environment	3.5	3.7	3.9	3.7	30%

NB: scores relate to the 5-point scale of 'Strongly Disagree - 1, to Strongly Agree - 5'

The main driver for IP implementation, at least in small and mid-sized contact centres, is to reduce costs through running a single network and develop their multimedia support. These contact centres also have a necessity to do so because of the requirements to replace their PBX. Large contact centres are looking more at what they can do in the IP environment, specifically, deploy flexible or virtual contact centres. Enabling new multimedia channels, such as video, is a key driver for IP decisions. Although two-way video may not be what customers want, there are certainly advantages to being able to provide visual support, even in a self-service application:

- the self-service experience is faster and more interesting

- visual agent interaction may enhance trust

- improved communication - a picture is worth a thousand words - reducing call costs

- higher customer perception of the level of service

- new revenue opportunity through video advertising.

Having said that, there is no single over-riding reason for implementing IP - it adds flexibility and future-proofs the contact centre somewhat (especially in a multisite environment), and most importantly perhaps, offers a foundation upon which to base the next generation of contact centre functionality.

Figure 64: How has implementing IP improved your contact centre? (by contact centre size)

What were the results?	Small	Medium	Large	Average	% of respondents rating as 'strongly agree'
Reduced cost of single network	3.9	4.2	4.3	4.1	27%
Greater flexibility in adding and changing agents	3.7	4.1	4.3	4.0	32%
Reduced telecoms costs between sites	3.8	3.8	4.3	3.9	27%
It supports multimedia channels more effectively	3.6	3.9	3.3	3.7	10%
Easier integration of applications	3.3	3.8	3.0	3.4	14%
Greater choice in vendors and applications	3.0	3.4	3.0	3.2	0%

NB: scores relate to the 5-point scale of 'Strongly Disagree - 1, to Strongly Agree - 5'

The effects that IP implementation has **actually** had (rather than the perceptions of what it could do) revolve, as with previous years, around network cost reduction, inter-site cost reduction and the flexibility to add and change agents quickly. These are particularly the case in the largest of contact centres.

It is interesting to note that there is little evidence that moving to IP presents a greater choice of vendors or applications. The increased use of SIP and drive to open standards should help this factor increase in importance, but the proprietary nature of solutions and hardware is still widespread. Easier integration is still also noticeable by its absence, especially in larger operations.

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Combine communications and workflow to create unique customer experience

by

In terms of technology, IP convergence is the name of the game in today's organizations. Having all business critical data like voice, email and customer information in one network, processed on a single platform, opens up opportunities for cost savings, flexibility and efficient multichannel communications.

In the contact center world, moving to the IP network provides increasing opportunities to improve what is becoming progressively more critical in this consumer-driven world: excellent customer service. IP convergence enables involving the entire organization in customer facing activities when and where needed. This, in turn, facilitates improved and more agile use of resources, increased flexibility when organizing service, and enhanced scalability for service peaks.

Cut latency and bring on agility

Almost all value-adding business processes involve human communication. In many cases, this causes latency and delays, simply because it takes time to reach out to the right people with the right skills within the organization.

Companies can overcome these limitations by pursuing communication-enabled business processes (CEBPs) -processes enabled by communication systems that are tightly integrated with business applications. With CEBP, firms can reduce latency, enhance the ability to locate people with the right skills, provide recording of and visibility into interactions, and better enable end-to-end processes involving employees, customers, suppliers, and partners.

Herein lies the true potential of IP-based communication solutions. IP based systems provide the opportunity to fully bring together business processes and communications. Done right, it enables going beyond integration – to provide ubiquitous links between the two and create communication-enabled business processes.

SAP Business Communications Management – the next generation of communication solutions

With its acquisition of Wicom in 2007, SAP made a move into next-generation communication solutions. SAP Business Communications Management is now an integral part of the SAP family. It provides an IP-based communication platform not only for contact centers but for all communication-intensive companies. By linking communication events with the appropriate business context and merging all communication channels on a single platform it enables real unified communications. This helps organizations to provide better service to the customers, decrease latency and increase operational performance, quality and agility.

From a customer service point of view and contact center perspective, it is easy to see the benefits that tight coupling between, say, CRM and communications bring. Now customer service staff and contact center agents can see all relevant information about the caller before picking up the phone, and by integrating the communications software with other applications they can more easily solve the customer request fast and with high quality. This allows way better usage of personnel, existing IT-systems and data and eventually helps creating a unique customer experience.

Silos are a thing of the past; customer orientation is today. To reorganize operations to meet the needs of today's demanding, 24/7, immediate customer service requirements, technology needs to be utilized in the best possible way. Introducing IP communication into the core of business processes enables just that. For more information, visit www.sap.com/bcm and download the whitepaper "Creating Business Value with Communication-Enabled Business Processes".

INCREASING EFFICIENCY AND EFFECTIVENESS WITHIN THE CALL

There is a balance between dealing with calls efficiently (i.e. without spending too long on them) and effectively (making sure that the customer is served well, and that the business gains what it can from the interaction as well). This section looks at ways in which the 'dead time' that occurs in an interaction can be reduced, with improvements for both customer and business.

THE UNIFIED DESKTOP

Many of today's contact centres use complicated, multiple applications, often only loosely-linked, which require skilled and experienced agents to navigate, let alone to manage interaction with customers successfully at the same time. Even after the call is completed successfully, each system may need specific inputs from the agent in order to start the required back-office processes, or to keep each database consistent with the others.

Figure 65: Use of multiple applications across vertical markets

Vertical market	Use of multiple applications
Finance	Customer accounts, CRM, product database, payment systems, email, quotation system (esp. insurance), complaints, other sister companies' systems (often through merger and acquisition), legal and compliance scripts, insurance claims
Outsourcing	Multiple screens and applications depending on customer requirements, not all of which will be familiar to agents
Retail & Distribution	Supply chain systems, distribution and shipping history, warehouse stock systems, CRM, customer history, pricing applications, payment systems, complaints, email
Telecoms	Customer accounts, cross-selling/upselling applications, CRM, field maintenance booking systems, real-time network status screens, complaints, payment history, credit/debit card applications, fulfilment systems, email
Utilities	Customer accounts, payment systems, utilities status systems (e.g. scheduled or emergency work being done on water, gas, electricity supplies), cross-selling/up-selling prompts, product information, maintenance and booking systems, complaints, email

The result is that even though a contact centre may be staffed with experienced, hard-working and skilled staff, its overall performance is disappointing, leading to low customer satisfaction, unnecessary costs and decreased profits.

Do your agents...	% of respondents
...have to access more than one screen within a call?	75%
...have to log-in separately to each desktop application?	63%
...have access to all of the customers previous interactions, including email?	50%
...start back-office processes manually?	40%

With 86% of contact centres requiring their agents to use multiple applications within a call, there are significant dangers around forgetting to key in information, start the correct processes or failing to type in consistent information. The use of multiple applications will have a negative effect on training times for new agents as well.

Figure 67: How many applications does an agent use within a call?
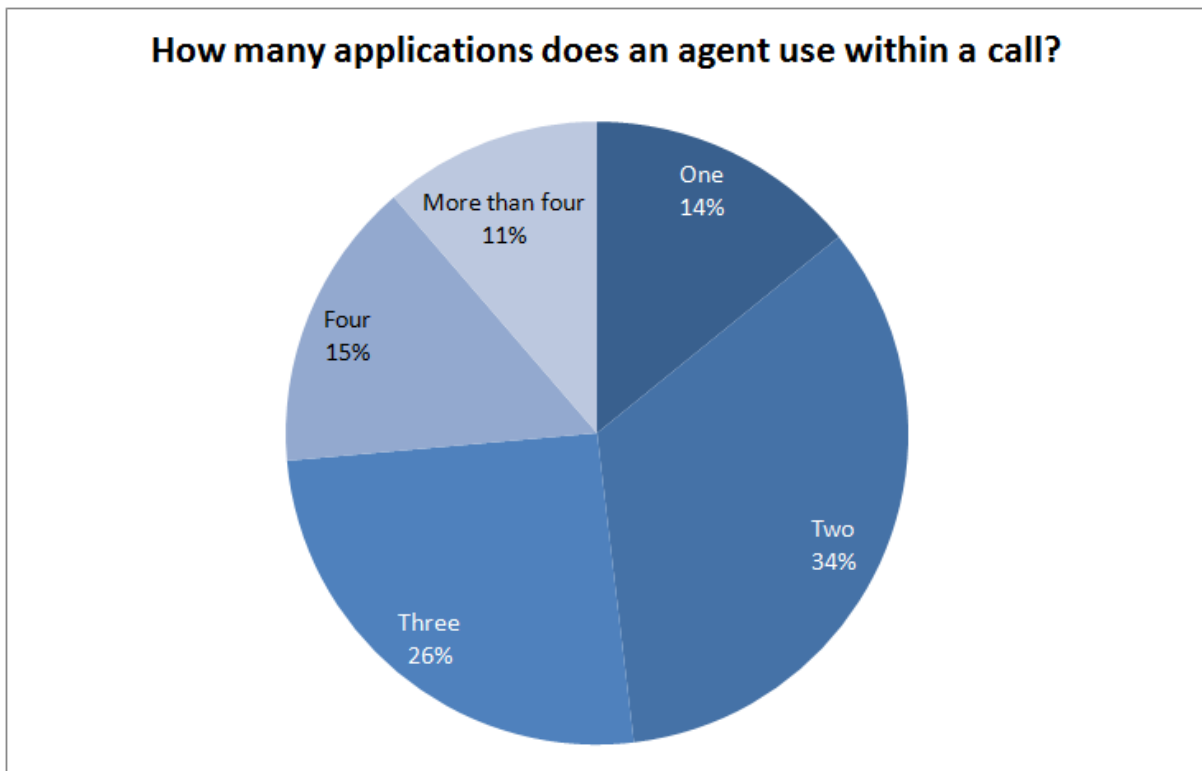
In most cases where complex, multiple applications are used, they are necessary for the agents to do their job, so the question is not "How can we reduce the number of applications?", but rather "How can we improve how the agent uses the applications?". At the moment, due to complexity, expense and the sheer weight of constant change, applications are either integrated very loosely, or not at all. Agents are "trained" to switch rapidly between applications, relying on their experience to make sure they don't forget to do everything.

Such an approach can have severe primary and secondary effects:

- Increased training costs
- Higher staff attrition caused by inability to complete tasks successfully
- Inconsistent data caused by keying errors or missed procedures caused by manual wrap-ups
- Increased call handling times
- Lower customer satisfaction caused by long queues and unnecessarily long calls
- Missed opportunities to cross-sell and up-sell
- Multiple open applications on the agent desktop can lead to system instability and lower performance.

The bottom-line is that using complex, multiple applications without any specific agent support usually leads to longer calls. However, this is not the end of the problem, as this type of work also tends to initiate requests for processes to be carried out within the back-office (e.g. initiating an engineer or sales visit, sending out literature, moving a customer request onto the right department with the right information, flagging a customer as a hot prospect for a specific marketing campaign, etc.). This, as well as the need to enter information in multiple applications (below), will tend to increase post-call wrap-up to a point where the agent spends a great deal of their time unavailable to take more calls. Currently, an average of 12.5% of an agent's time is spent on post-call wrap-up.

Figure 68: How many applications does an agent use after a call?

How many applications does an agent use after a call?
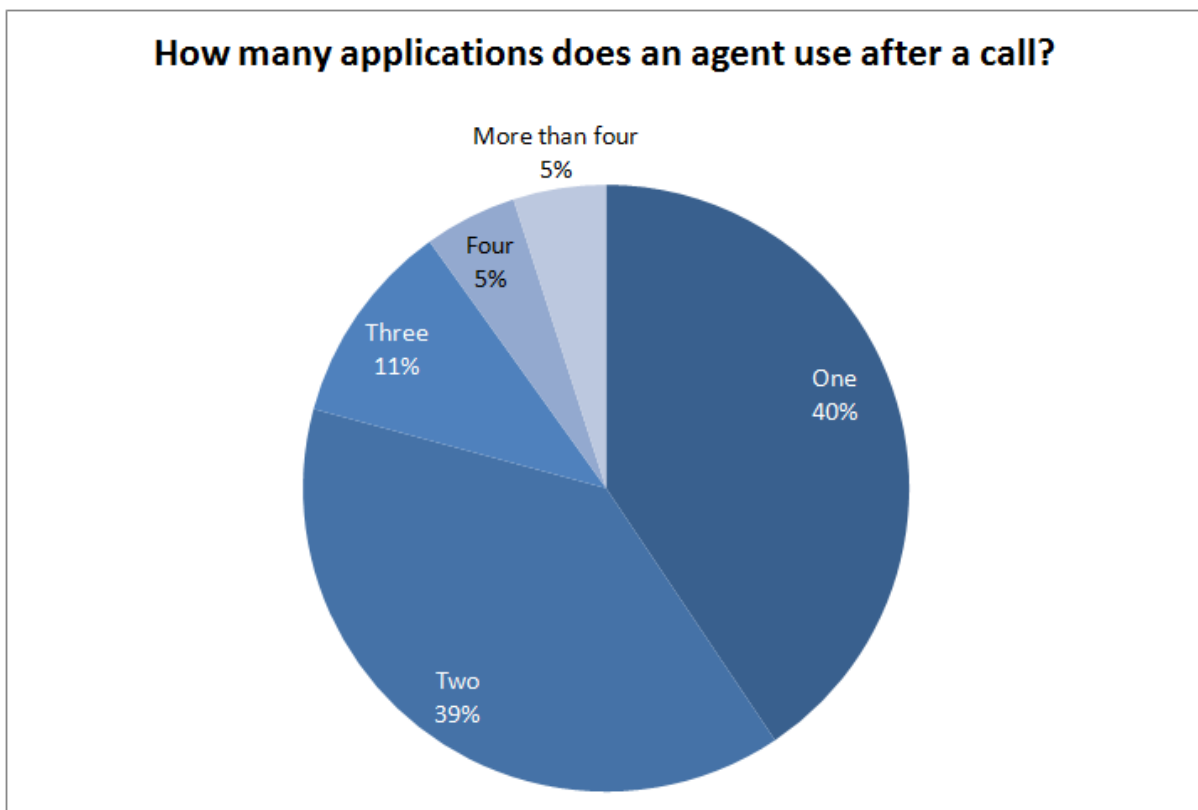
Additionally, manual inputs involved in transferring data during wrap up commonly lead to data entry and processing errors, causing an adverse effect on operational efficiency, contact centre cost, performance and customer satisfaction. Cost per call rises, and productivity per agent declines first-call resolution rates slip as more calls are escalated due to the complexity of the systems hindering agents, rather than helping them. So we can see that poor application integration and presentation at the desktop level has a direct and negative effect on those long-term contact centre strategies deemed most important and desirable, such as customer satisfaction, lower first-time resolution and higher escalation levels.

It is in the wrap-up stage that a lot of time and effort is wasted by sub-optimal manual processing of data. For example, a simple change of address request could take many minutes in a non-unified environment, with several separate databases having to be altered, which is itself a process prone to error, with a negative impact on the customer and business, as well as at least one extra unnecessary future phone call from the customer. Reducing wrap-up time through optimising the agent desktop is not simply a matter of writing consistently to the correct databases, although this is a key element. The contact centre also kicks off a number of processes elsewhere in the enterprise: it is the prime mover for sending out documents, instructing the warehouse to release goods, arranging deliveries, taking payment and many other key elements to a successful customer-business transaction.

Businesses can usually focus either on cutting costs or improving quality. However, there is a third way, which allows desktop solutions for users to be developed separately from the underlying applications, re-using existing logic and interfaces rather than replacing them. The agent works with a single desktop application which is tailored to their specific needs, pulling in only the right data and applications from disparate systems and presenting them on a single screen. In the background, business rules and workflow make sure that the right back-office processes happen without agent intervention, thus reducing wrap-up costs.

This unified desktop approach also supports the availability of a higher level of business intelligence, as every aspect of the call, including the outcome, can be viewed holistically during and after the call. This is especially useful for gauging first-call resolution rates, which are growing in importance every year - there being a very strong positive correlation between first-call resolution, lowering costs and improving customer satisfaction – yet few contact centres measure it accurately.

An application which supports less experienced agents, and helps them to learn means that staff attrition rates can be managed more effectively. High attrition rates and poor knowledge bases mean that people take away the knowledge as they leave. By having a user interface which provides the right information dynamically – and which increases the amount of leeway an agent has as they become more competent – means that agents can find the right balance between being too tightly managed and feeling cast adrift by the system's lack of user-friendliness.

THOUGHT LEADERSHIP: Improving Customer Retention through the Contact Centre

by

Guy Tweedale, SVP European Operations

Why now is the time for companies to eliminate desktop complexity and allow customer service representatives to focus on customers, not systems.

As the green shoots of economic recovery are being reported, still-battered companies are realising they need to change from survival mode, where cost-reduction is key, to growth mode; re-examining how they should conduct business to reflect how their industries' cultural, operational and general market challenges have changed. To ensure sustainability, effective customer retention strategies – prioritising improvement of customer experience across all channels – are key.

Becoming Customer-Centric

Consumers, more market aware than ever before, have heightened expectations when it comes to customer service; they want to do business with companies where, when and how it suits them. They don't want to listen to hold music. And if they want to get an insurance quote or deal with a gas bill query at 11:00pm, it should be an option. Particularly as many consumers are now making selections based on price **and** service.

In order to provide a consistently positive customer experience, companies must rebuild their organisations and their contact centres around the customer. They need to become customer-centric. In order to accomplish this, companies will need to break some bad habits in the contact centre.

The Importance of Effectiveness and Efficiency in the Contact Centre

Operational issues in the contact centre plague many large organisations. For example, most companies are faced with departmental silos and inefficiency. Although there is evidence that this is improving, the many old, monolithic systems companies are using – which they are hesitant to replace because of the value of the data on them – are slowing the pace of change.   In addition, high agent churn rates in call centres result in significant training and recruitment expenses, and can negatively impact the customer experience.

These challenges pale in comparison to the real issue, which is desktop complexity in the contact centre. With many companies having more than 20 applications and tools on the desktop (most of which were implemented to satisfy the needs of other departments), agents end up spending most of their time – and attention – navigating through dozens of non-integrated applications, rather than focusing on the customer.

Eliminating Desktop Complexity Will Improve Customer Retention

No-one really wants to call a service provider or retailer. And, in many cases, customers are already frustrated and emotional before they call. They do not want to have to provide their account number eight times or to sit on hold listening to bad music or the agent explaining, "I'm so sorry, my computer is slow today, it'll just be another minute or two…"

How can call centre agents focus on providing a quality customer experience when they are navigating through dozens of applications and screens? A unified desktop solution will integrate all of those disparate applications and present one, easy-to-navigate desktop for the agent. All of the information the agent needs to complete the call easily, quickly and effectively is right there at their fingertips – at the right time – in context to the current conversation. Making agents much more efficient and effective.

The leading unified desktop solutions sit on top of current applications, so it is not necessary to tear out existing applications or infrastructure. Companies can keep their existing line-of-business applications such as CRM systems, policy systems, billing systems… and yet the agents will have all of the information they need, when and how they need it.

Given the realities of today's business landscape, now is the time to focus on the customers' needs.   A unified desktop solution is the quickest and most efficient way to improve customer retention while reducing your cost of operations. In other words, it's the insurance policy you need to keep your customers' business for years to come.

To find out more go to www.jacada.com.

The following table shows the knowledge resources that agents have within a call. Finding, reading, assimilating and using information actually within a call as very difficult and is rarely done seamlessly. An application such as case-based reasoning, which prompts the agent to ask specific questions, drilling down to find the right answer, is very useful but only 18% of agents have access to this sort of dynamic application. Most have to search around on a company website or FAQ page, or rely on a wide, unsupported search of knowledge bases or the wider Internet, hoping to get lucky.

Figure 69: In-call access to knowledge sources for agents
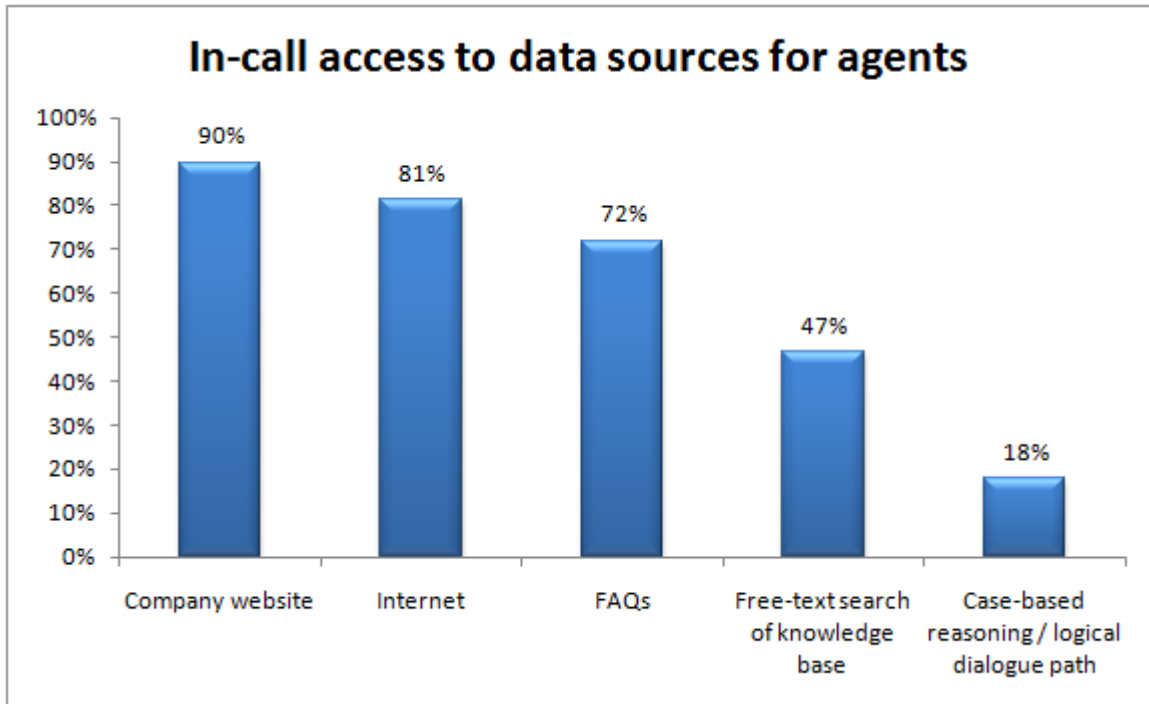
White Paper: "First Things First: Unify the Service Desktop Before Implementing a Universal Agent Programme" (Jacada)

Synopsis: If you are considering the move to a "universal agent" model, so that your agents can handle any call from anywhere on any topic, read this paper to learn how reducing desktop complexity first is a critical step for a successful programme.

Download: http://jacada.com/WhitePapers/universal-agent (requires registration)

Apart from the solution providers whose main products simplify and automate the agent desktop, some of those that operate in the multimedia space also offer a unified desktop solution which can include dynamic scripting and a single view of the customer. There is more on this in the Multimedia and the Customer of the Future section.

The cost of excessive wrap-up

Although few contact centre managers would say that excessive wrap-up times cause the same level of concern as attrition or customer satisfaction, the 12.5% of time that contact centre agent spend each hour in after-call work adds up to an enormous cost.

The overall expenditure of the contact centre sector - salaries, IT, telecoms, building, rent, utilities, etc - comes to around £21bn each year. Wrap-up time accounts for 12.5% of the time spent by the industry: slightly less in larger contact centres, which account for the bulk of the jobs. As such, wrap-up costs the industry around £2.6bn each year. This is not to say that all wrap-up is wasted and unnecessary, but this is a segment of expenditure that is ripe for efficiency-enhancement.

As an example, a 500-seat contact centre, processing 5m calls per year, would spend almost £2m each year just on wrap-up. A 20% reduction in wrap-up time would save around £400,000, quite apart from the savings in training and lower attrition, as well as the benefits of shorter queues and simpler applications.

There has been a big growth in interest in unified desktop solutions in recent times, with at least one supplier stating that it will not charge clients unless they see a better than 20% improvement on wrap-up times, with additional benefits coming from reduced training times (as agents are learning one system, not many); processing the call quicker (by hiding slow legacy applications or posting information to multiple systems in one go without replicated effort) and improved customer satisfaction / conversion rates (as the agent can concentrate on the customer and is supported by knowledge bases).

CASE STUDY

How the Altitude Unified Desktop Helped Power the Conservative Party to Record Gains.

a global leader in contact center solutions

This case study demonstrates the benefit of a unified desktop in the contact centre. There is confusion about the definition of the contact centre desktop, with some people interpreting it simply as 'scripting' – i.e. telling an agent exactly what to say. This is an outmoded perception of the purpose of agent desktops in the contact centre today. The difference in approach between scripted and unified desktops is best summarised as follows:

*The scripted desktop is what you do **to** an agent;*

*The unified desktop is what you do **for** an agent.*

Unified desktops do several things:

- Provide a unified information resource for agents, feeding from disparate systems or databases;
- Provide a basic structure to the interaction with relevant options and information being presented at each stage;
- Record information captured by the agent during the interaction, reducing or eliminating wrapup tasks;
- Provide intelligent prompting for agents based on context – the best examples being cross- or upselling prompts;
- Reduce technology familiarisation time for new agents.

In the Conservative Campaign Headquarters (CCHQ), an Altitude interaction management solution with unified desktop was implemented to enable contact with potential voters, and record voting intentions and other strategic data that was then used to underpin election activity.

Over a million calls were made in the run-up to the election. An important feature of the contact centre is that it was staffed by volunteers, so the system had to be very easy to use for a wide range of people. Such was the ease of use of the desktop, volunteers were handling calls within a very short time of being introduced to the system.

The desktop itself needed to be flexible, as new strategies were introduced during the election campaign. Altitude and the Conservatives worked together to develop a sophisticated application using Altitude Unified Desktop. This enabled the system to be set up to target specific seats, and to prompt the campaign caller for information such as elector's views and intentions, depending on the strategy, target constituency and other factors. A master management application was developed to populate the campaign application with relevant questions for electors, and to display constituency-specific information, such as the local candidate's details. This meant that changes in strategy were easily implemented, while maintaining a consistent look and feel for the volunteer callers.

As Jonathan Hazzlewood, GeneEVA (General Election Volunteer Agency) Operations Manager said: "Using the Altitude platform, we developed an application that was not only extremely flexible and intelligent, thus equipping our callers with information to use during the call, but also very easy to use. The fact that we were able to use a large number of volunteers, some with little computer experience, speaks volumes for the ease of use of the system."

The Altitude uCI suite of advanced contact centre applications enables organisations to increase business results and operational performance in areas such as blended multimedia services, outbound campaigns, self-service voice applications and advanced agent desktop applications.

VOICE BIOMETRICS

Until a few years ago many businesses relied on trust that the caller was who they claimed to be – asking only for a name and address. Today, strong identity verification processes are now seen by virtually all businesses as critically important and most make some attempt to verify a caller's claimed identity by asking for additional information that only the real caller should know.

Identity theft is a high-profile issue, and as such, businesses have had to tighten security and, as importantly, be seen to be doing so by their customers, as fraud prevention has now become a brand issue. While fraud certainly causes losses to a business, the risk of losing customers' confidence by being seen as lackadaisical about security is potentially a much greater negative.

Criminals' methods have become more sophisticated and businesses have had to respond by introducing more complex identity verification processes.

However identity verification procedures have now become intrusive and inconvenient for the customer. Customers are expected to remember an increasing array of ID's passwords, PIN's, memorable information, information on their last transactions or to carry smart cards or tokens everywhere they go. Customers can undergo a 'Spanish Inquisition' before being permitted to make their enquiry or place their order – which reduces customer satisfaction.

Identity verification procedures also cost businesses time and money. It takes an average of 28 seconds to verify a customer's identity manually, and this mounts up considerably: the UK contact centre industry spends around £2bn each year, just to verify the caller is who they claim to be.

Identity verification processes are typically based on one or more authentication factors that fall into the following generally-accepted categories

- something you **know** - e.g. password, PIN or memorable information

- something you **are** - a biometric such as a finger print, retina pattern or voice print

- something you **have** – a tangible object, e.g. a PIN-generating key fob, or the 3-digit CVV2 code on some credit cards.

 Combining these factors creates a more complex, and potentially more secure two-factor or three-factor authentication process. Increasingly, regulations are requiring two-factor authentication processes. Financial institutions' can no longer rely on simply passwords to protection web banking services. For example, in the US, FFIEC guidance published in 2006 indicates that financial institutions should implement similar stronger authentication processes in their contact centres and IVR systems.

VOICE BIOMETRICS

'How can you improve security, lower fraud *and* reduce costs?'

Voice Biometrics – *'An average 500 seat contact centre spends £1 million per annum on ID & verification.'*

Voice Biometrics is a simple and highly secure method to identify and verify *claimed* identities across telephony, web and other contact channels.

How does it work?

- Customers enrol their unique voiceprint
- The customer can now be simply and securely verified with just their voice
- A secure automated ID & verification solution that also enables greater self-service across all channels

What are the benefits?

- Simplified security processes with less customer effort
- Reduce fraud
- Market differentiation
- Decrease operational costs
- Liberate agents from mundane tasks

Since rolling out the technology *Aviva Australia* has had a positive response from customers who like the additional convenience and security.

Aaron Tunks, Manager, Operations Reengineering & Project Delivery at Aviva says, "voice biometrics saves 20-30 seconds per call in agent time and reduces queuing for customers."

If you want to prove your care about customer security *and* offer great service, then why not join the list of innovative companies that have already deployed voice biometrics:

For more information visit **www.salmat.com/speech**
Tel: **01628 632263**
Email: **speechsolutions@salmat.co.uk**

salmat

the evolution of one to one communication

Figure 70: Proportion of calls requiring caller identification, by vertical market

Vertical market	Proportion of calls requiring caller identification
Insurance	85%
Finance	85%
Services	79%
Medical	72%
TMT	67%
Utilities	63%
Retail & Distribution	57%
Public Sector	55%
Manufacturing	52%
Outsourcing	41%
Average	**60%**

As might be expected, the financial and insurance sectors are amongst the sectors most often authenticating callers' identity. The more sales-oriented sectors do so the least.

Figure 71: Caller identity authentication methods

Identification method	Proportion of contact centres using this method
Touchtone IVR	6%
Speech recognition	2%
Using only an agent	92%
Using only automation	*1%*

92% of respondents who authenticate identity do so through **purely** human means, taking an average of 23 seconds to do so. 8% use IVR or speech recognition to identify the caller (which itself takes around 20 seconds), but almost all of these first get the caller to use an IVR to collect their details, then also use the agent to double-check once the call is passed through, wasting the caller's time and increasing the contact centre's costs.

The amount of time required to authenticate an identity through manual means (using an agent) differs significantly between vertical markets, with those in the insurance and financial services sectors taking the longest, as legislation and the risk of fraud is perhaps the greatest here, although the TMT and public sectors also take longer than average.

Figure 72: Time taken to authenticate caller identity, by vertical market

Vertical market	Time taken to authenticate caller's identity (seconds)
Insurance	30
TMT	28
Finance	24
Public Sector	24
Medical	21
Retail & Distribution	20
Outsourcing	19
Services	18
Transport & Travel	15
Utilities	15
Manufacturing	14
Average	**23**

The unnecessary cost of caller authentication

60% of all calls require a security and identification process to be completed first. 99% of these will require some agent input even if IVR or speech recognition is also used. On average, it takes 23 seconds to go through security.

Using these statistics, it is possible to calculate how much UK contact centres spend each year on screening customers by using agents.

Inbound call minutes per year: 50.0bn[4]

Average inbound call length: 270 seconds

Inbound calls per year: 11.1bn

Proportion of inbound calls that require security and identification checks: 60%

Proportion of security and identification checks carried out using an agent: 99%

Average length of agent-handled security and identification check: 23 seconds

Mean average cost per inbound call: £4.08

Cost of time spent on agent-handled security and identification check: 34.8p per call

Overall cost of agent-handled security and identification checking: **£2.3bn per year**

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[4] From ContactBabel, "The UK Contact Centre Industry in 2010: The State of the Industry", February 2010

THE FUTURE OF IDENTITY AUTHENTICATION

To recap, there are several factors to consider when trying to predict changes in the ways in which customers are identified:

- businesses want to reduce the cost of fraud
- customers want convenience but also their personal information and assets protected
- businesses need to comply with existing and new laws and regulations
- contact centres spend excessive amounts of money on identifying and verifying customer identities
- existing methods of identity verification (e.g. PIN, password, etc) are not secure and are user-unfriendly.

The emergence of biometric technologies

Biometric technology uses physiological or behavioural characteristics to verify a person's claimed identity. Physiological biometrics includes fingerprints, iris, or retina recognition, and voice verification. Behavioural biometrics includes signature verification, gait and keystroke dynamics.

Of these, voice is the only biometric that can be used over the phone. In fact, a voice verification system's strength lies in its ability to work over the phone or web making it a viable identity verification solution for contact centres. Voice verification systems use spoken words to generate a voiceprint. A voiceprint can be compared with a previously enrolled voiceprint to verify a caller's identity. The most sophisticated systems generate a voiceprint by using spoken words to calculate vocal measurements of a caller's vocal tract thereby creating a unique digital representation of an individual's voice. These systems are not affected by factors such as the caller having a cold or using different types of phones, or aging. Voice verification systems are now delivering levels of accuracy and security that have proven robust enough for use by banks and insurers.

The customer's experience

Since speaking is natural and intuitive, a well-planned implementation can result in a better customer experience that eliminates the need for PINs or passwords. For example:

- 'Account Number' based voice verification – the caller is asked to speak their account number. The account number identifies the caller, and the spoken words are used to generate a voiceprint that verifies the caller is the account holder

- 'Challenge Response'. Typically the customer is asked to repeat a series of numbers , e.g. "Please say 'one seven three four'". The spoken words are used to generate a voiceprint. The numbers spoken are usually different each time the caller phones.

In cases where a two-factor authentication process is required, voice verification can be combined with a 'something you know' – such as an answer to a memorable question.

The business benefits

Businesses benefit from two types of savings. These can be illustrated in the following example:-

A contact centre receives 10 million inbound calls per annum with the existing identity verification procedure taking on average 23 seconds and being performed by an agent:

- Eliminating the time taken by an agent to verify a caller's identity can save 34.8p per call (£3.48m per annum)
- Secure automated identity verification enables a broader range of fully automated services to be offered. An increase in the percentage of fully automated calls by 10% would result in agent cost savings of around £2.5m per annum.

The potential benefits for the business are huge, and the customer also gains through a better experience, longer opening hours and greater identity protection.

Voice verification can also be used to protect the enterprise against repudiation (where the customer says at a later date that they did not do it) as it can verify the physical presence on an individual at the other end of a phone line. Interestingly, this capability is already used by various US law enforcement agencies to check that released offenders are where they should be.

For procedures such as internet password resetting, the higher level of security achieved with voice verification can enable businesses to offer real-time password resets or reminders. This benefits both customer and business and can reduce up to 70% of helpdesk calls.

Voice verification has the advantages of near-ubiquity (the vast majority of people would be able to use it) as well as improving levels of security and reducing costs. The increasing demand of the public for identity protection, coupled with businesses' permanent desire to increase profits mean that voice verification is an option that any company concerned about identity authentication should now seriously consider.

CASE STUDY

Aviva takes advantage of voice biometrics

Salmat solution delivers improved customer service, enhanced security and year on year savings

Aviva Australia began to explore the benefits of voice biometrics in early 2008 after a complete review of their entire call centre operations. Aviva commissioned substantial research on customer perceptions of their own brand and found that one of the areas that was highly valued was the way in which the company identified them, encapsulated in its brand promise 'no one recognises you like Aviva'. This theme fitted well with the concept of introducing voice biometrics providing the opportunity to identify customers in a highly personal, secure and convenient manner.

Manager, Operations Reengineering & Project Delivery at Aviva, Aaron Tunks explains, *"One of the advantages we have as a company is that we are quite innovative when it comes to improving the overall customer experience, and we are always keen to sample new technology especially if it means we can be one of the first companies to offer a particular service that benefits customers."*

Aviva's objective for implementing voice biometrics was to enable frequent callers to be securely and quickly identified by simply 'saying' their policy or account number instead of using a complicated IVR (Interactive Voice Response) based system such as 'press 1 for…', or indeed having to manage the ID and verification process manually with an advisor. *"Once we understood how voice biometrics could work and be integrated within our existing IVR"* says Aaron Tunks, *"we were convinced that we could move forward with a project."*

How it works in practice

Aaron Tunks explains, *"The way that we wanted to use the system was to enrol regular customers who wanted the convenience of by-passing the ID & verification stage by simply saying their name & policy number. This would then re-route them automatically to the right department without having to go through additional personal details."*

The key commercial benefits

Since rolling out the technology in June last year, Aviva has had a positive response from customers who like the additional convenience and security. Aviva have benefitted from significant efficiency gains as they have now liberated staff to handle more complex customer enquiries and now have an enhanced security capability helping them combat the growing challenges of identity theft and fraud. According to Aaron Tunks, voice biometrics saves 20-30 seconds per call in agent time and reduces call queuing time for customers.

In competitive markets such as financial services, the adoption of voice biometrics can reduce operational costs and provide genuine differentiation for customers and partners. To this end, Aviva has enrolled over 400 IFAs (independent financial advisors) making it easier to get through to the Insurer and as a result increase their advocacy of Aviva. Overall though the benefits are two fold; for the back office there are efficiency gains and reduced costs of operation and from a compliance perspective there is increased security against fraud and the associated monetary & reputational losses. These benefits support Aviva's main driver of enhancing the customer experience by making the customer feel 'significant'.

Salmat is leading the world-wide market for the successful deployment of ID & verification solutions using voice biometrics with a range of customers including Aviva, National Australia Bank, Australian Health Management and Suncorp.

Voice biometrics is an exciting, yet proven, capability that allows public and private sector organisations to improve their customer experience, lower operating costs and significantly enhance their security and anti-fraud capabilities.

If you would like to learn more from the market leaders please visit:

www.salmat.com/speech

CTI, CALL ROUTING AND SCREEN POPPING

Collecting information about customers before an agent has spoken with them is a contact centre technique which has been around for decades, under the wider auspices of CTI (computer telephony integration). CTI infrastructures route calls and automate information retrieval to help agents deal with issues quickly and accurately, without transferring callers or leaving them on hold.

CTI and SIP

SIP ("Session Initiation Protocol" - see the section on IP) will enable companies to use CTI functionality throughout IT infrastructures instead using a proprietary hardware/software layer. Applications will use SIP commands to carry out call-related activities and also non-call functions such as presence management.

A contact centre's CTI servers use caller ID information from PBXs to retrieve customer information from various databases. This information is then passed to the agent along with the voice call as a screen-pop, cutting down the time spent at the beginning of a conversation. If calls are transferred, the information follows the voice call so the customer does not have to repeat information they have already given. CTI is extremely effective, however, it's also expensive, proprietary and complex. The use of SIP will enable CTI functionality to be used far more widely and effectively.

Enabling a voice device to communicate with a data network has required the CTI middleware layer to translate TDM (Time Division Multiplexed) voice traffic into data. If a contact centre uses SIP and a pure IP infrastructure, it removes the need for CTI as a separate layer in the IT infrastructure because SIP enables mobile phones, laptops, smartphones, etc to communicate directly with IT resources. In pure IP networks, calls will enter the infrastructure as VoIP traffic and travel to a SIP proxy server which initiates sessions with the necessary applications to perform call routing and customer information searches that the CTI server was formerly responsible for.

Standards-based SIP proxy servers are much cheaper than CTI servers and can be implemented on standard hardware. Integration is easier and quicker as all the input and output in the network is one standard protocol, which opens this up to smaller operations too, however all voice traffic must be through VoIP.

Those contact centres which use touchtone IVR or speech recognition considerably more than average are likely to be found in the telecoms, utilities and finance sectors: often high-volume environments where a few seconds shaved from a call or a reduction in misrouting can save considerable amounts of money. Most financial services companies have many products which require specific skills and product knowledge. As such, routing based upon selection criteria such as customer account numbers, sales/service and specific product choices can take place, supported by an IVR front-end.

Less automated or volume-based contact centres, such as public sector, and sales-focused operations, such as retail, show less of a demand for IVR solutions. These are generally smaller operations where use of IVR for call routing is unnecessary.

Figure 73: Use of touchtone IVR and speech recognition to route calls, by vertical market

Vertical market	Touchtone IVR	Speech recognition
Utilities	83%	20%
TMT	83%	10%
Transport & Travel	83%	0%
Finance	83%	5%
Insurance	82%	0%
Services	78%	14%
Outsourcing	73%	0%
Medical	67%	10%
Retail & Distribution	67%	14%
Public Sector	50%	0%
Manufacturing	40%	5%
Average	**73%**	**8%**

As IVR (interactive voice response) is a solution which provides major cost savings in volume-based environments, we would expect to find more of the larger contact centres using it, and this year's figures seem to suggest that this is closer to the truth than has been the case in previous years. The very high penetration rate of touchtone IVR as a routing mechanism in large operations may be a statistical blip: next year's results will shed more light on this question.

Figure 74: Use of touchtone IVR and speech recognition to route calls, by contact centre size

Contact centre size	Touchtone IVR	Speech recognition
Small	55%	7%
Medium	76%	6%
Large	88%	13%
Average	**73%**	**8%**

76% of respondents use the information gathered in a touchtone IVR or speech recognition session to route the caller to an appropriate agent, team or department, although information about the specific caller is collected and popped to the agent's screen in one-third of these cases. This ability seems to be a factor of contact centre size, as the benefits of cutting 20 or 30 seconds from a call is worth far more to a large operation than a smaller one, simply due to the volume of calls received making the CTI investment worthwhile. In fact, 38% of large operations route calls to an agent complete with screen-pop, compared to only 23% of small or medium contact centres.

THOUGHT LEADERSHIP

'You can hear your customers, but are you really listening?'
How to lower costs, deliver great service and differentiate your brand with 'open-menu' speech recognition

by Sean Keane, General Manager EMEA at Salmat

If you have already tried or considered IVRs for call routing then you may have been disillusioned by experiences with traditional touch tone menus or first-generation automated speech recognition systems (also known as 'directed dialogue'). Both of these can severely limit, or even worse frustrate your customers' efforts to communicate with your organisation and are therefore not conducive to protecting or enhancing your reputation or revenues over the long-term.

Touch-tone menus are difficult and clunky to navigate, leading to frustrated customers who often can't find the option they need and thus end up in the wrong part of your organisation. This is annoying to the caller and highly inefficient for the service provider. Meanwhile 'directed dialogue' systems that rely on customers saying specific words so that they may be directed to the "right" destination offer little insight into why the customer is really calling and still suffer from the same fundamental limitations as touch tone systems.

A key flaw shared by both is that they force an unnecessary compromise between call routing accuracy (manifest in multiple questions and tedious options) and a great customer experience (less questions and keeping it simple). From the caller's perspective these approaches either offer too few or too many options that often only allow them to tell you which department they *think* may be able to assist with their enquiry. Pigeon holing customer demand results in a distorted, and potentially misleading, view of what the customer actually wants. In addition neither of these approaches really help to identify how much of your customer contact is based upon 'failure' or 'value' demand drivers. If you knew with confidence that a proportion of the demand being placed upon your contact centre was attributable to process failures elsewhere in your business, wouldn't you want to do something about it – fix the issues and remove all that unnecessary contact?

Start listening with 'open menu'

The latest advances in speech recognition have led to a new type of solution called 'open menu' which allows customers the freedom to say exactly what they want. Asking the customer to explain the reason for their call (in their own words) provides a much more intuitive experience and extremely accurate understanding of need, thus enabling intelligent routing to the most appropriate resource. For example, if the customer says "I have a question about a recent transaction on my account", this tells you what they really want and provides far greater insight and context, with far less customer effort, than you could ever hope to gain from touch tone or basic speech recognition menus.

Understanding and listening to the 'real' reasons why customers are calling offers insight into the effectiveness of your organisation's processes. It doesn't rely on a call centre agent's own definition of the 'closest' wrap code for every call. The reason for the call is collected in the customer's words every time and as a result, it helps you understand the drivers for customer demand and how the interaction between different components of your organisation impacts the customer experience.

Listening to improve service & optimise resources

In addition to improving customer experience through intelligent call routing, 'open-menu' provides a huge and rich source of MI. In an industry that is rightly considering tools such as speech analytics to garner insight from customer contact (albeit from an often small sample base of data), 'open menu' provides a 100% sample base of *all* of your calls with minimal need for further interpretation. Listening to *all* of your customers provides an unparalleled level of insight which in turn drives informed and confident management decisions.

It is well known that retention conversations are more effective if the caller is connected directly to a retentions agent without any transfers. By listening for triggers the open menu solution can route customers that are at risk of leaving the organisation to a skilled agent for an appropriate conversation.

Are you listening?

In a world where consumers increasingly demand simplicity and convenience, using a intelligent tool such as 'open menu' speech could help you boost your customer service, lower your operating costs and differentiate your brand – it's simply a matter of taking the time to listen.

For further information on how innovative UK companies such as Standard Life, Capita and Which? are already using this technology visit www.salmat.com/speech

Sophisticated call routing capabilities allow the business to put the right agent with the right skills in front of the customer to meet the business's strategic aims, keep costs low and improve the customer's experience. Obviously, a business will want to treat a delinquent account differently to a high-value customer, or a caller identified at risk of leaving the business. The former can be routed straight through to collections, and the latter two to highly-skilled agents who may have worked with the customer previously.

Figure 75: Capability of routing calls automatically depending on the customer history

Can you route calls automatically depending on...	Proportion of respondents	Main vertical markets
Unpaid account	16%	Utilities, finance, TMT
High-value customer	31%	Manufacturing, TMT, finance, outsourcing
Risk of defection / end of contract	15%	Finance, outsourcing, TMT
Specific language requirements	16%	TMT, outsourcing

Finance, outsourcing and TMT respondents are most on-the-ball with value-added routing, although there is still a lot of room for improvement. Being able to route a delinquent account automatically through to credit control is of great value to any business which offers accounts in arrears to its customers (finance, retail, telecoms, utilities, for example), yet a minority of respondents do this.

Identifying a high-value customer (and presumably bumping them up the queue or sending them to a top agent) is somewhat more popular. Perhaps surprising, even high-churn sectors like telecoms and utilities do little to route customers who are likely to defect through to an appropriately-skilled agent.

Skills-based routing

This is a call-assignment strategy used in contact centres to assign incoming calls to the most suitable agent based on the caller's requirements and the agent capabilities, instead of simply choosing the next available agent. It differs from the previous table, in that calls are passed to specific virtual agent groups (clustered by skills) rather than routing through to a particular department or team.

Previously, agents answering calls were generally able to be assigned to only one queue taking one type of call, meaning that agents who could deal with a range of call types had to be manually reassigned to different queues at different times to make the best use of their skills, or end up handling calls that perhaps they were not suited to. Skills-based routing allows the agent capabilities required for a call to be assessed by the telephone number dialled (DNIS - dialled number identification service), the calling number or caller's identity (CLI), as well as options selected in the IVR system. A skills-based routing system then tries to match the call to a suitably-skilled agent. Instead of being served in the order of their arrival, calls are handled as agents with the right skills become available.

49% of respondents use DNIS (62% of large operations), compared to 35% using CLI (39% of large operations).

WORKFORCE MANAGEMENT

Workforce management solutions now have to deal with environments which are getting much more complex, in order to satisfy the reality of the work that is being presented to agents. For example, all agents require good listening ability, familiarity with keyboard and IT skills and a knowledge of the business they are working in, but more now need a pool of in-depth and specific talent to be available in order to satisfy customers fully, including:

- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs domestic products)
- Specific product or technical knowledge
- Right level of experience and empowerment for the customer (e.g. "gold-card" customers may demand single-call resolution, meaning senior agents must take the call)
- Language skills (both in domestic and international markets)
- Ability to deal with multimedia interactions (either in real-time - such as text chats - or offline, such as emails)
- Similar regional accent to caller (where applicable).

The Workforce Management Cycle

Take into account agent skill sets, preferences, availability etc. → Forecast demand → Build in one-off events → Schedule agents → Monitor events and adherence → Report on actual activity → Alter forecasts and scheduling if necessary → Decide business service levels across each channel →

Workforce Management Software

Respond to emergencies

Real-time control

Source:ContactBabel

Fulfilling service levels while managing costs is a repetitive cycle, requiring several key processes to be completed. Feedback from each stage means that the enterprise can continually improve its efficiency and become more confident in future predictions.

FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts (i.e. from CTI as well as the ACD) means that scheduling can take place in a more realistic way. Enterprises should also be able to factor in exceptions, such as advertising campaigns, training and public holidays, and view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact centre. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance, as well as assisting in business continuity by seeing what would happen in a flu epidemic, for example.

A great deal of unnecessary agent work can be removed by identifying the types of call that are being received, and determining whether these could be reduced further up the line, in the departments whose activities actively affect the volume and type of calls received, e.g. marketing or IT (for the website). As such, workforce management is increasingly being used as part of an overall quality or performance management suite, which can include quality monitoring, HR management and training as well as the traditional workforce management forecasts and schedules, as all of these factors affect each other.

For example, understanding when and how other departments will be operating means that workforce management tools can be used to forecast and schedule accordingly (e.g. about a new TV advert). Additionally, contact centre management is able to brief agents - via a desktop broadcast if at short-notice - about the correct responses and issues, as well as changing IVR prompts and messages to provide answers to the more simple answers, as well as managing agent skill-sets for relevant call groups.

Businesses should look for flexibility in forecasting functionality: situations can develop very quickly which mean that forecasts can become useless without the ability to alter schedules dynamically to reflect reality.

SCHEDULING

Scheduling is not as simple as it may seem at first glance. The enlightened enterprise takes agent preferences and skill sets into account when scheduling. The "standard agent" approach to solving resource issues (i.e. treating one agent the same as any other) will cause problems with both agent satisfaction and customer service levels. Most companies using advanced workforce management software will have between six and nine skill-sets to work with, although a few contact centres use as many as 50.

Yet the business's needs must come first, so a scheduler will have to find the best way to match the company's requirements with those of its employees. This can get particularly complicated in a multimedia environment which usually has agents with multiple media handling skills (e.g. voice, e-mail, text chat etc.) and multiple business abilities (e.g. sales, service, product knowledge, languages etc.).

Businesses must look for a solution which does not over-simplify the scheduling process, yet retains usability and the flexibility to make changes. Solutions that allow agents to request and alter their own schedules (for example, around holidays) are becoming increasingly sought-after, as they have also been proven to strengthen agent morale.

ADHERENCE AND REPORTING

Adherence is the ability to compare forecasts with reality, and learn from mistakes. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them to deviations from the expected activity, allowing them to make changes before problems occur. Adherence allows a business to fine-tune its contact centre activity. Put simply, the more you use it, the more accurate your forecasts and schedules become.

This is another area where the cerebral activity of traditional workforce management has become more dynamic. Real-time reporting on schedule adherence, and the ability to access this information through a web browser or mobile phone means that dynamic changes can be made to the system. In the more sophisticated solutions, 'workforce management' has now become 'workforce performance management'.

For example, adherence does not have to refer to the contact centre as a whole, as WFM solutions enable contact centre managers to monitor and manage agent performance in real time, by connecting to the ACD system and monitoring the status of an agent's activity, (for example, time spent logged on, against planned work schedules). Agent adherence and non-adherence can then be acted upon quickly, and used to support performance appraisals.

Businesses should look for a solution which is simple to understand (so staff will feel comfortable using it) yet retains the power and functionality to help the contact centre manager understand what has happened and to make changes quickly if necessary.

Figure 76: Use of workforce management, by contact centre size
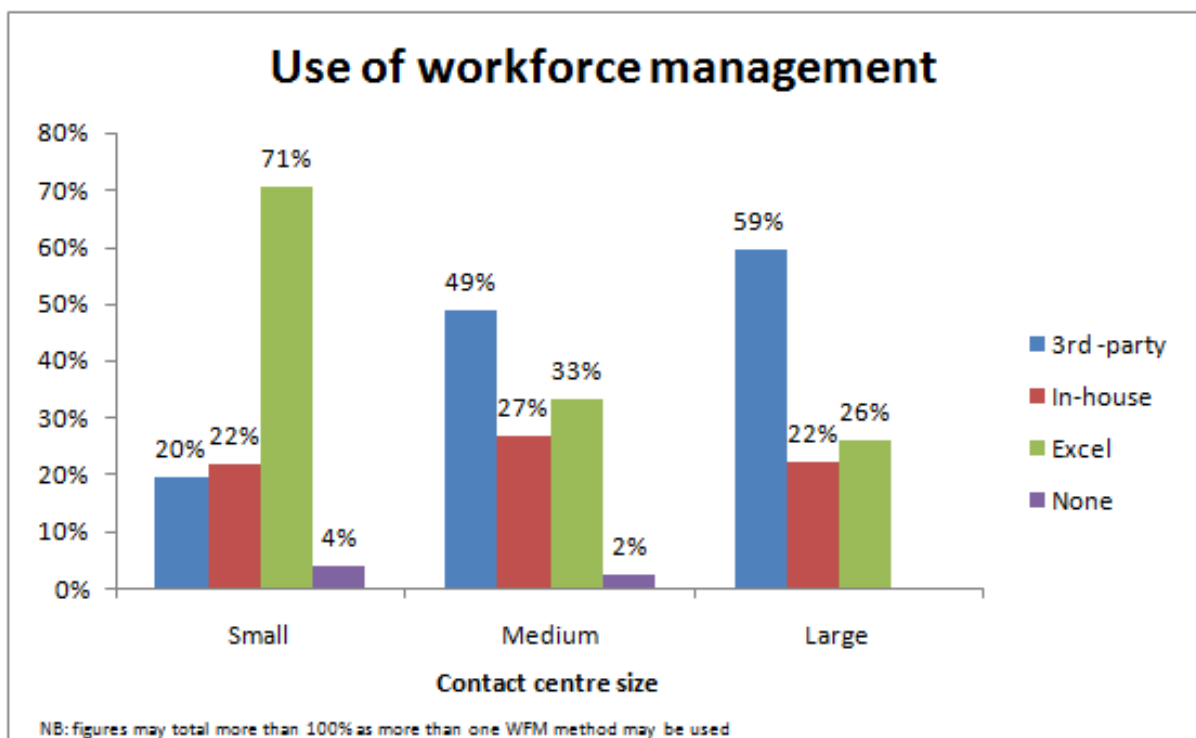
Small contact centres are still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. In fact,

forecasting and scheduling in this scenario is more of an art than a science. Medium and large operations are far more likely to use dedicated third-party workforce management applications which historical data can be fed into, providing a far more accurate schedule.

The low take-up of third-party workforce management tools is almost certainly down to cost, the fact that the time taken to create a manual schedule for 10 agents is far less than for 100 agents, and that the manager of a small contact centre does not need the flexibility or capabilities that a large operation can benefit by, as their labour and skills pool is so much more shallow to begin with. However, it is certain that most contact centres of perhaps 25 seats upwards could benefit from more accurate forecasting and scheduling, and such businesses could look at the hosted or SaaS (software-as-a-service) model that many solution providers now offer.

Figure 77: Opinions on the uses of workforce management
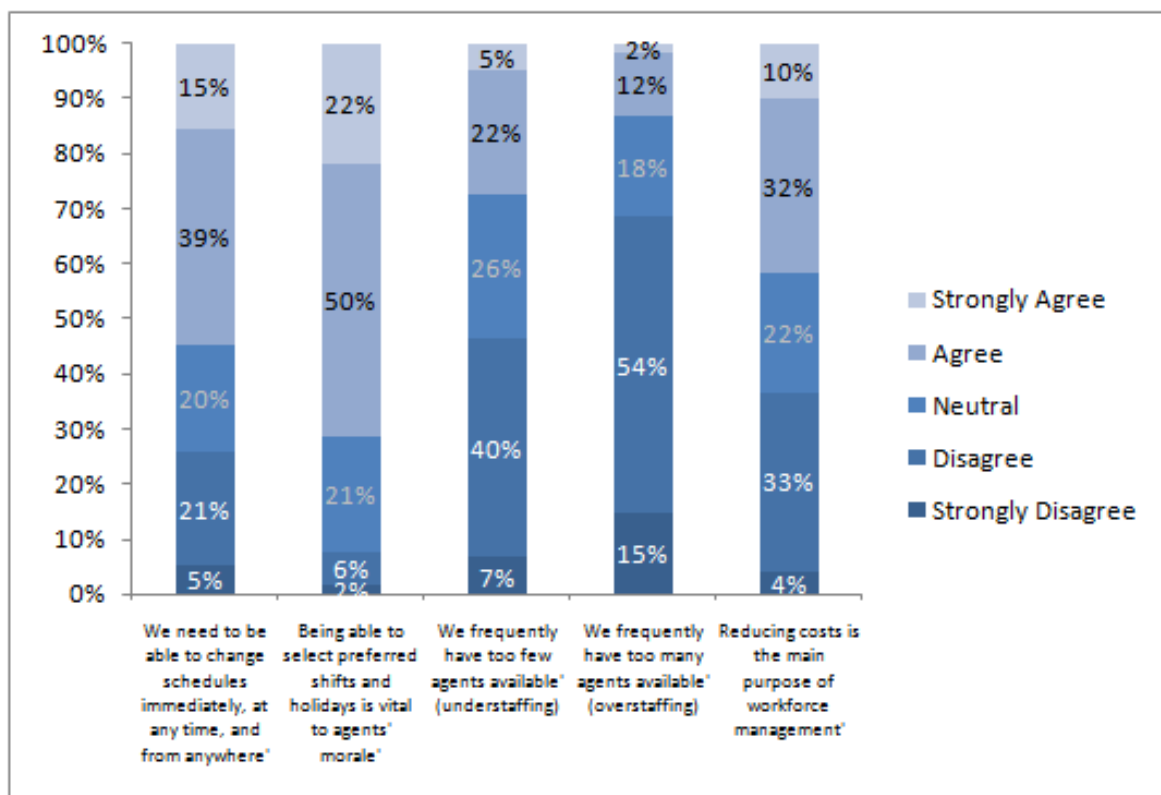
There was strong agreement across the board that allowing an agent to register a preference for a shift and holiday was very positive for morale. The ability to change schedules quickly was also seen as generally important, especially amongst large contact centres, where 85% of respondents said this was the case. It is worth noting that 40% of small contact centres said that quick schedule changes were important for them, however, few of these have the technology in place to do this particularly quickly or accurately.

Generally, overstaffing was rarely seen as an important issue, unlike understaffing, which small contact centres in particular found to be a serious concern. 17% of contact centres with a third-party workforce management solution said that under- or over-staffing was a problem, compared to 32% of operations which did not use this solution. A significant proportion of all operations were also likely to think of workforce management solutions as primarily being about cost-cutting.

The next big thing in planning

This year, we mark the 10th anniversary of the Planning Forum's launch with a focus on what has already been achieved in the professionalism of planning for customer contact and on what needs to happen as we look forward to the next decade.

Talking to senior members, what came out loud and clear is that contact centre planning has evolved to take a central and strategic role in many organisations. Not that the basic planning skills are any less important, but now new skills and excellent communication are needed in influencing a broader range of issues, involving more stakeholders. So what does the future hold? We found some common themes.

- **Speech Analytics** – applying analysis to voice recording data that has never been used in this way until now. Is this the year when we start taking quality and performance management to the next level?

- **Multi-channel integration** – getting this right for the customer, designing blended job roles and operational processes and creating integrated forecasting and planning models for marketing, outbound and the back office as well as call centre operations.

- **Accountability of planning** – buy-in from the top down about the contribution of planning with better measures of success that provide transparent goals and outcomes for the planning and analysis teams.

- **Scheduling with a heart** – by balancing business and colleague requirements for flexibility and implementing innovations like home-working which manage periods of peak demand.

- **Planning for people** – how can we create a wider framework for segmentation, planning and diversity in how we recruit, train and manage our people?

- **Unified communications** – using internet and communications technology to knit together an enterprise-wide approach to simplifying the customer experience and to offer new products or services.

Tops tips for becoming a top planner

Advice for starting a carrer in planning,from three people involved with our first Foundation Certificate in 2001.

"Use your natural curiosity and interest to ask the questions: Why does that happen? What would happen if we did this? How can I make it better? Always ask what else we can do ... and communicate with all the stakeholders – agents, managers and department heads."
Paul Burgess-Clements, Head of Commercial Operations, Hastings Direct

"Understand your centre from an agent and a customer perspective, learn from others and never assume you have cracked it. The weakest teams can be those who don't take the opportunity to see how things are done outside the 4 walls of their own centre."
John Casey, Director of Professional Development,
Professional Planning Forum

"You get the most out of the Planning Forum when you know what it is you want to ask. When I've looked into a new area I want to talk to someone who can help me understand the reasons behind what I've found."
Jenny Andrews, Planning Manager, Co-op Financial Services

20 00 20 10 10th Anniversary
Professional Planning Forum

"Planning has evolved from a cottage industry, frequently managed as a bolt-on, to being central to the strategic planning process."
Tom Mercer
Amex

"Planning has moved to being a driver of profitability. 10 years ago we were the people who sat in the corner looking at spreadsheets."
Darren Leahy
Fexco

"10 years later, most organisations realise that investment in planning teams will deliver benefits that outweigh the cost of those teams, several times over."
Steve Borg
The AA

"I am still a planning manager because this is the role I love."
Maureen Ferguson
Carnival UK

Professional Planning Forum

HEADSETS

There are various factors to consider when deciding which headset to purchase for your contact centre workforce. If you have many hundreds or even thousands of agents, headset purchase can be a large ongoing capital expenditure that is important to get right. There are many things to consider:

- Compliance with health and safety legislation
- Total cost of ownership
- Durability
- Performance
- Comfort
- Contact centre telephony infrastructure
- Sound quality.

Contact centre agents wear headsets for hours on end every day, and the cost of replacing or repairing headsets should be considered in the total cost of ownership, requiring good levels of after-sales support and guarantees.

Some contact centre agents like having the freedom to move around while on calls, especially in a high-pressure sales environment. Some contact centres may decide they don't want agents wandering around, but that the supervisor needs to be able to be mobile. Agents with wireless headsets can spend less time putting callers on hold as they can walk to where the information they need is held, taking the caller with them. This in turn reduces the time taken on each call, and improves customer satisfaction.

Headsets and the 'enterprise as contact centre'

The newest headsets support the 'enterprise as contact centre' model by allowing the agent to involve knowledge workers in a three-way conversation with the agent via Microsoft Communicator, IBM SameTime or VoIP. This allows, for example, a 2nd-line technical support worker to help immediately with a difficult part of a query without a formal, long-winded escalation process taking place.

As can be seen in this report, the majority of call centres will be considering Internet protocol (IP) telephony as part of their future technology environment, if they have not already done it. Agents will make and take calls via their PC, so choosing a headset that can adapt to future technology infrastructures is key.

The weight, sound quality, amount of background noise allowed in, comfort and the length of time the headset will be worn should also be considered. Having sound in both ears (binaural) allows noise levels to be lower than is the case with single-ear sound (monaural), although some agents can feel isolated if they cannot hear the world around them. In addition, a noise-cancelling microphones filter out the unwanted background noise which can make the conversation harder for a caller to hear. Voice tubes can also allow more flexible positioning of the microphone, with attendant improvements in sound quality.
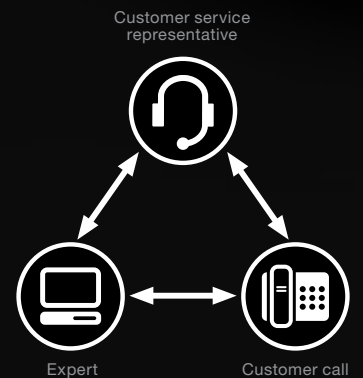
The effect of headsets upon productivity

There are examples of how improving audio and speech quality can positively impact upon call handling time and overall contact centre performance. A Spanish contact centre gave some sets of agents headsets with digital audio processors, and some used the more traditional headset. The first group's technology had the effect of 'cleaning up' unwanted noise at either end of the line, allowing the customer and agent to communicate more effectively. Calls were handled more quickly, fewer mistakes were made with data collection (with the attendant knock-on effect that fewer repeat calls were required), and overall, agents handled an average of 10% more calls per day than did the control group.

White Paper: "Increasing Knowledge-Worker Productivity" (E3 Consulting for Plantronics)

Synopsis: A third-party scientific study of how headsets can affect agents' productivity.

Download: http://www.plantronics.com/media/white_papers/WP_Productivity12_05.pdf

In some countries, there has been recent legislation put in place around noise at work, which detail maximum average and peak noise levels that a worker may undergo, and the maximum amount of time that it is permissible for the worker to experience these sounds. We believe that it is only a matter of time until similar legislation is imposed in all Western contact centre industries, and that businesses should be putting procedures in place before they are forced to, which could help agents' health, and limit the business's exposure to litigation.

Surveys have seen that only 6% of contact centre managers are aware of the level of ambient noise within their contact centres, and only 9% regularly measure it[5].

The Acoustic Safety Programme has developed some simple advice for contact centres to help them meet or exceed legislation and make working life safer and more comfortable for their agents:

- Measure contact centre noise regularly and record it
- Fully understand legislation and create a formal policy so that staff at all levels of a business are aware of it
- Make sure that the headsets used are compliant with current legislation, and test them throughout their life

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[5] Source: CCF magazine

- Provide agents with a choice of headsets - monaural or binaural - the latter can help to absorb background noise, but may make the agent feel more cut-off from their environment
- Be aware that excessively long shifts may cause damage to agents' hearing, even if within nominally-safe limits
- Use sound-absorbing materials as much as possible to absorb unnecessary echoes and reverberation
- Educate agents on how to use their headset and phone correctly, including volume and ergonomic adjustments
- Test staff's hearing throughout their contact centre career.

For more information, please visit www.acousticsafety.org.

HEADSET REPLACEMENT AND COST

Around 15% of respondents' headsets are replaced in a given year, meaning that the average headset will have a useful life of around 6 years. This decrease in headset replacement may be a response to the cost reductions put in place across most contact centres last year, and may be temporary. However, it may also be the case that the overall quality and durability of headsets is improving, meaning there are fewer requirements for replacement.

Figure 78: Proportion of headsets replaced annually

	Proportion of headsets replaced annually
1st quartile	25%
Median average (2nd quartile)	10%
3rd quartile	5%
Mean average	**18%**

On average, contact centres pay £60-70 for a new headset, a drop on last year's average price of £73, probably due again to budget restrictions.

Figure 79: Cost of replacing a headset

	Cost per headset
1st quartile	£98
Median average (2nd quartile)	£60
3rd quartile	£39
Mean average	**£62**

Figure 80: Headset manufacturers used by respondents

Manufacturer	Proportion of respondents using this manufacturer
Plantronics	86%
GN Netcom / Jabra	17%
Sennheiser	4%
NB: total is greater than 100% as some respondents use more than one manufacturer	

WIRELESS AND IP HEADSETS

Wireless headsets

9% of headsets in all contact centres were stated to be wireless, which is about the same as last year's figure.

31% of contact centre respondents used some wireless headsets within the contact centre, with an average of 26% of headsets in these contact centres being wireless. In past years, most of the wireless headsets were used by supervisors who are more likely to have to be mobile to help agents in their team, and last year about half of those respondents who were using wireless headsets had a penetration rate of over 20%, strongly suggesting that wireless is filtering into the agent population as well. However, this year's figures do not bear that out (only 26% of wireless headset user respondents have penetration rates of over 20%), suggesting that it is more likely to be supervisors who have such headsets.

White Paper: "Selecting a Wireless Headset Radio Technology" (Plantronics)

Synopsis: Technical considerations and explanations of wireless headset technology.

Download: http://www.plantronics.com/media/white_papers/wp_selecting_a_wireless_headset_radio_technology.pdf

IP headsets

IP telephony can occasionally throw up some negative performance issues. As VoIP is a digital signal and human speech is analogue, converting between the two takes a certain amount of time. IP was not initially designed to transfer speech and so does not guarantee a time between the signal leaving one point and arriving at the next. These two points mean that there may be more of a delay in speech being transmitted from one point to it being heard at another on a VoIP system than with a conventional system.

As with all telephone systems, the person speaking will hear some of their own speech in their ear. This is referred to as 'sidetone', and when the delay levels are low it is an important part of the telephone system. When delays are excessive, the sidetone becomes echo, which is distracting for the people on both ends of the call. As detailed above, excessive delays are more common in VoIP systems than with standard telephony, meaning that echo cancellation is a critical component in improving call quality.

Some headsets are able to alleviate or even remove the impact of sub-optimal network performance on the conversation:

- Echo - how the earpiece fits to the ear and the positioning of the microphone relative to user's mouth helps prevent echo, and digital signal processing (DSP) alleviates echo management when it is unavoidable. DSP can help with unequal call levels, and manage sudden increases in amplitude and/or volume, and prevent acoustic shock

- Distortion - clipping the voice signal by taking away the highest and lowest voice registers can mean that the voice sounds distorted, an unpleasant sound for both agent and caller

- Latency - often viewed as one of the major bugbears of IP, latency is experienced as a lag, due to information being sent and received across the network in a sub-optimal manner. This can cause broken conversations, and can be extremely frustrating for both customer and agent, particularly when experienced as poor sound quality, such as missing pieces of sound, as well as the lag itself.

Currently, 42% of respondents have some headsets that are able to cope in an IP environment. Of these respondents, 90% of headsets can handle IP, with 78% of these respondents saying that all of their headsets are IP-capable.

IP headsets and homeworkers

The homeshoring / homeworking model can be supported by using a headset and IP audio processor (that links the headset and PC), rather than an IP phone. This method is cheaper than an IP phone, is simpler to support, and has the added advantage that if the PC locks up, the agent can continue to speak and be heard.

ACOUSTIC SHOCK

'Acoustic shock' is a phrase coined to describe a sudden, unexpected noise, often delivered at a very intense frequency. It may be caused by feedback from telephone equipment, faulty telephone lines, non-compliant switchboards and headsets. Other sources of acoustic damage include caller abuse (shouting, screaming, blowing whistles etc – most often found in the outbound environment) or background noise on the call. Acoustic shock also refers to the damage done by long-term exposure to noise in excess of healthy limits. It can lead to permanent hearing damage and cases of psychological trauma.

There is some doubt as to whether contact centre agents are exposed to levels of noise sufficient to cause permanent deafness: studies from Denmark and Australia indicate that it can happen, whereas the UK government has been more doubtful, and the HSE is gathering more evidence on the issue. The CCMA (www.ccma.org.uk) claims that "tens of millions of pounds" have been spent in the UK alone on settlements related to acoustic shock.

Readers wanting more information may like to consider viewing www.acousticsafety.org

Contact centres may like to implement a traceable reporting system for headset users who may have been exposed to acoustic shock incidents.

The following information should be reported:

- Date and time of the incident;
- Details of the source of the exposure;
- Description of the noise;
- Duration of the exposure;
- Details of the headset and telephone equipment used;

- Whether the incident was electronically recorded (a copy should be kept for future reference);
- Symptoms experienced by the operator directly related to the acoustic shock incident.

Operators should be trained to recognise such incidents and how to report them. Organisations that operate call centres are further advised that they should keep up to date with developments in this field through their professional associations and other representative bodies, as well as through their enforcing authority if applicable.

Only 36% of respondents' contact centres have a definite, written policy on acoustic shock and avoidance thereof, a clear area for improvement. 51% of respondents did not have a policy and 13% did not know either way.

There is a slight difference when looking at contact centre size bands, with 30% of small contact centres, 36% of medium operations and 45% of large operations having written acoustic shock policies. Of the various vertical markets, only manufacturing, services and utilities stand out as being particularly impressive, with the majority in every other sector not having a policy or means to deal with acoustic shock occurrences.

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NEW MEDIA AND THE CUSTOMER OF THE FUTURE

Currently, the most widely-used forms of non-voice customer contact (apart from letters and fax) are email and self-service, followed by SMS, text chat and web collaboration. Despite the much lower penetration rates, it is also worth discussing the presence of virtual worlds, avatars, kiosks and video agents in the customer contact mix as these are options which businesses may use to target the Internet generation as well as more technically-literate existing customers.

Figure 81: Multimedia channels

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Email	Widely offered for inbound and outbound service by all sectors, especially IT and retail.	Email is widely-used and accepted by customers. As a non-real-time application, businesses can deal with emails in slack periods. Written format is suited to long and complex answers. Templatised responses offer cost savings.	Without investment in email systems, email is no cheaper to handle than a phone call. Service levels are often poor or inconsistent, leading to customer dissatisfaction. Any interaction that requires security is unsuitable for email checks.	IT and retail often highest. Insurance and finance usually low. On average, the contact centre industry has 10% of inbound interactions as email. Strong belief and desire for the figure to grow to 20%+.
Self-service	Both voice and web self-service are widely used, the former either through touchtone IVR or speech recognition, which handles simple queries and transactions.	Variable costs of using self-service are very low (i.e. once the system is set-up correctly, incremental cost per use is negligible), making it suitable for high-volume, simple interactions, avoiding the costs of these calls being handled by agents. Allows 24/7 service at low cost.	Excessively pushing the use of self-service, & badly-designed IVR menus can mean that callers feel frustrated & alienated. The use of natural language self-service is not yet widespread, & older voice-based applications are often inflexible & long-winded.	8-10% of inbound contact centre interactions are dealt with by self-service, although contact centre managers believe that far more calls are suitable for self-service.
SMS	Often used for marketing messages, SMS can also provide proactive customer service, such as balance threshold alerts and appointment reminders.	SMS is a cheap channel, with texts costing less than 10p each. UK mobile phone penetration is greater than 100%, and SMS senders are very likely to have their messages read.	The same rules against email spam apply to SMS, so customers must give their permission to be sent SMS. Inbound SMS is like email, in that security cannot be established, and it is not a real time application.	Around half of businesses currently use SMS to communicate with customers, usually for marketing purposes.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Text chat / instant messaging	Still quite rare in UK businesses, but growing as specific applications for its use emerge.	Real-time nature of text chat means it is akin to a voice conversation in immediacy. It is possible to ask security questions through text chat, although it is debatable whether the customer will feel happy about passing on this information over the web. Multiple concurrent text chat sessions can be run, cutting cost per interaction. Younger generation is used to messaging.	Text chat may be too alien to the older generation who may feel pressured by the sudden appearance of a chat initiation. It is also an expensive option, and may encourage people to ask unnecessary questions that they would otherwise use the website to find the answer to.	<0.2% of interactions into UK contact centres, but potential to grow.
Video agents	Limited current use. Can be delivered through PC, kiosk or interactive digital TV.	Eye contact is critical for establishing trust and 60% of the communication process is visual. Opportunities for demonstrating product features.	Customers may prefer the impersonality of telephony. Agents will need training in visual presentation.	Not known, although low.
Virtual worlds	Second Life is an online, virtual world populated by avatars, which interact with each other and with real business, such as Coca-Cola, Microsoft, BMW, Reebok, Penguin and KPMG. Businesses use Second Life as a venue for recruitment fairs, a branding opportunity, a sales channel for both real and virtual commodities and also a provider of customer service.	Waiting in a Second Life office should be a less boring experience than holding for a contact centre agent, with residents able to wander around the world, watch videos, read information or talk to other people while waiting their turn. The added visual capability will have the same advantages of video agents.	Avatars are not yet realistic or life-like, limiting non-verbal communication. Most people are unaware of Second Life and it is far quicker to pick up the phone.	Millions of Second Life users, but 'real' business fairly limited. Increasingly used for intra-company communications.
Web collaboration	Very limited. Page-pushing and joint form-filling more used in the US, but rarely in the UK.	Allowing an agent to work alongside a customer's desktop can give more personal and effective assistance.	Very expensive per session. Not widely understood by customers.	<0.1% in the UK.

Channel	Current use	Drivers	Inhibitors	Proportion of interactions
Avatars	An avatar is a physical representation of an individual in cyberspace. Rarely used in commercial environments, avatars are usually found in online games and virtual worlds. Some businesses are using avatars to act as the front-end for self-service applications, offering customers a human-like interface with which to carry out self-service operations.	Online customers can move their avatars around a website in the same way they would move around a shop, and ask sales avatars for help. If avatars were physically similar to their owners, businesses could use web collaboration to show exactly how the customer would look in an item of clothing, or behind the wheel of a car.	Customer service avatars require 'anthropomorphous software' to be able to decipher unformatted text and natural language, read and write text and display some level of behaviour that might be seen as personality and intelligence - it needs to be seen as being more than just an attractive way to do the same limited things.	Not known, although very low.
Kiosks	Supermarkets, cinemas, banks, fast-food outlets and train stations have touch-screen terminals which can deal with financial transactions, issuing tickets, taking orders and scanning items.	Low-cost, effectively another variant of self-service, with a possible option to move to a video agent if required, although privacy issues are present. It takes an average of $3 for an agent to check-in an airline traveller, but only 14c each with a kiosk (source: Forrester Research).	Possible mechanical breakdown. Non-private. Limited functionality.	Not known, although growing.

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MULTIMEDIA MANAGEMENT AND THE UNIVERSAL QUEUE

In the late 1990s, the phrase "contact centre" was rarely used or understood by many working in the call centre industry. With relatively minor changes, call centres continued to do what they had done for years before: receive and make telephone calls from and to businesses' customers and prospects. The role of the Internet in customer communication was poorly understood, email volumes were still low (and response rates were often appalling) and self-service consisted of touchtone IVR and little else.

Today, multichannel contact centres are mainstream, with most contact centres dealing with a significant proportion of email as well as telephony. The Internet – as a channel for self-service, sales and increasingly person-to-person contact – is an integral part of many businesses' customer contact strategy, with the advent of social media throwing another element into the mix.

Many phrases have been invented to describe the explosion of the number and choice of communication channels available to customer and business: 'multimedia', 'multidimensional', 'multichannel', to name a few. New devices, transmission methods and commercial practices mean that the plethora of communication options will continue to increase.

Regardless of the label we put on this phenomenon, the potential complexity of the situation is obvious to see.

Multichannel customer contact
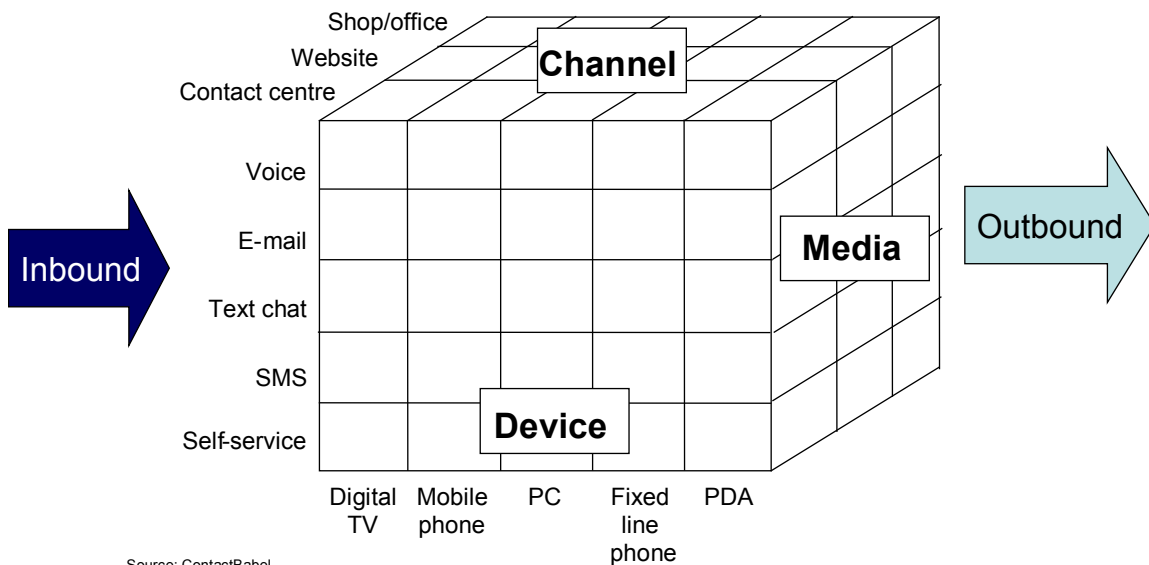
Source: ContactBabel

This diagram shows how complicated customer contact can become once multichannel communication begins. The customer has numerous devices, both voice and text-based, with which they can contact the business. They may decide to query an automated system, or a live agent. They may want the answer in real-time, or prefer to receive a reply at their convenience. They may use a telephone, PC, letter or use a kiosk in the street or in a physical store. Of course, not all contact is one-way – the business can also initiate outbound communications with its customers as well.

The complexity of the situation increases exponentially once a new channel, device or medium is added to the customer service mix. The only constant is that – regardless of the method they choose to communicate with the business – customers want accurate, timely information delivered in a form with which they are happy. The challenges for the business are to provide a high quality of service which is consistent across the channels and to do so in a cost-effective manner. To do this, and break down the boundaries between contact channels that has been stifling the potential of non-telephony contact, a universal queue is required.

The Universal Queue

Although the 'universal queue' as a phrase is showing its age, having been around for at least ten years, as a concept it's still vital to understand.

A universal queue is a platform which automatically captures, processes, routes and reports on customer interactions and related activities based on a company's specific business criteria, providing a view of each and every customer interaction. Customer interactions through channels such as voice, e-mail, fax, instant messaging and activities such as work items are handled according to business-defined processes and strategies, avoiding the problem of rogue interactions that are left outside normal workflows, or favouring one channel (usually voice) to the permanent detriment of others.

The universal queue can set priority levels to incoming calls, e-mails and chats, and may also have the ability to blend inbound and outbound calls into a single queue to allow agents to move between media as required. This approach also facilitates a single view of the customer across all channels, which is one of the key ways to improve the quality of service offered, as well as improving the agent's confidence and morale.

The proportion of inbound interactions by channel has not changed greatly since last year, perhaps as many initiatives and investments have been put on hold. The proportion of self-service interactions has dropped from 8% to 6%, but it is likely that this is more a representation of the higher-than-usual number of public sector operations taking part in this year's survey. Email has finally broken through the 10% barrier, but these statistics show no major changes in channel usage since last year.

Figure 82: Inbound interactions by channel
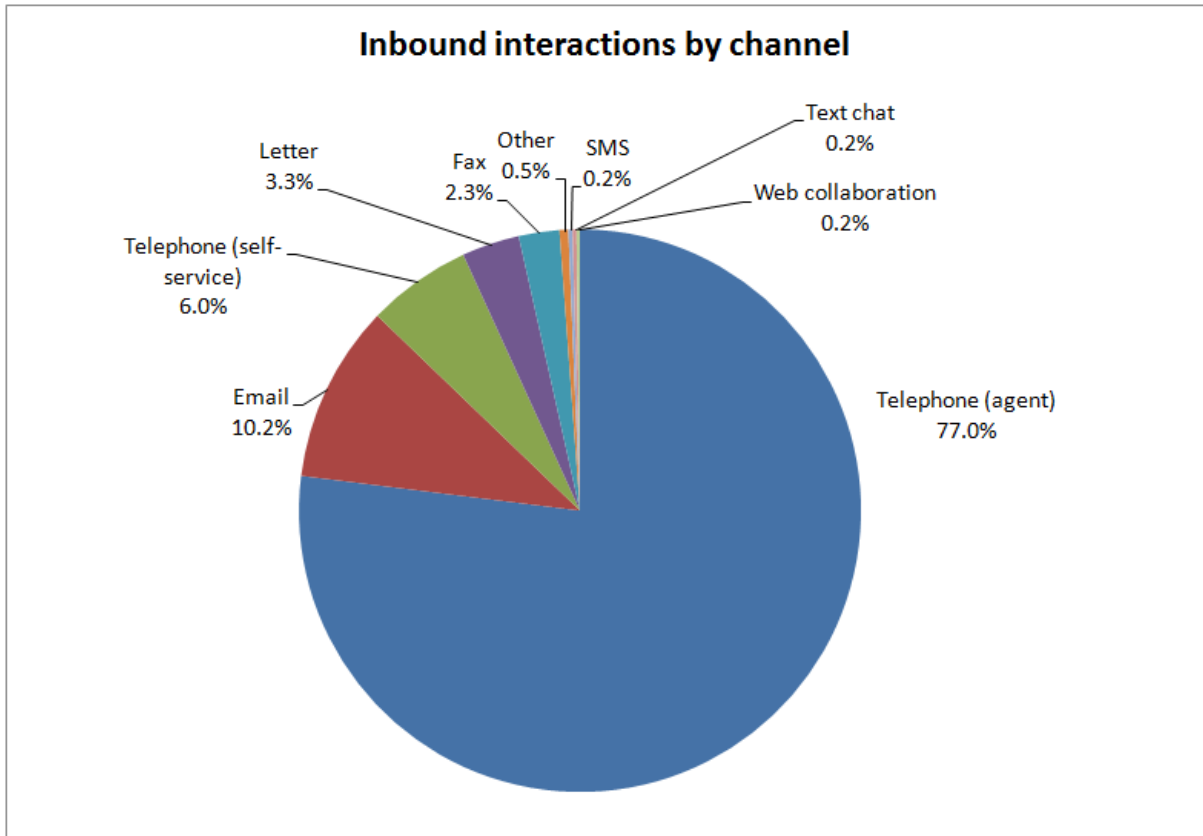
Figure 83: Channel usage

Channel	% of respondents accepting inbound interactions of this type
Telephone (agent)	100%
Email	86%
Letter	61%
Fax	38%
Telephone (self-service)	25%
Other	14%
SMS	13%
Text chat	13%
Web collaboration	8%

Of course, all respondents handle telephone calls to agents, with the vast majority accepting email as well. Traditional channels, such as fax and letter are also still popular, although volumes are low. New media - text

chat, SMS and web collaboration - are still in the realms of the early adopter, and it is interesting to see that 3 in 4 of our respondents do not offer customers a full self-service solution.

EMAIL MANAGEMENT

Customer-to-business email interaction has had a series of false dawns. The relatively low levels of email usage still prevalent in many contact centres is a result of poorly-implemented email systems, a lack of understanding of the nature of the inbound email channel and the customers' natural response to the above – they use email carefully, because they never know if they'll get the same quality response as from a voice call (if they get any response at all). 'Mystery shopper' surveys of email response have consistently shown a generally poor level of service from this channel, although individual organisations (especially some in the IT and retail sector) have managed to make email the channel of choice for customers.

While it is not suggested that businesses should aim to answer an email in the same amount of time that it takes to complete a phone call, it is desirable to manage all interactions closely to consistent business rules, and to act quickly if service levels slip. Too often it seems, contact centres have become so used to managing the telephony queue that they neglect multimedia interactions. The result is that multimedia response times (mostly email) have been sacrificed to meet telephony service levels, although there have been steady improvements in the response rates in recent years.

Putting email on the back-burner may seem like a sensible way to manage things: after all, the emails will still be waiting for agents once a call spike has been dealt with, and no-one wants high levels of call abandonment. However, the email queue is not self-managing in the same way that a telephone queue is, when customers will drop the call if the wait is too long, and (hopefully) call back at a quieter time. Old emails stack up, and agents can spend all of their time answering requests which no longer apply because the customer or prospect has lost interest, gone elsewhere or, ironically, phoned the contact centre to get a response denied them by email. In most cases, telephony agents won't know that the customer has sent an email about the same thing, so the email will stay live and be dealt with unnecessarily and too late, meaning live emails sent later get ignored as a consequence.

Figure 84: Inbound interactions that are email, by vertical market

Vertical market	% of inbound interactions that are email
Retail & Distribution	17.1%
TMT	15.9%
Outsourcing	13.8%
Manufacturing	11.5%
Public Sector	9.6%
Medical	8.4%
Services	7.9%
Utilities	7.0%
Insurance	5.8%
Transport & Travel	5.4%
Finance	2.0%
Average	**10.2%**

As usual, it is the retailers and TMT (especially IT) respondents with the greatest proportion of inbound traffic as email. The former's email volume are often driven by sales via a website, with TMT/IT's more about technical support. The finance and insurance sectors do not deal with a large volume of email, mainly due to the restrictions on security, customer identification and customer data. Outsourcers are generally increasing the amount of email they handle, as this is a good way to establish contact with new clients, and fulfils a definite need.

As with previous years, emails are proportionally less important for large contact centres, with the gap between large and small operations widening yearly.

Figure 85: Inbound interactions that are email, by contact centre size

Contact centre size	% of inbound interactions that are email
Small	13.7%
Medium	9.7%
Large	5.8%
Average	**10.2%**

Email response handling times have shown a slight improvement on 2009, with the proportion answered within one hour going from 10% to 12%, and those answered the same working day going from 35% to 44%. However, taking longer than one day to answer an email runs the risk of the customer losing patience, and going elsewhere or phoning the contact centre, placing a greater cost burden on the business than if they had just called in the first place.

Figure 86: Average time taken to respond to emails
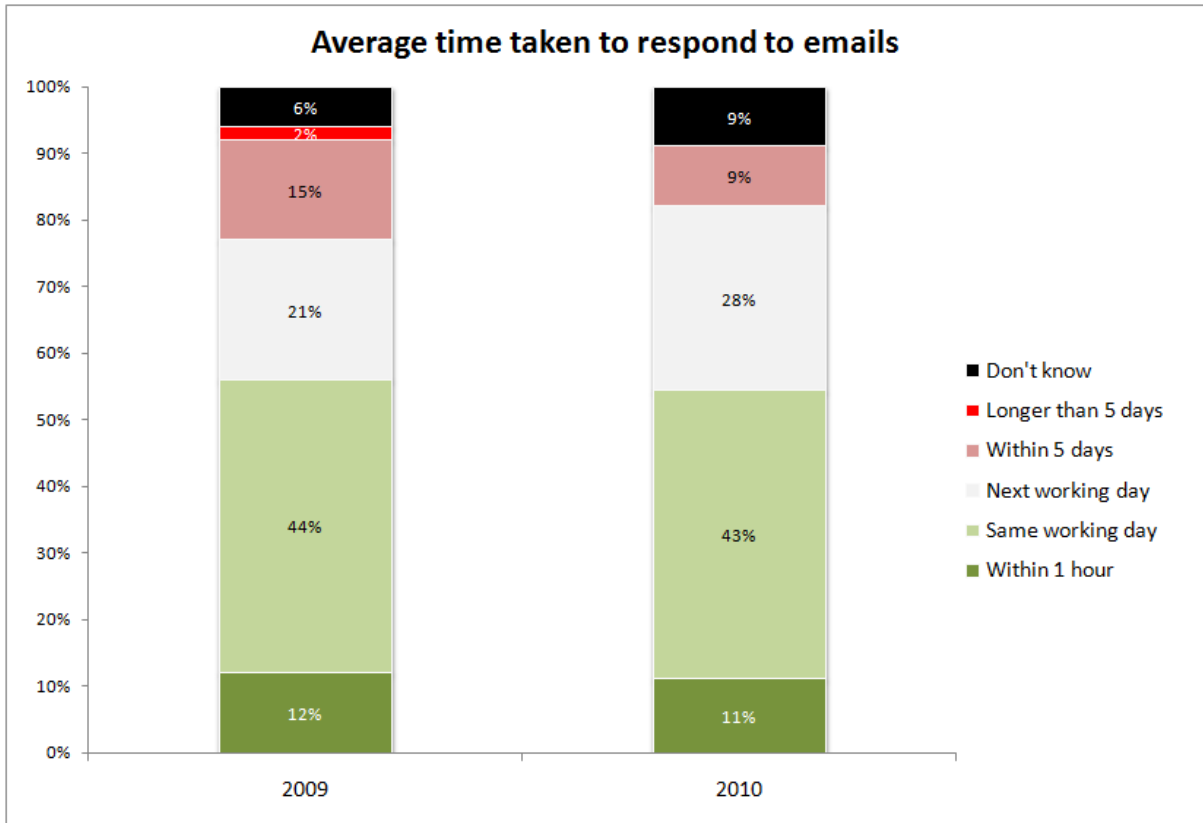
Although the previous chart looks at average email handling time, a relatively small number of tricky enquiries can pull the average email handling time upwards considerably, so it's also worth looking at the proportion of emails answered within 24 hours (consider this measure to be similar to the traditional call centre benchmark of proportion of calls answered within 20 seconds).

Figure 87: Proportion of emails answered within 24 hours, by vertical market
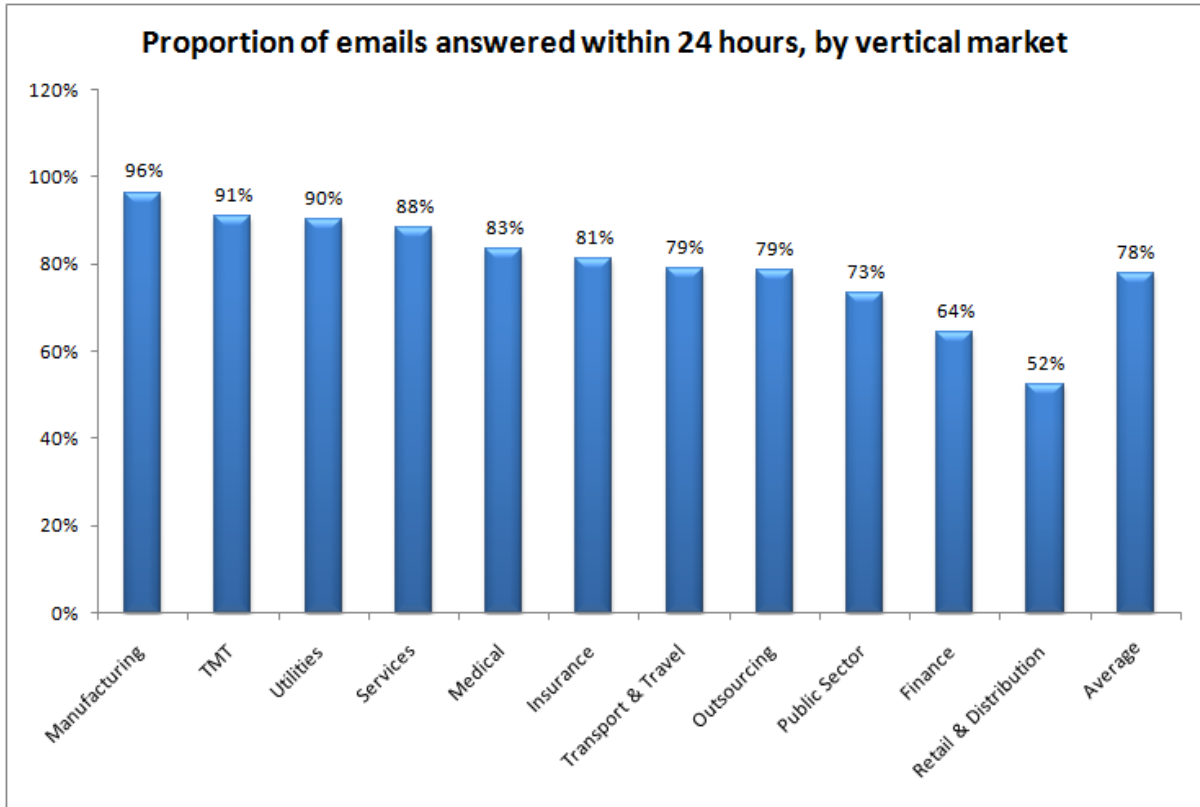
Surprisingly, the retail & distribution sector has the greatest proportion of respondents taking longer than 24 hours to answer (48%), perhaps as a result of the higher-than-average volumes that the sector receives, exacerbated by the relatively low levels of investment in email systems in many retailers. However, the TMT sector (which includes IT) seems far better placed to handle its high volumes of email, and the outsourcing sector also copes reasonably with its high volume of email.

MULTIMEDIA BLENDING

There is no general agreement within the industry on how best to deal with email, although there are genuine reasons to encourage email/voice blending. On one side, there is a case made that letting agents answer email makes the job more interesting for them, lowering attrition and improving skills. The other side to this says that the skills required by email agents are different from voice agents, and that it is difficult to find the agents to do both jobs. Both sides make sense logically, and of those contact centres which use voice/email blending, only 19% have experienced problems finding the right staff for these types of role, a figure that is decreasing each year.

From our respondents, the manufacturing, outsourcing, retail & distribution, TMT and utilities sectors are keenest on multimedia blending, with all of these respondents allowing at least some of their agents to carry out both email and telephony. However, email requires certain skills, including grammar and punctuation, which not every agent has, even with assistance from an email management system's response template.

On average, slightly more than half of agents in a blended multimedia environment are allowed to do both email and voice work.

Staff in smaller contact centres are expected to pitch in more with anything that need doing. 97% of sub-50 seat operations have some agents who deal with email and voice, compared to only 61% in the 200+ seat bracket. Within these blended contact centres, small contact centres allow 63% of staff to do both voice and email, compared to 54% of medium-sized operations and only 43% of large contact centres. All of these figures have significantly increased since 2009, suggesting that email / phone blending is gaining traction.

Figure 88: Use of multimedia blended agents by vertical market

Vertical market	Respondent contact centres allowing multimedia blending	Proportion of agents answering both voice and email (only where applicable)
Utilities	100%	80%
Manufacturing	100%	72%
TMT	100%	72%
Retail & Distribution	100%	49%
Outsourcing	100%	44%
Public Sector	95%	51%
Medical	75%	68%
Finance	67%	100%
Transport & Travel	67%	33%
Services	57%	68%
Insurance	44%	38%
Average	**83%**	**56%**

As we can see, simply because a contact centre uses the same agents for email and voice does not mean that all operations use the same level of multimedia blending. For some operations, multimedia blending is a strategic decision which has been invested in with the right levels of technology and training being provided. For others, it is a necessity, with agents encouraged to answer emails in slack call times. The following chart shows that the smaller operations - which may not have sufficient email volumes, or the investment available to formalize the blending by forming a universal queue to deal with all types of interaction - are much more likely to deal with emails on an ad-hoc basis, whereas there is a slight positive correlation between contact centre size and the use of a formal blended environment or universal queue, although less than previous years, suggesting that investment in universal queues is no longer restricted to the largest operations.

Figure 89: Methods of multimedia blending
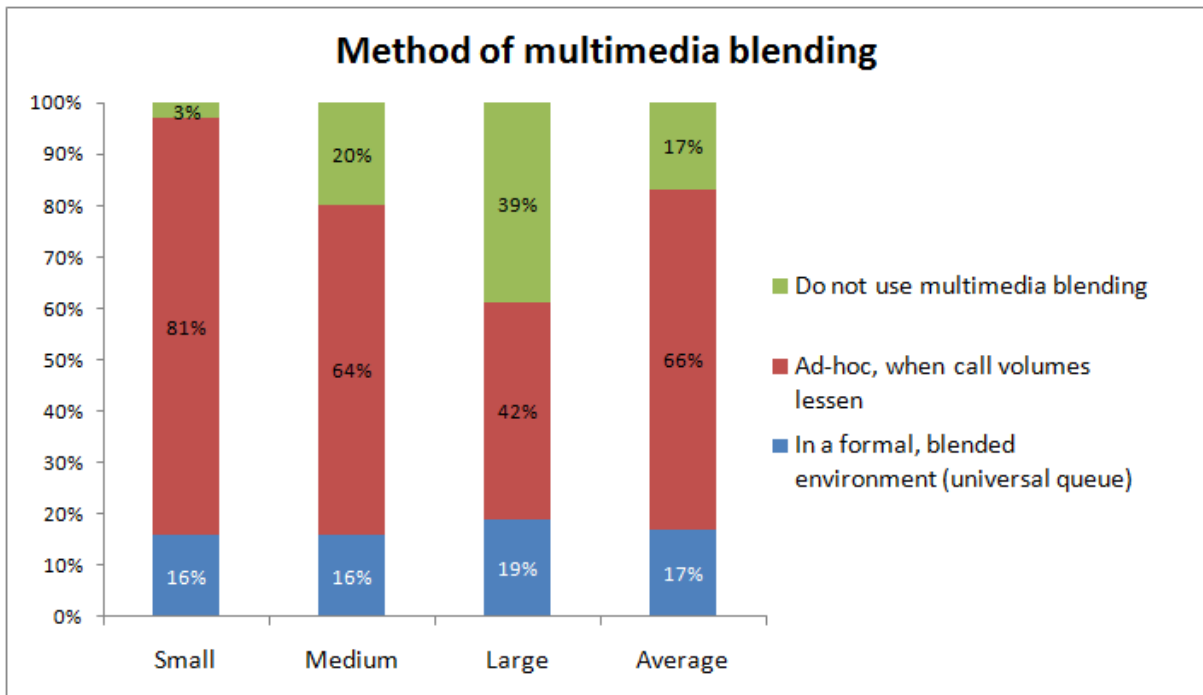
The following chart seems to indicate that a formalised blending environment, such as a universal queue, has a beneficial effect on email response times. 29% of respondents using a formal blended environment have average email handling times of less than 1 hour, with no respondent having an average handle time longer than the next working day.

The ad-hoc approach is less successful, with only 5% of respondents having an average handle time within 1 hour working day. 23% of respondents which do not use multimedia blending at all have a sub-hour average handle time, but a surprisingly high proportion have no idea about how long email takes to be answered.

Figure 90: The effect of multimedia blending on average email handling time
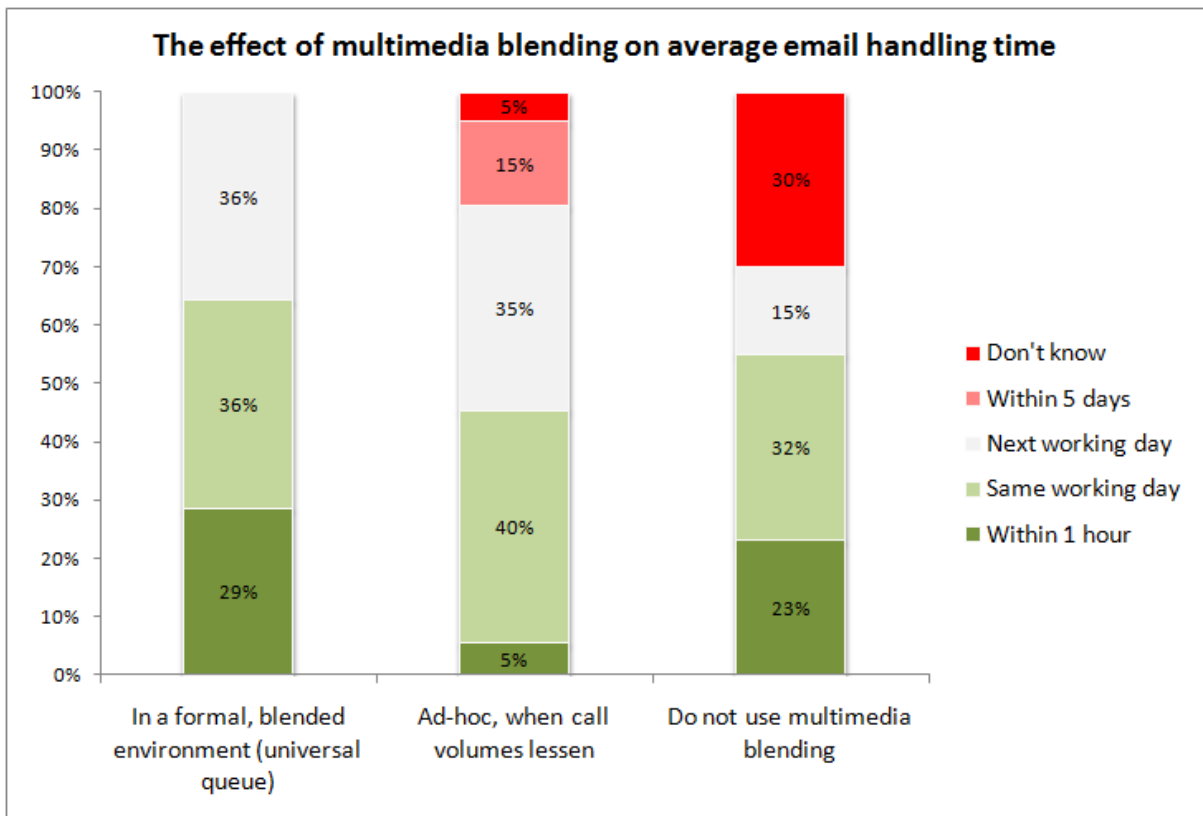
MULTIMEDIA BLENDING AND ATTRITION RATES

There is a hypothesis that allowing agents to mix up the type of work that they do will have a positive effect on staff attrition rates, in that the work will be more varied and interesting. Data have proven this to be the case for many years, and even though attrition rates are extremely low this year, the same pattern emerges, except less dramatically than in previous years.

On comparing attrition rates and staff churn problems against the amount of multimedia/call blending that agents are allowed to do, there is evidence to suggest that staff attrition is eased by multimedia blending.

- In contact centres where fewer than half of staff were involved in multimedia/call blending, the average attrition rate was 17%. In contact centres where more than half of staff answered multimedia and calls, average attrition was 11%.

- This pattern is even more pronounced when looking at contact centres which do not allow any agents to deal with both telephony and multimedia. In such environments, average annual attrition was 21%, compared to 12% in operations where all staff dealt with both email and telephony

- The link between contact centre size and staff attrition problems is also relevant, as larger contact centres are more likely to run their operations along highly-specialised (and possibly monotonous) production-line methods, which discourages blending as a whole and promotes high levels of attrition. However, such operations are likely to have higher efficiency measures.

OPINIONS ON EMAIL

The multimedia service channel has been a long time in coming, but now accounts for around 11% of the typical contact centre's work. However, there is still a long way to go before it fulfils its promise and potential.

The biggest issue is stated to be a lack of investment in the technology that's needed to really make this work, such as universal queue, email blending, email management and of course the niche applications such as web chat. The second-biggest issue - that customers don't use multimedia out of preference - is strongly linked to this lack of investment: if the channel hasn't been invested in and doesn't work as it should, why would customers want to use this over a proven channel such as voice?

However, 39% of respondents disagree that voice and web self-service make multimedia irrelevant, with only 25% agreeing. Concerns over integration and a possible lack of agent skills are minor, leading to the conclusion that multimedia is being held back simply by a lack of vision, as well as the investment required to meet that vision.

Figure 91: What's holding back your multimedia service channel?
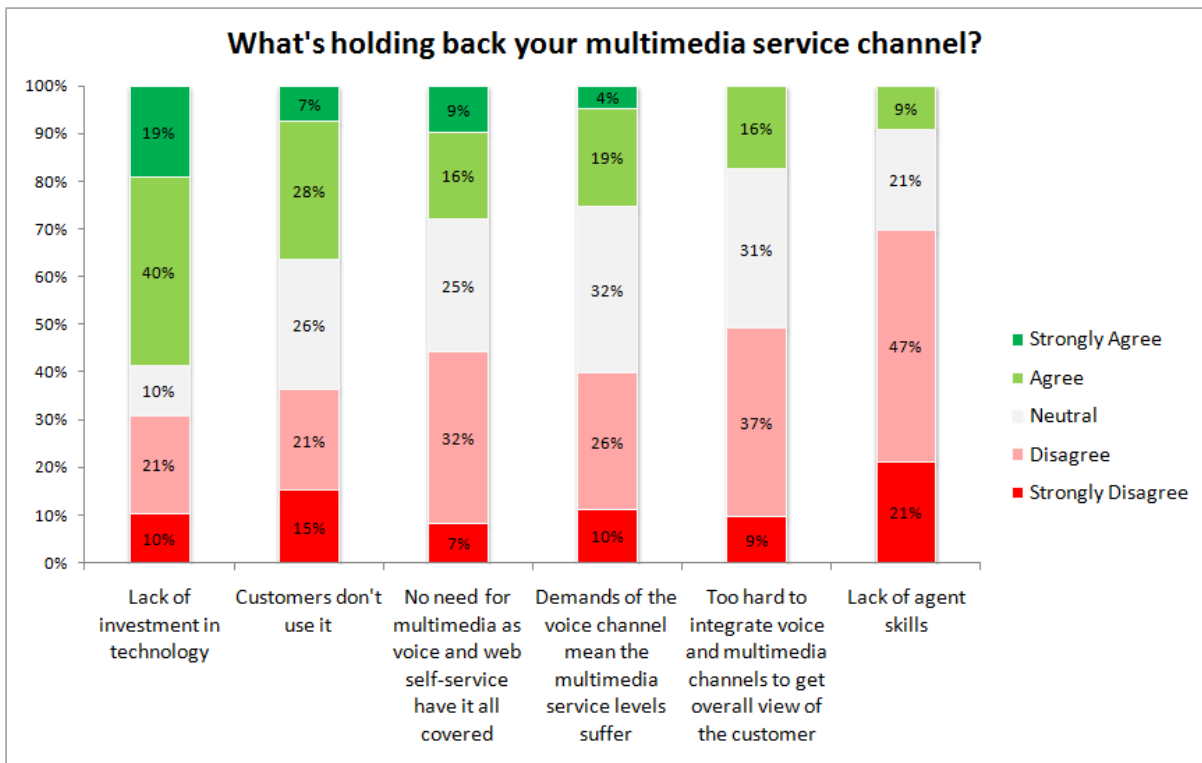
NICHE CHANNELS

Apart from email, which is the most important person-to-person multimedia channel, organisations may feel that their customer base and business model is suitable for other channels to be used as well.

SMS

A potentially key technology that many businesses have ignored is SMS. Many people do not have a landline phone, preferring to use their mobile phone. In the US, one-third of 18-29 year-olds only use a mobile phone for telephony[6], while in the UK, 8% of all households are mobile-only[7], a figure which is growing rapidly, especially as young people buy their first houses. While the mobile is more expensive to call, its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number.

Despite the effects of legislation on outbound calling already being seen, SMS will not act as a substitute for voice calls, but rather as a complementary channel, and this is something that should be emphasised: outbound communications are now definitely seen by businesses as opportunities to add value and secure loyalty through proactive customer service, as well as being a powerful sales tool. Using a mixture of SMS and voice, a business can communicate quickly and effectively with its customer base, choosing the right channel depending on the urgency of the message and the customer's own preference.

Today, SMS marketing is widely seen as 'edgy', and aimed primarily at young (and sometimes naive) consumers. It has also attracted more than its fair share of cowboys and con-men, lending a certain disreputability and gold-rush feel to the practice of SMS marketing, particularly around textback services. In future, SMS will work best where customers are happy to hear from a business (e.g. if their account is in danger of becoming overdrawn) and in cases where the business is saving money or strengthening their brand.

The link between mobile telephony and web is only going to get stronger with the path to a single unified device looking clearer, with media and communications on the same device. This will mean the boundary between SMS and email will just blur, with the current visual drawbacks of SMS becoming irrelevant. Although the small screen of any mobile device means it's hard to do anything complex on-screen, the addition of voice-to-text technology will allow users to form longer and more complex sentences, more akin to email.

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[6] Harris
[7] quoted by Broadband Wales Observatory (the Welsh-only figure is 14%)

CUSTOMER REACTION TO SMS

Customer reaction to SMS, although early days, is very positive for proactive customer service (e.g. appointment reminders, delivery information, account balances, etc), and businesses which have implemented SMS as part of their outbound customer contact strategy are enjoying the twin benefits of high customer satisfaction and low costs, particularly when the cost of call avoidance is considered as well. 73% of respondents that use SMS for customer service say that their customers are either 'happy' or 'very happy' with this.

Unsurprisingly, marketing SMS messages are less well-received, although there are more positives than negatives. Much of the customer reaction will come as a result of which marketing messages are sent, to whom and how often. The financial result of a marketing campaign is vital, and the following section looks at the return on investment experienced.

Figure 92: Customer views on SMS for customer service and marketing
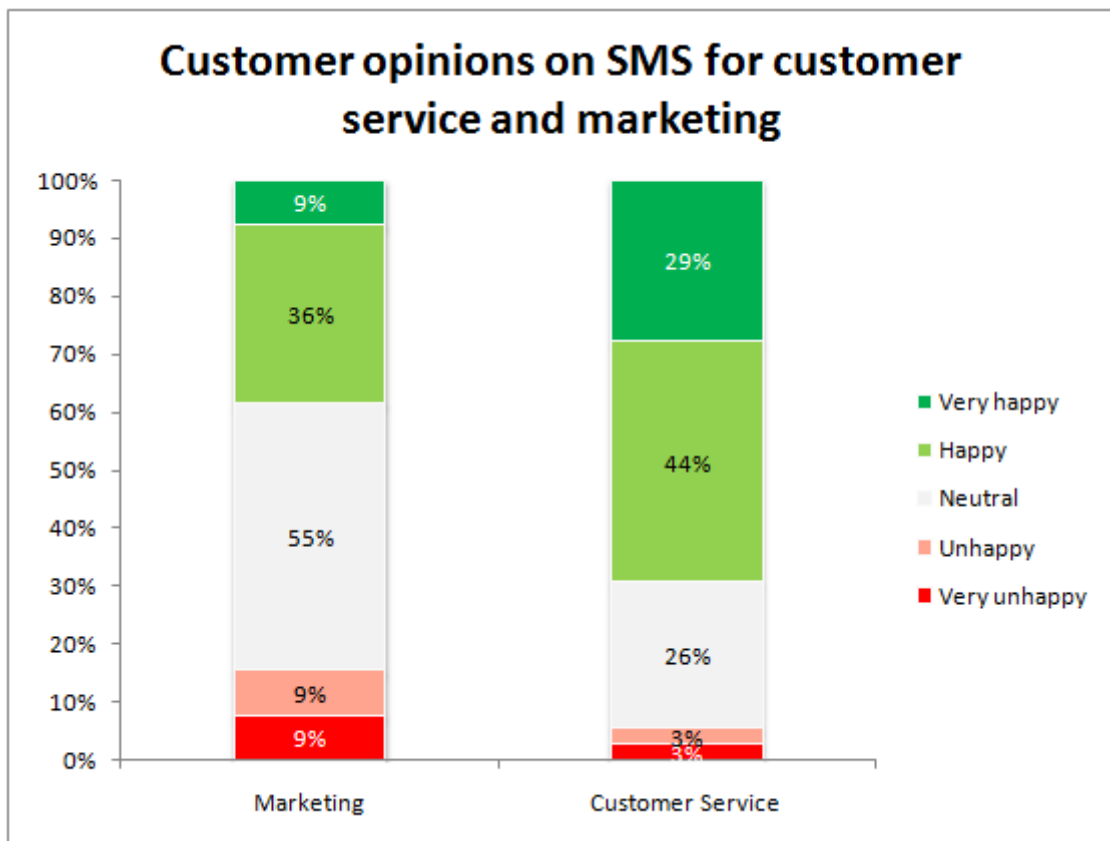
SMS: MARKETING RESPONSE RATES, RETURN ON INVESTMENT AND CUSTOMER EXPERIENCE

Businesses wishing to use mobile telephony - whether through voice or SMS - should be aware of the unique nature of the channel, including the psychological state of many mobile phone users towards the device. The mobile phone is seen as a private, personal communications channel, in a way that a PC or landline phone is not. The mobile phone goes everywhere with its owner at all times (the peak time for texting is between 10.30pm and 11.00pm), and the external appearance, sound and function of the phone can be personalised and modified to reflect the user's personality.

17% of UK customers volunteer their mobile number as their primary point of contact, suggesting that there is a significant number of people for whom being contactable is preferable to maintaining their distance from organisations, although this comes at a significant cost for the businesses making the calls.

Against this background, using SMS as a marketing channel would seem to be a good way to achieve superior delivery and read-rates, and this is borne out by the surveys' findings. Although only around 30% of respondents had used SMS as a marketing channel, 46% said that the response rate was superior to direct mail and 37% said that it was better than email. However, 44% said that response rate was better in the telemarketing channel, although of course this method is far more expensive.

Figure 93: How does the response rate you have had from SMS marketing campaigns compare to...?
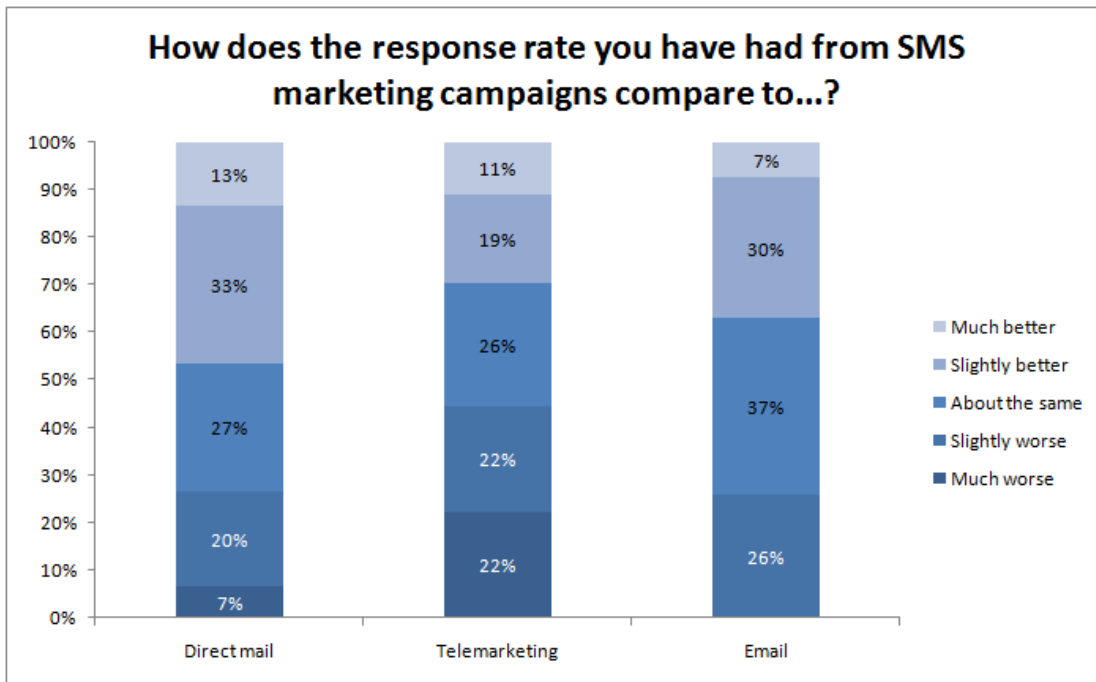
When considering the return on investment - i.e. bringing cost into the equation as well as response rate - SMS still bears up well, with 32% of respondents saying that SMS's ROI was much better than direct mail's. 48% said that SMS has a better ROI than the expensive telemarketing channel, and the same proportion of respondents said that SMS had a better ROI than the ultra-low cost email channel than disagreed with that assertion (40%).

With these response rates and ROI figures, it is strange that more companies are not yet taking advantage of SMS as a marketing channel.

Figure 94: How does the return on investment you have had from SMS marketing campaigns compare to...?

How does the return on investment you have had from SMS marketing campaigns compare to…?
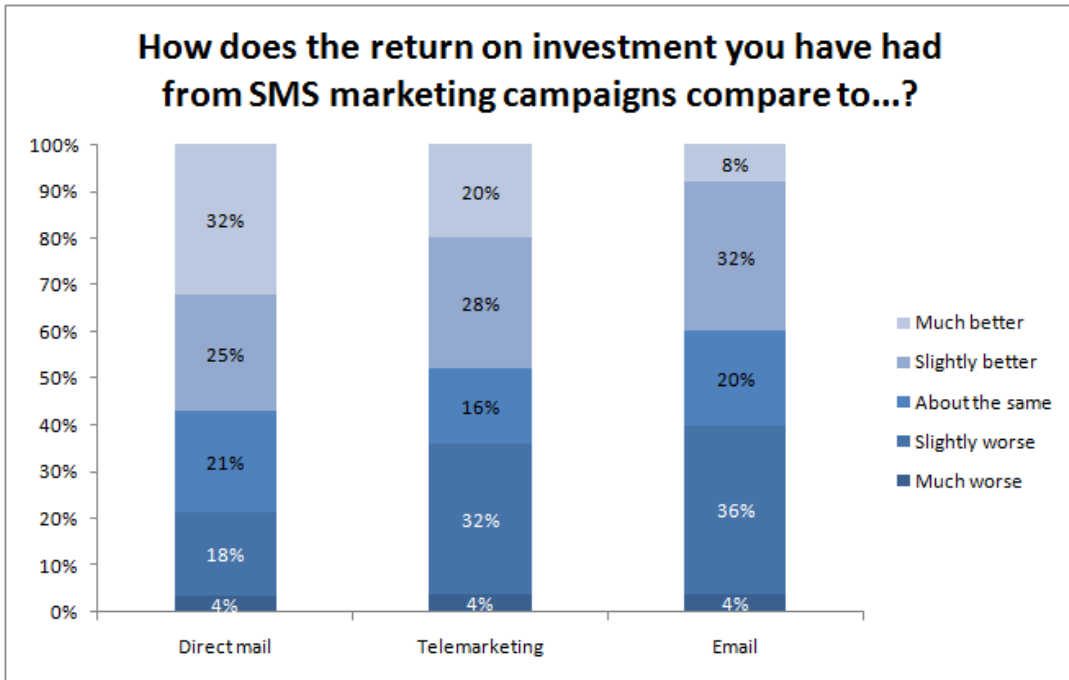
Businesses that have used SMS for customer service and marketing report positively. 63% state that effects on profitability have been good or excellent, but it is the powerful positive effect on customer experience that is perhaps more noteworthy, with 24% of respondents stating that SMS has had an excellent effect on customers, with a further 49% stating a good effect. No respondents felt SMS has had a negative effect on the customer experience.

Figure 95: The effect of SMS on profitability and customer experience

Effect of SMS on profitability and customer experience
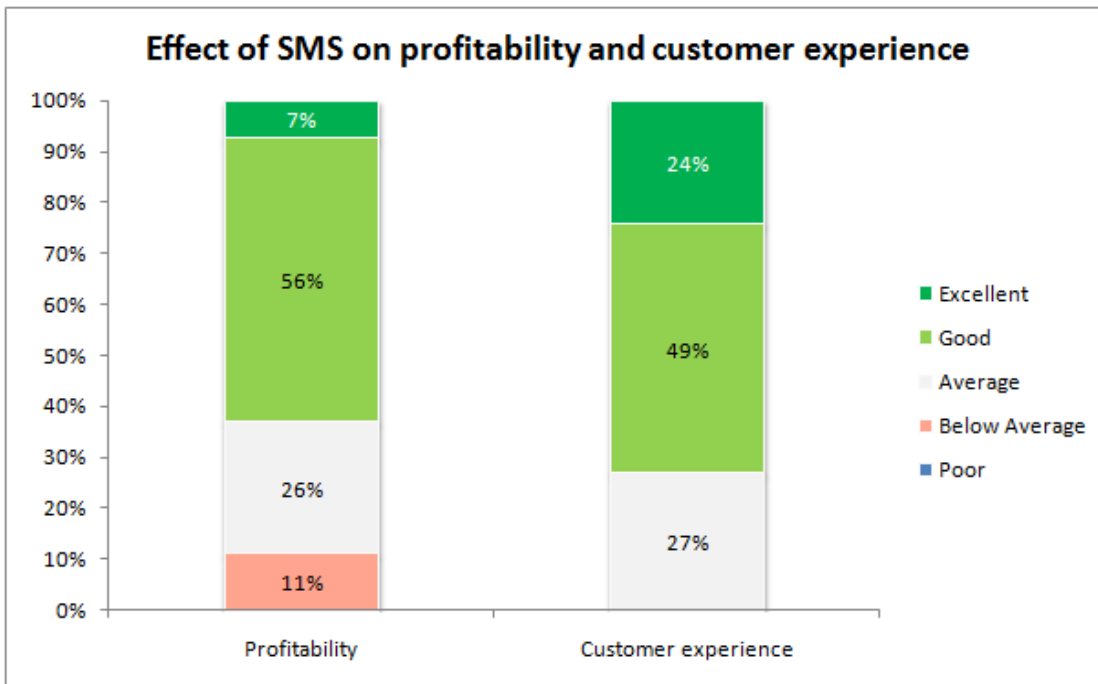
TEXT CHAT AND WEB COLLABORATION

Text chat (instant messaging / IM) and web collaboration are similar in that they offer live assistance to the process of web browsing. Like email, they have been around for a long time, but have yet to achieve the usage that had been predicted. IM offers an organisation a chance to cut costs through running more than one chat session at a time with customers, using the time that a customer spends reading and replying to an agent's response to deal with other customers concurrently. Solution providers offer the option for an agent to deal with 4 or more sessions at the same time, but whether this is a sustainable model for the agent or provides an acceptable quality of service for the customer is another question. Agents can respond to frequently-asked questions by using 'hot-keys', which provide templatised answers and can escalate queries if required.

IM is not a cheap channel, and some businesses have started to offer it in the final phase of a web-browsing session, perhaps initiating a text chat session if the customer has revisited a page many times, or is pausing at the checkout process. Forrester Research indicates that investment in proactive IM capabilities will produce an incremental 105% ROI.

As an aside, some US contact centres report that gamers - those experienced in playing online games - are particularly suited to the fast-paced, text-oriented nature of IM, and some US businesses are actively recruiting such people to work as IM agents. It is also worth commenting that although offshore customer contact has received a mixed press (at best), many of the negative issues surrounding offshore are not applicable to the multimedia channel, such as the frequent mutual incomprehensibility of accents.

The customer of the future - especially the younger generation - are often accomplished Instant Messengers, and will be keen to use this option with the businesses they work with. However, IM is currently only really useful for generic information and sales purposes, as users usually aren't taken through security processes, so the agent can't help with specific account queries; the same usually applying to email. Putting some form of trusted biometric device on a PC or mobile device (such as a thumbprint reader) which then assures the businesses' system of the user's identity could possibly overcome this issue. Alternatively and more simply, there doesn't seem to be any reason why the IM agent can't ask the standard security questions to the customer via IM, but this is rarely done today perhaps for cultural reasons.

Web collaboration, including form-filling and page-pushing, is a very intensive, one-to-one channel, best used for high-value customers or in those cases where it is quicker and more effective for an agent to take over the reins than to talk the customer through the process. While it is useful for certain businesses, processes and customers, it is difficult to make a case for it on a cost-saving basis alone, although it will encourage the completion rate of sales, and as such, improve profitability.

Using the contact centre to achieve higher sales conversion and develop new sales channels through web chat

Sean Canning VP UK Operations, Firstsource Solutions

Every year, companies spend increasing amounts of money to drive traffic to their website. We are now in the next generation of e-commerce where buying and selling over the internet are no longer viewed as risky transactions, but are commonplace amongst all sections of the community. Online spending grew by 25% in 2008 to £18.4 bn, compared to the overall growth rate for the retail sector of 2.1%. With e-commerce predicted to grow to £36.3 bn by 2014, there are obviously major opportunities for many businesses.

However, there is an underlying weakness within the online sales model. This is highlighted by average figures of online browser- to-buyer conversion rates of only around 2-3%. Using web chat software which can pro-actively engage with surfers on your website can be a powerful tool in improving sales conversion rates.

The shopping cart is now an essential element of any B-2-C website. But what happens if the prospective customer has a question about the product or service? In the traditional bricks and mortar retail environment, customers go into a shop, view the product and ask the shop assistant any questions they may have. In the global etail environment, however, where customers are expected to self-serve, FAQs may not resolve the customer's question. If the website does not retain the customer, they may go elsewhere. After all, your competitor is just a click away. The sale may be lost due to the supplier's inability to answer a simple question. A facility to engage in real-time over the web could provide the communication channel direct to the customer's desktop, answer the particular questions and close the sale in just a few lines.

By offering a proactive chat facility, website surfers can be encouraged to stay online longer, view information about products and services and then complete the purchase. Skilled online agents can answer questions quickly and efficiently and help website browsers become buyers.

Firstsource has been providing a sales through pro-active web chat service for over a year, with convincing results. For one client, we have been able to move their browser- to-buyer conversion rate from 1% from self-serve (1 out of every 100 browsers went on to buy in a self-serve environment) to 12% for pro-active chat (1 out of every 8 browsers engaged in web chat buys a product.) NB: We do not engage with all 99 browsers, but a sub-section of them with the highest propensity to buy).

At these kinds of conversion rates, pro-active web chat is by far the lowest cost human-assisted subscriber acquisition channel. In fact, research from LivePerson, one of the leading providers of online customer engagement software, indicates that website visitors who chat are three times more likely to buy and cost of sales through webchat is 60% cheaper than phone sales.

As companies and service providers increasingly seek to rationalise their high street presence, and reduce call volumes into their contact centres, they have encouraged customers to self-serve online. While this strategy may have cut costs, directing customers to the website may cause some frustrations due to lack of direct communication with the supplier. Online engagement can solve this issue by offering a real-time interactive communication channel, allowing customers to communicate direct with customer service agents. Web chat can also be carried out either onshore or offshore - which can further reduce the cost of customer acquisition.

Online engagement via web chat will never replace the other established channels of communication or traditional sales routes – but it should be added to the range of tools that can be used to increase the sales potential via the website as well as provide a lower cost customer service and support and help reduce call volumes into the call centre. A company that communicates well to its customers and prospects can significantly improve its existing customers' satisfaction levels – leading to greater retention – as well as increase the likelihood of new business conversion.

VIDEO AND IVVR

Away from the self-service options that are opening up, video agents are a step towards more personalised, high-quality customer contact. The customer will be able to see to whom they are talking, either through a multimedia PC or interactive digital television.

There are a number of cultural and business issues to consider:

- Customers may prefer the impersonality of non-visual contact, and may be uncomfortable with the agent seeing them in a domestic environment, which would suggest one-way video may be more popular
- Eye contact is critical for establishing trust and 60% of the communication process is actually visual. For sensitive purchases such as financial services, being able to see the financial advisor can help to establish trust and put the customer at ease. The entire contact may be captured and distributed electronically for further reference
- Verbal abuse, a major problem for some agents, may decrease in a virtual face-to-face setting, however, agents may feel their privacy is decreased if they are on camera, especially one-way, and the incidence of disturbing crank calls may increase
- The contact centre environment will need to be altered to impress the customer, and voice agents will need to be trained in visual communication.

This application has a great deal of potential, especially in a sales environment, and with technical support, where the agent show the customer what they mean. Various businesses – usually banks – are already using video kiosks to offer virtual branch banking services in areas where physical branches have closed.

IVVR - interactive voice and video response

IVVR - the placement of visual self-service options on a screen (PC or 3G mobile phone) adds a new dimension to the caller's experience: in addition to hearing traditional IVR voice menus and announcements, a caller can now see menu choices, and receive video presentations while waiting for an agent, during call transfers, or wherever appropriate in the self-service experience. As people can read a menu far more quickly than they can listen to it, IVVR can provide a much wider choice of self-service options than a voice-only IVR. IVVR can be used as a video front-end to a traditional contact centre, or as part of a full video contact centre where callers and agents can see each other.

THOUGHT LEADERSHIP:

The Changing Face of Customers

by
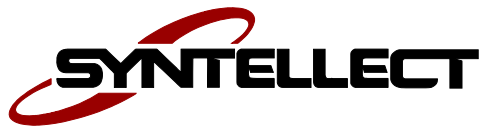
Is patience still a virtue? – For as long as the world keeps turning, consumers in the developed world have one thing in common: an increasing level of impatience. Ever since the dawn of the PC, with simple word processors and products such as the BBC Micro or ZX Spectrum, users have wanted more…quicker. Blissfully happy putting a floppy disc in the drive to boot a machine up, or use a cassette tape to load programs, we'd eagerly await hard copy (in any colour as long as it was purple) from the noisy, foul smelling machine in the corner of the office! Whether we're waiting for a train, sitting in traffic, queuing up in a store or holding for someone to answer the phone, our appetite for responsiveness and action grows bigger.

Generation Y – An abundance of cheap technology has spawned a new generation of consumer that wants to multitask, unrestricted by boundaries such as time or place and who is able to embrace technology for their own benefit and entertainment. Generation Y is driving organisations to provide products and services in ways which address the challenge of a more demanding audience. Tools and information have made it far easier than ever before to switch supplier or compare product and service offerings before spending.

Furthermore, technology has created an environment where the next generation is already much more confident and comfortable in reacting to organisational inefficiency.
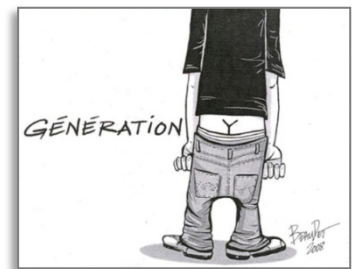
Great expectations – Customers want us to connect to them quickly, be recognised in a way which makes sense to them, have their problems swiftly resolved and have their transactions completed without delay or hassle. Furthermore, if they have a positive experience, they will very probably recommend and return. This set of basic competencies is often lacking even in the most technologically astute organisations and is frequently caused by a mismatch between demand and priorities, resources to deliver and confidence in ability to execute. The trick is to leverage skills and familiarity with existing technology, thereby maximising the potential that is currently available - Generation Y is capable and more than happy to serve themselves through simple and slick interfaces.

The Syntellect approach - It is possible to increase the capacity and quality of the service offered by a contact centre without additional staff overhead or 'ripping and replacing' installed technology. Syntellect solutions use existing infrastructure and customer information sources to provide an integrated multi-channel solution. Speeding up call answer and decreasing transaction time by empowering agents with simple tools will increase productivity and create customers happy to refer and drive growth. When combined with self-service, which is now widely considered to be an acceptable means of communication, it is possible to ensure that customer service advisors are available to add real value in person to the more important and relevant communications.

If your plans include the development and execution of strategies aimed at serving and retaining increasingly demanding customers, whilst still controlling cost, speak to Syntellect now on +44 (0)1252 61 8853. www.syntellect.com

THE USE OF IVR AND SPEECH RECOGNITION

Despite the growth in use of internet-based services the popularity of contact centres continues to grow:

- Customers like to talk and find voice the most convenient, flexible and quickest communication channel in many instances

- Customers' expectations continue to rise. Not only do they seek out competitively-priced goods and services, but they require quick, efficient services as well

- Customers' general level of awareness of identity theft as a real issue has also grown, and they expect to see that their private and personal information is protected by those organisations with which it is shared.

The challenge for businesses is to improve the customer experience, protect their customers' private and personal information and control their own costs. As such, the use of automated voice-based solutions has become widespread and promises further to offer a high-quality, rapid service to customers while keeping contact centre costs down.

Telephone self-service as we know it has been around since the 1970's, when the first IVR (interactive voice response) units became widely-used. Touchtone IVR allows customers with a touchtone phone (also known as "DTMF" – dual-tone, multiple frequency) to access and provide information in a numerical format.

Recently, there has been strong growth in the use of automated speech recognition (ASR), which allows customers to speak their requirements to the system, allowing greater flexibility and functionality.

IVR – whether through touchtone or speech recognition - has four main functions:

1. to route calls to the right person or department (e.g. "Press 1 for sales, or 2 for service…") in auto-attendant mode
2. to identify who's calling via either caller-line identity (where the caller's number is recognised, and their records brought up immediately), or through inputted information, such as account number. The caller's information is then "popped" onto the screen of an agent who then understands who the customer is and what they are likely to want
3. to segment and differentiate between customers, identifying the most important in order to deliver a premium standard of service to them (e.g. minimizing time on-hold, spending longer on the phone with them, offering high-value services such as web collaboration, if required)
4. to deliver a total customer service interaction without having to use a human agent, saving the business money - 8 self-service IVR calls cost less than a single person-to-person call.

To learn more about IVR as a call routing solution (i.e. options 1, 2 and 3), please see the section on 'CTI, Call Routing and Screen Popping' in the 'Maximising Efficiency and Agent Optimisation' chapter. This section considers IVR and speech recognition as part of a full self-service solution, i.e. one that takes the place of an agent.

Figure 96: Advantages and disadvantages of touchtone IVR

Advantages	Disadvantages
Fantastic cost-cutter: 8 IVR calls cost less than a single person-to-person call	Can be inflexible to change IVR options, due to proprietary nature of many existing IVR solutions
Captured customer data from an IVR enables key CTI (computer-telephony integration) solutions, such as screen popping and skills-based routing to take place	IVR menus difficult to visualise for customers, leading to stress and dissatisfaction. Users may feel "there is no end in sight" and become frustrated.
Frees agents from boring and repetitive work, reducing staff attrition and improving morale	Long-winded menus annoy customers, where shorter ones can reduce the options available, and thus, the functionality
Allows agents to spend more time doing high value-add work, like cross- and up-selling, and complex customer care and loyalty work	General negative perception of IVR: it is seen as a low-cost option aimed at helping the business, not the customer. Overuse of IVR makes customers feel as though the company does not value them
Reduces queue times and call abandonment rates, improving customer satisfaction for those needing live agent help	Expensive, proprietary hardware has kept businesses locked into existing suppliers

Customers need to be persuaded to use IVR self-service, and you can measure success in two ways: through the "play" rate (what proportion of your customers try to use IVR), and the "completion" rate (how many can successfully interact with your company without having to involve a human agent by "zeroing-out"). Your customers need to be motivated to use IVR (i.e. there's something in it for them), and you need to design, maintain and promote the self-service application to get them to keep using it.

Simply making IVR self-service available without too much thought or effort will result in perhaps fewer than 20% of calls being completed without human interaction. Designing the IVR self-service experience with customers' needs in mind, marketing it as an aid for customers, rewarding the customer for using it and tuning the application to make it even better can mean up to 90% of relevant calls are dealt with automatically: a massive cost saving, an improvement in the customer service experience and a boost for the company's reputation with its customers.

THE USE OF SELF-SERVICE

This section looks in depth at how contact centres are using IVR and speech recognition to provide automated self-service solutions for their customers, such as paying bills, checking balances, checking-in, buying tickets and other end-to-end automated processes. It does **not** cover the use of IVR and speech recognition as a front-end, for example, collecting customer details for security or routing purposes, which are applications studied in the 'Maximising Efficiency and Agent Optimisation' chapter.

Self-service is prevalent across all industries: there is often at least one function that self-service is suitable for, regardless of what a company actually does.

Figure 97: Some functions for self-service, by vertical market

Self-service activity	Typical sector offering this form of self-service
Problem reporting and resolution	IT helpdesk
Account access	Banking
Product information	Retail
Online registration	Any
Order entry	Retail, travel
Balance enquiry	Banking, credit cards
Dealer or store location enquiries	Car sales, retail
Ticket booking	Cinemas, other entertainment
Real-time punctuality checks	Airlines, trains
Status checks	Retail (esp. online), IT helpdesk
Address changes	Subscription services, utilities
Form filling	Any
Brochure request	Travel, retail
Password reset	Finance, IT

However, there is wariness about IVR and indeed self-service of every type. Many businesses wish to be seen as strongly focused upon customers' needs, and putting what can be seen as a barrier between customer and business is anathema to them.

Although self-service is in widespread use, there are specific sector and business types where it can excel in reducing cost and increasing service levels. At a basic level, self-service can be seen as a function of the complexity and volume of interactions.

Self-service usage

		Simple	Complex
Volume of interactions	**High**	**Very high** - balance enquiries - ticket booking - utilities meter reading	**Medium** May use speech recognition - form-filling - stock purchase
	Low	**Medium** May use hosted solution - FAQs - low security interactions	**Low** Cost of system purchase and update may be prohibitive compared to using live agents

Interaction complexity

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service. Currently, this paradigm puts self-service in direct competition with inbound offshore contact centres, many of which deal in more routine tasks.

Put simply, the greater the number of simple interactions a company deals with, the more likely it is that it can benefit from implementing self-service.

- **Large** volumes of **simple** requests from customers (and who use agents simply as a means of reading the information from a screen) should have implemented self-service by now. There are estimates that 70% of calls to helpdesks are password/passnumber reset requests, which could be handled via self-service.

- Where businesses only deal in a relatively **small** number of **complex** interactions, the cost of implementing a sophisticated, probably speech-enabled self-service application – and keeping the knowledge base up-to-date – may be greater than any associated salary cost reduction.

- Businesses having a **small** number of **simple** interactions now have the option to have their voice self-service functionality hosted off-site, paying perhaps only for the number of times that it is used. This model allows self-service functionality at a fraction of the cost of owning and maintaining a premises-based system.

- Businesses which deal with **large** numbers of **complex** interactions are building and using some of the most interesting and potentially beneficial self-service applications. Examples include filling in

insurance forms to get a quote – a lengthy and time-consuming business, which can last for tens of minutes, costing the business a great deal of money. Moving this to web or voice self-service can save huge amounts of money, as an agent may only need to be brought in to close the sale or clarify finer points of the policy. Stock purchase is another classic example of this: sophisticated users can buy and sell stocks as quickly as they could by talking to a human agent by communicating via speech recognition directly with a business's applications and databases.

IVR has been a notable success for many businesses, but it is now ready to move away from the limits of touchtone service. It can now leverage both the added flexibility and power of speech recognition as well as being able to share the functionality that businesses have recently developed with their web self-service applications. Of course, this is likely to come at an additional cost, and the thought of trying to find capital budget to invest in these solutions may put contact centres off right-away. In such cases, businesses should consider alternative application delivery methods, such as a hosted solution.

Speech Technology and Hosted Solutions

One of the most consistently strong inhibitors against the uptake of speech recognition is the initial cost involved, as well as the expected ongoing support costs.

Given the current economic climate, the hosted proposition has a particular appeal to organisations who don't wish to invest or tie-up large sums of up-front capital investment on in-house systems or pay for the in-house IT resource to run them. One advantage of hosting is that the need for significant upfront technology investment is lessened, providing on-tap access to extensive telephony resource, albeit of a third-party nature. Additionally, the use of hosted solutions means that businesses don't need continual ongoing investment to upgrade their own systems.

Like other self-service applications, automated speech has of course been more attractive for organisations with high volumes, where the cost of handling the call can even exceed the business value it represents. In this scenario, the need to reduce cost is imperative, but for speech-based self service to work well, the technology infrastructure on which it depends must be robust enough, and the number of phone lines linked to it large enough to accommodate the maximum number of callers ever likely to contact the service, or run the risk of turning callers away, a cost which can be very high. Hosted speech services, where the telephony and technology infrastructure is centrally-owned and managed by a third party overcomes this capital investment hurdle, and the pay-as-you-go model adopted by most hosted suppliers means that ongoing operating costs are directly pegged to transaction volume, providing valuable operational flexibility.

The utilities sector is a leader in voice self-service technology, with automated meter readings, balances and payments having been used for many years, with the finance sector also using self-service for balance-checking especially. Overall, 36% of respondents offer a full self-service option through a voice channel (up from 31% last year), although of course many do offer IVR for routing and CTI purposes, as well as a widespread use of web self-service.

Figure 98: Overall proportion of calls handled entire through self-service

Vertical market	Overall proportion of calls handled entirely through self-service	Proportion of contact centre respondents offering a full self-service option
Manufacturing	15.5%	67%
Finance	10.6%	80%
Utilities	10.0%	100%
Outsourcing	8.0%	37%
Insurance	7.9%	15%
TMT	6.5%	27%
Medical	6.3%	22%
Services	4.5%	29%
Transport & Travel	3.9%	13%
Retail & Distribution	3.1%	30%
Public Sector	2.2%	44%
Average	**6.0%**	**36%**

NB: proportion of calls handled through self-service refers to all respondents, not just the 36% offering a full self-service option. As such, it provides an industry-wide view of self-service.

On average, 21% of voice self-service is handled through automated speech recognition, rather than touchtone IVR, a figure very similar to last year. 86% of self-service interactions in small contact centres are through touchtone IVR, with automated speech recognition becoming increasingly widely-used in larger operations, with 20% of medium-sized contact centres and 30% of large operations using ASR. This is a clear example of how the more expensive and complex ASR applications are more likely to be used by those with the resources to implement and support them, but also are operations that can really benefit from the power and flexibility that automated speech recognition can bring.

OPEN MENU & SELF-SERVICE

'Is your mind closed when it comes to speech recognition?'

Self-Service – 'Despite investments in touchtone IVR, the majority of contact centres still have at least 25% misrouted calls.'

Welcome to 'open menu' speech recognition – a new breed of intelligent technology that lets your customers do the talking.

How does 'open menu' work?

- Enables your customers to 'say' what they need rather than force them to choose an inappropriate option

- The system automates and intelligently routes the call first time to the right resource

- Provides insight on why your customers are calling

What are the benefits?

- Deliver outstanding customer service

- Decrease number of misrouted calls

- Reduce operating costs

- Remove customer frustration

- Increase loyalty & retention

- Meet compliance obligations (e.g. PCI DSS/ TCF)

"Our call consultants in the UK and India really took to 'Grace' (our natural language solution) from the outset. It's much easier to help a customer effectively when you know who is calling, what they are calling about, the status of the security check and you have their records on screen before taking the call" **– CAPITA**

If you want to deliver outstanding customer service at lower cost, then why not join the list of innovative companies that have already deployed 'open menu' speech.

STANDARD LIFE®   which?   Pizza Hut   CAPITA

For more information visit **www.salmat.com/speech**
Tel: **01628 632263**
Email: **speechsolutions@salmat.co.uk**

salmat

the evolution of one to one communication

SUITABILITY AND EFFECTIVENESS OF SELF-SERVICE

Self-evidently, many calls are not suitable for self-service, as they may require multiple requests within the same call, be of a complex nature or be from a caller who feels that they need to speak with a human agent. Additionally, some small businesses may have such a low volume of calls that it is not cost-effective to implement self-service.

Although 64% of respondents do not offer any full self-service solution, only 30% do not believe that self-service is entirely unsuitable for them, meaning 34% of UK contact centres do not offer self-service to customers, but believe that some of their workload could be fully automated.

Even amongst those which offer self-service options to customers, there is a feeling that the majority of calls are not suitable for complete automation. For example, the utilities sector, which is an avid and early user of voice self-service solutions, believes that it could only increase the use of self-service to 18%, up from 10%, a factor of 1.8. However, some sectors strongly believe that self-service has a great untapped potential, with the public sector stating a potential usage eight times greater than currently is used. The IT sector is particularly well-placed to take advantage of web self-service, through a technical knowledge base, which is a much better way of disseminating information than over the telephone.

Figure 99: The potential for self-service, by vertical market

Vertical market	Proportion of calls that are suitable for full self-service automation	Proportion of calls that currently handled through self-service	Potential for increasing self-service (expressed as 'Potential' divided by 'Actual')
Manufacturing	20%	16%	1.3
Finance	27%	11%	2.5
Utilities	18%	10%	2.0
Outsourcing	14%	8%	1.8
Insurance	8%	8%	1.0
TMT	10%	7%	1.4
Medical	8%	6%	1.3
Services	19%	5%	3.8
Transport & Travel	13%	4%	3.3
Retail & Distribution	15%	3%	5.0
Public Sector	16%	2%	8.0
Average	**16%**	**6%**	**1.3**

It's no use trying to shift every customer service interaction onto IVR self-service, as if customers don't want to use IVR, they will "zero-out" (press 0 for a live agent) straightaway. And if you don't offer a live agent option to an irate and frustrated caller, you won't need to worry about providing customer service to them in the future. It is worth reiterating that if callers agree to try a company's self-service system rather than insisting upon talking to an agent, there is an implied understanding that if the self-service session is unsuitable, the caller should be allowed to speak with an agent. Few things can frustrate callers more than being hectored into using an unhelpful and irrelevant self-service system.

Overall, a mean average of 9% of calls that go into the self-service option are "zeroed-out": instances where the customer decides that they in fact wish to speak with an operator, which is an improvement on recent years, and is hopefully a sign that self-service applications are being reconsidered from the point of view of the customer. This figure would possibly become lower with the increasing use of speech recognition, which is usually quicker and more powerful than touchtone IVR, as well as having experienced significant recent improvements in word recognition and usability. (NB, 1st quartile performance for 'zeroing-out' is 2%, the median is 4% and the 3rd quartile is 17%, which indicates that there are a relatively few number of contact centres where self-service failure rates are very high).

The tracking of this metric in future years will provide an insight into to uptake and effectiveness of speech recognition functionality (and of course, customer acceptance, which is vital). ContactBabel expects speech recognition to become a vital component in major contact centres' plans in the medium-to-long term.

Cost differentials in self-service and live voice support

- The average cost of a live telephone call varies considerably, but has a mean average of £4.08.
- Respondents state that the average cost of a telephony self-service session is 58p.

FROM TOUCHTONE IVR TO AUTOMATED SPEECH RECOGNITION

Respondents were asked to give their views on some of the issues that impact the future uptake of automated interactions.

Figure 100: Inhibitors of movement from touchtone IVR to automated speech recognition

Inhibitor	Average score from 10	Proportion of respondents scoring as 9 or 10
Our business is unsuited to self-service	7.1	45%
Initial capital expenditure is too high	7.0	36%
Our customers wouldn't like it	6.9	43%
Touchtone IVR gives us what we need	6.3	33%
Ongoing costs of operating and maintenance	6.3	20%
Speech recognition is too unreliable	5.8	15%
Don't have the IT resource available to run it	5.6	19%

The main issue that held back speech-enabled self-service was that their business wasn't really suited to automation. However, the previous section showed that around half of the contact centres that offer no full self-service options today could see some benefit in automating at least a small part of their processes.

As such, there are likely to be issues around expenditure, operational costs and customer reaction to address for these potential users of self-service. Respondents weren't overly-concerned that they had the in-house IT resource to run automated speech self-service, but many thought that the ongoing costs and effort would not be worth it. However, the biggest inhibitors were the initial investment (which could be alleviated through a hosted model) and that fact that customers would not like it. As touchtone IVR (when badly-implemented) is a major bugbear for customers, replacing it with a quicker and more powerful alternative (ASR) could be seen as a benefit. Few respondents this year thought that ASR was not yet up to the job technically.

In all, there is still a great deal of work to be done by solution providers to offer delivery of ASR solutions - either as a replacement for touchtone IVR, or as a new solution - with innovative payment and service delivery methods, and especially a greater focus upon market awareness of the success stories in this area.

THE CUSTOMER OF THE FUTURE

The 'customer of the future', for many businesses, is also the customer of today. Rightly or wrongly, the phrase 'customer of the future' itself creates a thought of technologically-capable, media-aware *wunderkind*, who are constantly in touch with each other and the world around them, perhaps through devices rather than face-to-face contact. A group for whom data is more important than voice, although the mobile phone or smart device has a totemic aspect and is never away from its owner. A demographic that businesses may feel will have to be addressed sometime, but not necessarily today.

This latter statement is, for many businesses, wrong. Although around half of respondents did not know how many of their customers were of 'Generation Y' (roughly, those under 30 years of age), it has been possible to draw a conclusion that around 30% of customers are in fact in that age range, and as such need to be treated with a great deal more attention than is currently the case. This section of the report looks at some of the ways in which businesses may wish to consider connecting with Generation Y.

White Paper: "The Customer of the Future" (ContactBabel, in association with Exony, Cisco and Jam IP, 2008)

Synopsis: 30pp study of the technologies and cultural factors impacting upon future customer contact. Expands on the subject matter of this section of the UK Contact Centre Decision-Makers' Guide.

Download: http://www.jamip.co.uk/research/default.asp (requires registration)

White Paper: "Customer 2.0: Customer Experience and Profitability in the New Economy" (ContactBabel)

Synopsis: An extended, free White Paper investigating what UK organisations can expect from post-recession consumers, and how to move beyond traditional customer satisfaction measurements towards an insightful and actionable customer experience framework.

Download: http://www.contactbabel.com/reports.cfm (requires registration)

SOCIAL NETWORKING

Second Life and the virtual world

Second Life is an online, virtual world populated by on-screen representations of users, called avatars. Described by its makers, Linden Labs, as "a 3D, online digital world, imagined and created by its users", 'residents' interact with each other and with the increasing numbers of real-world businesses which are opening headquarters in Second Life.

Businesses such as Coca-Cola, Microsoft, BMW, Reebok, Penguin and KPMG have a presence in Second Life, often with massively opulent and impressive headquarters. Apart from the cachet of being seen to be at the cutting-edge, businesses also use Second Life as a venue for recruitment fairs, a branding opportunity, a sales channel for both real and virtual commodities and also a provider of customer service.

For example, Dell allows users to choose and customise their PCs and have them delivered in the real world, just as if the user had been on a standard website. The UK law firm Field Fisher Waterhouse allows people to meet representatives of the firm, and hosts real-time conferencing for its global staff members at a very low cost.

It is not too far-fetched to say that Second Life, or another virtual world, will be the channel of choice for some customers to receive service or sales assistance - it is, after all, just another way of providing contact centre services or web-based self-service. Waiting in a Second Life office should also be a less boring experience than holding for a contact centre agent, with residents able to wander around the Second Life world, watch videos, read information or talk to other people while waiting their turn.

However, there are very real legal concerns around Second Life, particularly from the copyright and trademark perspectives, as residents can create exact copies of real-life products without the copyright's owner being involved. Policing such copyright issues is also fraught with difficulty, as it is difficult to establish the jurisdiction under which the offence is committed.

There are many other opportunities for a virtual online environment to develop the richness and value of the interaction, whether through a virtual world or otherwise, for example, posting demonstrations of how to assemble or use a product (such as flat-pack furniture) on a shared content website such as YouTube or the manufacturer's own site. There are already numerous examples of ad-hoc knowledge bases that have developed on forums, especially around IT issues, as a quick, cheap and always-on alternative to speaking with someone in technical support.

Currently, the visual side of customer/business interaction is not being fully utilised. Graphical demonstrations of products are infrequent, and most websites usually restrict customers to views of 2-D static pictures. Collaborative walkthroughs would allow the customer to visualise the products more effectively, while offering the chance to ask questions at the same time. Customers could also send pictures to the contact centre via a mobile phone for example, showing damage for insurance purposes or to request a spare part.

Social networking sites

The phenomenon of social networking websites has raised its profile above the teenagers and students that make up its core constituency, leaving marketers scratching their heads and wondering how to make money out of it. References to websites such as MySpace and Facebook occur with increasing frequency in the popular press, usually with a slight air of seediness or at least a firm indication that this is "Youth Culture" that we are looking at, rather than anything more mainstream. Yet many cultural commentators see social networking sites as presaging a revolution amongst the way in which customers choose products and services and interact with the commercial world as a whole.

The reality, as so often, probably lies somewhere in the middle. The teenagers and students who spend hours uploading photographs onto social networking sites or 'poking' each other do so in part because they have the time available to them to do so. Once the world of work and children rears its head, it's likely that many of the today's most rabid Facebook fans will find their time otherwise occupied.

A case in point is the website 'FriendsReunited.com' which grew exponentially in the early part of the decade, but which tailed off in terms of new members, and more importantly, through the proportion of members actively using the site as people satisfied their curiosity about their old schoolfriends, and moved on. However, with FriendsReunited stating that 53% of UK adults are members, it is still a force to be reckoned with, and has moved away from simply 'reuniting friends' and now offers services around genealogy, dating, recruitment and games, trying to keep their members coming back for different reasons.

This attempt to get people coming back to the website for specific reasons is perhaps an indication of what social networking sites of the future will look like. Sites such as MySpace and Facebook are today about keeping in touch with people and making new friends (rather than anything overtly commercial from the point of view of the user, despite the adverts on the site). However, within such sites (as well as virtual worlds such as Second Life), members choose to splinter off into groups of like-minded people, sharing opinions on hobbies and interests.

This is the point at which it gets interesting for businesses. Currently, the huge numbers of website visitors which these social networks attract makes things exciting from the perspective of bulk advertising, although response rates are often extremely low. The next step is to appreciate the power and knowledge that is generated by close-knit (yet often still very large) communities of people with similar interests. The connected customer of tomorrow will be even more cynical and dismissive of traditional advertising than consumers are today, and will have the power to filter out much advertising from their lives.

The customer of the future will have been brought up knowing about how to use social networking sites, and when the time comes to "put away childish things", they will take into their adult lives their understanding of how connected communities work. Trusted virtual peer groups or customer communities will play a major role in helping the customers of the future research and purchase many of the products and services that traditional advertising has a big hand in pushing today.

Customer communities

In her book, *Tomorrow's People*, Baroness Susan Greenfield segments 20th century people from those of the 21st century (who bear a striking resemblance to Generation Y / Digital Natives / The Internet Generation).

Those of the 21st century, whom Greenfield describes as "People of the Screen" - those for whom the web has always been there - will not accept the text-based culture of the "People of the Book", who "work within a culture of newspapers, laws, offices of regulation and rules of finance." Greenfield quotes the journalist Kevin Kelly, who writes: "Screen culture is a world of endless flux...notions don't stand alone but are massively interlinked to everything else; truth is not delivered by authors and authorities, but is assembled by the audience."

This has a potentially huge impact for businesses' use of traditional advertising channels. The widespread and innate distrust of mainstream information channels, allied with strong legislation against direct marketing and the technical ability to screen out many advertising messages means that opinions and commercial relationships will be formed and nurtured elsewhere. Studies have shown that fewer customers than ever agree that advertisements are a good way to learn about new products and that they bought products because of their advertising. The Henley Centre report that 42% of consumers change their mind about a brand, and purchase a different one as a result of online research[8].

Against such a background, businesses will have to drive marketing programmes which support the customer's needs and interests, keeping customers interested in the brand and fostering loyalty. Customer communities are perhaps one such way to do so.

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[8] HenleyCentre Headlight Vision on behalf of AOL

Customer communities - effects on brand perception and loyalty

A major academic study of eBay community participants[9] studied how such membership of online communities altered behaviour, psychology and attachment to the eBay brand. Groups of active participants ('enthusiasts', who post messages to forums), and passive members ('lurkers', who may read posts, but do not enter into conversations) were considered.

Customer communities on eBay exist in the form of clubs for people with similar interests, such as specific car types, Barbie dolls or other special interests. There are also live chat rooms. Conversations exist both on-topic and off-topic, with some forums dedicated to non-business conversations.

The results of the research, which encouraged people to use communities, and then tracked behaviour, found that "with increasing community participation, customers bid more, won more auctions, paid higher final prices, spent more money for buying items and were more motivated to make purchases if they didn't do so before." The same positive effects were witnessed on the sales side, where community members sold more, made higher revenues and received better feedback than non-community members.

The researchers suggest several reasons why this should be:

- Community membership means that a person is more likely to identify themselves with the brand, using it and recommending it more often
- Members gain educationally from the experience, receiving tangible benefits
- The shared goals and values of the group reinforce member identity
- Trust emerges as a result of asking for, and receiving help and advice, making the member more likely to give back in return
- This trust means that members are less likely to fear fraud, and to hold back from purchasing behaviours
- Continual positive experiences within the customer community mean that the supporting brand is considered in a positive light, even if the brand itself is peripheral to what is happening within the community

The researchers estimate that the increased use of customer communities within eBay that were created by this experiment produced a rise in revenues of £59m over the course of a year. The costs of encouraging greater community participation was around £7,000, a return on investment of almost £8,500 for every £1 spent.

The study's researchers, Algesheimer and Dholakia, identify three types of business which would most benefit from supporting customer communities:

- Those with complex products and services, to offer educational services and to enable rapid peer assistance with technical issues, which can work out extremely expensive otherwise
- Firms with already strong brands and customer identity (e.g. Ducati and Apple iPod are noted by as having positive experiences from running customer communities) where customer communities further strengthen the brand

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[9] "The Long Term Effects of Joining and Participating in Customer Communities", Algesheimer and Dholakia (Zurich / Rice Universities), 2006

- Those companies with rapidly-evolving products and services, especially "objects of desire", such as the latest mobile phones or games consoles. Customer communities can offer the most up-to-date information to customers and browsers, who will react by checking the community more frequently so as not to miss anything.

Businesses can also benefit from closely tracking the community's views, extracting high-quality, unbiased feedback about products, services and competitors, and as everyone knows, an unsolicited opinion is far more likely to be honest and useful than asking someone directly what they think. It may be that independent and objective customer service review websites emerge, whereby benchmarking of performance metrics and experiences means that potential customers can check out how good a company is to deal with before they use them.

Of course, on a cautionary note, companies running customer communities have to remember to retain some element of objectivity, and not get too close to the action…

The Wal-Mart Blog - how not to do it

In 2006, MediaPost reported that pro-Wal-Mart blog called "Wal-Marting Across America," ostensibly launched by a pair of average Americans chronicling their cross-country travels in an RV and lodging in Wal-Mart parking lots, was exposed as a promotional tactic undertaken by Walmart's own PR firm.

The blog raved about Walmart's employees and good value, but was in fact written by freelance journalists who were sponsored by Walmart.

Source: MediaPost, October 12th 2006

The increasing use of Twitter (a one-to-many real-time messaging service, through which users choose to receive short communications from individuals or organisations) is another element that could be considered. Although it is not personalised to each recipient, Twitter has possibilities around the mass marketing of desirable new products for which timeliness of message is crucial to the target market (e.g. an eagerly-awaited sale or launch of a new consumer item).

Although only launched in 2006, Twitter is currently very much in fashion. 19% of the Internet-using UK population has a Twitter account or uses other update applications, and there are 50 million tweets per day worldwide (with Twitter claiming that these figures exclude spam).

However, Twitter currently resembles more of a one-to-many traditional publishing service, rather than true Web 2.0-style collaboration, as the Harvard Business School finds that 10% of users generate 90% of content. Certainly, if your business delivers a dreadful customer service experience to Stephen Fry, P.Diddy or Barack Obama (three of the Top 10 most influential tweeters), then you run the risk of a PR meltdown.

For the vast majority of users, outputting to Twitter isn't a daily part of their lives: 75-80% of tweeters have fewer than 10 tweets to their name, so the opportunity for widespread negative publicity following an individual poor customer service experience is very rare. Additionally, only 34% of Twitter users are over the age of 24, meaning that Twitter is far more important for youth-orientated businesses to understand.

In "What's Working for Social Media Marketers?"[10], Twitter is seen as a quick and effective way to monitor negative PR and to communicate directly with disgruntled customers, techniques which are already widely-used in more effective customer satisfaction programmes.

Recent signs (from announcements in May 2010) suggest that Twitter is gearing itself up to address the B2C communications market, with the "Twitter Business Centre" currently testing some potentially important additions. Perhaps the most relevant is the ability for businesses to accept direct messages on the service, even from people they don't follow, making this another potential direct inbound channel for customer service, in the same mould as text chat, SMS or email. Businesses can get feedback directly and deal with private customer issues without having to 'follow' the person back first.

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[10] http://www.emarketer.com/Article.aspx?R=1007449 - January 2010

Figure 101: What effect will social media have on the contact centre?
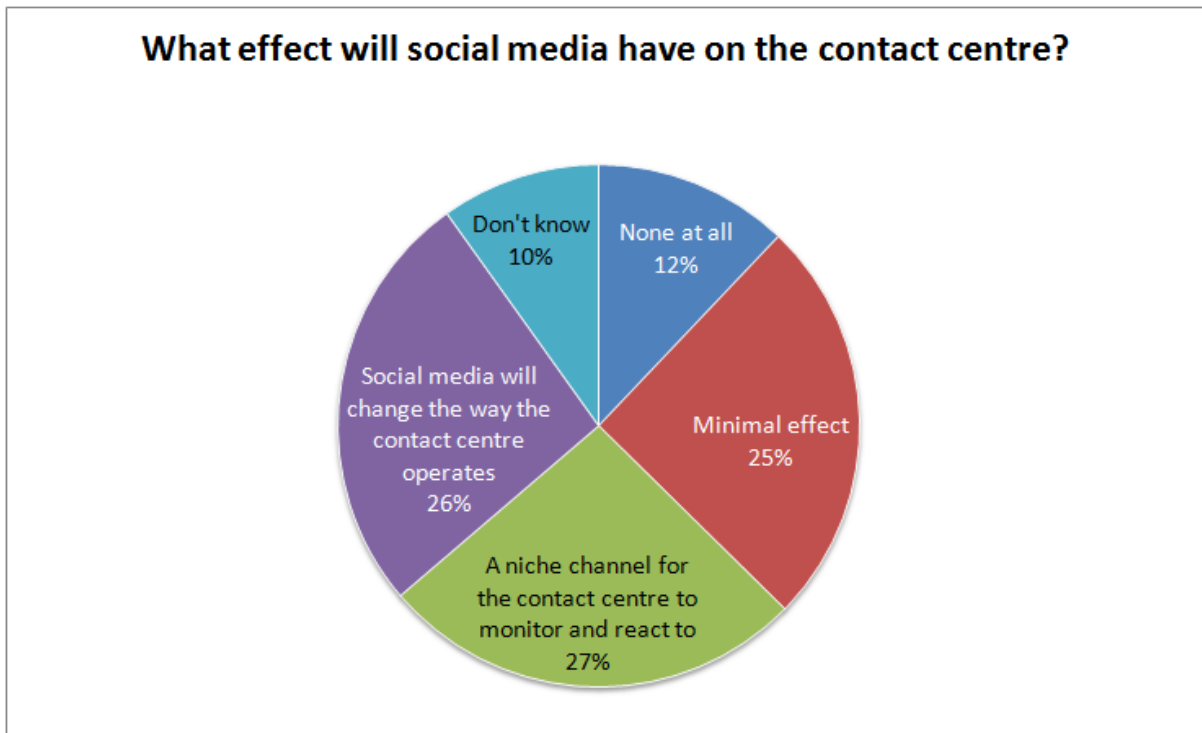
There is little hard evidence as yet on which to base assumptions of how social media will affect the contact centre. An initial question on its future importance shows that the vast majority of respondents are aware of it, but with no real agreement on its importance. Those in the TMT and retail sectors were most likely to consider social media a big deal for the contact centre, whereas those in the medical or public sectors were least concerned.

Further reading

Synopsis: The June/July 2009 issue of Call Centre Focus has a substantial section on Web 2.0 and its supporting technologies, giving a solid background and interesting suggestions on the use of Twitter and social networking in the contact centre space.

Download: www.callcentre.co.uk

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INCREASING PROFITABILITY

Not only are contact centres under pressure to reduce their costs, but many - either directly or indirectly - are also major revenue-generators for their businesses, and the recent drive to maximise profitability has made many businesses look at whether their contact centres can add more to the bottom-line. Although much responsibility for revenue generation lies with senior management, production and sales divisions, the contact centre also has an important part to play in maximising revenues through selling the right product to the right customer at the right time (aided by a CRM system or similar), and through proactive and efficient outbound selling.

This chapter considers CRM and outbound automation in depth, and also looks at two alternatives to the usual ways of doing things: outsourcing and hosted & managed solutions. Both offer contact centres new financial and operational options which can make a very significant difference to the bottom-line.

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CRM, CROSS-SELLING AND UP-SELLING

CRM is not a technology, or even a group of technologies. It is a continually evolving process which requires a shift in attitude away from the traditional business model of focusing internally. CRM is an approach a company takes towards its customers, backed up by thoughtful investment in people, technology and business processes.

The concept of CRM contains everything that all businesses need to succeed.

Customer:

All businesses, when they first start, strive to focus upon the needs of their customers. As businesses get larger and more complex, they become more inward-looking as they try to cope with their internal issues. Often, the customer gets treated as an afterthought. With CRM, one goal is to make the individual customer become important once again, at an acceptable cost to the company.

Relationship:

Until relatively recently, it was impossible for large companies to form relationships with customers – with a customer base of millions, how can a company know their preferences or dislikes? This is an area where technology can help businesses build lasting relationships with customers, to keep them loyal and increase their value to the company.

Management:

Realistically, businesses are not implementing CRM because they have had a change of heart and decided to be nice to the long-suffering customer. Loyalty equals profit: both customer and business gain from it. The "management" part of CRM demonstrates that it is the business which ultimately controls the relationship with the customer: it provides the right information at the right time; it offers the right price to keep the customer happy enough to stay; it anticipates what else the customer would like to buy, and understands why.

The business objective of CRM is to maximize profit from customers, as a result of knowing them, treating them well and fulfilling their needs.

Sales force automation, customer contact solutions, multimedia routing and data management tools have all been claimed as being the key to a business's CRM solution. While these are all useful and reliable aids to a business, none of them on their own are CRM solutions. As before, this is for a very simple reason: CRM is not just about technology.

Instead, try to think of CRM as a holistic approach to refocusing your business on customers, rather than on the internal structure of your organisation. It is more about the competencies that you have, rather than a list of technologies, the goal being to win, know and keep profitable customers. There are several ways in which you can implement processes and technologies to assist your business in this goal:

- provide a single view of the customer across the enterprise to whoever needs it
- help your agents to fulfil customer needs and business strategies in real-time
- provide customers with a high level of service no matter which channel they decide to use
- proactively and intelligently inform customers about products and services they will be interested in, while keeping your marketing costs under control
- know who your most profitable customers are, and treat them accordingly

- have the strategy and tactics in place to keep profitable customers, and manage to convert loss-making customers into valuable customers.

The contact centre plays a crucial role in the wider CRM space. For companies whose main channel to their customers is through the telephone or e-mail, they cannot become truly CRM-focused without putting the contact centre at the heart of any improvements they make to their operations and their CRM strategy. CRM is about increasing revenues and growing the business aggressively, through influencing and matching the needs of the customer in a timely manner.

While CRM is not a technology, few companies can re-engineer themselves to be truly customer-facing without providing their business and staff with the tools they need, such as real-time information about customer history and preferences, routing technology which puts the right call through to the right agent at the right time, and the ability to be able to help the customer immediately, even with complicated matters.

Cross-selling and up-selling have been major sales strategies since commerce began, but it took the advent of CRM to get businesses firmly focused on them.

One definition of up-selling is that it is the process of offering a customer who just placed an order, either a bigger or better deal on a more expensive item than that which they have just bought. This also includes the process of "accessorising", where a customer who has bought a high-value item is persuaded to add (probably higher-margin) accessories to it. For example, a customer purchasing a DVD player may be offered insurance, better leads, a dust cover and various other items connected to the DVD's operation.

Cross-selling, unlike up-selling, refers to offering customers additional items in different categories. These items may be related (e.g. a television to go with the DVD player), or unrelated (e.g. a digital camera).

Although there are differences between cross-selling and up-selling, the purposes are the same:

- to increase overall revenues
- to increase profit per customer
- to decrease customer churn
- to lower the costs of associated marketing (e.g. there is no need to send out brochures to customers who have already received a sales pitch on a call)
- to make sure that the customer has all of the right products and services for their situation
- to make the customer more dependent on the business and its products so they are less likely to defect, helping the customer retention strategy.

Cross-selling and up-selling can happen on both inbound and outbound calls, but the importance of selling off the back of an inbound service call is greatly increasing, as legislation against outbound calling becomes tighter in most countries. Added to this is the stated aim of many businesses to move their contact centres away from a being a service-based cost centre to becoming a sales-focused profit centre: cross-selling and up-selling are becoming major ways to get the contact centre to pay for itself.

Figure 102: Agents capable of cross-selling and up-selling, with future requirements

Vertical market	% of service agents able to cross-sell and up-sell	% of service agents desired to be able to cross-sell and up-sell	% increase required
Transport & Travel	92%	100%	9%
Finance	88%	98%	11%
TMT	81%	93%	15%
Utilities	80%	88%	10%
Retail & Distribution	63%	69%	10%
Medical	61%	100%	63%
Insurance	58%	87%	51%
Public Sector	53%	80%	52%
Manufacturing	53%	95%	81%
Outsourcing	50%	82%	63%
Average	**65%**	**88%**	**37%**

Currently, respondents indicate that 65% of their service agents are able to cross-sell or up-sell within a call (similar to last year's figure of 64%), with those in the transport & travel and finance sectors seeming particularly adept.

The majority of respondents were very positive about increasing sales maximization within a call, with an average **realistic** desire in the number of agents being able to cross-sell or up-sell moving from 65% to 88% (up from last year's figure of 82%, suggesting an increased requirement to improve revenues through the service channel). The medical, manufacturing and outsourcing respondents were keen to push up this ability, suggesting opportunities for solution providers and training companies alike.

(NB - any non-sales contact centres were excluded from these figures).

Figure 103: Inhibitors to cross-selling and up-selling
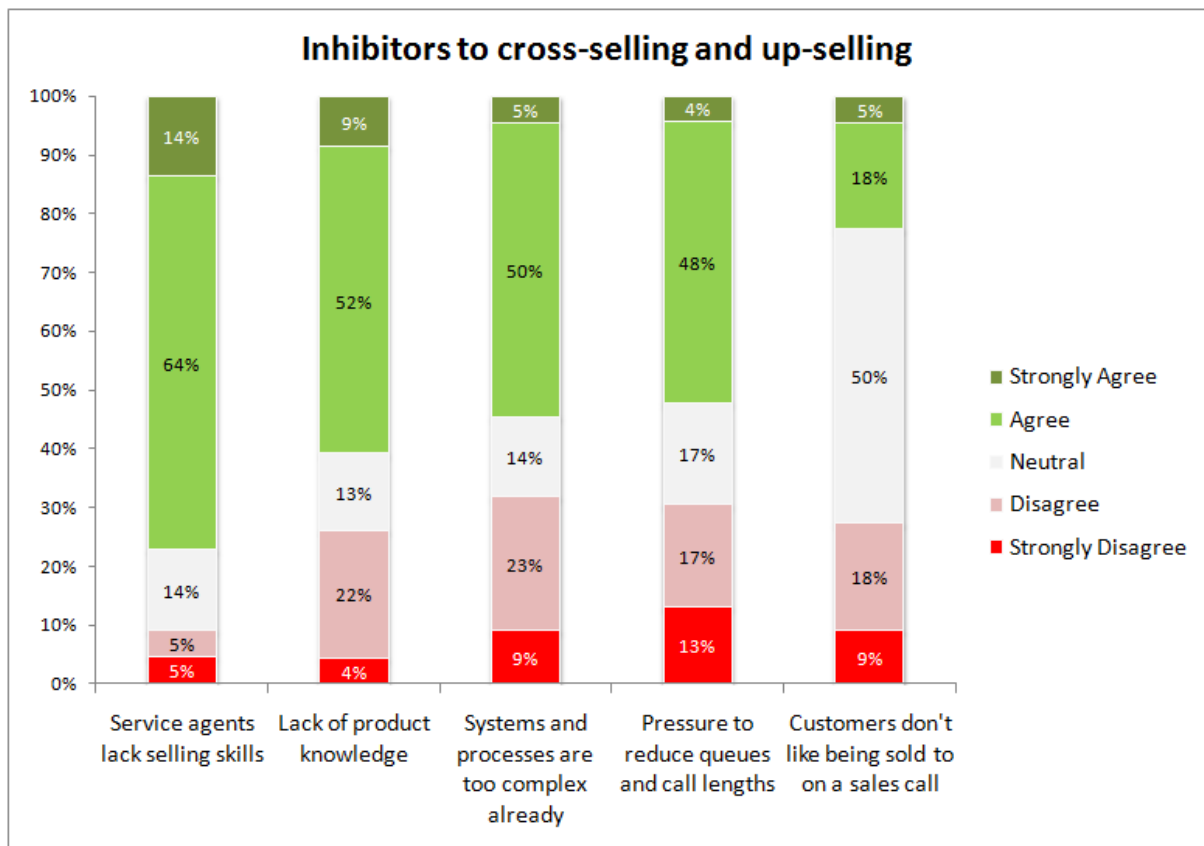
The greatest inhibitor to increasing the amount of cross-selling and up-selling is the concern that service agents do not have the necessary skills of sales agents. It is a debatable point whether this is a matter that can be rectified with training, or whether it is a deep-rooted truth that a service mentality excludes sales. While the latter point is certainly true for some agents, for most a successful transition into sales mode depends upon having the confidence that the system and their own knowledge will support them in this uncharted territory, and that they are in fact, servicing the customer at the same time, by offering products and services that are relevant and helpful. It is up to the contact centre and the wider business to make sure that the agent is helped with this new task, rather than just issuing a blanket statement that all callers are to be offered Product X through a heavily-scripted approach.

61% of respondents cite a lack of product knowledge as being something of an inhibitor, a matter that can be addressed through training, but also through offering support systems such as dynamic scripting within the conversation, and also being more realistic with the number of products on offer through cross-selling and up-selling.

55% of contact centres believe that their environment is so complicated already that they can't carry out additional sales work. While this is a minority, it is still a missed opportunity for almost one-third of businesses - which should certainly be addressing the underlying systems as well as the presentation layer - as effectively their systems and procedures are stopping them from moving their business forward.

52% of contact centres say that the pressure they are under to cut call times means that any drive to increase cross-selling and up-selling on the call (and thus, increase average call lengths) is much more difficult. Such businesses should consider their recruitment policy (working out a cost-benefit analysis to see what sort of

additional revenues would be achieved through cross-selling and up-selling, against the cost of recruiting and paying additional staff), as well as looking at a call avoidance policy (such as self-service) and efficiencies possible within the call (such as automated security).

Only 24% of contact centres say that customers dislike talking off-topic, and here is a clear case of one size not fitting all. Cross-selling and up-selling is far better left to the end of a conversation which has gone well, rather than any where the customer is clearly disgruntled or even in a hurry. Agents have to be trusted to use their experience and intuition to judge whether to start a sales conversation, although of course supervisors have to make sure agents push themselves as well.

HOSTED AND MANAGED SOLUTIONS

Building an effective contact centre can be very expensive due to the capital expenditure required to purchase, install and integrate client premises-based technology (CPE). There has been a genuine alternative to the traditional approach to the purchase and management of CPE for a few years, but a large proportion of the industry is either unaware or misinformed of the abilities of network-based or hosted solutions, due in part to somewhat gentle marketing by the solution providers themselves.

The target audience and the overall market share these providers have secured have been growing rapidly, fuelled in part by the effectiveness that those solutions have had the opportunity to prove. However, there remains much uncertainty about the potential advantages or even the exact nature of the various non-CPE solutions.

Hosted solutions: often built from tried-and-trusted CPE equipment that has been modified to offer functionality to various separate clients at multiple locations, although has not been originally designed to be partitioned. As with reliance on any single piece of equipment, a fault at that point would cause issues for clients. Access to the hosted solutions is generally provided by fixed access links installed specifically for the purpose, but can also be via connecting to existing private WAN networks.

Network-based solutions: not based on a single piece of equipment or at a single site, which should allow greater up-time and fault tolerance. Designed from the beginning for multiple users, and supporting easy scalability as it is not held back by fixed bandwidth, capacity can be increased very easily, supporting true geographical independence including offshore operations. As inbound contact centre or outbound dialling equipment is physically held in multiple locations, this permits users to access the various services via a combination of the contact centre's internet connection and the standard PSTN networks.

In general these solutions fall into one of two camps; network-based or hosted solutions, but in both cases, a service provider owns and operates a contact centre technology platform and leases its services and features to end-users for a monthly or usage-based fee.

Software as a Service (SaaS)

Although hosted and network-based solutions involve hardware and physical networks as well as software, it is worth understanding the concept of SaaS - 'Software as a Service' - which is an increasingly-widely used phrases.

SaaS is a model of software deployment whereby a provider licenses an application to customers for use as a service on demand. SaaS software vendors may host the application on their own web servers or download the application to the consumer device, disabling it after use or after the on-demand contract expires. The on-demand function may be handled internally to share licenses within a firm or by a third-party application service provider (ASP) sharing licenses between firms.

On-demand licensing and use alleviates the customer's burden of equipping a device with every conceivable application. It also reduces traditional End User License Agreement (EULA) software maintenance, ongoing operation patches, and patch support complexity in an organisation. On-demand licensing enables software to become a variable expense, rather than a fixed cost at the time of purchase. It also enables licensing only the amount of software needed versus traditional licences per device. SaaS also enables the buyer to share licences across their organisation and between organisations, to reduce the cost of acquiring EULAs for every device in their firm.

Using SaaS can also conceivably reduce the upfront expense of software purchases, through less costly, on-demand pricing from hosting service providers. SaaS lets software vendors control and limit use, prohibits copies and distribution, and facilitates the control of all derivative versions of their software.

The sharing of end-user licenses and on-demand use may also reduce investment in server hardware.

Source: ContactBabel, Wikipedia (http://en.wikipedia.org/wiki/Software_as_a_service)

WHAT TYPES OF COMPANY SHOULD CONSIDER HOSTED/NETWORK SOLUTIONS?

- Small and medium businesses, especially those needing rapidly deployable, easy-to-use services, such as enhanced routing
- Any size company looking to start a contact centre - outbound, inbound or both or move at low risk, or increase size for a temporary campaign
- Any size company looking to provide or leverage the advantages of a multi-site capability
- Enterprises that desire advanced contact centre functionality and are interested in acquiring a complete solution as a service
- Businesses needing contact centre business continuity plans
- Businesses needing to expand and contract quickly for peak seasons/traffic/campaigns
- Any size company wishing to gain access to technology with uncertain potential gains, such as call blending, and callback services.
- Enterprises with CTI functionality today who wish to enhance enterprise functionality with network call queuing and network routing or other components such as outbound, call blending, workforce management, Internet or web functionality (see following box).

Profit-based calls

Contact centres need to get the most value from each customer interaction and maximise the potential of every call.

Many contact centre systems can route calls by agent group or individual skills generally. However, there is also a need to route by the customer value involved: some customers are worth more to the organisation than others. Collecting information about the dialled number (e.g. a number only available to Gold customers) or by information collected within the IVR session means that businesses can then route the calls to low cost offices or countries.

This adds value to the business by ensuring appropriate agent gets right level of call, that customers get right level of service they need for first call resolution and cost per contact falls and makes the contact centre more profitable.

Put simply, whether delivered by customer premise equipment (CPE) solutions, by hosted or network systems, or a mixture of both, enterprises always demand control, choice and intelligence in a financial framework that is acceptable. Hosted & network solutions offer businesses the opportunity to deal with operating costs rather than capital expenditure which will always get a positive hearing at the budget-holder level of a business, although some CPE providers also offer leasing options.

The bottom line is that a successful hosted/network solution should offer everything a business could achieve with CPE, but yet be available on a pay-per-use or pay-as you-talk basis (per minute or second / call / month, etc), be scalable and reliable, and offer easily-added functionality if required. Offering functions on ad-hoc basis - rather than customer having to pay for them up-front and then maybe never using – is an ability offered with many hosted/network solutions. Customers can choose to 'turn on' functions when campaigns require, and then 'turn off' if needed. In comparison, on-site systems need all the functions installed to begin with.

While these solutions already offer some inherent benefits provided by their design - such as simpler disaster recovery planning - their providers should also have the ability to offer functionality and managed services that would not be possible with CPE: the very nature of providing a service on equipment based external to the contact centre means that the real time activity of that operation can be monitored. For example, a good provider of outbound dialler solutions will be able to monitor and advise on the use, management, configuration and results achieved while using their dialler services, all in real time. As the supplier / manufacturer, they should be best-placed to supply answers, support and advice on the best configurations of the dialling platforms.

White Paper: "Overview on Network and Hosted Solutions" (Ultra Communications)

Synopsis: A brief overview of the advantages of and differences between hosted and managed solutions, as well as a view on which companies are most suited to these types of solution.

Download: http://www.ultraasp.net/Resources/Articles/HostedAndNetworkSolutions.pdf

DRIVERS FOR HOSTED AND MANAGED SOLUTIONS

In order to make a change in the way things work, there needs to be pressure exerted to make change worthwhile. After considering several potential financial and operational drivers for hosted / managed solutions, respondents were asked how the importance of these factors had altered within the past 12 months in their own contact centre operations, to see if there is a growth in the forces that would make a contact centre consider changing the way they do business.

Figure 104: Compared to 12 months ago, how has the importance of these factors altered within your contact centre?
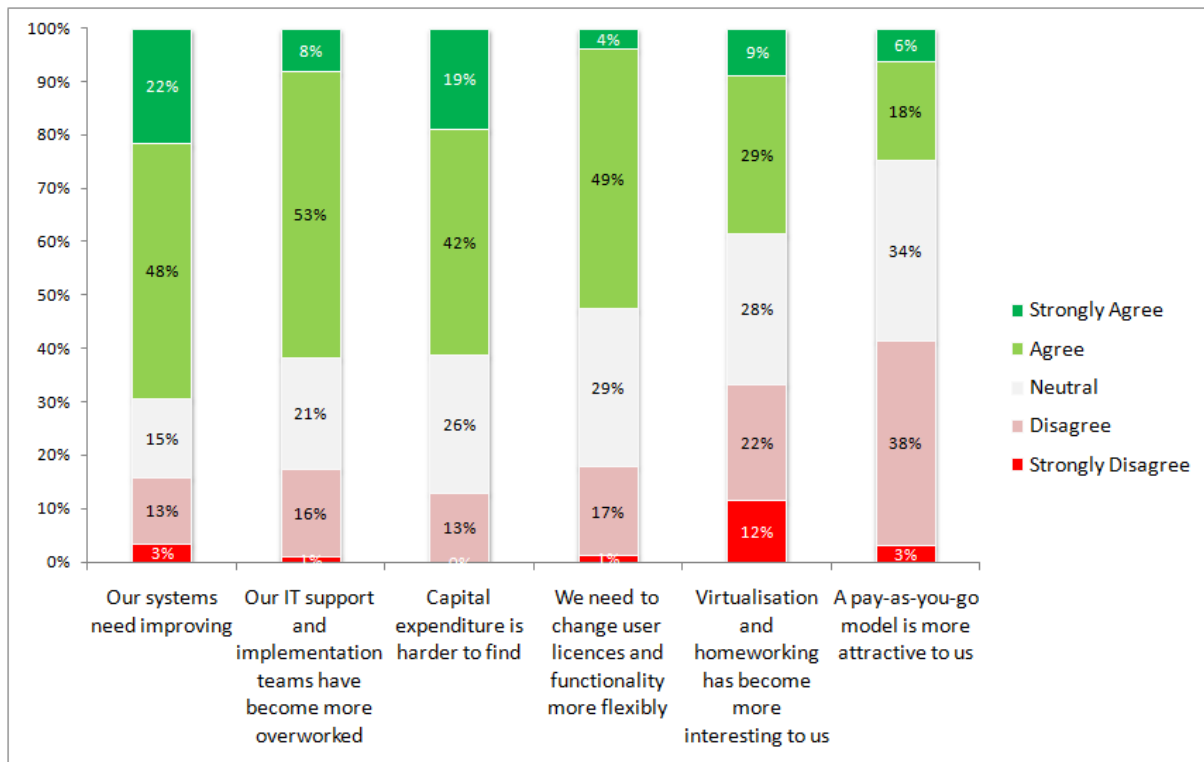
There is a very strong feeling held by the majority of respondents that systems need updating urgently, which offers contact centres the opportunity to look at other options to the traditional CPE model, as it becomes a matter of choosing which change to make, rather than deciding whether any change is necessary. The finance and insurance sector is particular aware of the need to upgrade its systems.

61% of respondents say that their IT staff are more overworked now than 12 months ago, despite a cut in new IT projects. A hosted solution can offer a significant reduction in the level of on-site support required. The financial services respondents were especially keen to indicate that their IT staff were increasingly overworked.

Opex expenditure is somewhat easier to find at the moment than Capex for many respondents, especially manufacturing, and the emergence of SaaS also fuels the interest in non-traditional infrastructure and financial models, especially in the manufacturing, finance and transport & travel sectors. Surprisingly, though, interest in the pay-as-you-go model has not increased much further, perhaps as budgets are loosening a little compared to last year. (These statistics show only the trends in changing interest in the past 12 months, rather than the absolute level of importance).

Virtualisation and homeworking has lost little of the interest that it had last year for the larger operations, and those in retail, insurance and outsourcing. As more solutions become available and more businesses actually go ahead with this, the non-centralised model is something that is being revisited on a wide scale. The flexibility of adding agents and licences is also important to a significant number of respondents in most sectors.

Figure 105: Compared to 12 months ago, how has the importance of the following altered within your contact centre? (by vertical market)

	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	TT	UT	Average
Our systems need improving	4.3	4.4	3.8	3.1	3.3	3.8	4.0	3.2	3.9	4.1	3.0	3.7
Capital expenditure is harder to find	4.5	4.0	4.5	3.9	3.0	3.9	3.5	3.0	3.4	4.4	2.5	3.7
Our IT support and implementation teams have become more overworked	4.7	3.1	4.3	4.1	3.8	3.4	3.5	3.1	3.9	3.9	2.5	3.6
We need to change user licences and functionality more flexibly	4.0	3.8	3.8	3.3	3.6	3.6	2.7	2.8	3.1	3.3	3.0	3.4
Virtualisation and homeworking has become more interesting to us	1.5	3.2	3.0	2.8	3.2	3.1	3.5	2.9	2.8	3.3	2.5	3.0
A pay-as-you-go model is more attractive to us	2.0	3.2	3.8	2.7	3.1	2.7	2.2	3.1	2.6	3.0	2.0	2.9

Supervisor remote, real time monitoring screen

Intelligent solutions to help contact centres grow:

'The main objectives of the contact centre nowadays are to standardise and, where feasible, centralise their technologies with flexible ownership and payment options. Call centres now need more advanced technology to enable them to provide better quality of response and therefore exemplary service - key factors to gaining and retaining business.

Centres are moving to a solution which offers service-based payment, where there is **advantage of cost reductions** and the ability to increase seat numbers or add additional facilities for short term projects. They also need to be able to react quickly to the changing needs of their business and be able to decrease their technology provision as quickly and cost effectively as possible.

Centres are now looking for flexibility to beat recessionary times especially in their technology and for partners rather suppliers. Network technology solutions provide this flexibility.

Ultra Communications provides complete network contact centre technology solutions for contact centres and these are uniquely provided with proactive 24/7/365 support.

"Ultra's products and services have freed us of the shackles of technology and allowed us to focus on our people and their skills in order to meet the demands of our customers & that of the business."

Contact centres are one of the most rapidly growing forms of employment in Britain today and also one of the most controversial, having attracted some poor press coverage for the stressful working conditions which apply in some of the larger centres.

Reports have also focused on staff recruitment and retention difficulties experienced in certain local contact centre areas. Most problems appear to be associated with having large numbers of agents concentrated together in one location.

However, developments in technology mean that such concentrations are no longer really necessary for the contact centre functions. The availability of **network technology** which combines high-speed digital telephone networks and sophisticated software, and switching technology which underlie modern computer telephony integration (CTI), means that both inbound and outbound calls can now be routed seamlessly to any point, by certain niche network technologies.

Location, Location, Location….

The **virtual call centre**, as this development is known, opens up many opportunities for flexible management of variable workloads including facilitating the transfer of work to other offices, time-zones, outsourcing or the use of home-workers.
Using this technology, remotely-based agents, whether home-based or in another site, can in effect be managed exactly as if they were physically together in one contact centre.

Benefits –

Centre – there is potential for a variety of cost savings, there is a wider employment demographic to choose from, flexible working hours availability, meaning there is a strong potential for the development of virtual call centres for many centres that need added flexibility and growth without commitment.

Agents – choice of times to work to fit home life, ability to work from home for the percentage of people with disabilities making it hard to leave the home environment, - nearly 6% of the workforce are now home-working at least one day per week - using a computer and a telephone link to communicate with their employer.

"The future for contact centres… is flexible technology solutions"

ULTRA COMMUNICATIONS

The Granary, Cams Hall Estate
Fareham, Hampshire PO16 8UT
Tel: 0207 965 0207 **office** ● **Fax** 0870 033 0020
www.UltraASP.net

THE VALUE PROPOSITION OF HOSTED/NETWORK SOLUTIONS

There are several factors driving the adoption of these solutions. The first is the 'pay-as-you-go' financial model that allows business of all sizes to move away from high front-end expenditures in favour of a more manageable operational expenditure approach. Small and mid-size companies typically do not have the ready access to cash to make the necessary capital expenditures for expensive CPE. As a result, making the shift from capital expenditure (Capex) to operational expenditure (Opex) is especially relevant for these firms. Additionally, the pay-as-you-go model also simplifies overall cost management and business planning, making it more favourable than the Capex model. Recently, current market conditions have affected companies and finances and some organisations that would not have previously considered Opex investments (e.g. public sector, utilities companies) are now doing so, as large Capex projects are being shelved.

(For more research on changes in Capex and Opex, please see the sub-section within the 'Maximising Efficiency and Agent Optimisation' chapter).

From a customer perspective, the low upfront investment, instant access to cutting-edge technology and rapid results make the model difficult to ignore. The real enabler of the low cost model is, surprisingly, a technical one; leveraging multi-tenancy architecture. End-users, referred to as tenants, share server capacity in a partitioned environment. This allows the hosted provider to pass on some of the cost savings from the economies of scale realised through the use of shared resources.

Cutting the cost

- Decreased capital expenditure:

    o Businesses can scale down future customer premises equipment (CPE) investment, with a resulting decrease in capital expenditure

    o There is also an opportunity to buy services using a pay-per-use or even pay-as-you-talk pricing model, which helps to keep operating expenses to a minimum

    o Additionally, issues surrounding the total cost of ownership of CPE do not arise with hosted solutions: outright purchase of equipment isn't for everyone, perhaps for reasons of budget or the ability to maintain the systems

    o Low-risk ability to start up or move or expand without risking existing business plans

    o Business retain the freedom to downscale change targets and plans to meet demand, rather than commit themselves to long-term arrangements needed to justify the purchase approach of high value CPE.

- Lower development costs:

    o Businesses can experience a decrease in development costs and an increased speed of implementation, as hosted solution providers will already have solutions up and running

    o Network-based providers can arrange solutions to be integrated in days, as no specialised onsite equipment or dedicated connections are required. This reduces project times and costs, and allows business to react to requirements far more quickly.

- Managing calls at the network level decreases costs:

  o There are benefits of scale available with Hosted and Network solutions, which may offer business far greater overall capacity that would normally be provisioned with onsite CPE equipment. There are invariably transient periods where dialler equipment will calculate that it should be making more calls than there are phone lines provisioned, however the shared services approach means that providers may permit these higher demand periods to be serviced. This feature can save critical agent time and improve the consistency and overall performance achieved by the dialling solution

  o Business are able to reduce associated infrastructure Capex and Opex costs, such as telecoms requirements, as only one PSTN line per agent is needed for outbound & inbound campaigns. The overcall is carried out in the network and only live calls are placed to the agent, therefore the telephony line and terminating equipment costs are reduced

  o Network/hosted solutions can save on staffing/resource as they are no longer needed to manage the physical technology as it is not on-site

  o Call queuing at the network level also saves money. In multi-site operations - rather than pass a call down to a contact centre which may not have an agent immediately available to take the call – it makes sense to queue the call at the network level until an agent is capable and available to take it. The call is then passed – once – to the agent in the specific contact centre

  o Infrastructure and processes which are held at network level can avoid issues which CPE resources can experience, such as unnecessary duplication across multiple sites and a corresponding increase in management costs for configuration, administration and performance checking.

Improving the service

- Open access to systems allows greater functionality and lower costs:

  o CPE systems are, in the main, proprietary. Although they may be feature-rich, this can often mean that they are difficult to integrate, time-consuming to maintain and limited in scalability. A superior network or hosted solution should be designed to be open, offer multi-site remote management and scale easily to accommodate multiple clients with high growth rates

  o Using CPE often means that development cycles are long, and that technology imposes its own limitations on what can be achieved

  o Hosted solution providers have continually to enhance and develop their services which bestows a competitive advantage to business users who can deploy the latest technology and the often inherent advantages of improved functionality, service and reduced costs, through their contact centres. In effect, a hosted solution removes the technology stranglehold experienced by many contact centres with CPE and allows them to concentrate on their core business.

- Maximize existing resources:

    o Hosted/network solutions enable a business to make the most of their existing call routing infrastructure. By holding the calls in the network and allowing unlimited database lookups, the solution maximizes CPE resource usage and improves routing accuracy: the call is transferred only when the correctly-skilled agent becomes available

    o Network solutions permit a substantially reduced telephony and switch infrastructure. ACD functionality is controlled via the network and inbound calls are routed through a variety of selected rules and then using a script application 'pops' the agents screen with all information collected from the call.

- Disaster recovery (DR):

    o Ensuring business continuity during outages, facility emergencies and inclement weather is a critical requirement. The hosted and network contact centre models ensure business continuity by enabling agents to be connected to the technology platform and necessary applications from anywhere with Internet access. Even in an outage, companies maintain the ability to service and sell to the client base, undermining what could otherwise be a disastrous situation resulting in lost revenue, dropped calls and negative customer experiences

    o Hosted contact centre solutions eliminate the costly and time-intensive process of building and maintaining a back-up site from which to take calls and deal with emergency situations

    o Superior managed service solutions are fully-redundant, sharing the weight of disaster recovery or unplanned outage with the hosted solution provider

    o With network solutions, superior solutions will offer complete disaster recovery and business continuance as their solutions have the ability to be delivered from multi-site locations, and deliver to alternate warm sites, with flexible and immediate switching between sites should an outage or problem occur

    o Network solutions can provide back-up disaster recovery protection to centres with on-site CPE, as reserve protection - although indeed, a good network solution provides a high level of disaster recovery integrally, meaning clients should not require additional disaster recovery cover.

- Improve agent morale and availability:

    o Hosted self-service options such as IVR and voice portals mean businesses can save money through not having to employ line receptionists to route calls. Self-service also frees up time which would otherwise be taken up with answering repetitive questions, improving the happiness of your agents, which goes some way to reducing staff attrition

    o Real-time monitoring across multi-sites (and home-workers) allows identification of contact centre best working practice, which contributes to improved Agent/Team/Campaign productivity and cost reduction. In effect, a hosted solution removes technology from the equation when comparing productivity and efficiency in a contact centre.

- Expand/move/increase or try out new functionality without the high initial set-up costs:

  o Using a pay-per-use model allows businesses to start a contact centre or move at low risk or increase for a temporary campaign or try out new functionality without having to spend excessive amounts of time and money first. This is especially the case with speech recognition which can be a very expensive solution to implement

  o Pay-per-use or pay-as-you–talk tariffs also allow cost-effective coverage of peak loads and overflow based upon seasonality.

- Take steps towards a virtual contact centre:

  o Managed service solutions support virtual contact centre functionality, including real-time monitoring across sites, sometimes even at an agent level, critical to promote a fair and effective working environment

  o For a network-based solution, the only requirement for the agent is a PC and a DDI phone, therefore multiple sites and home-working can be achieved more easily and rapidly

  o Scalability is key: contact centres want to be able to gear up and down to suit business demands and cope with peaks and troughs without unnecessary expenditure, and with network-based solutions they can do this on a daily basis, instead of spending on capacity that they may not use for months

  o Network access to real-time reporting allows the ability to see performance across multiple sites down to campaign-, sale- and even agent-level.

- Keep a consistent feel to the business:

  o Self-service and call routing scripts are held centrally, managed from a single interface, so that any changes can happen quickly and consistently

  o Network systems can have the dialler and ACD controlled by secure website access still providing complete control to the business even though there is no CPE on-site

  o Superior network solutions do provide their solutions as managed services. These offer the added benefit of complete management support for the supervisor and centre. The network provider is incentivised to ensure that the centre is working at optimum productivity levels, unlike on-site providers.

CPE OR HOSTED/NETWORK SOLUTIONS - OR BOTH?

There is a common misunderstanding within the industry that the choice is either CPE or a hosted/network solution. Where expansion is required, superior hosted/network solutions can be easily integrated into existing CPE ancillary systems, allowing the business to experience the functionality and advantages of a hosted solution without compromising existing investment. From a financial perspective, most hosted solution functionality is paid for as an ongoing operating cost, rather than requiring an upfront major investment: this should make it easier for contact centre management to persuade the budget-holder to upgrade the systems in place.

The flexibility of hosted solutions allows a business to experience hosted solutions as an additional 'bolt-on', the use of which can be expanded as the current CPE reaches obsolete / depreciated / non-regulatory status, or further functionality and capacity is required by the contact centre. Network systems can be available in days and are cost-effective option, as the only requirements are IP connectivity and phone lines – something the centre would already have. Hosted solutions will require a complete change in the connection between the centre and the hosted solution provider's equipment and may take longer to integrate.

A perceived lack of control over operations and the security of critical customer data in a hosted environment continue to cause end-user concern. But the reality is that a well-engineered hosting environment will have deeper security infrastructure in place than many SMEs could afford on their own. This is a significant advantage in being able to leverage the financial investment that the hosted provider has made in security standards and measures. Tenant self-administration capabilities, along with process/methodologies with enhanced security options, can play a critical role in overcoming these reservations.

Network and hosted solutions need at least the same level of functionality as CPE type equipment, and there is no reason a good provider does not offer remote web-based access to authorised users. Suppliers of hosted/network solutions must offer fully managed and supported services, with the trend moving towards offering proactive monitoring. On outbound pay-as-you-talk solutions, for example, there is clear synergy in between the contact centre and the dialler solution provider to ensure the system is efficient, and is configured to operate at the optimum level, as this benefits both parties. This support offered by hosted/network providers is an essential factor in the decision-making process for businesses, and is vital to driving the non-CPE industry forward.

CHECKLIST WHEN CHOOSING A HOSTED/NETWORK SOLUTION

Vendor background and experience

- What is the company's history and experience in contact centre operations?
- Can the company provide references and implementation examples?
- How many contact centre seats are currently in production?

IT considerations

- Is there additional hardware or software to install on-site?
- What bandwidth and reliability issues should we address with our ISP?
- Are there additional costs required to integrate existing back office applications?
- What kind of resources & skill sets will I need to commit to the project, and when?

Network/hosting environment

- What reliability parameters are included in the Service Level Agreements?
- How can you maintain control, minimize business risk, & maximize service quality?
- How does the company address security and privacy concerns?
- How is your data separated from other clients' data?
- Do you provide 24x7 monitoring and support?
- What backup/disaster recovery procedures are in place?

Implementation expectations

- How long is the training cycle and is it administered on-line?
- Are there additional support and service expenses?
- How long and complicated is a typical implementation?

Data Access

- Can I access my data outside of the provided contact centre application (e.g. sales or marketing queries and reports)?
- How does the vendor return data to you at the end of the hosting agreement?
- How do I integrate my local data and applications?
-

White Paper: "Selecting Contact Centre Solutions" (Ultra Communications)

Synopsis: Items to consider when selecting a vendor.

Download: http://www.ultraasp.net/Resources/Articles/SelectingContactCentreSolutions.pdf

RESULTS OF USING HOSTED AND MANAGED SOLUTIONS

Those contact centre respondents who have actually implemented a hosted or managed solution have generally found that it has delivered significant advantages.

The strongest experience was a reduction in cost, with 65% of respondents agreeing that the overall cost of ownership was cheaper, up from around half of respondents last year. 55% experienced more powerful or extended functionality in a hosted or managed environment, with only 10% disagreeing. 45% found that making changes to the system was now easier, compared with 29% who felt the opposite.

Figure 106: Have hosted or managed services had any advantages?
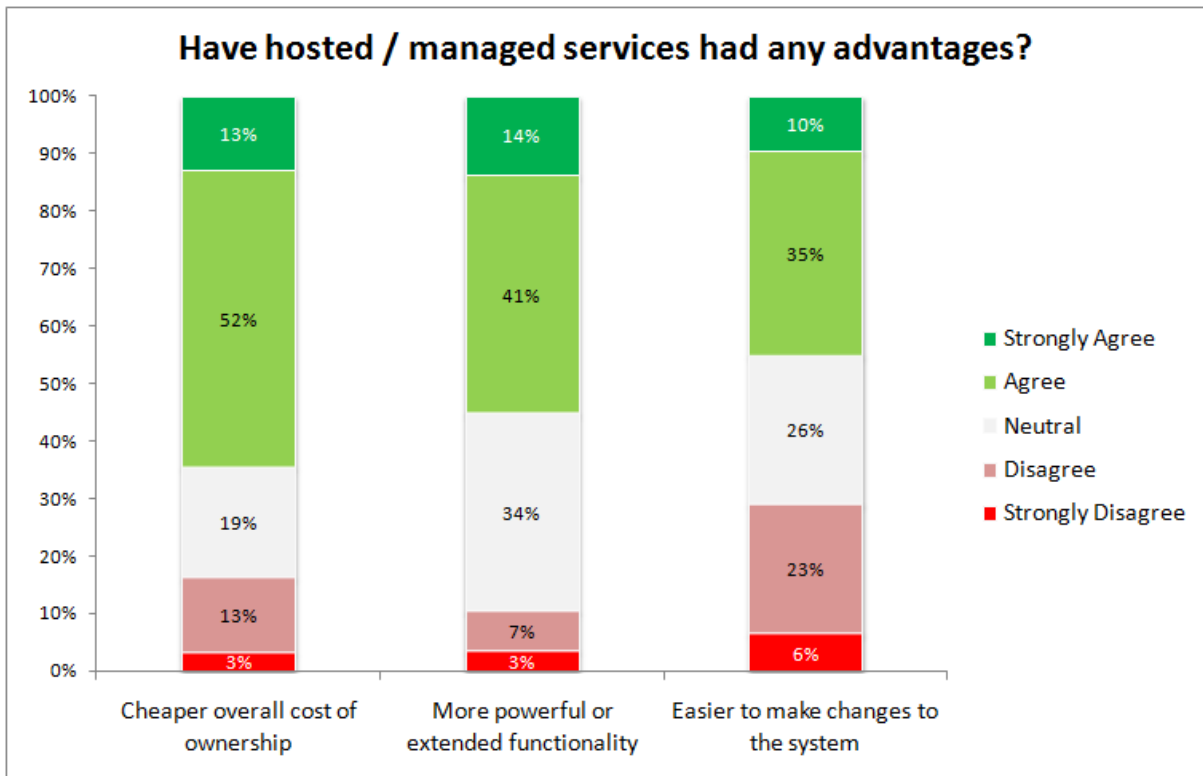
OUTBOUND AUTOMATION

The traditional outbound call was simply about selling more products to new and existing customers. However, legislation and customer pressure is having a continuing impact on cold calling, and the past years have seen an increasing proportion of outbound calling being made to existing customers, either to deliver customer care or proactively to inform them about events and circumstances which affect them. Outbound calling is fundamentally different from inbound, and – facing significant and growing cultural and legislative issues - must be managed sensitively:

- the nature of outbound is intrusive and usually driven by the needs of the business rather than the customer (except in cases of call-back requests and for proactive outbound service)

- this means that customers are more likely to be defensive and wary of the purpose of the call. Trust needs to be built very quickly in order to overcome this negative start point: having the right information about the customer to hand will improve the experience for both agent and customer

- outbound work can be very hard on agents: few people actively welcome most outbound calls, and persistent refusal, lack of interest and rudeness can be very wearing for agents, especially if productivity-enhancing technology such as diallers are being used. Management should consider ways of alleviating agent stress, through sensible scheduling and call blending, judicious use of technology, focused training and improving working environments, amongst other ways

- especially where the technology exists to do so, it can be tempting to treat outbound calling campaigns as an exercise in maximizing call volumes and (theoretically) revenues. However, this can result in brand damage and high staff attrition rates through over-pressured and exhausted agents delivering poorer quality interactions

- there has been a tendency to use offshore contact centres for low-value outbound sales campaigns which would otherwise be unprofitable to run. However, the same high standards of training and support are needed by offshore agents to do their job properly: too many businesses simply put the agents on a dialler with an inflexible script in front of them and then wonder why their customers and prospects become negative towards their brand (for example, 73% of the UK public who considered offshore customer contact to be inferior cited inflexible scripts as a key issue)[11]

- tough legislation has emerged which is reducing the amount of cold calling which businesses can do. Cold calling is illegal in Germany, and the Do-Not-Call register in the US and the Telephone Preference Scheme in the UK allow customers (and now businesses in the UK) to opt out of receiving any sales calls at all. Over 10m consumer telephone numbers in the UK are registered with TPS.

Call blending is an element of outbound calling which has perhaps not yet reached its full potential, as it stands against some of the conventional wisdom of the traditional contact centre industry, which implies that the more one can segregate the contact centre into a series of production lines, the better-run the operation will be.

Call blending gives the ability to deliver both inbound and outbound calls seamlessly to the agent, regulating outbound call volume based on inbound traffic. When inbound traffic is low, outbound calls are automatically

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[11] ContactBabel, "Finding the Balance: The Effects of Offshore Customer Contact on Profit and Brand"

generated for a specified campaign. When inbound traffic picks up, the dialler dynamically slows the number of outgoing calls to meet the inbound service level. Results can include increased agent productivity, streamlined staffing, and improved customer service. However, this process needs to be understood and managed carefully, as not all agents are adept at dealing with both inbound and outbound calls.

Sales to both new and existing customers are obviously still key reasons why companies carry out outbound calls, and the hybrid method – customer service leading to a cross-sell/up-sell opportunity – is seen a good way of circumventing the increasing numbers of people registering for the Telephony Preference Service. However, businesses must be careful not to pester customers or abuse the relationship they have built up with frequent calls about products and services that are not tailored to the customer.

OUTBOUND ACTIVITY

The single most popular outbound activity is proactive customer service - a strong brand builder as well as an effective call avoidance tactic, but which is back down to 27% from last year's high of 34%. The effect of the recession can be seen clearly in the jump in sales calls of all types from 34% to 47%, with sales calls to potential new customers continuing this year as the top sales-related outbound activity. However, there have been big jumps in both cross-selling/upselling and renewals, which were running at 9% of outbound activity last year. (More information on cross-selling and up-selling can be viewed earlier in this chapter).

Figure 107: Outbound activity
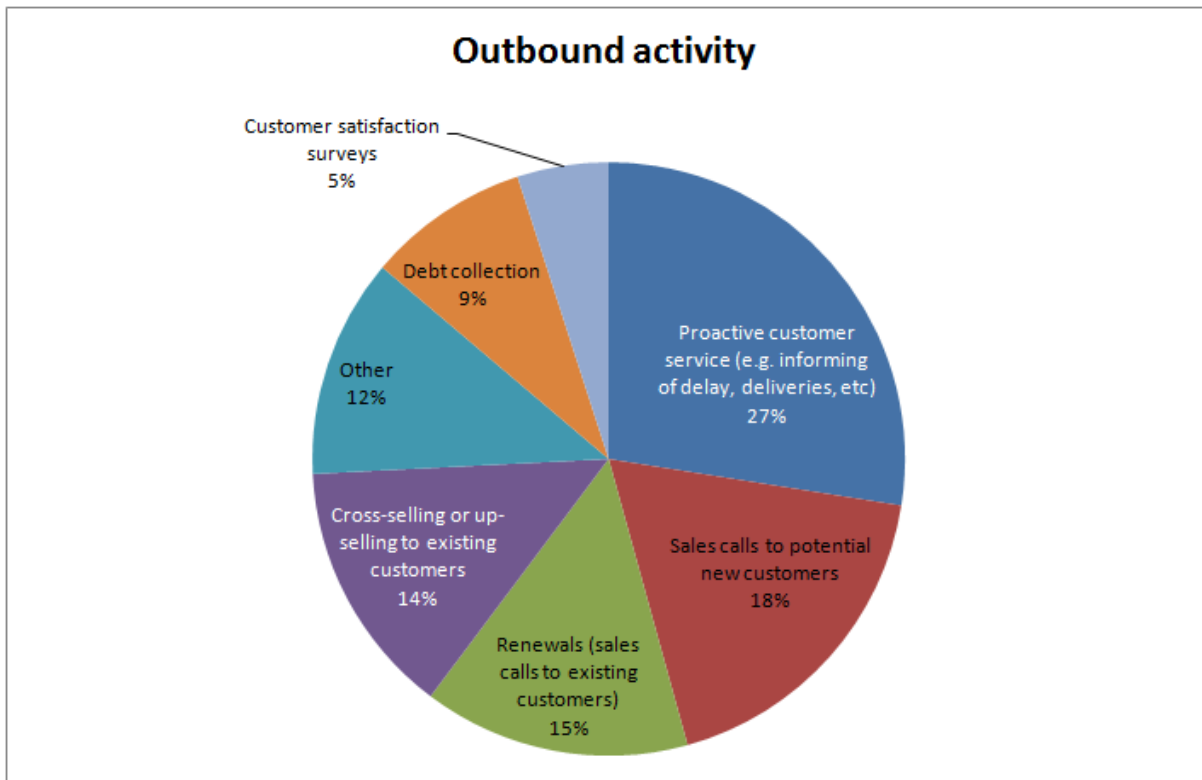
Vertical market patterns are very different from each other, and there is not even a great deal of homogeneity within sectors, so these figures should be treated with some caution. However, there are some interesting findings to bring out.

Over half of the retail & distribution and TMT sectors' outbound activity is proactive customer service, advising of delays and deliveries in the main. The manufacturing sector is also actively seeking and giving information up and down the supply chain and the public sector is also very involved in this.

The insurance sectors is the hungriest for new business and most likely to cold-call (within the law, of course). The outsourcing sector, as might be expected, is also keen on sales with 48% of all outbound activity being sales-related.

The contract-based business models, often found in telecoms, utilities and insurance, are most likely to be carrying out renewal sales calls to existing customers, with the medical sector also carrying out a lot of this type of activity.

The finance and manufacturing sectors carried out a lot of debt collection.

DIALLERS

There are three types of dialler or dialling mode considered within this report, differing in the way in which they increase the volume of outbound calls.

Figure 108: Types of outbound automated dialler

Dialler type	Explanation
Preview diallers	A Preview Dialler dials the number from a database record, but does not have the capability to detect the call progress. The agent monitors the call's progress (connection / no answer / busy / answering machine) and takes or drops the call
Progressive diallers	A Progressive Dialler has the additional ability to detect the call's progress automatically. It selects an agent for a call and dials numbers for the agent, until it gets a valid contact, when it then puts the call through to the agent if the contact is live
Predictive diallers	A Predictive Dialler is a system that automatically calls a list of telephone numbers in sequence and screens out no-answers, engaged tones, answering machines, and disconnected numbers while predicting at what point a human caller will be able to handle the next call. There is a risk of a live connection being made to a customer without an agent available to talk which can be managed by keeping the over-dial rate very low

While a fair proportion of large contact centres will use preview dialling, then main pattern emerging is that it is currently large operations that use the top-end predictive diallers, although the hosted and managed services solutions available mean that this functionality is available on a per-call basis. The overdial / drop rate for calls made by respondents with a predictive dialler is calculated to be 1.5%, with 3% the highest rate admitted to, a figure which is getting lower each year.

The potential efficiency gains that a dialler can bring to a contact centre can be seen clearly in the following table. Respondents using predictive diallers have an average call attempt rate of more than double those operations using manual dialling, translating into a far superior live contact rate as well.

Figure 109: Outbound call attempts and live contacts per agent per hour, by dialler type

Dialler type	Attempts per agent per hour	Live contacts per agent per hour
Predictive	31.7	14.6
Progressive	22.3	11.6
Preview	26.8	10.5
None	13.8	7.7

EFFECTS OF LEGISLATION

The Telephone Preference Service (and the EC Regulations on Electronic Communication which deals with email and SMS) are part of the general social and political drift towards allowing consumers and businesses the right not to be contacted by companies. This is part of a global movement, perhaps indicated best by the state government of California, which does not allow over-dialling at all.

In the UK, Ofcom is getting progressively stricter in its outbound regulations, a summary of which appears here.

Summary of Ofcom's Dialling Regulations (including recent proposals)

- The 'abandoned call' rate shall be no more than three per cent of 'live calls' on each individual campaign over any 24 hour period;
- In the event of an 'abandoned call', a very brief recorded information message is played within two seconds of the call being answered, which;

1. identifies the company on whose behalf the call was made;
2. identifies the intended purpose of the call (i.e. "an unsolicited sales call", "a call as part of debt recovery", etc)
3. offers the called person the possibility of declining to receive further calls from that company by contacting a no charge number;
4. includes no marketing content and is not used as an opportunity to market to the called person;

- calls which are not answered should ring for a minimum of 15 seconds before being terminated;
- when an 'abandoned call' is made to a particular number, that number is not called again in the following 72 hours, unless a dedicated operator is available;
- for each outbound call a CLI number is presented, to which a return call may be made which is not charged at a higher rate than the national call rate;
- either a recorded message or a live operator is available at the CLI number presented to inform called persons of the identity of the organisation that called them, the intended purpose of the 'abandoned call' and that the called person's number will be deleted from the organisation's database and added to its in-house suppression list at the called person's request if they leave their name and telephone number;
- any call made by the called person to the contact number provided shall not be used as an opportunity to market to that person;
- records are kept that demonstrate compliance with the above procedures.

The entire document, including the commentary on ongoing proposals for change, is downloadable from : http://stakeholders.ofcom.org.uk/consultations/persistent_misuse/

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the beep

www.lovethebeep.org.uk
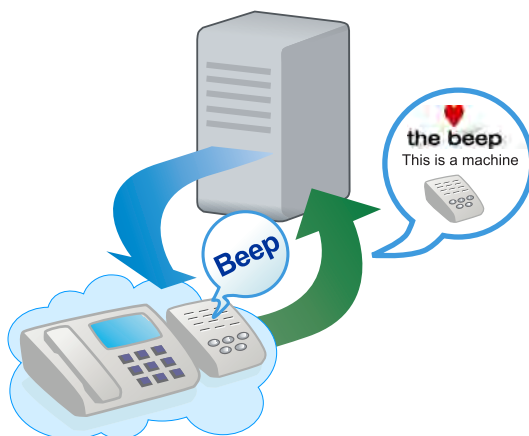
The big problem is not just achieving compliance, but proving it. The introduction of 'false positives' into the abandoned call rate means you now have to guess at the number of people your system incorrectly identifies as answer machines. To make things worse, the more you tune your system to identify answer machines more accurately, the more 'false positives' can be caused. This means that the dialler has to be slowed down even more, often outweighing any benefit of Answer Machine Detection technology to your operation's productivity.

Answer Machine Detection (AMD) is essentially guesswork. Our campaign aims to hugely simplify the job an AMD system has to do. We looked at the problem from the other end of the telescope: How could answer machines be identified by an AMD system without guesswork? The proposal we have is to request that providers of network answering services play a short 'beep' immediately after the call is answered. AMD systems can be tuned to listen for and recognise the beep, which means

(a) that you no longer have to guess the rate of false positives;

(b) the people being called will have an improved perception of the calls they are answering as the delay in an agent replying will generally be reduced; and

(c) your dialler will be able to run more productively, as it won't need to be slowed down to compensate for 'false positives'.

Only 2% of all respondents say that the legislation on outbound calling has reduced their calling greatly, with a further 9% saying it has declined slightly. When looking at this statistic by contact centre activity type, the mainly outbound respondents - those whose bread and butter this type of calling is - are a little less sanguine, although the effect of outbound legislation seems to be far less than in previous year. 88% of the outbound-focused respondents say that legislation now makes little change to their outbound calling and 12 % say that it has declined slightly.

Figure 110: The effect of recent legislation on outbound calling, by contact centre activity type

The effect of legislation on outbound calling
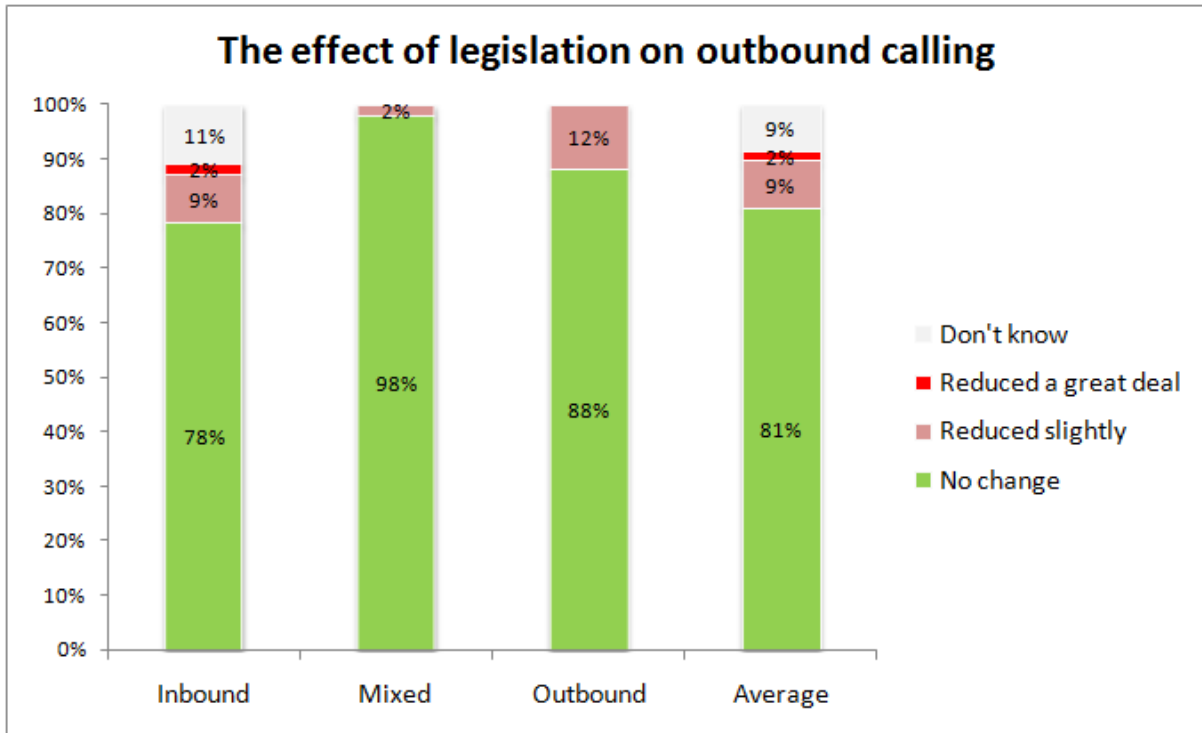
White Paper: "Outbound Campaigns, Predictive Dialling, Agent Productivity, and Compliance"

Synopsis: Legacy predictive dialers were designed when nuisance calls were unlimited. These diallers can comply with recent regulations limiting nuisance calls, but they cannot do so while maintaining the agent productivity gains that justify their existence in the first place. This white paper explains why lab tests and real life experience differ dramatically for legacy diallers, and how to get more of what you are paying for in a predictive dialer.

Download: http://www.cosmocom.com/to/cbab10uk-outbound

CALL BLENDING

A contact centre handling different processes involving customer service, sales orders, and outbound telemarketing, will have different groups of agents with specific skills for these areas. Some agents are more capable and adaptable than others, and can be used as blended agents. For example, these agents may have a primary responsibility to handle inbound calls, but when the inbound call volume drops, the dialler will send a message to these agents indicating that they have been switched to outbound mode and start offering outbound calls to them. A CTI link will prompt a script for the outbound calls to run on the agent desktop and - depending on the call volume in the inbound queue, the agents will be switched automatically, improving productivity. However, if there is a constant switching from inbound to outbound and back again, the agent may lose concentration and the productivity may go down.

A structured blended environment, where agents are moved seamlessly and dynamically between inbound and outbound, is used in only 18% of respondents' operations - a significant growth year-on-year - although medium and large contact centres are more likely to be able to do this, with the latter also far more likely to use dedicated outbound agents. Small and medium operations will tend to operate blending on a manual, ad-hoc basis.

Figure 111: Use of call blending by contact centre size
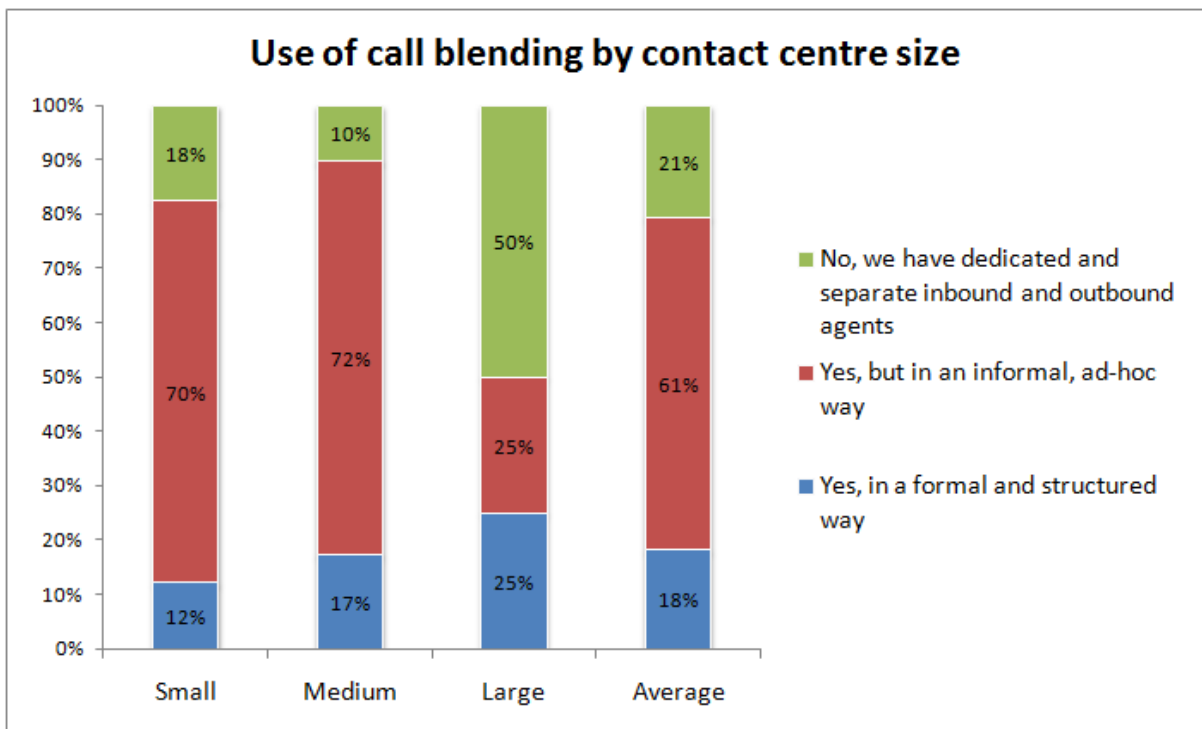
It is interesting to put the use and type of call blending against key contact centre performance and operational metrics, such as outbound calls per hour, annual attrition rate and average speed to answer.

It is not possible to state definitively that it is the formal call blending that increases calls per agent per hour as the enthusiasm of the part-time outbound agents can make them more productive in short stints. However, these metrics are some of those that call blending is supposed to impact positively upon. 'Formal' call blending, as with many cases of dedicated outbound activity, is more associated with dialling technology than the ad-hoc outbound work, which will have a positive impact on live contacts as well.

As with previous years, the attrition rate in contact centres using blending is lower than in those that do not, as perhaps the variety of work may have a positive impact. However, there are more variables at play that affect attrition, such as contact centre size, location, salary, working conditions and type of work, and attrition is currently a serious problem for only a small proportion of operations.

The average speed to answer is considerably less in formal, blended environments than in ad-hoc operations, with agents moved between tasks seamlessly. There is little difference between speed to answer in formal and dedicated environments this year.

Figure 112: Use of call blending and possible effect on contact centre performance

Use of call blending	Live conversations per agent per hour	Agent annual attrition rate	Average speed to answer (seconds)
Yes, in a formal and structured way	12.3	16.4%	19
Yes, in an informal, ad-hoc way	7.0	16.1%	34
No, dedicated inbound or outbound agents only	10.7	20.4%	22

White Paper: "Benefits summary for call blending" (Ultra Communications)

Synopsis: Discussion of the advantages and disadvantages of call blending, with some suggestions on how to do it successfully.

Download: http://www.ultraasp.net/Resources/Articles/CallBlendingBenefits01.pdf

THE ROLE OF MOBILE TELEPHONY ON OUTBOUND CALLING

In around 40 countries, mobile telephony analysts have put out seemingly counter-intuitive mobile phone penetration rates of well over 100% - that is, there are more phones than people. The UK is one such country.

Businesses wishing to use mobile telephony - whether through voice or SMS - should be aware of the unique nature of the channel, including the psychological state of many mobile phone users towards the device. The mobile phone is seen as a private, personal communications channel, in a way that a PC or landline phone is not. The mobile phone goes everywhere with its owner at all times (the peak hours for texting in Western countries are between 10pm and 11pm), and the external appearance, sound and function of the phone can be personalised and modified to reflect the user's personality.

Currently, as a mean average, UK respondents make 35% of their outbound calls to mobile phones (36% in 2009, and 28% in 2008), and it costs an average of 6 times more to call a mobile phone than a landline.

Faced with such a growth in the costs of calling, businesses may feel tempted to cut back on outbound communications, perhaps even going as far as not to accept mobile numbers as the primary contact method. However, this would be too much of an over-reaction, as its ubiquity and responsiveness has a great advantage over landline phones and even emails, as the business is far more likely to reach the customer by calling their mobile number. Increasing the use of SMS as a channel to the customer would reduce many of the costs associated with mobile communication (including agent time, as well as transmission costs), while keeping the advantages of contacting a customer's mobile number. See the 'New Media and the Customer of the Future' chapter for more about the role of SMS.

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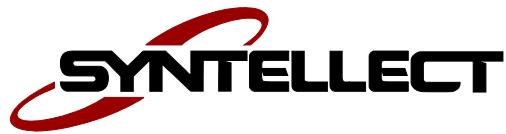
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CHOOSING A LOCATION

Choosing a contact centre location is a complex business, involving elements such as labour force and quality, transport links, the availability of the right buildings, labour cost, external assistance and the historic links of the company with the area.

It is not the case that all contact centres are based in the North of the UK – although there are a large number of big contact centres based in the North of England and Scotland – as the South-East has more contact centres than any other region.

UK contact centre locations by region

Legend:
- Over 500 contact centres
- 301 – 500 contact centres
- 201 – 300 contact centres
- 100 – 200 contact centres
- Fewer than 100 contact centres

UK agent position locations by region
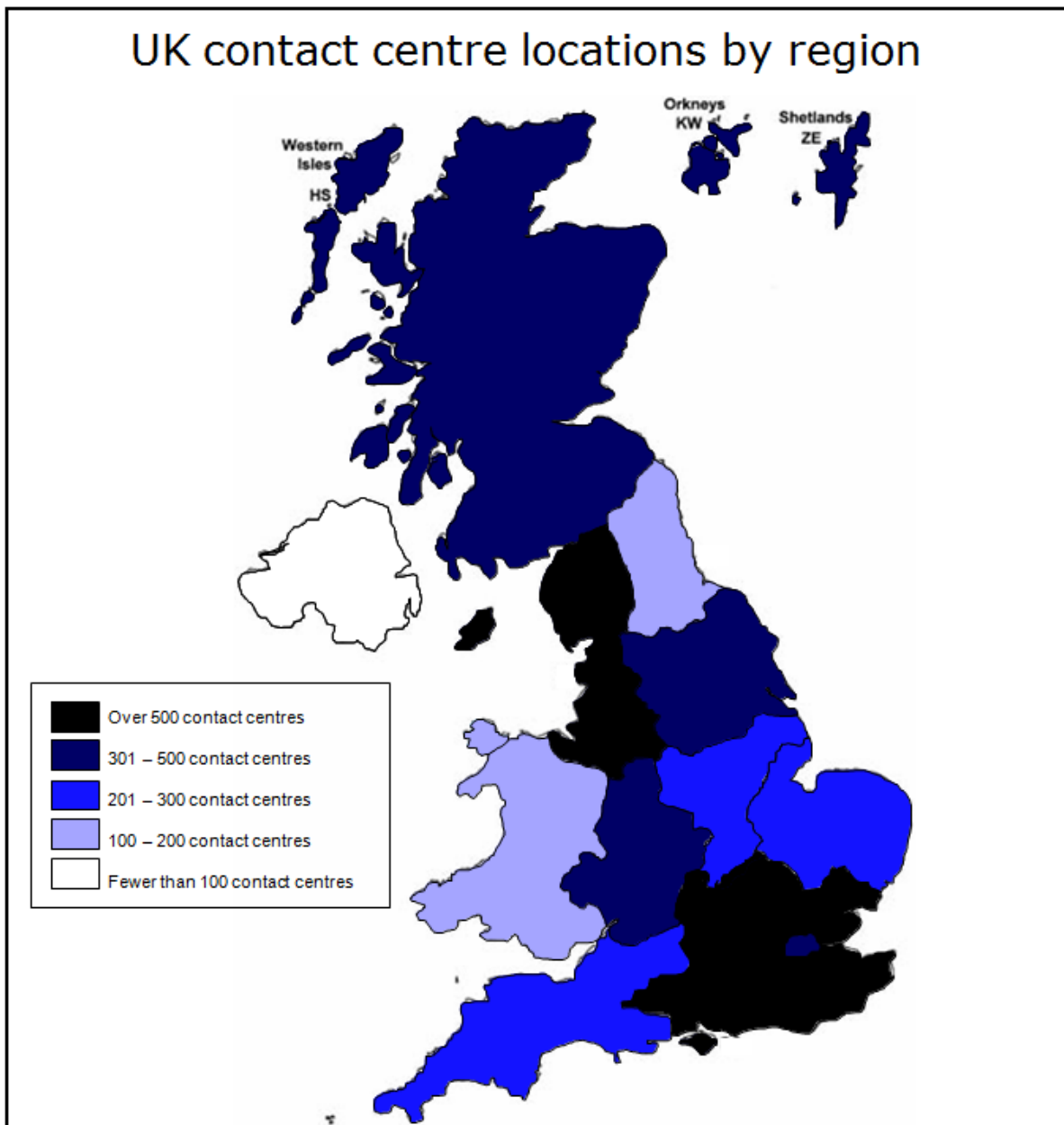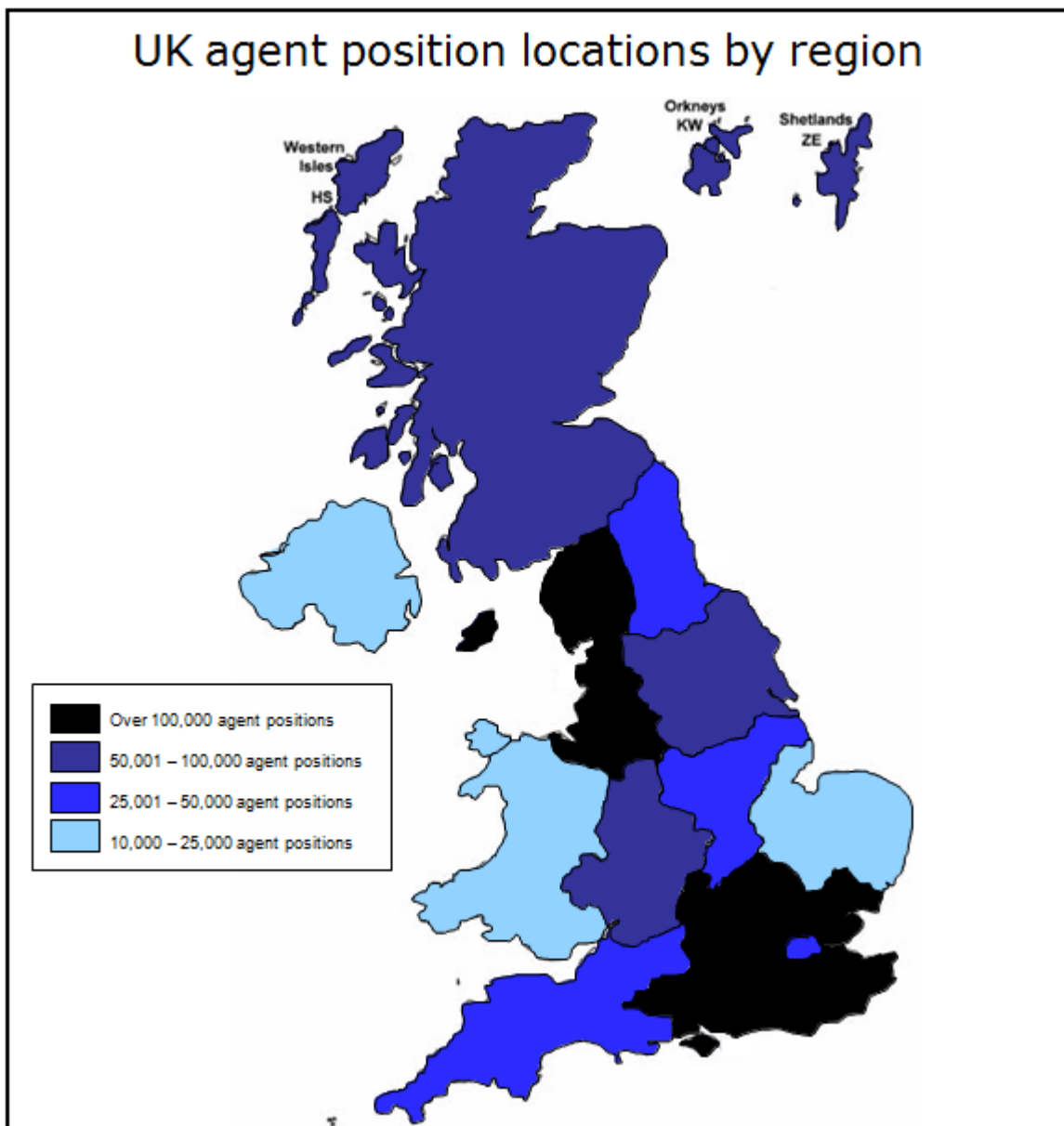
The South-East has the greatest number of agent positions, with over 100,000, although the North-West is not far behind. In general, the North of the UK is where the bulk of agent positions are found, with Scotland, the North-West, West Midlands and Yorkshire each being major areas of contact centre employment.

Employed population working as contact centre staff, by region

Legend:
- >5% of employed population
- 4-5% of employed population
- 3-4% of employed population
- 2-3% of employed population
- <2% of employed population
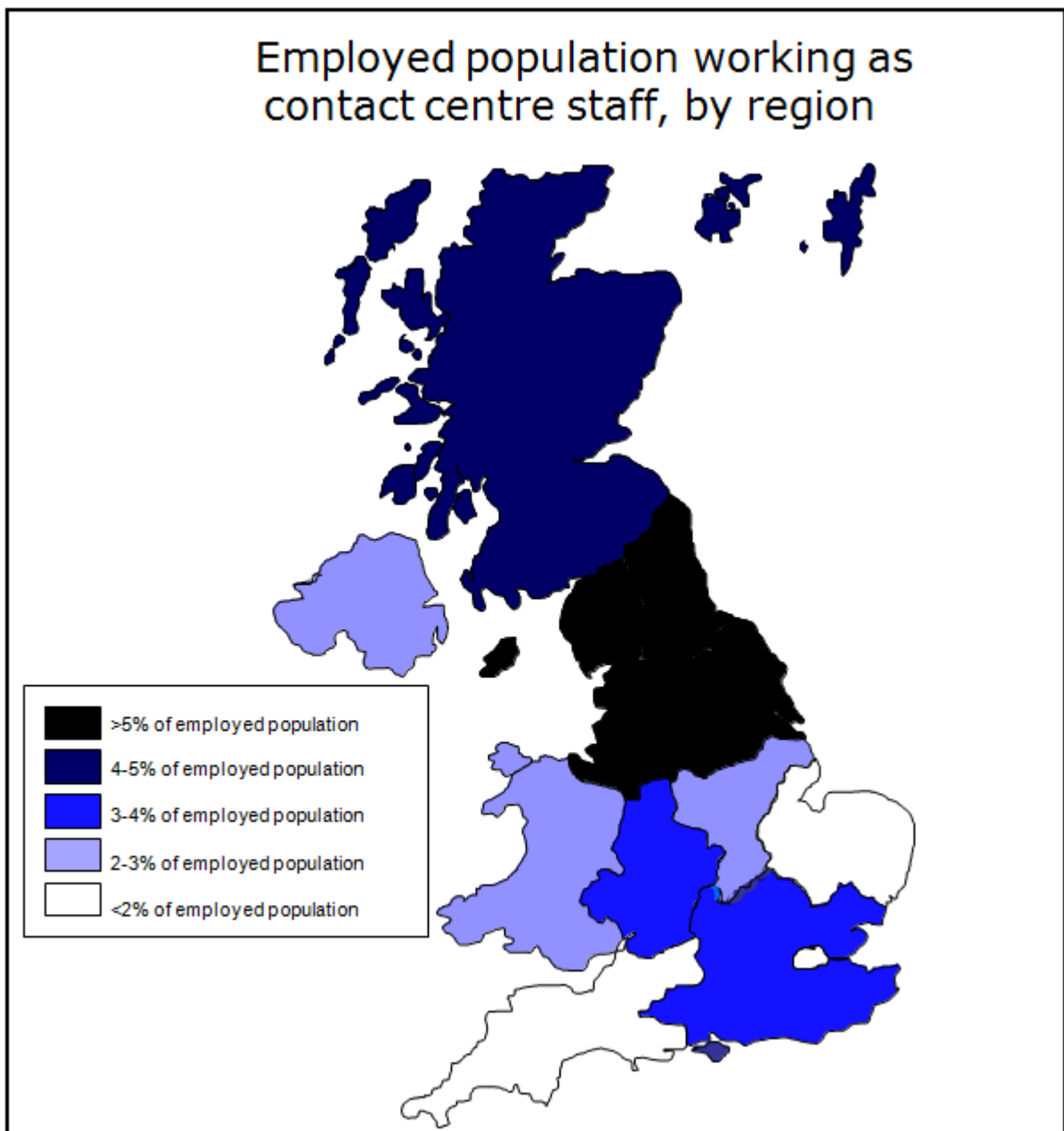
Around 3.5% of the UK's employed population are now employed in contact centres. The map above shows the importance of the contact centre industry to the northern parts of the UK: the North-West and North-East having over 5% of their employed population working in the contact centre industry, with Yorkshire and Scotland close to this figure as well.

The contact centre industry is least important to East Anglia, London and the South-West.[12]

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[12] For more detail on the structure and forecasts of the UK contact centre industry, by region, size and vertical market, please see "UK Contact Centres in 2010: The State of the Industry".

Wales

The **cost-effectiveness** of staff (including recruitment and remuneration) is one of the key elements to choosing a location, and includes more than just the actual salary: expectations of cost vs reality, and the expense of recruiting and replacing staff is all taken into account. East Anglian and North-Eastern contact centre respondents were most pleased about staff cost-effectiveness - although as usual, the high London new agent salary, which is several thousand pounds above the national average is reflected in the significantly lower score for cost-effectiveness.

The **quality of staff** available is as important as any other measurement. Scottish and Yorkshire respondents show their satisfaction at the quality of staff in their region. It should be noted that no region is significantly below the average.

The third staff measurement is the **availability of staff**: are there enough of the right people to allow a business to expand or replace any attrition that is being experienced? As might be expected, London respondents have no problems with finding new staff, but this is also the case in Scotland and Wales too.

Transport links (both public and private) may not be seen as being as important to a contact centre's success as having a large pool of skilled labour, but without it, contact centres are likely to experience higher levels of staff attrition and difficulty in filling shifts, especially those in anti-social hours, particularly important in that many contact centres now operate way beyond the traditional 9-to-5 opening hours. One of the main reasons that businesses start up in city centres – despite the high rents they usually have to pay – is that public transport links are usually superior to those found in rural or business park areas, allowing more people to consider taking work in the contact centre, including students. Out-of-town business parks can offer good car parking, but there are numerous examples to be found of contact centres that have expanded so rapidly that car parking is no longer guaranteed. London's respondents are most enthusiastic about their transport links, as we would expect. Those in Wales and Northern Ireland are also very positive, whereas North-Eastern and East Anglian respondents are this year very downbeat.

The question of **support from the RDA** and other organisations has produced widely-differing results. Some RDAs, especially in the south of the country, have indicated that the contact centre industry is not a sector which they particularly want to encourage. Others, in particular the North-Western, Welsh and West Midlands RDAs are active in their support of the industry in their area.

The UK contact centre industry is still growing, although few greenfield sites are opening. This means that existing operations – such as those interviewed for this report – are growing their numbers. In order to do this, there must be the **future expansion possibilities.** Those respondents from the West Midlands and Scotland are most positive about this.

The **availability of suitable buildings** is one of the main elements in deciding where to locate a new contact centre, along with the availability of high-quality, cost effective staff, and good transport links. The North-West is by far the most enthusiastic about this factor.

Figure 113: Rankings of locations by factor

Rank / Location factor	Cost effectiveness of staff	Quality of staff	Availability of staff	Transport links	Support from RDA	Future expansion possibilities	Availability of suitable buildings
1st	Wales	Wales	London	London	Wales	Wales	Northern Ireland
2nd	West Midlands	Scotland	Scotland	North-East	West Midlands	Northern Ireland	Wales
3rd	Scotland	London	West Midlands	West Midlands	North-West	North-West	London
4th	Yorkshire	South-East	Wales	Wales	East Midlands	London	Yorkshire
5th	Northern Ireland	Yorkshire	South-East	Scotland	Northern Ireland	North-East	North-West
6th	East Midlands	West Midlands	North-West	Yorkshire	East Anglia	Scotland	South-East
7th	North-West	North-West	Yorkshire	South-West	North-East	Yorkshire	East Midlands
8th	South-West	South-West	South-West	South-East	London	South-East	East Anglia
9th	North-East	East Midlands	East Midlands	North-West	Scotland	South-West	South-West
10th	South-East	Northern Ireland	Northern Ireland	East Midlands	South-West	East Midlands	Scotland
11th	London	North-East	North-East	East Anglia	Yorkshire	East Anglia	West Midlands
12th	East Anglia	East Anglia	East Anglia	Northern Ireland	South-East	West Midlands	North-East

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Wales

It is controversial, and worse, risks inaccuracy to rely upon a raw score to indicate how effectively each area of the UK supports its contact centre industry. As such, the following table should be used only as a rough guide to regional performance.

There are three main rankings given here:

- The 'overall rating score' is calculated as follows. Respondents give a score out of 10 for each of the 7 categories. The 'Overall Rating Score' shows the total of the 7 categories and gives a useful raw score for direct comparison. Results do not include the actual importance of each category to the contact centre industry and should be read as such.
- The 'number of categories in which the region outperforms the national average' is calculated by looking at the raw scores in each of the 7 categories, and placing it above or below the overall national average score for that category. This method lessens the risk that a very high or low raw score in one category will sway the overall result disproportionately.
- The 'number of categories in which the region is in the top 3' shows which regions are high-fliers and which more solid all-rounders. (For example, West Midlands scores averagely overall, but is exceptional for the availability and cost-effectiveness of staff, support from RDA and its transport links, and if readers value those things above others, then the region is worth considering as a contact centre location).

Figure 114: Regional ratings: overall scores

Region	Overall rating score	# of categories in which the region outperforms the national average	# categories in which the region is in top 3
Wales	55.3	7	5
London	49.6	5	4
North-West	46.0	4	2
Northern Ireland	45.8	3	2
Scotland	45.6	4	3
Yorkshire	45.2	4	0
West Midlands	44.6	4	4
East Midlands	43.4	2	0
South-East	43.1	2	0
South-West	42.8	2	0
North-East	41.0	2	1
East Anglia	40.8	1	0
Average	**44.8**		

NB: Scores are calculated as follows. Respondents give a score out of 10 for each of the 7 categories. The 'Overall Rating Score' shows the total of the 7 categories .

Results do not include the actual importance of each category to the contact centre industry and should be read as such.

CASE STUDY

Cardiff is steadily becoming the key nerve centre for relationships between Britain's largest retailer and its many millions of customers across the UK.

Tesco is Britain's largest supermarket and asserts that it puts the customer at the heart of everything it does. As such, its customer-service operation based in Cardiff plays a key role in the company's success story supporting the business and sustaining relationships with tens of millions of loyal shoppers. By 2006 the company created a flagship contact centre responsible for delivering front-line services to customers nationwide.

Just a few years later it has developed into a major national nerve centre for several key customer relations functions and now employs more than 750 people, routinely handling more than 30,000 calls a day from across the UK.

The services performed at Cardiff include all UK customer service calls, the Tesco Technical Support helpline for IT and other electrical equipment bought at the company's stores and enquiries relating to Grocery Home Shopping, the largest online shopping facility in the world.

The firm is clear about the reasons behind the rapid development of its 9,000 sq metre complex, strategically located at Llanishen, midway between the M4 motorway and Cardiff city centre. It believes that success is based on the centre's ability to recruit, train and retain high quality staff from a local workforce that is strong on positive attitudes and flexibility.

Centre manager Norman Reaney summed it up when he said:

"Cardiff has been a massive success story for Tesco. We have done extremely well on staff recruitment and retention. We have never had trouble recruiting the right people here."

Norman described Cardiff as a **'large city with a local feel to it'**; a combination which aids Tesco's recruitment efforts and staff relations. For example, a significant proportion of staff has been recruited through recommendations from friends or relatives already on Tesco's books. A high proportion of those who do join the team progress through the ranks. This is underlined by the fact that more than 80% of managers at the centre are home grown. Skills development is another essential element in the centre's success, with no fewer than four dedicated and fully-equipped training suites located in the complex.

Norman says he finds Wales a very supportive environment for business. For example, the firm is actively involved in the Welsh Assembly Government funded Welsh Contact Centre Forum, the largest employer body of its kind in Britain. Through this channel it shares ideas and good practice with other contact centre operations in Wales and gains valuable updates and insights regarding key matters affecting the sector. Tesco is in no doubt that Cardiff is good for its business. Based on the high performance of local staff, its links to the Welsh capital have grown steadily over the past two decades. Now with plans to give the Llanishen centre more responsibilities, the flagship retailer is making the city an even more important part of its multi-billion pound UK network.

CITY VS BUSINESS PARK VS RURAL

In 2002 and 2003, ContactBabel carried out two large-scale surveys of contact centre location type[13], looking at city centre, edge-of-town/business park and rural areas. The characteristics of each location type are, rightly or wrongly, clearly defined in people's minds: the city has a large labour pool and good public transport, edge-of-town/business park locations have good road links and suitable buildings, and rural contact centres are nice places to work and have loyal staff.

The reality was not far from this: rural areas tended to support small-to-medium size contact centres well, and were likely to be pleasant places to work in. High value-add, skilled operations seemed to do especially well in rural locations. Many operations based in edge-of-town/business park locations have mushroomed into hundreds or even thousands of seats without too many problems. City centre operations also coped well with very large operations, but felt their attrition rates and costs were much higher than other operations.

In a recent survey, ContactBabel revisited these findings to see what had changed, in particular, whether the advent of new technology such as IP could overcome some of the disadvantages that had plagued rural contact centres, such as poor transport links hindering their expansion.

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[13] " Town and Country: Changing Views on UK Call Centre Location Types" and "Successful Rural Contact Centres", ContactBabel on behalf of BT eLocations, 2002/2003

In fact, the research found that little had changed in some ways. The quality of staff in rural contact centres was above average, as a result of the contact centre being more likely to be an employer of choice in these areas. Transport links were still rated as poor by rural respondents, however, and suitable buildings were also less likely to be found here, unsurprisingly.

However, staff availability was very positive in rural areas, possibly due to increased car ownership, with future expansion possibilities in these areas looking positive as a result.

City centre locations were obviously strong for transport links, as well as having lots of buildings available. Edge-of-town/business parks were more likely to be strong in the cost-effectiveness of the operation, along with building availability, although this category was a good all-rounder.

Figure 115: City centre vs edge-of-town vs rural contact centres, by category (rating out of 5)
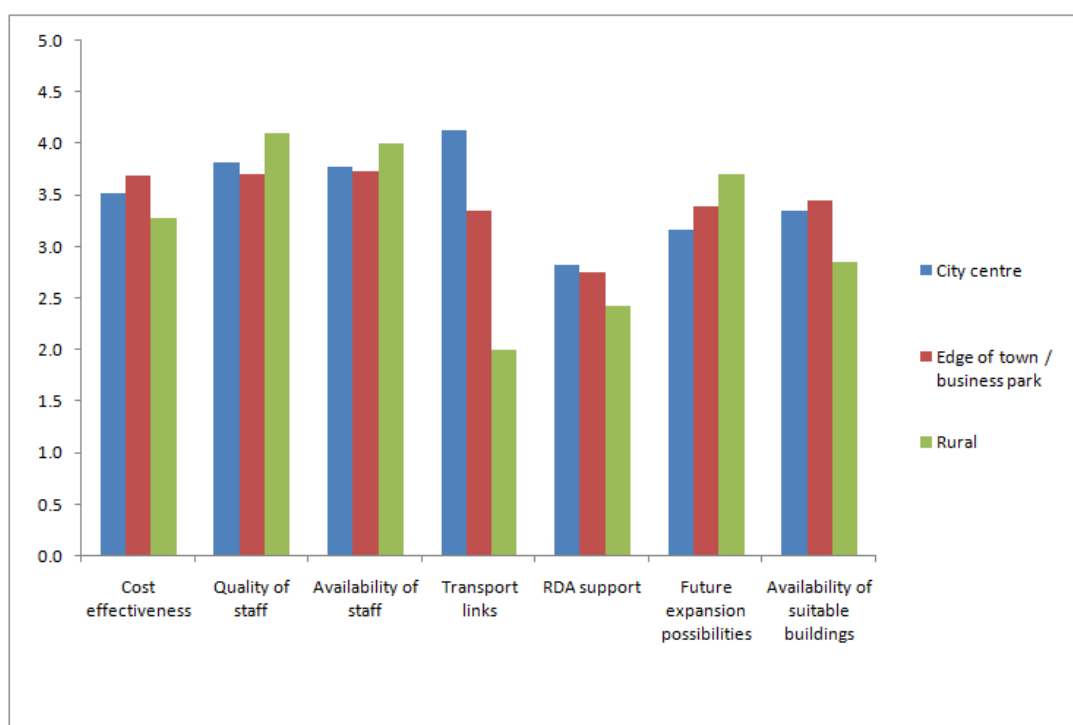
Figure 116: City centre vs edge-of-town vs rural contact centres, by category (rating out of 5)

Category / Location type	City centre	Edge of town / business park	Rural	Average
Cost effectiveness	3.5	3.7	3.3	**3.6**
Quality of staff	3.8	3.7	4.1	**3.8**
Availability of staff	3.8	3.7	4.0	**3.8**
Transport links	4.1	3.3	2.0	**3.6**
RDA support	2.8	2.8	2.4	**2.7**
Future expansion possibilities	3.2	3.4	3.7	**3.4**
Availability of suitable buildings	3.3	3.5	2.9	**3.3**

CONTACTBABEL

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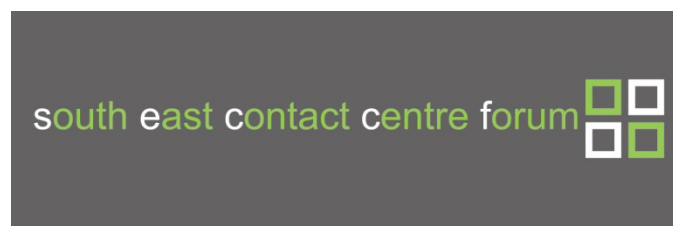
The South East Contact Centre Forum is the regional call/contact centre user group for Berkshire, Buckinghamshire, Hampshire, Kent, Oxfordshire, Surrey & Sussex, being home to around 800 contact centre operations, and has been created in response to a growing demand for a regional network that allows operational managers to meet with their peers, review and discuss key challenges and hear how other organisations are responding.

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The WCCF is a high value employer-led forum which looks after the interests of 30,000 employees working in centres throughout Wales: providing strategic direction for contact & shared service centres in Wales, the forum holds four key seminars a year, provides help desk facilities, free research and market intelligence, training, round tables and networking opportunities.

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HR MANAGEMENT

With HR accounting for 75% of operational cost, issues such as attrition, recruitment and training are always towards the front of any contact centre manager's mind. This section looks at how time and money are spent on the human element to contact centres.

ATTRITION

Throughout the studies that ContactBabel has carried out over the years, whether in the US or Europe, staff attrition has consistently been quoted as one of the major worries of contact centre management. Along with staff absences, high levels of unexpected attrition can cripple a contact centre's ability to provide even an acceptable level of service, raising costs and creating a negative customer experience, as well as pacing massive stress on those agents who remain at work.

For many years, attrition has been one of the greatest challenges facing the industry, and one which has rarely been addressed with much in the way of a truly radical approach. The recession has reduced attrition greatly over the past two years, but contact centres must understand that this is nothing more than a temporary respite: with no structural change to the industry, its recruitment and train methods, management techniques or job types, the same problems will emerge as the economy picks up.

The reduction of attrition has two main factors - that the successful candidates are suited to, and competent for the work which they will undertake, and that the work and conditions in which they find themselves will be conducive to a long-term stay.

Solution providers experienced in analysing attrition state that that understanding the 0-to-90 day attrition data is critical to being able to reduce attrition. Most organisations believe that 50 to 60% of their annualised attrition occurs in the first 90 days after recruitment. This strongly suggests that there are often errors made in the type of people employed, who are all but doomed to failure by their unsuitability for the task. Businesses should collect information on the sorts of behaviour and characteristics of people likely to do well in each role - preferably analysing the people who are successful in the roles already - and pre-screen applicants against those criteria.

Getting a high proportion of the right sort of people through the doors and onto the induction course can greatly reduce early attrition: attrition is something that should be focused upon at the recruitment stage, rather than leaving it until the candidates are already in the business before noticing the problems.

Staff attrition in small doses can be good for a contact centre, bringing in fresh blood and enthusiasm. However, high levels of staff attrition have some serious side-effects:

- Increased recruitment and training costs
- Decreases the average agent competency as there are so many 'learners'
- Can decrease the quality of the customer experience, as the agent may not know how to answer the query correctly first-time
- Adverse affect on contact centre performance indicators, including first-time resolution, call transfer rates, queue time and call length
- Bad for the morale of the remaining staff

- Inexperienced staff are more likely to miss cross-selling and up-selling opportunities
- Increased pressure put on team leaders and experienced agents
- Difficult to bring on-board new systems and ideas, as the agents are struggling with what is already in place.

Attrition rate: the total number of agents leaving the contact centre in a 12-month period, divided by the average number of occupants during the same 12-month period, expressed as a percentage.

In each of the past five years, staff attrition rates have crept up from the mid-teens to well over 30%. In 2009, attrition slackened to a mean average of 24%, with the median (the midpoint of all respondents' answers) being significantly less, at 14%. This year's data show that the economic downturn has continued to impact on staff movement, with attrition levels dropping further to a mean average of 16% and median of only 12%.

Figure 117: Agent attrition rate ranges
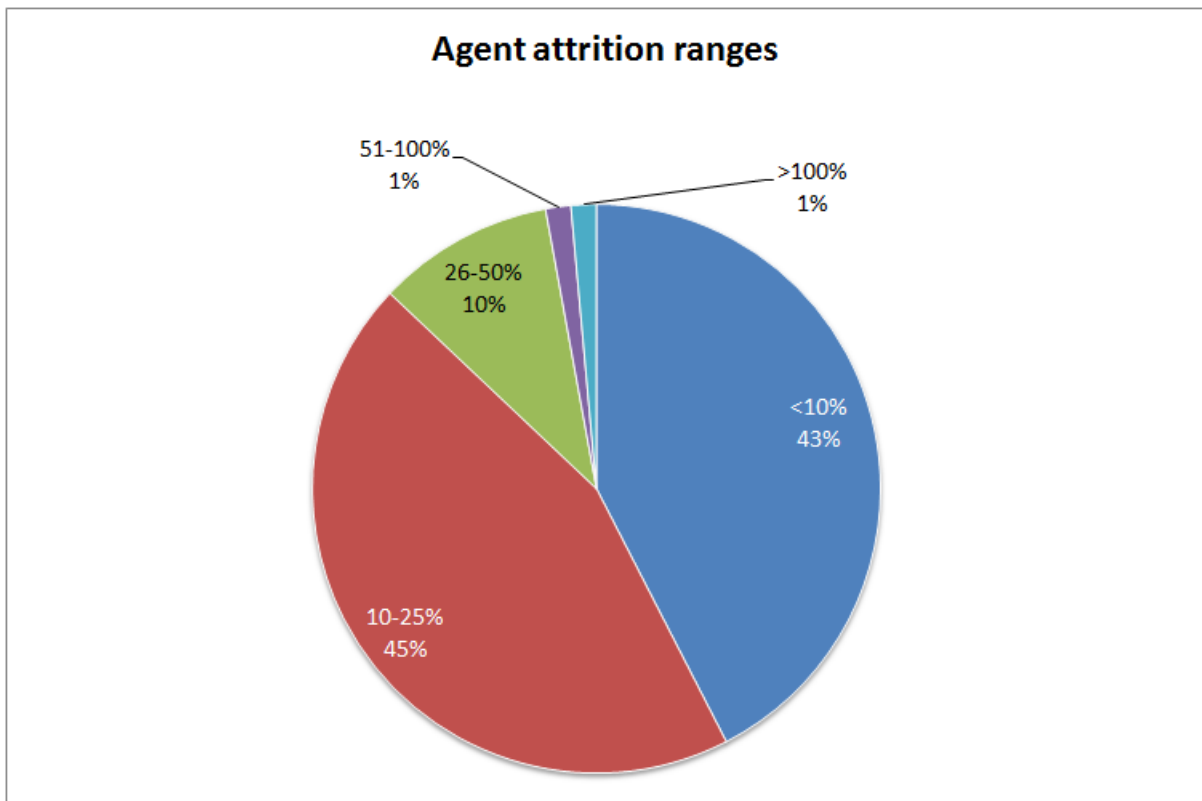
As the previous graph and shows, 88% of respondents have an annual agent attrition rate of under 25% (up from 77% in 2009), with a very small number of very high attrition operations pulling the mean average up to 16%.

There are numerous factors that impact upon a contact centre's agent attrition rate, including vertical market (or the type of business that agents are involved in); contact centre size; whether the work is inbound or outbound; the location type; and the region in which the contact centre is based, all of which will be analysed in this section.

AGENT ATTRITION BY VERTICAL MARKET

Although the outsourcing sector consistently has a high attrition rate - driven mainly by low salaries and lots of outbound telemarketing work - this year, it has a mean average of only 20%, in line with many other sectors. The headline vertical market is TMT, with the highest mean of 25%. However, the median is only 10%, reflecting the fact that a small number of respondents had very high attrition rates, but this is not typical of the sector as a whole.

Once again, the public sector has a very low attrition rate of less than 10%, and the medical sector also suffers from few attrition problems in the main.

Figure 118: Mean and median agent attrition by vertical market
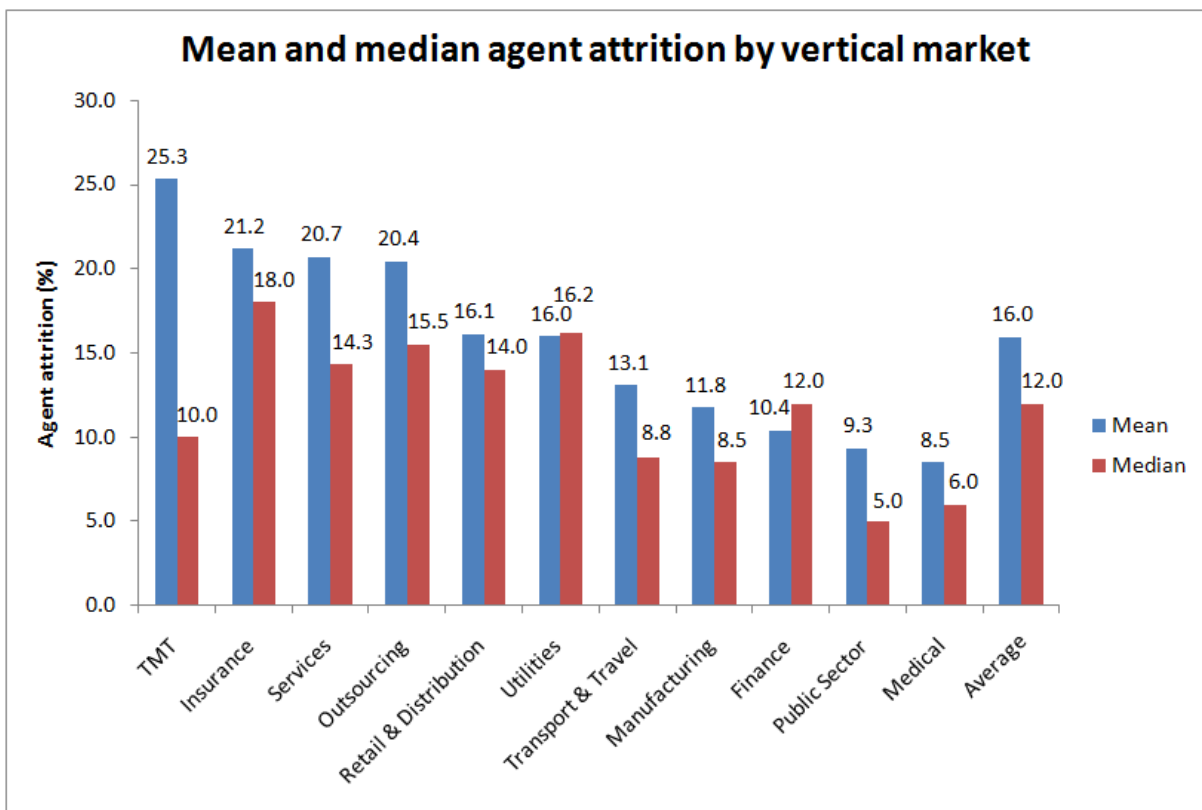
The majority of most contact centres have seen a further decline in agent attrition over the past year, as people become more fearful for their jobs, and opportunities elsewhere dry up. Even the public sector, which has the highest proportion of respondents seeing a growth in attrition (21%), has twice as many respondents experiencing a drop in attrition.

Figure 119: Changes in agent attrition rate in the past 12 months, by vertical market

Changes in agent attrition in past 12 months, by vertical market
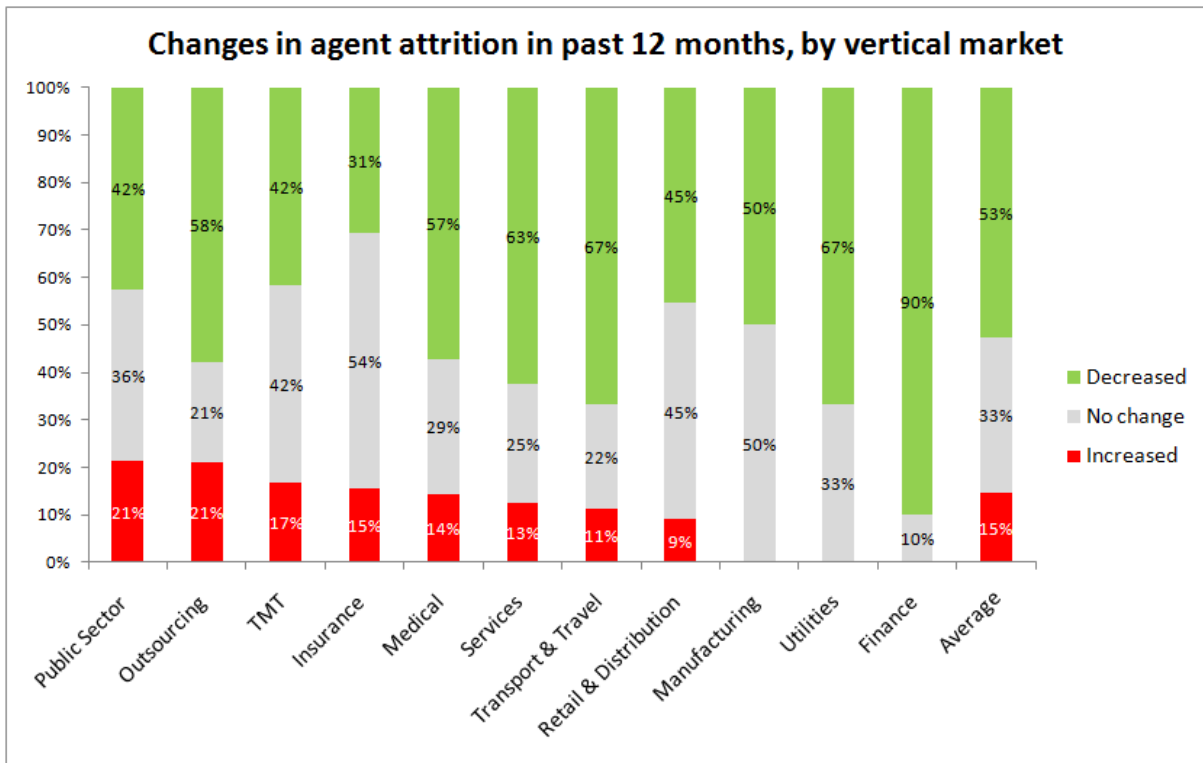
AGENT ATTRITION BY CONTACT CENTRE SIZE

Previous ContactBabel studies carried out in the US and UK have shown that larger contact centres are more likely to have high attrition rates, and this is the case this year as well, with respondents in large operations experiencing staff attrition rates of 29% on average, compared with less than 10% for the sub-50 seats operations.

Figure 120: Agent attrition rate by contact centre size
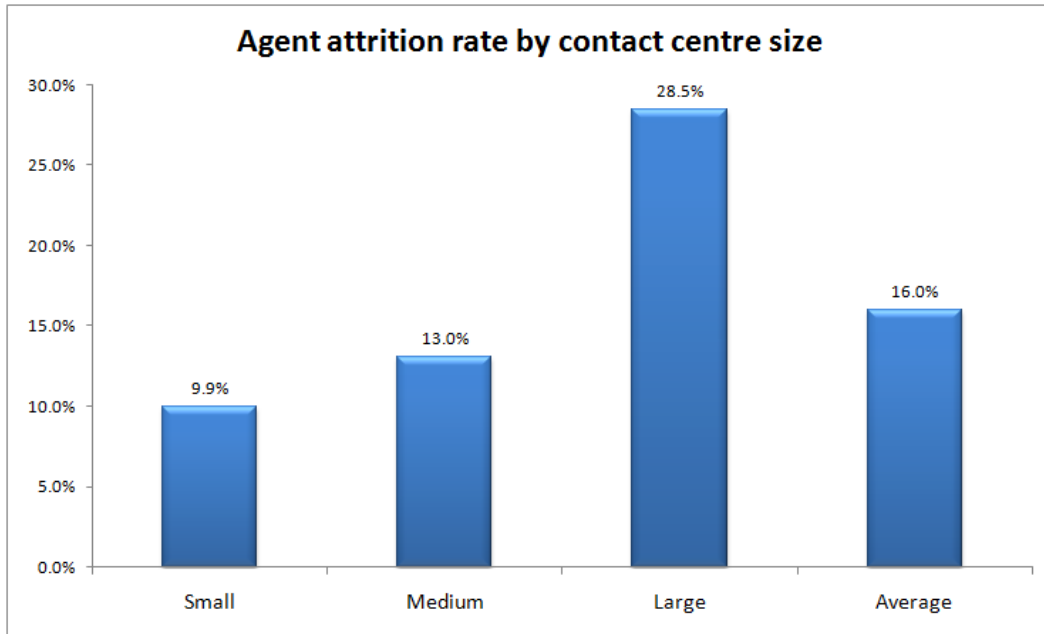
It is the larger operations that have seen the greatest decline in staff attrition over the past 12 months, perhaps because so many of these operations had very high attrition rates to begin with.

Figure 121: Changes in agent attrition in past 12 months, by contact centre size
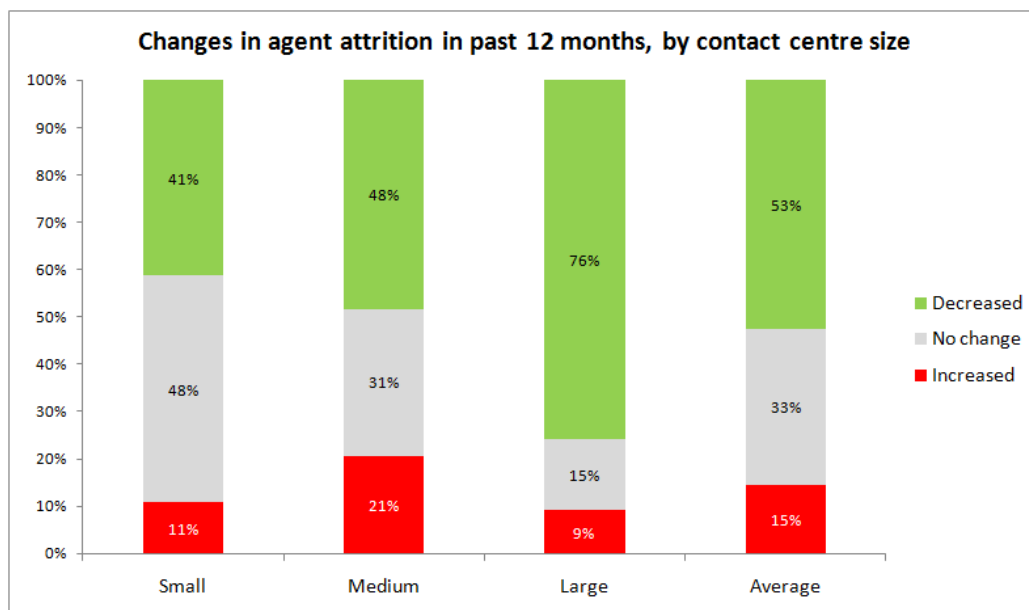
AGENT ATTRITION BY CONTACT CENTRE ACTIVITY TYPE

Conventional wisdom states that outbound customer contact is a very difficult, high-pressure job, which leads to stress and burnout, and thus high levels of attrition. It certainly seems as though outbound operations suffer more from staff attrition, as this sector again has the highest attrition rate, but this has dropped dramatically in the past 12 months, from 56% to 36%. To a large extent, there has been an acceptance that large volumes of outbound calling will often come at the cost of high staff attrition, and that this is something which just has to be managed, and outbound respondents will tend to be more geared-up to cope with high staff turnover. It will be interesting to see if this lower figure is sustained as the economy picks up.

Figure 122: Agent attrition rate by contact centre activity type
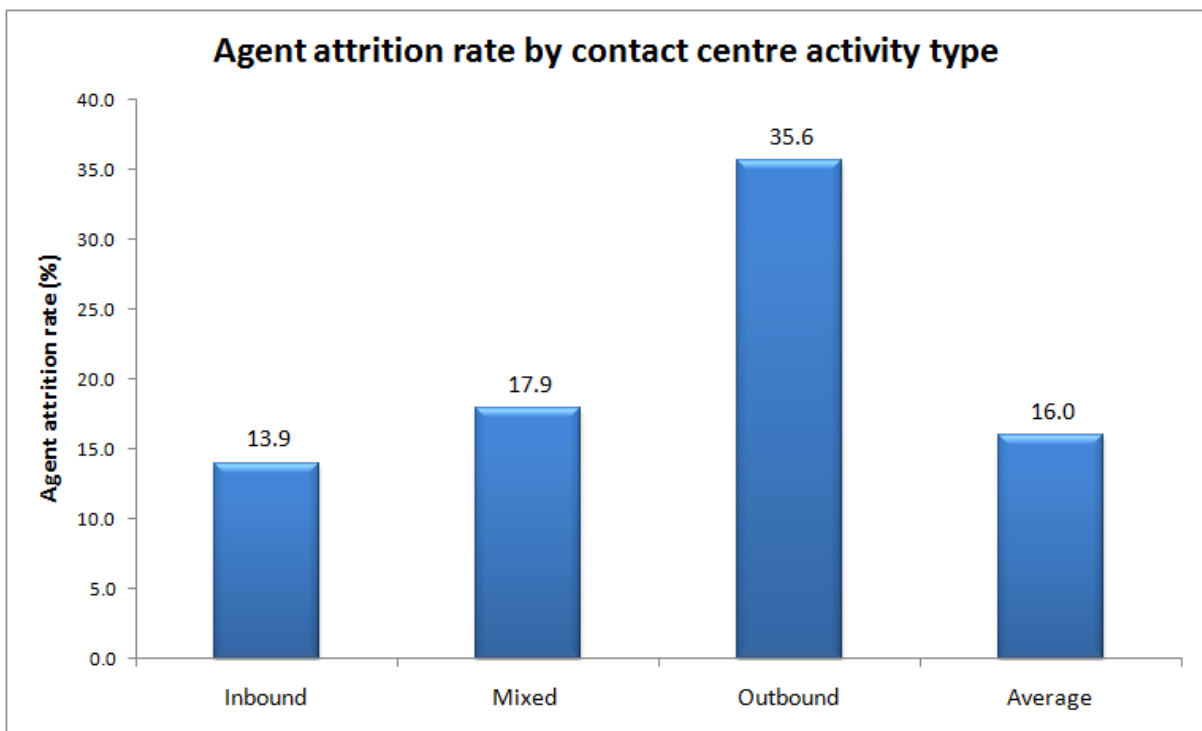
There is little difference between activity types when looking at how attrition rates have changed in the past year. As last year, all segments report a decline in around 50% of cases, with few reporting any increase in staff attrition.

Figure 123: Change in agent attrition in past 12 months, by contact centre activity type
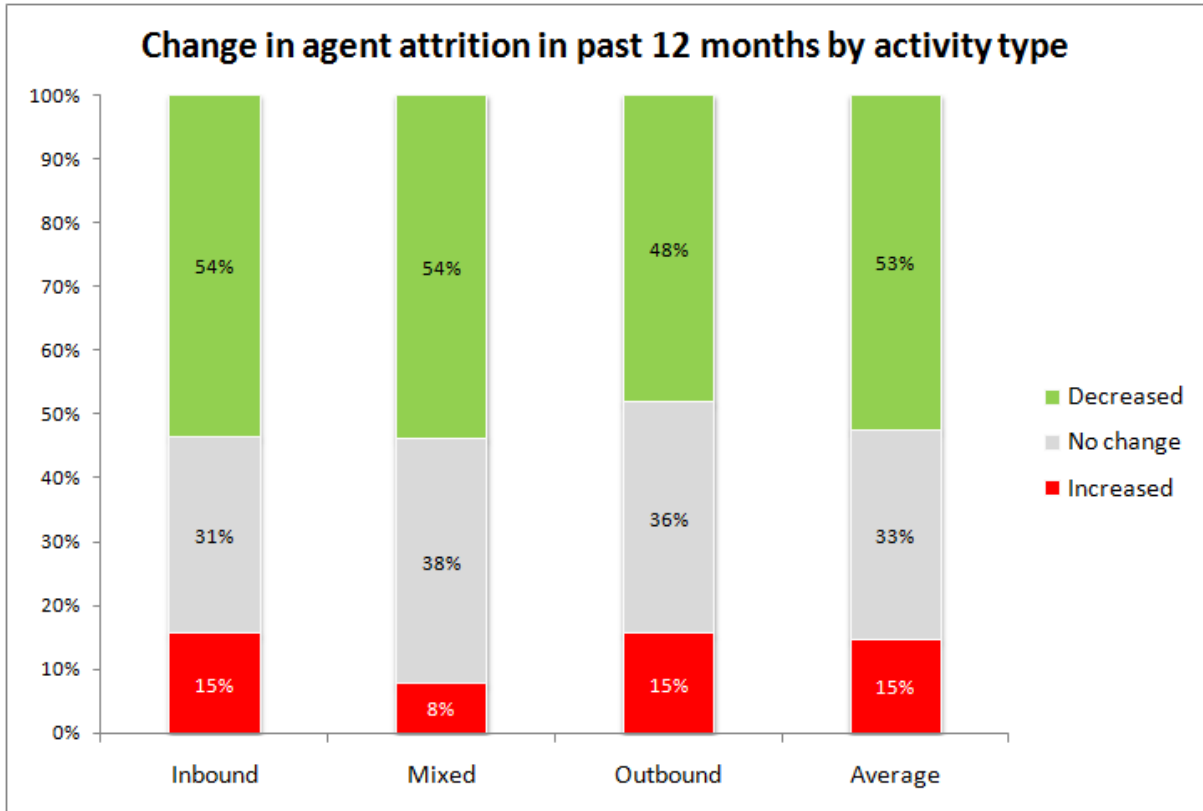
AGENT ATTRITION BY LOCATION TYPE

In a ContactBabel/BT eLocations study that was carried out to look at whether rural contact centres were a feasible alternative to the urban model, respondents from non-urban operations spoke at length about the highly skilled labour they expected to find in the countryside, quality being much more important to them than the quantity of labour. The strategy for many rural contact centres was to give an alternative place of employment to the workforce which lived locally, but worked many miles away, possibly in contact centres, or in a same vertical market as the contact centre's actual business activity. In theory, the contact centre would become an employer of choice in these areas which had few other alternatives on the doorstep.

Rural contact centres have a much lower rate of attrition than city centre or edge-of-town / business park operations (usually around half of the other locations' figures). However, it's important to understand that rural contact centres are often smaller than urban operations, so the size of the contact centre - and its attendant factors such as a focus on high productivity and less variety or responsibility that can be found in large operations - will also be at play here, alongside the rural elements.

AGENT ATTRITION BY REGION

There is a danger in providing attrition rates by region, as other factors, such as pay and working practices are far more important. However, regional variations can indicate the level of alternative employment that is available, although this should be treated with caution as the small sample size by region can skew results massively.

This can be seen in the following chart, which shows that the North-East's respondents have the highest agent mean attrition rate this year, with Wales the lowest. However, the North-East's high mean average is caused by a single triple-digit respondent, which pulls the average up hugely. The median result - the typical finding - shows that the North-East's typical attrition rate is very similar to the UK as a whole.

Figure 124: Agent attrition rate by region
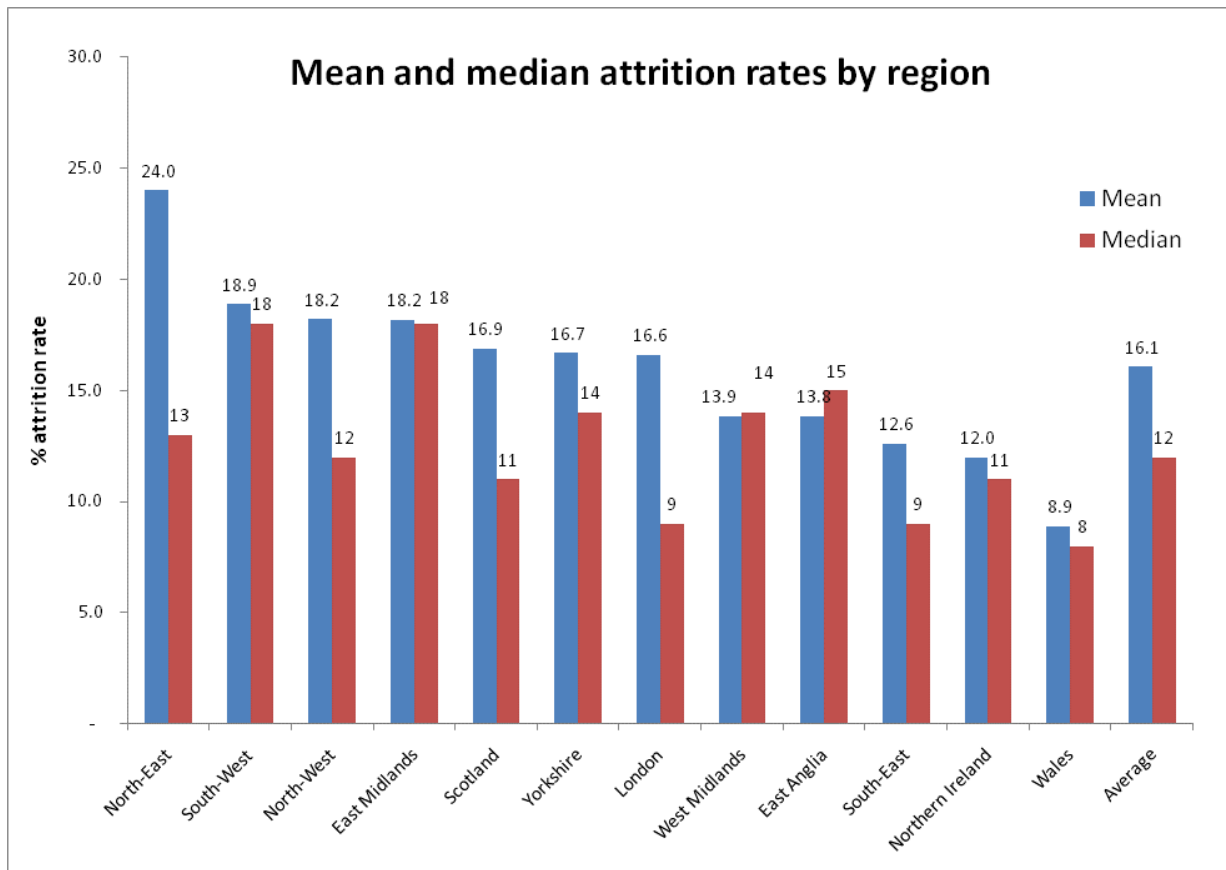
CAUSES OF STAFF ATTRITION

Last year, it was the lack of opportunity for agents, and the repetitive nature of some contact centre work that were cited as key by a significant proportion of respondents for agent attrition, and this year they are still important, ranked second and third most important. However, contact centres seem to be giving a collective shrug by putting 'just the wrong type of person for the job' into no.1 position, as if there's nothing they can do about it.

As the later 'Recruitment' section will show, psychometric testing and the assessment of behaviour and character as well as competency will go a long way to stopping the wrong type of person for the job at source.

Figure 125: Reasons for agent attrition (ranked in order)

Rank	Vertical market
1st	Just the wrong type of person for the job
2nd	Lack of promotion or development opportunity
3rd	Repetitive work
4th	Low pay
5th	Excessive pressure or stress
6th	High numbers of seasonal or temporary staff
7th	Competition from other contact centres
8th	Abusive or unpleasant calls
9th	Poor working environment and conditions

Interestingly, in a industry which outsiders often deem as a dead-end job, the lack of opportunity to move up the career ladder is marked on average as being the second-greatest cause of staff attrition.

As for other causes, much of the repetitive work can be alleviated by using self-service (whether voice-driven or web-based), and the blending of tasks (especially email and voice) has been proven many times to counteract boredom.

Looking outside the norms on a sectoral basis, the IT sector has a lot of competition for keeping its knowledgeable and skilled staff, as well as a high proportion of these IT staff being sales-oriented, which in itself is a highly salary-sensitive area. The outsourcing sector has a lot of contract and short-term staff which pushes up attrition, and the retail sector has a lot of seasonal staff as well. Both sectors also state that low pay is an issue driving their attrition as well.

METHODS OF MOTIVATING AND RETAINING AGENTS

The most effective way of motivating agents was felt to be to empowering agents to make their own decisions, as the agent takes on more responsibilities and challenges if they do not just feel like a tiny part of a machine, which is one of the problems of working within a large contact centre. However, agents will need training and the right system support to be able to do this effectively, so it is not a cheap or quick option.

Offering them a clear and achievable chance to take up roles in the wider company is also very positive. Organisations such as banks and public sector have a large selection of non-contact centre roles to aim for, but this is far harder in an outsourcer, for example, where the contact centre itself is most of the business.

Figure 126: Methods of motivating and retaining agents
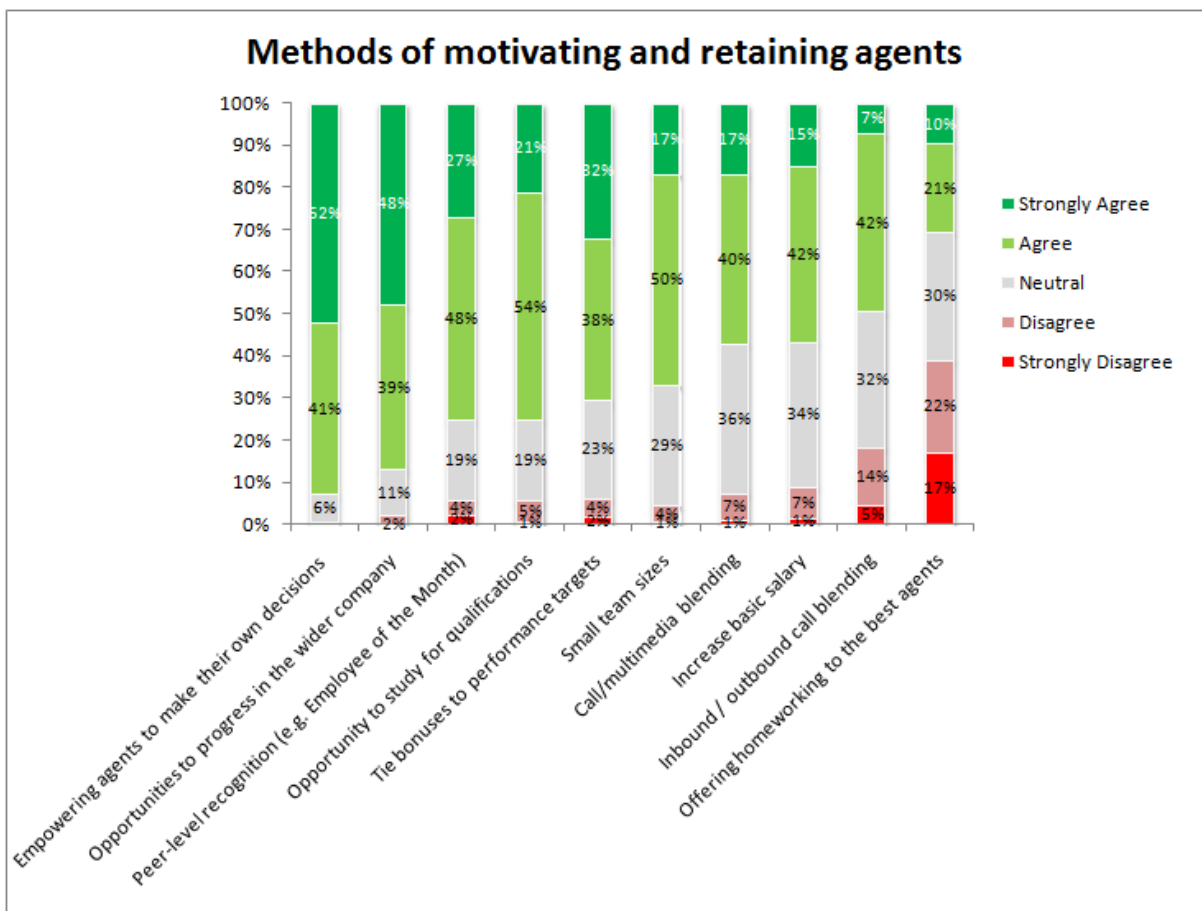
Bonuses that are aligned with the required performance targets and behaviours is a more quickly-implemented motivational tool, although of course these have to be monitored closely, as it's often possible to hit a goal (e.g. a shorter average call duration) by failing in other areas (e.g. putting the phone down on a customer in mid-sentence to keep the average call duration down).

Many of the other motivational tools are seen to be generally effective, although it is interesting to see that multimedia and especially call blending are not rated relatively highly by management, although elsewhere in this report, both blending methods have proven their worth in terms of staff attrition and productivity.

The only motivational tool that is rejected by respondents (with 39% actively against this) was using homeworking as a reward for the best agents. It may be that management does not want to lose the example that such agents set to their peers by having them work at home, or that it is a divisive method which demotivates those people left in the contact centre, as if stating that the contact centre is a second-class place to be.

DESTINATIONS OF DEPARTING AGENTS

29% of departing agents quit the contact centre industry for a completely different type of job, which diminishes the skill-sets available to contact centre employers as a whole. A significant number of contact centre agents see contact centres as a stop-gap role, and these figures show that. In most cases, the conventional wisdom that says agents leave a contact centre to go to a competitor is wrong: this is only true in 11% of cases within respondents' operations. However, this is more the case for in-demand, highly-skilled and knowledgeable agents in the finance (21%) and TMT sectors (27%).

However, an encouragingly high (and growing) proportion of agents (27%) take the step into the wider company. This is especially prevalent in the Finance (41%) and Public Sectors (46%). However, only 7% of Outsourcing agents leave the contact centre and stay within the business, probably because most of an outsourcer's business is the contact centre itself.

Figure 127: Destination of departing agents
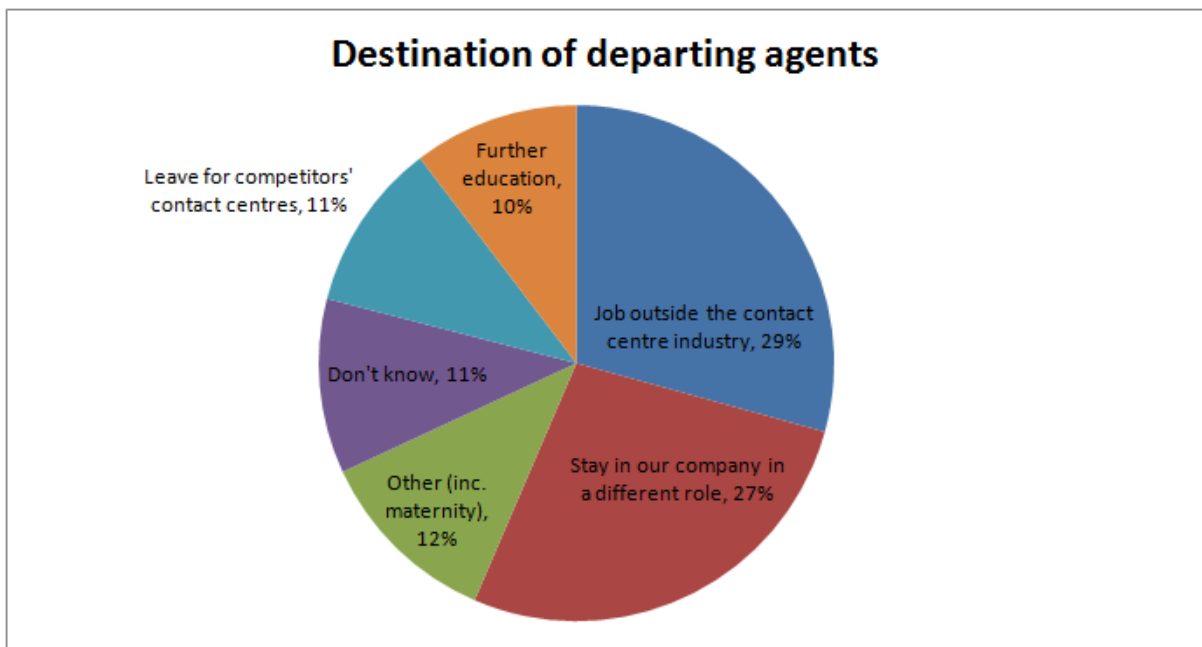
ABSENCE

In a tightly-run operation like a contact centre where costs and performance are closely managed, significant levels of staff absence can cause major problems with contact centre performance and the customer experience. Even just a slight increase in absence rates can mean a major difference to how well the contact centre performs on that day. Staff end up over-worked and stressed, and more likely to take time off as a result. Morale suffers, which increases staff attrition, overwork and thus, further absence.

Absence has many reasons – a poor working environment, workplace bullying, an unoptimised schedule which makes impossible demands on staff, lack of leadership, low morale, repetitive and mundane tasks - the list goes on. Staff absence is a vicious circle, each part of which feeds into another, usually leading to higher attrition rates, greater costs and poor service.

There are many causes of absenteeism, including:

- The absence of a recruitment process that allows operations to identify unreliable applicants
- Poor front-line leadership - many team leaders are just not able to manage their teams and help prevent absenteeism, a fault of incorrect training and/or recruitment at this level
- Low morale in the contact centre, meaning the workforce think that missing work is acceptable.

There are also other factors that influence absence, including:

- Mandatory overtime
- Lack of schedule flexibility and choice
- Insufficient mentoring or supervisor support, especially during the transition period after training
- Large team sizes (20+ per team)
- Cancelled team activities like 1:1 coaching due to heavy call volume.

Short-term (no-show) absence - this is the average number of agent days lost through short-term sickness and unauthorized absence as a percentage of contracted days annually. This is included in this year's report.

Long-term absence - this includes long-term sickness, maternity leave, sabbaticals and other long-term absences where the business is able to expect and plan for the absence. This is not included in this year's report.

The utilities, services and outsourcing sectors are currently experiencing the highest levels of absence, with finance, medical and manufacturing having the least.

The average is slightly down on last year's 5.7% with the 2007 figure being 5.5% and 2008 being 5.4%.

Figure 128: Short-term absence by vertical market
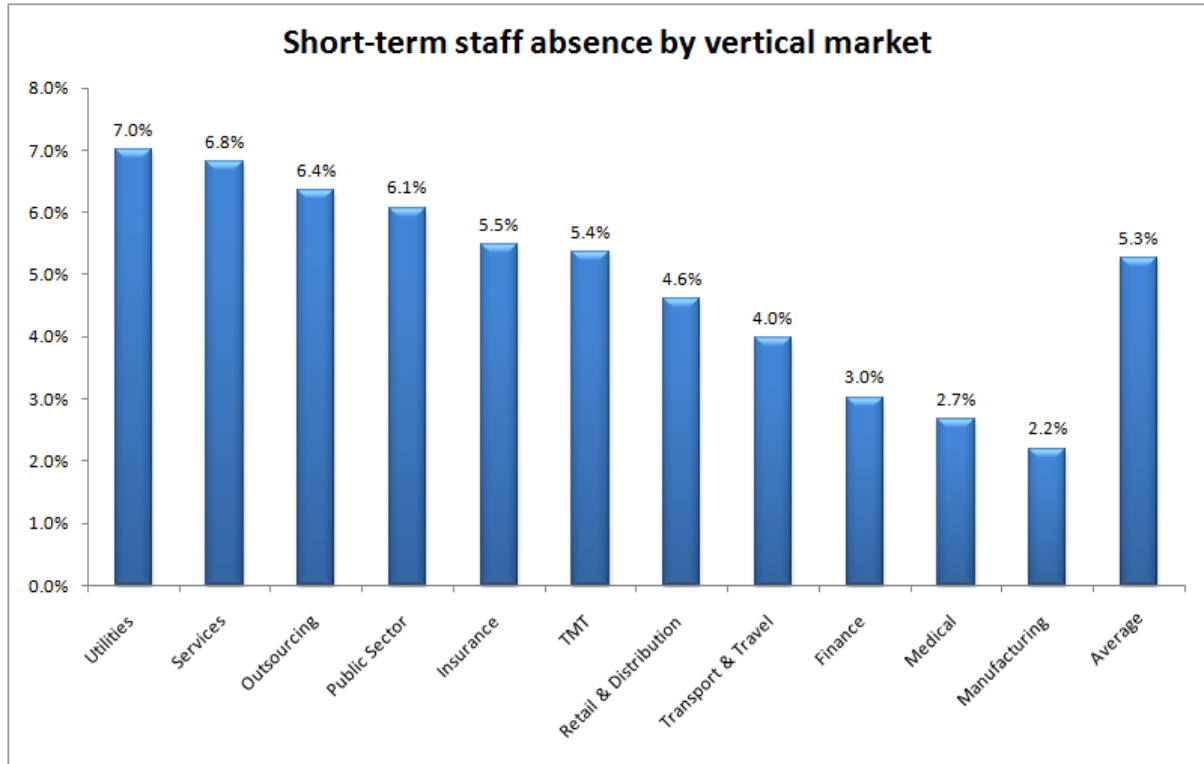
As with previous years, there seems to be very little difference in short-term absence by contact centre size.

Figure 129: Short-term absence by contact centre size

Contact centre size	Agent absence rate
Small	5.6%
Medium	5.0%
Large	5.4%
Average	**5.3%**

Sales-related contact centres have a slightly-higher absence rate, probably as a result of these operations undertaking more outbound work, which usually has a definite effect on absence (but is much less the case this year).

Figure 130: Short-term absence by contact centre activity

Contact centre activity	Agent absence rate
Mixed	4.4%
Sales	6.0%
Service	5.4%
Average	**5.3%**

Conventional wisdom would expect to find that those in high-pressure outbound jobs would have higher unauthorised absence rates, but this is much less the case than in previous years. It is possible that the pressure of the recession and limited alternative opportunities means that staff are less likely to take unnecessary time off for fear of losing their job.

Figure 131: Short-term absence by contact centre activity type

Contact centre activity type	Agent absence rate
Inbound	5.4%
Mixed	4.3%
Outbound	6.0%
Average	**5.3%**

Interestingly, contact centres in rural areas had a much lower absence rate in 2009. It would be speculation to say why this was, but it could be that agents who don't have to fight through traffic or rely on crowded public transport on those borderline days when they feel a bit off-colour may end up choosing to go into work more often than their urban equivalents who just can't face the commute.

Figure 132: Short-term absence by location type (2009)

Location type	Agent absence rate (2009)
City centre	6.3%
Edge-of-town / business park	5.4%
Rural	3.1%
Average	**5.7% (2009)**

RECRUITMENT

Rather than just asking about which recruitment methods they use, contact centre managers were also asked for their experience of how effective each recruitment method was. There is a definite pattern: the closer you get to the candidate, the more likely you are to make the right decision. The average contact centre role is slowly changing into something requiring higher skills – a high level of IT, business and communication abilities are needed in many contact centres now and this trend will certainly continue – yet agent salaries are not taking this into account. Coupled with this is the popular view of contact centres as career dead-ends, not helped by the biased and erroneous media view of contact centres (and by extension, their employees) as an unpopular and unloved part of modern life. Improving the contact centre "brand" is a vital part of the industry's future success, which will feed directly into the recruitment process.

While most contact centres do not admit to having problems with staff recruitment, many of the same operations have problems with staff attrition, although this is temporarily less of an issue. The case could be made that high-attrition operations **do** have a problem with recruitment, but they just don't realise it. Having filled their job roles, the recruitment process is deemed to have been a success, but how many of these new recruits turn out to be no-shows, leave before the induction course is complete, or shortly into the job? These recruits are gauged to be part of the *attrition* problem, when in fact, they are indicative of a *recruitment* problem. As such, businesses should try harder to understand what skills and attributes successful agents are already demonstrating in this role - empathy, resilience, reliability, sales technique, technical capability, etc - and seek to recruit more people with this specific factors and behaviours.

RECRUITMENT METHODS

Recruitment has traditionally been about asking the question "Can the applicant do the job?". Having the skills to carry out the task is obviously important, but most skills can be learned, and in an environment such as a contact centre - where both tasks and environment are not suited to everyone - other factors are perhaps more important. This is borne out by the findings earlier in this chapter, which indicated that the main reason for staff attrition was that they were just the wrong type of person for the job. Firstly, the business must understand the competencies, characteristics and behaviours that are most suitable for the contact centre positions that they are trying to fill, for example:

- dependability
- customer focus
- empathy
- problem-solving
- the ability to understand and follow instructions
- a focus on a goal.

Successful agents will also require some hard skills, although many of these are more easily-learnt. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the prospect being a long-term success in the contact centre), the business reduces the risk of high attrition and growing costs, and can focus upon its strategic goals.

The most effective form of recruitment method is consistently said to be a face-to-face interview, with assessment centres, contact centre simulations and skills-testing also effective. There is a definite split between how directly the company interacts with the candidate and how successful the recruitment method is. Those that keep the candidate at arm's length – through standard application forms, recruitment agencies and CVs – have a lower success score, with studies having shown that half of applicants admit to stretching the truth on their CVs, and 10% lie outright.

52% of respondents using personality testing did report high levels of success through this method, which is a figure that continues to grow year-on-year, reflecting the awareness that it is the type of person at least as much as what they can do, that is crucial to being a successful agent. Many contact centres employ large numbers of recent university graduates, whose biodata and work experience may not show much of the applicants' abilities (see later in this section for graduate agent information). In such cases, getting a better scientific idea of what makes the candidate tick, and being quite sure about their personality traits will reduce the high risk associated with recruiting straight from higher education.

By tracking the in-job performance of applicants who scored either well or poorly in pre-job assessments, businesses can improve their ongoing recruitment techniques. For example, agents who have high assessment test scores often have higher revenue-per-call ratios, lower average call lengths and lower attrition rates than those who scored lower in pre-job character and personality assessments. The behaviours, personality traits and characteristics that a top agent is most likely to have can then be identified, and the results fed back into the top of the recruitment process. This allows the recruitment process to seek out the types of people who have already been proven to succeed in that role.

Figure 133: The success of recruitment methods
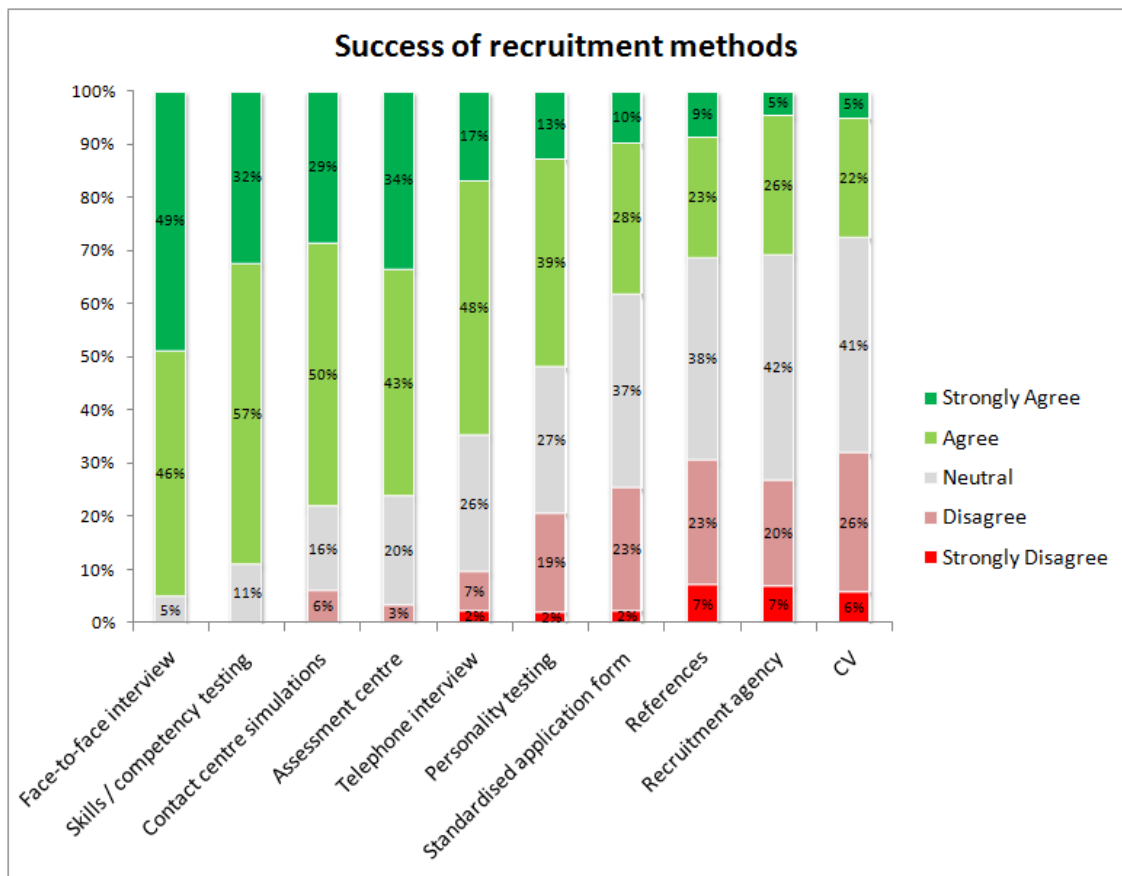
THE COST AND PURPOSE OF RECRUITMENT

On average, it costs £1,656 to recruit a new contact centre agent, with a median cost of £1,350. The 1st quartile cost is £2,500 and the 3rd quartile is £635.

The medical and public sectors pay the most to recruit a new agent (over £2,000 on average), and the outsourcing and retail sectors the least (£600-800).

It may seem an odd question to ask "what is the purpose of recruitment?", but it important to know, as there are two types of recruitment: the replacement of staff who have left (caused by attrition), and new staff positions (caused by contact centre growth). In the case of the former, much of this recruitment cost is wasted, as - with the exception of replacing an incompetent or undesirable agent - the contact centre is certainly no better off than where it was previously and may now have an inexperienced agent to train up: it is running to stand still.

The utilities and medical sectors believe that they spend the greatest amount of effort on replacing agents who have left, with the TMT sector stating that it spends the least. In all, 68% of recruitment effort is spent by contact centres just to stay where they are.

Figure 134: Proportion of recruitment effort given to agent replacement, by vertical market
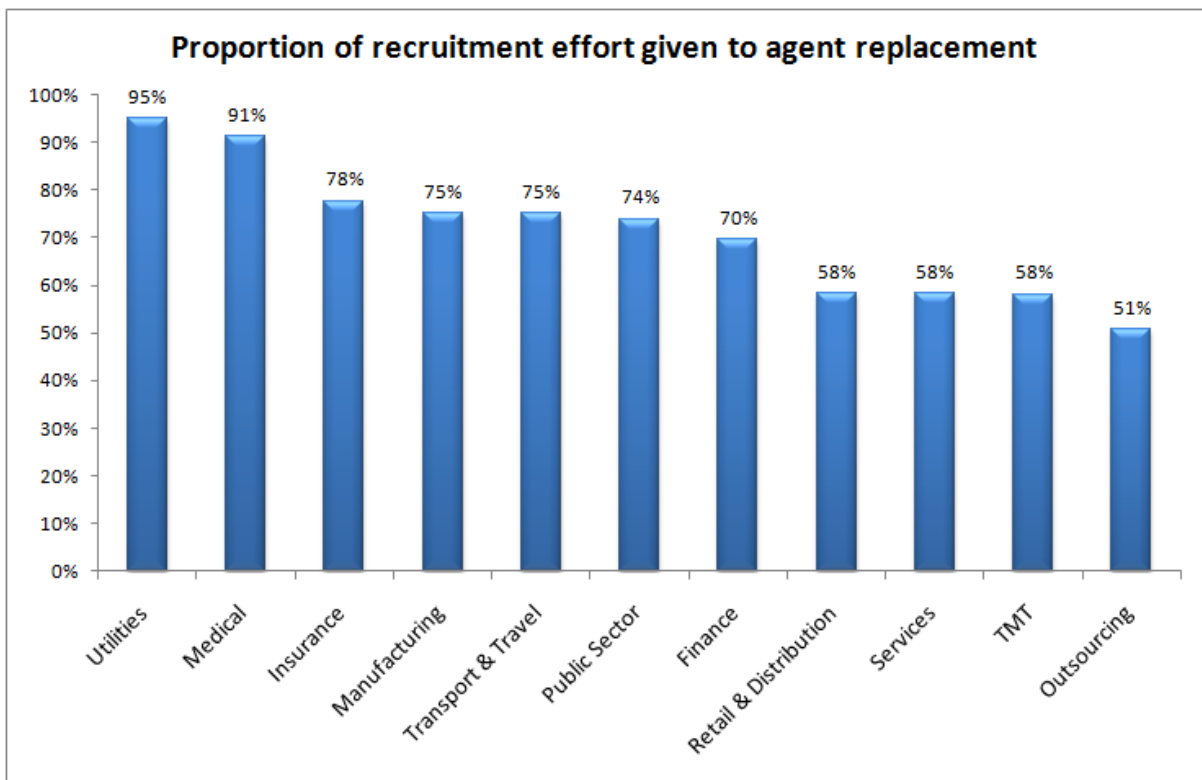
MOST IMPORTANT ATTRIBUTES OF A SUCCESSFUL CONTACT CENTRE AGENT

While each contact centre has different ideas about the attributes that contact centre managers believe are most important for a successful contact centre agent to have, some key findings emerged.

Figure 135: The top 3 abilities or characteristics of a successful contact centre agent
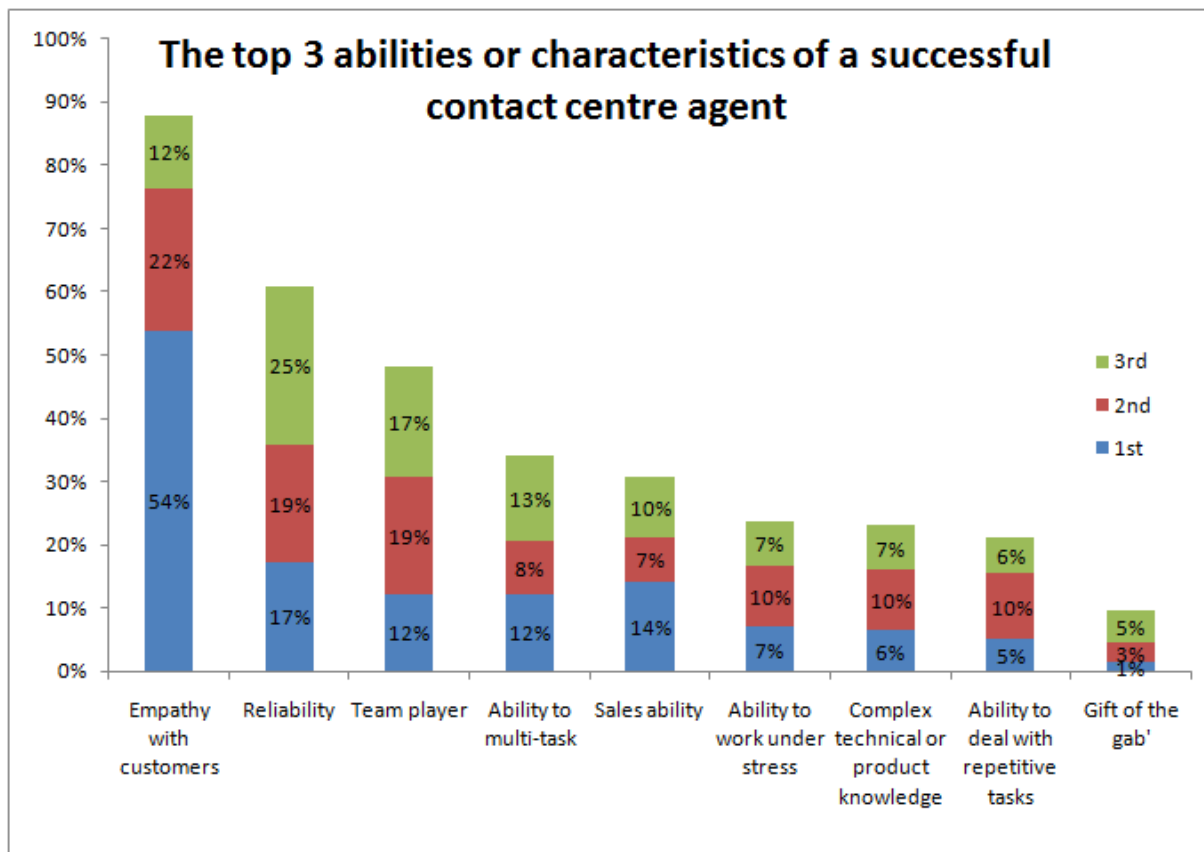
54% of respondents stated that **empathy** - the ability to see another's point of view - is the no.1 most important attribute for a contact centre agent to have. This is a characteristic which is hard to learn, and which is ripe for identifying in the recruitment phase through personality testing, for example. Empathy is important for an agent to display in order to make the caller feel that someone is listening to and understanding them, and that they are trying to solve their issue, rather than just seeing the caller as a nuisance. As such, empathy is vital for improving customer satisfaction and loyalty, cross-selling and up-selling.

The attribute of **reliability** appears second most-often in the top 3 agent requirements. Reliable agents have low absence rates and keep working away at their tasks, a trait which the process-focused contact centre prizes highly.

Perhaps surprisingly, 47% of respondents stated that one of their top 3 requirements was for the agent to be a **team player**. Making and answering calls is by its nature, a solitary role, albeit one usually surrounded by other people, but the impact upon morale, and thus performance that a team player can have is prized highly.

Amongst other traits, **sales ability** of course was rated no.1 in most sales-focused environments, and the **ability to multi-task** was often placed no.2 or 3.

Having the **'gift of the gab'**, the **ability to deal with repetitive tasks** or **stressful working environments** did not feature particularly highly with most respondents, all factors which the layman might think were vital to contact centre agents. The IT and finance sectors appreciated **complex technical or product knowledge**, but most contact centres felt that this could be taught to the right candidates.

The picture painted of key attributes of successful contact centre agents is one of a versatile, reliable good listener - nothing flashy or highly-strung, nor a simple automaton which is happy to plod on doing the same thing for hours. An observer untrammelled by the requirement to be politically correct might state that many such successful contact centre agents could be found in the relatively untapped labour pool of middle-aged women who are currently outside of the workforce, rather than in the younger generation which makes up a very considerable part of the contact centre industry: the average age of a contact centre agent is around 27.

GRADUATE AGENTS

In fact, a considerable proportion of contact centre agents are straight out of university, with many seeing the contact centre as a fill-in job, although as we have seen, a high proportion of departing agents will move into the wider business, so it can be a good place to start.

Currently, 16% of contact centre agents have a university degree (down from 18% in 2009). The apathy that graduates feel towards the contact centre industry is seemingly echoed by the lack of enthusiasm that contact centre management has for increasing this proportion, with respondents stating that an average of 25% of agents with degrees was what they would like. Clearly, industry-wide, a higher education qualification isn't vital for many agents, as most contact centre jobs won't require this, and graduates are less likely to be content with their role and will seek other opportunities.

The services, finance and TMT sectors (especially the IT sub-sector) has the greatest proportion of graduates in its contact centres (c. 25%), and would like almost half to have degrees. The finance sector is also enthusiastic for graduates. The outsourcing sector has quite a high proportion of graduate agents (20%), but many of these will be in short-term, filler jobs. Graduates are under-represented in the utilities, retail and manufacturing sectors.

SALARIES

The human element to contact centres is usually at forefront of any conversation around the industry, and with over three-quarters of most operations' cost attributable to the human element, this is unsurprising.

Against a backdrop of economic gloom and with considerable redundancies across the board, contact centre salaries have held up well once again. As respondents to this survey can change from year to year, the question was asked to this year's respondents how their own salary patterns had changed in the past year. The answer supported the wider findings that agent salaries had not in general been affected by the economic crisis, with the vast majority either staying the same or increasing at around the level of inflation.

Figure 136: Agent salary changes in the past 12 months
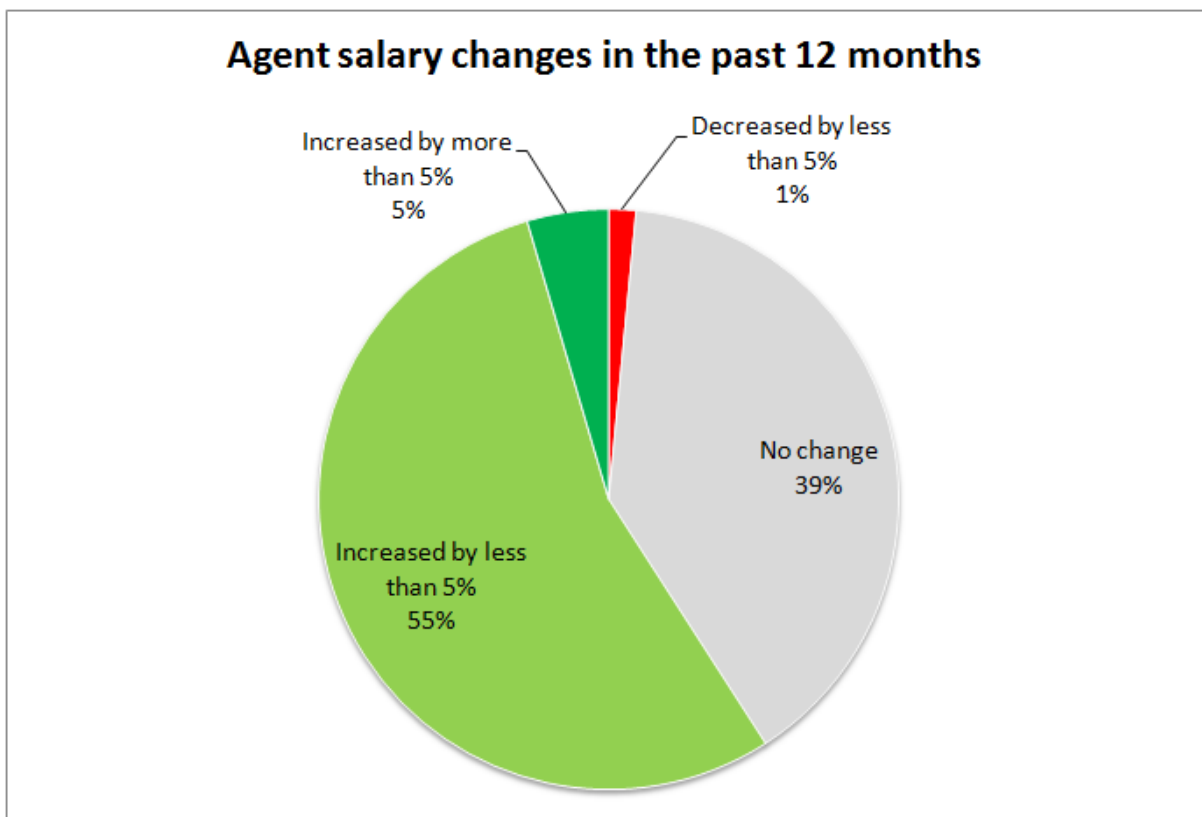
SALARIES BY VERTICAL MARKET

As with last year, agents in the public sector get paid the most, and outsourcing agents remain lowest-paid on average, as they have been for some time.

At a management level, the story is different, with the financial services and medical managers being paid the highest, although public sector managers are not far off. The transport & travel sector seems not to pay particularly well this year.

Figure 137: Salaries by vertical market by job role

Vertical market	New agent	Experienced agent	Team leader	Contact centre manager
Public Sector	£16,450	£19,873	£25,130	£39,080
Medical	£16,188	£19,538	£25,813	£40,286
TMT	£14,888	£17,604	£23,042	£39,188
Finance	£14,800	£17,583	£23,125	£42,167
Insurance	£14,746	£17,208	£20,538	£35,091
Utilities	£14,675	£16,152	£24,133	£37,250
Services	£14,334	£16,354	£21,575	£33,700
Manufacturing	£13,787	£14,820	£19,796	£33,000
Retail & Distribution	£13,603	£15,608	£21,541	£35,931
Transport & Travel	£13,396	£14,812	£19,506	£31,417
Outsourcing	£13,171	£15,120	£18,920	£31,042
Average	**£14,735**	**£17,149**	**£22,227**	**£36,020**

NEW AGENT SALARIES

Mean average starting salaries for agents in 2010 are actually up since last year, with a small increase from £14,604 to £14,735. The median average (midpoint salary) has increased slightly, showing that the jump in salary has been caused by a general - and gentle - increase in salary across the board.

Figure 138: New agent salaries

New agent salaries	2010	2009	2008	2007	2006
1st quartile	£16,000	£15,700	£15,630	£15,422	£15,600
Median	£14,500	£14,125	£14,000	£13,715	£13,334
3rd quartile	£12,900	£12,820	£12,272	£12,112	£12,000
Low	£11,000	£10,500	£9,000	£9,999	£10,000
High	£21,375	£27,000	£22,400	£22,800	£25,000
Mean average	**£14,735**	**£14,604**	**£13,949**	**£14,056**	**£14,092**

As expected, London and the South-East offer the highest salaries. Northern Irish respondents pay new agents the least, as has been the case for some years.

Figure 139: New agent salaries by region

Region	New agent salaries
London	£17,446
South-East	£15,888
West Midlands	£15,560
South-West	£14,715
North-West	£14,706
North-East	£14,514
East Midlands	£14,279
East Anglia	£13,917
Scotland	£13,737
Wales	£13,614
Yorkshire	£13,556
Northern Ireland	£12,880
Average	**£14,735**

EXPERIENCED AGENT SALARIES

Average salaries for experienced agents are 16% higher than those received by new agents, and the average salary has increased by £320 since last year, with the median increasing at a somewhat less rate as well.

Figure 140: Experienced agent salaries

Experienced agent salaries	2010	2009	2008	2007	2006
1st quartile	£18,550	£18,450	£18,000	£17,045	£17,876
Median	£16,750	£16,050	£15,500	£15,125	£15,516
3rd quartile	£14,600	£14,800	£14,000	£13,600	£14,150
Low	£12,300	£11,500	£9,000	£10,823	£11,500
High	£30,000	£32,000	£26,000	£26,000	£30,000
Mean average	**£17,149**	**£16,843**	**£16,045**	**£16,006**	**£16,645**

The south of the country continue to pay the highest salaries, with those in Yorkshire being paid 72% of the London agents' salary.

Figure 141: Experienced agent salaries by region

Region	Experienced agent salary
London	£21,457
South-East	£18,303
West Midlands	£18,190
South-West	£17,364
North-East	£16,958
North-West	£16,848
East Midlands	£16,769
Scotland	£16,198
East Anglia	£16,167
Wales	£15,987
Northern Ireland	£15,800
Yorkshire	£15,467
Average	**£17,149**

TEAM LEADER SALARIES

Team leaders will be in day-to-day charge of a team of around 8-15 agents, and fulfil coaching and supervisory activities, as well as listening-in and being the first contact for any issue that the agents may have.

Team leader salaries have increased by around £900 in 2010, moving over the £22,000 mark, one of the first significant jumps in several years.

Figure 142: Team leader salaries

Team leader salaries	2010	2009	2008	2007	2006
1st quartile	£25,000	£24,200	£24,000	£24,255	£23,390
Median	£22,000	£21,000	£21,000	£21,000	£20,000
3rd quartile	£19,500	£18,500	£18,000	£17,000	£18,000
Low	£13,000	£13,000	£12,090	£12,090	£13,235
High	£45,000	£35,000	£30,000	£39,000	£32,000
Mean average	**£22,227**	**£21,356**	**£21,271**	**£21,337**	**£21,008**

Team leaders in London will be paid an average of over £6,500 more than their equivalents in a Welsh contact centre, although the regional differential has narrowed this year.

Figure 143: Team leader salaries by region

Region	Team leader salary
London	£26,674
West Midlands	£24,810
South-East	£23,744
North-East	£23,125
South-West	£22,938
East Midlands	£22,787
North-West	£21,434
East Anglia	£21,417
Scotland	£21,087
Northern Ireland	£20,885
Yorkshire	£20,578
Wales	£19,895
Average	**£22,227**

CONTACT CENTRE MANAGER SALARIES

Large operations may have more than one contact centre manager, who may be in charge of a number of teams (e.g. the inbound or outbound operation, or sales-side or service-side). There may be a senior contact centre director in overall charge.

Average contact centre manager salaries reported a small increase of 1% last year, and have followed that with another small increase of less than 3% in the past 12 months. This indicates that the need for contact centre management is currently being fulfilled by the market.

Figure 144: Contact centre manager salaries

Contact centre manager salaries	2010	2009	2008	2007	2006
1st quartile	£40,000	£38,000	£40,000	£39,000	£38,000
Median	£35,000	£33,700	£33,500	£34,000	£32,065
3rd quartile	£30,000	£29,850	£28,000	£30,000	£26,750
Low	£18,000	£20,000	£18,000	£20,000	£22,000
High	£65,000	£65,000	£65,000	£52,500	£60,000
Mean average	**£36,020**	**£34,999**	**£34,808**	**£34,394**	**£33,172**

London-based contact centre managers earn an average of £44,294, with those in East Anglia and Northern Ireland earning the least.

Figure 145: Contact centre manager salaries by region

Region	Contact centre manager salary
London	£44,294
North-East	£40,404
East Midlands	£38,681
Scotland	£37,496
South-West	£37,132
South-East	£36,275
North-West	£34,633
West Midlands	£34,441
Wales	£32,800
Yorkshire	£32,756
Northern Ireland	£31,860
East Anglia	£31,833
Average	**£36,020**

SALARIES BY CONTACT CENTRE ACTIVITY TYPE AND SIZE

Generally, there is a significant difference between sales and service agent and management basic salaries, with service agents earning around 10-15% more than their sales-focused counterparts, and the differential at management level being almost 23%. This is easily explainable by the fact that sales staff, by definition, have a significant part of their overall pay determined by commission, which will be investigated in more detail later in this section.

Figure 146: Salaries by contact centre type
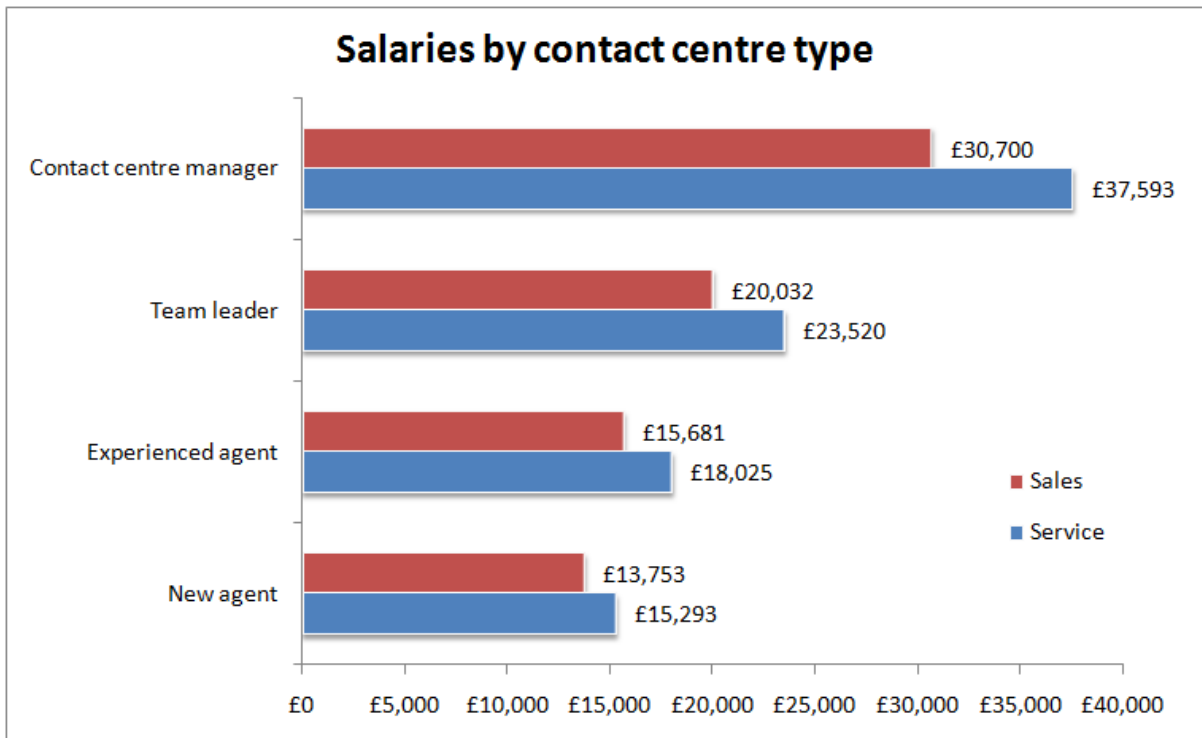
As they become more senior, outbound contact centre employees tend to get paid relatively less than their inbound equivalents, mainly because the former will tend to receive a much higher performance-related bonus, and this is certainly the case with junior and operational management in these contact centre types. As with last year though, new agents in either inbound or outbound environments will tend to receive about the same.

Figure 147: Salaries by contact centre activity type

Salaries by contact centre activity

- Contact centre manager: Outbound £31,448, Mixed £34,673, Inbound £36,861
- Team leader: Outbound £20,212, Mixed £21,622, Inbound £22,815
- Experienced agent: Outbound £16,483, Mixed £16,432, Inbound £17,335
- New agent: Outbound £14,496, Mixed £14,510, Inbound £14,797
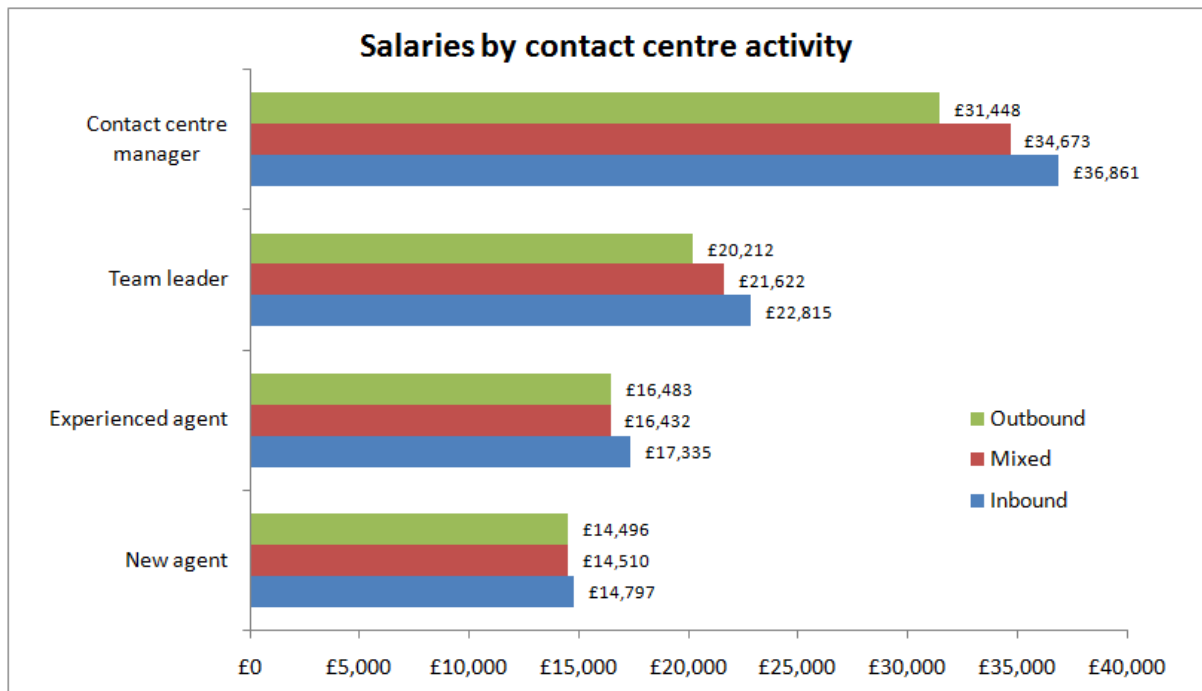
Small contact centres tend to pay better salaries to agents than do large contact centres, where a small increase in each agent's salary makes a big change to bottom-line costs. As in past years, this does not follow through to the management level however, where greater responsibility is rewarded with a high salary.

Figure 148: Salaries by contact centre size
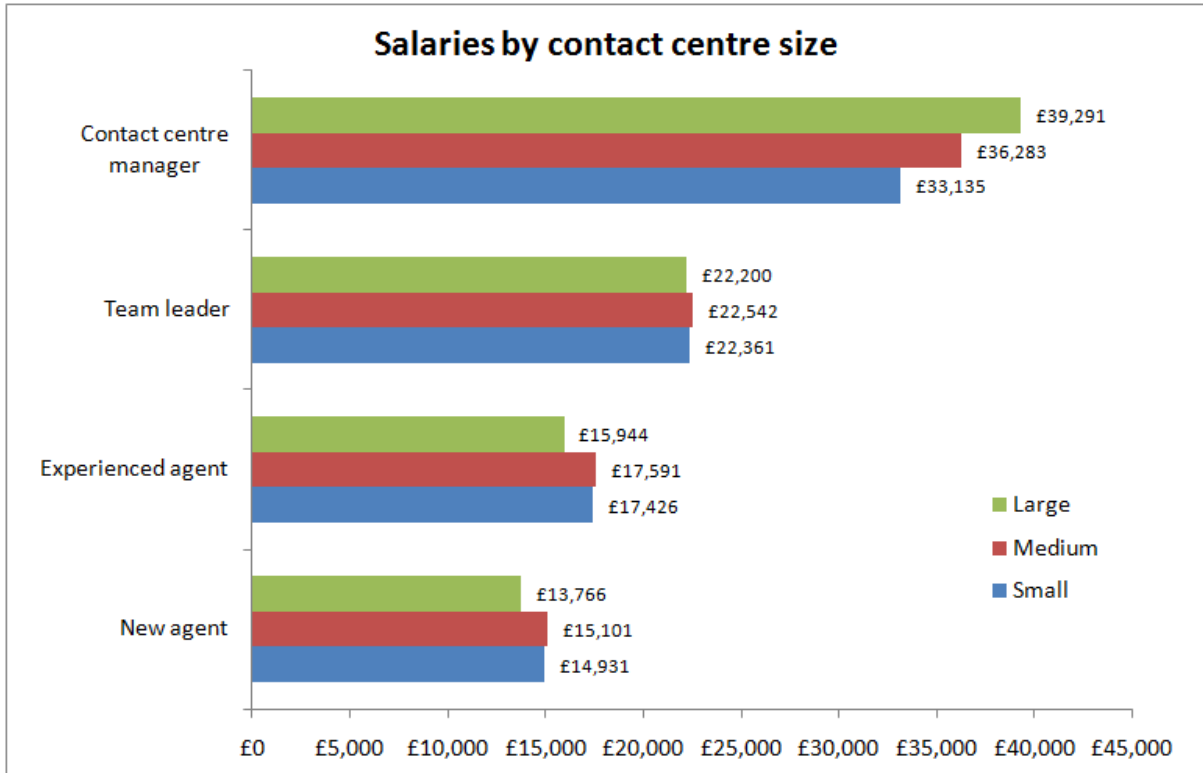
BONUSES

The mean average sales-related commission is over 18% (usually around £2,500 for agents), but this varies greatly. Service agents, as they tend to get paid a higher basic salary, will receive less performance-related bonus (around £1,000 on average)m if they receive anything at all.

	Bonus/commission for sales agent	Performance-related bonus for service agent
1st quartile	25%	10%
Median	16%	6%
3rd quartile	6%	4%
High	100%	30%
Low	2%	2%
Mean	**18.6%**	**8.5%**

NB: Performance-related bonus statistics refer only to respondents which award bonus to service agents (41% of respondents do not offer any bonus to service agents)

Service agents are most likely to be measured against their supervisor's scorecard which covers a variety of performance and behavioural targets. Customer satisfaction is also important - especially in cases where it can be attributed directly to a specific agent - and although first-call resolution rates are rarely used, this is probably more to do with the difficulty of tracing this fairly than any feeling that FCR doesn't matter.

Figure 150: Service-related performance targets used for bonuses
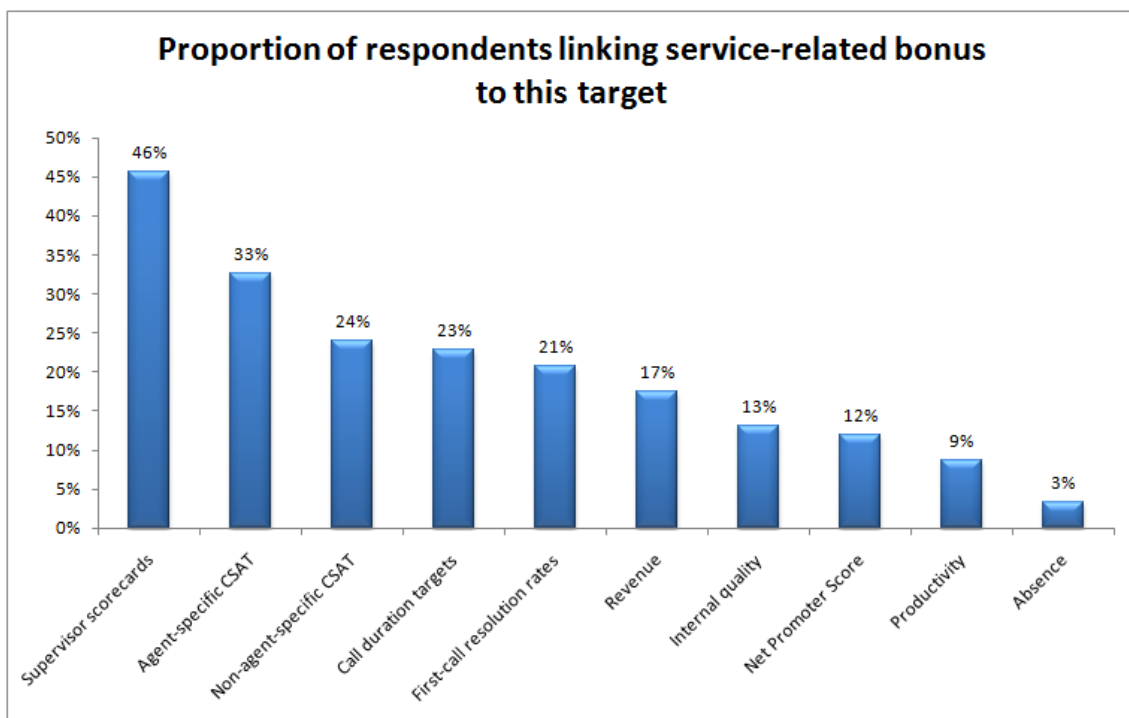
Organisations able to help with HR Management:

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CONTACTBABEL

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STRATEGIC DIRECTIONS

Most of this report has been about how contact centres are performing today, but this final chapter looks at the more strategic decisions and issues that contact centres are facing.

HR issues are often what make contact centre managers most concerned, but there is also a growing feeling that the technology in place is letting the operation down, or at least, preventing it moving forward to the extent that it needs. Contact centres are also aware that they have to modernise their processes as well as the technology, but as ever, cost, time and the need to keep the operation running smoothly make this sort of strategic thinking very difficult, especially in a situation where the contact centre does not have much in the way of a champion at the higher levels of the business.

The need to measure and improve customer satisfaction, and its impact upon profitability, has become an obsession throughout the industry, which is positive for customers and businesses. However, much of the short-term investment coming from the wider business seems to be focused towards improving efficiency than effectiveness. As many of the issues that the contact centre has to deal with come as a result of sub-optimal or even broken processes, both within and without the contact centre, spending money on doing unnecessary things more quickly seems strange.

Our own view is that while the industry is growing in terms of increased call volumes, more needs to be done to increase the effectiveness of agents. Self-service levels are very low across the industry, and more must be done to take low-value work away from agents, freeing them up to do more profitable and difficult work. Consistently high and growing levels of wrap-up time and non-call time is worrying, as over 40% of an agent's time is spent doing something other than talking to customers, although recent years have seen increased training and break times which goes some way to explaining this. Agent desktop optimisation – putting the right things on the desktop at the right time in the conversation, without disrupting the underlying system functionality – is starting to be exploited, especially in very large contact centres with multiple, complex processes and legacy systems.

Yet the background against which the technologies and HR issues that contact centre management now talks about is that of customer satisfaction and improved customer experience. This is the common ground where senior executives and contact centre operations can now meet and discuss how to head in the right direction together. Much of what respondents to this survey have talked about is coloured by improving customer satisfaction, the almost-certain driver of where the contact centre industry is headed long-term.

OUTSOURCING

This chapter looks closely at the use of outsourcing, whether being served by domestic operations, looking further afield to offshore contact centres, or increasingly a mixture of both (sometimes referred to as rightshoring: restructuring a company's workforce to find the optimum mix of jobs performed locally and jobs moved abroad).

A judicious use of outsourcing can assist a contact centre with its operational goals:

- hitting performance targets (through helping with call spikes)
- providing a better customer service (through offering an out-of-hours service)
- quickly ramping up to assist with outbound sales campaigns
- measuring customer satisfaction with regular outbound surveys.

However, outsourcing also offers a strategic alternative to running an in-house contact centre, with BPO (business process outsourcing) companies also providing a back-office outsourcing function in alignment with the front-office contact centre as well. The international reach of these BPOs allows them to distribute work and functionality to the most cost-effective locations, reducing the risk of providing lower levels of service to the ultimate customer. (See the following box for more details on the differences between outsourcers).

Outsourcing allows businesses to focus on their core business, and to benefit from the experience and knowledge of specialist contact centre operators. It is a sector which has been hit in recent years by the increase in outbound legislation and the competition from offshore, but which still accounts for over 13% of UK agent positions, and has been growing more rapidly than any other sector.

There are three main types of outsourcer: traditional, diversifying and emerging.[14]

- Traditional outsourcers have some of the best-known players in the sector. A large part of the traditional outsourcing sector in the UK consists of large, multiservice companies which may deal with telephone calls, email and query fulfilment (e.g. sending out brochures or bills). It may well be part of a multinational group, whether UK- or foreign-owned. Additionally, the large number of smaller telemarketing companies should also be considered, which take on *ad-hoc* outbound sales contracts to both consumer and business sectors.
- Diversifying outsourcers include large system integrators, consultancies and telcos.
- Emerging outsourcers include businesses involved in hosting or hoteling, which are often venture-capital funded, and are often found offshore. However, some of the largest offshore-founded companies have bought up domestic outsourcers to provide a full-service rightshoring solution, which includes offering analytics and business insight, as well as telephony-focused activities such as customer care, billing and collections, sales and transaction processing. By matching activity with the location, the outsourcer is able to keep costs low while still offering a high-quality, profitable level of service to specific segments of the customer base.

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[14] Source: CM Insight

The UK outsourcing industry - Tier 1 and Tier 2

Over recent years, the UK outsourced contact centre market has polarised into two distinct tiers.

Companies in Tier 1 undertake more complex and strategic customer management contracts and fulfil some or all of the key elements of their clients' customer relationship management (CRM) requirements. Increasingly, this so-called CRM-BPO work involves an explicit obligation to service the lifetime needs of customers – to the proven satisfaction of clients and their customers alike. Such work commands higher fees, equating to between £22-28 per hour, although the contracts are unlikely to be structured on a simple resource or transaction basis. Incentivisation of vendors in these cases invariably involves ongoing measurement of customer satisfaction, through mystery shopping, customer surveys and benchmarking, and of average revenues per customer (ARPU) and average customer lifetime values.

Tier 2 consists of companies undertaking what might be called 'low-level' or transactional work; for example, business-to-consumer telesales, simple administration tasks, etc. They command commoditised fees (e.g. £12-18 per hour) and tend to be measured on standard metrics, such as average handle time (AHT), calls per hour and abandon rates. Pigeon-holing customer management outsourcers into either contact centre-only or BPO businesses is of course an oversimplification. A small number of vendors are in fact seeking to maintain both growth and margins not by entering the BPO market but instead by developing premium contact centre services. These services, known sometimes as either customer experience management (CEM) or customer interaction management, typically involve some level of technology provision and a much great understanding (and delivery) of multi-channel interaction handling (rather than simply call taking/making).

In what is a highly labour-intensive business model, where employment costs for discounted call centre services can represent well over 75% of revenues (including management), this polarisation is putting less well-capitalised Tier 2 vendors under severe pressure. The economic downturn has forced most clients to re-examine their outsourcing cost structures, including the option of heading offshore or mixing onshore and offshore resource. Many clients are also seeking to conserve cash by holding off creditors for much longer than usual and by avoiding up-front set-up fees in any new outsourcing agreements.

For those OSPs (outsourced service providers) in a strong fiscal position, these pressures of course mean new opportunities, through replacement of weaker OSPs at contract renewal and through the development of 'low start' outsourcing terms in which even quite significant set-up costs are amortised across the term of first-generation outsourcing contracts.

Source: "The UK Contact Centre Outsourcing Industry in 2009" (ContactBabel & The Outsource Junction)

THE OUTLOOK FOR THE OUTSOURCING INDUSTRY

As the following table shows, the contact centre outsourcing sector is set for steady growth over the coming years, with outsourcers consistently reporting growth in excess of the in-house average.

Figure 151: Growth in outsourcing and in-house contact centre industries

	Number of contact centres (2013)	% CAGR 2009-13	Number of agent positions (2013)	% CAGR 2009-13
In-house	5,250	0.6%	695,000	2.5%
Outsourced	410	1.3%	88,750	6.3%

Despite increased consolidation and the effect of offshoring, opportunities for the outsourcing industry include:

- The early adopter sectors are still growing (e.g. financial services)
- Biggest growth will be in newer markets, especially the public sector, retail, mobiles, non-voice BPO and the SME arena
- Biggest growth potential for companies offering:
  - True BPO, with a mixture of onshore and offshore resourcing options
  - Proven capacity to invest
  - Consultative relationships
  - Ability to integrate client's culture into their own
- Outsourcers can charge more (up to double) for these more complex service offerings
- Opportunities exist in the marketplace for outsourcers which credibly demonstrate they can offer the following:
  - Flexible and transparent pricing models to show clients what they are buying for their cash
  - A fully integrated service, including proven BPO capabilities, preferably under one roof
  - Preparedness to enter into challenging risk/reward arrangements
  - +/- 20% based on qualitative as well as quantitative outcomes
  - Ability to invest for the long term
  - Including amortisation of set-up & transition costs and ability to demonstrate capability and credentials in significant TUPE transactions.
  - Ability to develop and maintain a consultative partnership with each client
  - Including demonstrable investment in both client services personnel/processes and R & D
  - Willingness to invest in importing each client's culture into outsourced operations or processes,
  - Including preparedness to co-locate client personnel with outsourced operations
  - Including willingness to accept a high degree of client involvement, overview, and transparency
  - Strong credentials in Public Services delivery, especially in Health, Transport & Financial Processing.

THE USE OF TACTICAL AND OPERATIONAL OUTSOURCING

As respondents to this survey run their own contact centres (including some outsourcers as well of course), there are few opportunities to ask about wholesale, strategic outsourcing experiences. Therefore, the data below refer to tactical and operational outsourcing of specific functionality and projects, rather than the outsourcing of an entire operation.

Figure 152: Type and amount of work outsourced

Type of work	% of contact centres outsourcing any of this work	% of this work outsourced (only including figures from those which outsource)
Market research / surveys	23%	83%
Out-of-hours	15%	85%
Back-office processes	12%	52%
Ongoing customer service	10%	50%
Overflow	8%	52%
Outbound sales campaigns	5%	68%
Multimedia response	5%	87%

This year, 41% of respondents used outsourcers in some way.

The use of outsourcers' services vary greatly between vertical markets, with the transport & travel sectors being the most likely to use outsourcers' particular skills, especially overflow and out-of-hours.

The use of a third-party to survey customer satisfaction is a strong trend which has become even more popular over the past few years, as the desire to improve customer satisfaction has continued to hold its position as the top priority for contact centres.

A growing number of respondents, especially from large operations, use outsourcers on an ongoing basis to provide back office services such as billing, data entry, document scanning and transaction processing, as the costs of doing so offshore are far cheaper than within the UK, with much less risk of a negative response from UK customers.

Some businesses which provide long opening hours do so through the use of a third-party, as their customers expect 24/7 service, but it may not be economical to provide this in-house, especially in smaller operations.

Larger operations are more likely to use outsourcers for outbound campaigns, which would otherwise require massive amounts of recruitment and training efforts, as marketing to a large customer base is a major investment. Large operations are also more likely to outsource their multimedia response.

DRIVERS FOR TACTICAL AND PROJECT-BASED OUTSOURCING

This question addresses the drivers for tactical outsourcing - do businesses move away from in-house activity because of cost, inflexibility or lack of skills? (This question does not look at the drivers for strategic outsourcing, as the question is answered by contact centre managers, who by definition, have not seen their contact centres outsourced in their entirety).

Figure 153: Drivers for tactical and project-based outsourcing
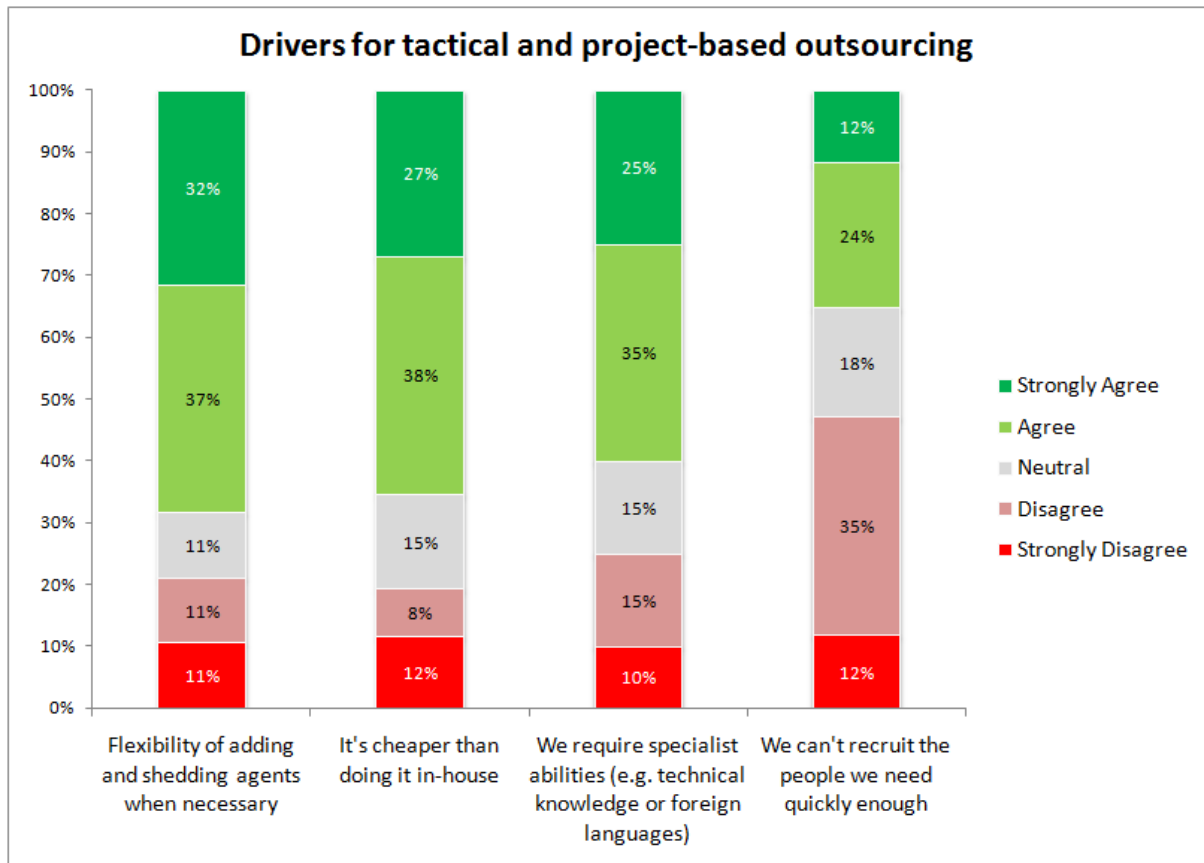
"Flexibility of quickly adding agents and running campaigns without the hassle"

For large contact centres, the ability to draw quickly upon a pool of available labour - whether calling outbound or taking inbound calls as a result of a large advertising and marketing campaign - is seen as absolutely vital. It is almost impossible and certainly not cost-effective to recruit and train hundreds of agents almost immediately, only to let then go after a few months when the campaign has ended. Yet that is the flexibility that outsourcers can provide to their clients.

"It's cheaper than doing it in-house"

The judicious mixture of offshore and domestic outsourcing means that larger outsourcers can provide customer contact from a location that is acceptable to their client's customer base, while being able to offer

lower-cost options in other cases if that is what the client desires. Matching the resource to the activity can reduce the overall cost of outsourcing while not compromising on quality.

"We require specialist abilities that are unavailable in-house (e.g. foreign language or technical ability)"

Small and medium contact centres are more likely than their larger counterparts to admit to lacking specialist abilities which may be difficult and time-consuming to recruit. Very large outsourcers will have a pool of labour of all levels of education, and international outsourcers will also be able to draw on language skills from almost any country in the world.

"We can't recruit the people that we need to move forward"

To a lesser extent, large operations also use outsourcers to augment their existing operations on a long-term basis, especially when the contact centre is located in a hot-spot where any sort of major recruitment is a very difficult proposal. Over time, the outsourcer becomes virtually a part of the client organisation, with its management and agents reflecting the brand and values of the client.

CHOOSING AN OUTSOURCER

Whatever the scope of your project, there are some questions you should ask yourself and your team before picking up the phone to any potential partners:

- Are we outsourcing a process or a problem?
- Why are we outsourcing this process? (Or – why are we thinking of changing our outsourcer?)
- Are we clear what the brief is?
- Do we have specific objectives?
- Would we consider offshore?
- Do the outsourcer and their staff need to be FSA-cleared?
- What management information will you need from them?
- How will you want them to monitor quality and customer satisfaction?
- Do your calls need to be recorded?
- What are the technology requirements?
- What type of contract do we want with this partner?

You also need to ask yourselves how difficult your project is. For example: attempting to direct sell a product or service worth £50,000 to CEO's of FTSE Top 100 companies is hugely more difficult than an exact repeat of a past campaign selling services worth less than £500 to existing residential customers. Depending on the complexity of your project, you may now produce a written brief to send to potential partners – again before you start a serious search. Apart from the fact that they will ask you for one, it will assist you greatly in defining your expectations and objectives.

a) Logistics around the set-up:

- Location: where will the project be sited and why?
- Please describe the management processes and activities that will take place during set-up
- How will you keep all key stakeholders informed and engaged?
- What types of contract are you willing to enter into?
- Who will be working on the project?
- What resources will you need from us?
- Assumptions around agent productivity, allowing for leave, sickness, training, etc

b) Operations:

- Are the targets and KPI's achievable?
- How do you forecast your resource needs?
- How much flexibility is there for a changes in call volumes?
- How will you report on a daily/weekly basis? (with example)
- What will be the split of responsibility in terms of data management, including dependencies, restraints, exceptions etc
- Overview of the outsourcer's IT and telephony systems and infrastructure, detailing age of equipment and average time in operation
- Outsourcer's key IT supplier relationships and length of these relationships
- Method of capturing contact history for each customer record?
- (If outbound) Describe the functionality of dialler technology
- Business continuity: describe contingency plans, in terms of buildings, personnel, IT, telephony

- How is call quality monitored (possibly including the validation of sales or appointments made)
- Capabilities of your call recording system?
- Complaint management process

c) Management and staff:

- Management team structure that would be allocated to this project, including ratio of staff to team leader, staff to managers etc
- How will project be managed on a daily basis?
- Processes for change control, issue resolution etc
- Processes for selecting, recruiting and training the staff for our project
- Current attrition rates for both inbound and outbound staff?
- Approach and processes for managing individual and team performance

d) Pricing:

- Set-up costs, covering project management, IT and telephony, processes, recruitment, training, and any other costs
- Ongoing costs, covering telephony costs, commission on sales, conversion rates, additional training if the scope changes, data cleaning, etc

One other consideration must not be forgotten: the people you will be working with, perhaps for a long time period, and maybe through some difficult phases. Do you need a large multi-national with a proven track record world-wide, or would you prefer an owner-managed company, where you know you can pick up the phone to their Managing Director and get an immediate, responsible reply?

Are you prepared to treat your new partner as you would like to be treated yourself? We suggest that a partnership will work better than a client-supplier relationship. This implies honest and open communication, teamwork, and equity. It will take an investment of time and energy from all parties to ensure a successful relationship. If you are about to embark on finding and appointing an outsourcing partner company for a long-term project – say 3-5 years, where many millions of pounds will change hands, there will be many further questions, crossing over into the due diligence your own organisation will insist upon.

White Paper: "How to Empower your Outsourced Contact Centre Operations to Deliver Real Business Value"

Synopsis: How effectively are you currently managing your outsourcers? Is your outsourcer data accurate? Are all your outsourcers reporting the same way? Do you have a real-time view of in-house and outsourcer contact management across your entire contact-centre? If not, it may be time to consider a Next-Generation Virtual Contact Centre Solution.

Download: http://www.cosmocom.com/to/cbab10uk-outsource

PLANNED IT EXPENDITURE

Analysing the areas that contact centres are focusing their IT expenditure upon is quite complicated, as there is rarely exact concurrence or use of the same phrases.

Figure 154: Most important areas of IT expenditure in the next two years

Expenditure type	1st	2nd	3rd
ACD/PBX/VoIP	22%	20%	7%
Self-service	16%	4%	10%
CRM	15%	4%	17%
Desktop optimisation	10%	0%	10%
Increasing channels / multimedia	8%	13%	17%
Outbound automation	4%	6%	0%
Integration	3%	6%	3%
Homeworking and virtualisation	3%	4%	13%
eCommerce and automated payment systems	3%	4%	3%
Hardware upgrade	3%	4%	0%
CTI / call routing	1%	4%	0%
Queuing and callback	1%	2%	3%
eLearning and online assessment	1%	0%	3%
Speech analytics	1%	0%	3%
Workforce management	0%	9%	7%
Call recording	0%	9%	0%
SMS	0%	6%	3%
Other IT expenditure	*8%*	*7%*	*0%*

Many contact centres last replaced their telephony systems in 1998 or 1999, to avoid potential problems around Y2K. Many of these systems are well-overdue for replacement, with businesses then moving to IP. 22% of respondents named upgrading their telephony system as the most important area of expenditure, with a further 27% putting it as their second or third priority.

Self-service moves up in importance in this year's survey, with 16% of respondents putting this as their no.1 IT investment priority, and a further 14% rating it as no.2 or no.3.

CRM was also an important area of spend money on, with 36% of respondents putting it amongst their top 3 priorities, up from 26% last year.

Other areas that have grown in importance in the past 12 months include improvements to the agent desktop (up from 8% to 20%), multimedia (up from 20% to 38%) and homeworking / virtualisation (from 8% to 20%).

PRESSING MANAGERIAL ISSUES

The following tables investigate what keeps contact centre managers awake at night. As usual, the focus upon customer satisfaction improvement is still out in front by some distance, with an almost equal focus upon cost reduction and revenue increase (i.e. improving profitability) coming next. Staff attrition reduction has fallen off the radar entirely for many of the report's respondents.

The finance sector is heavily-focused upon cost reduction, as is the medical and TMT vertical markets. The insurance, outsourcing, transport & travel and TMT vertical markets are looking closely at increasing revenues, while the utilities, services and public sectors are focused primarily on customer satisfaction.

These figures are very similar to those of 12 months ago, which strongly suggests that the pressures on contact centre management have not eased-up, and are still connected to the economic downturn.

Figure 155: Most pressing managerial issues, by vertical market

Vertical market	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as a maximum
Improving customer satisfaction	7.7	8.3	8.0	8.9	7.8	9.2	8.6	8.5	8.2	8.6	8.5	**8.5**	35%
Increasing revenues	8.0	9.2	8.5	8.3	9.0	6.1	6.9	7.4	8.9	9.4	7.0	**8.1**	37%
Decreasing costs	8.7	8.2	7.0	9.1	7.4	8.4	6.9	6.4	8.6	9.0	7.0	**8.0**	32%
Improving first-call resolution rates	6.7	7.5	5.7	7.7	6.8	8.5	7.1	6.1	7.7	6.6	7.5	**7.3**	17%
Achieving set metrics	5.7	7.8	7.0	8.3	7.1	7.0	7.3	7.0	7.8	7.7	6.5	**7.3**	16%
Improving staff morale	5.0	8.0	7.0	8.0	7.6	7.6	7.3	6.6	6.2	6.7	8.0	**7.2**	12%
Growing or maintaining staff numbers	6.3	6.1	6.3	7.2	6.6	6.5	7.1	6.9	6.8	5.7	6.5	**6.6**	9%
Reducing staff attrition rates	5.3	6.4	5.8	6.7	6.3	5.9	6.0	6.5	3.9	5.7	6.5	**5.9**	9%

Revenue generation is more important to larger contact centres, although profitability in general is sought-after across all contact centre sizes. Staffing issues - morale and attrition - are far more important in larger operations than smaller. Customer satisfaction is no1. In every size segment.

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Improving customer satisfaction	8.4	8.6	8.4	**8.5**	35%
Increasing revenues	7.6	8.4	8.2	**8.1**	37%
Decreasing costs	7.9	8.2	7.7	**8.0**	32%
Improving first-call resolution rates	7.2	7.5	7.1	**7.3**	17%
Achieving set metrics	7.3	7.4	7.2	**7.3**	16%
Improving staff morale	7.0	7.2	7.7	**7.2**	12%
Growing or maintaining staff numbers	7.1	6.1	6.8	**6.6**	9%
Reducing staff attrition rates	5.2	5.9	6.8	**5.9**	9%

INDUSTRY TRENDS

Respondents were asked how important specific industry trends would be to them in the future. The focus on customer experience improvement, as in previous years, rated the highest, but this year was run very close by business process optimisation.

Figure 157: The importance of industry trends, by vertical market

Vertical market	FS	INS	MAN	MED	OS	PS	RD	SVCS	TMT	TT	UTILS	Average	% of respondents scoring this as a maximum
Customer experience improvement	9.0	8.6	8.0	9.0	8.3	9.1	9.0	8.3	8.3	9.3	9.5	**8.7**	38%
Business process optimisation	9.3	8.8	7.8	9.2	7.9	9.4	8.6	7.3	8.4	9.0	8.0	**8.6**	38%
Self-service	7.7	7.8	7.8	8.1	6.9	7.9	6.4	6.4	8.3	7.0	8.0	**7.5**	24%
Multimedia	7.0	6.5	6.5	7.8	7.0	6.8	7.2	5.9	7.1	7.4	7.0	**6.9**	16%
Desktop optimisation	8.0	7.5	7.5	7.7	6.0	7.0	7.0	5.3	6.4	7.8	6.5	**6.9**	9%
IP / unified communications	5.7	6.5	5.8	6.6	6.9	5.8	5.4	6.2	7.9	7.0	9.0	**6.5**	17%
Effects of legislation	8.0	6.1	6.0	8.2	5.6	7.2	4.0	5.8	6.0	7.1	5.5	**6.3**	10%
Social media	6.0	5.0	5.5	4.5	5.7	5.2	6.0	4.1	5.6	5.9	8.0	**5.3**	5%
Site consolidation / virtualisation	6.0	4.9	4.3	5.0	6.3	5.1	5.0	6.0	4.4	1.8	6.0	**5.0**	8%
Domestic outsourcing	5.3	3.7	3.0	3.4	3.6	3.0	4.2	3.8	2.4	1.7	1.0	**3.2**	3%
Offshoring	2.7	3.4	2.8	3.9	3.3	1.3	1.6	2.9	2.1	1.4	1.0	**2.5**	3%

There is a wide and growing acknowledgment that business processes have to change, and the work that the contact centre does will need to be more closely coupled with the back office and also the wider business. This was felt especially strongly by the respondents which kick off a great many back office processes through their work in the contact centre, such as the public sector and finance. As many of the calls that most contact centres take are about failures elsewhere in the organisation to deliver what the contact centre has promised, fixing broken or sub-optimised processes, and allowing the contact centre agent to access the relevant information is vital to getting a satisfactory conclusion to these calls. Mending the processes that are identified as broken could have a major impact upon call avoidance as well.

Increasing the levels of self-service to take pressure off contact centre costs while providing a better service was rated as no.3 in the list, and represents perhaps the most acceptable way to benefit both customer and business by reducing costs while providing customers with the ability to get what they need quickly. No single sector was most focused on self-service.

Multimedia has maintained its importance this year, again, with general interest across the board.

Improving the desktop to make it easier for agents to do their job was rated as the fifth most-important trend, especially by financial services respondents. These agents often have to deal with multiple systems within a call, and also often have long wrap-up times as well as the excessive training requirements that dealing with labyrinthine systems cause.

The growing legal requirements surrounding data, customer contact and industry-specific issues was of concern to those in finance and medical vertical markets, where compliance is key. Public sector was also concerned about legislation.

To get an absolutely sure grip on how contact centres really felt about industry trends, we also looked at the proportion of respondents who scored the particular industry trend at the maximum score, feeling that this would indicate a genuine feeling from the respondent that the trend was vital and could not be ignored. For example, although many respondents believe that desktop optimisation will be an important trend, only 9% gave it a maximum score, suggesting that it is not their absolute priority for now although they acknowledge its importance over the longer term.

As usual, the need to measure and improve customer experience was seen as the most important factor. This strong showing indicates that many other issues, concerns and trends within the contact centre are being viewed in the light of customer satisfaction. For example, "I'm concerned about contact centre productivity" really means "I'm concerned about how contact centre productivity is impacting upon our customers' satisfaction". However, this year for the first time, business process optimisation was considered of the utmost importance by the same proportion of respondents.

Looking at data segmented by contact centre size, self-service is - as would be expected - more positively thought about by larger operations with a potentially greater cost saving, with the same logic applying to virtual contact centre functionality as well. Outsourcing and offshoring follow the same pattern.

Figure 158: The importance of industry trends, by contact centre size

Contact centre size	Small	Medium	Large	Average	% of respondents scoring this as a maximum
Customer experience improvement	8.4	8.8	9.0	**8.7**	38%
Business process optimisation	8.4	8.8	8.4	**8.6**	38%
Self-service	7.0	7.8	7.6	**7.5**	24%
Multimedia	6.7	7.3	6.5	**6.9**	16%
Desktop optimisation	6.9	6.9	6.7	**6.9**	9%
IP / unified communications	6.5	6.3	6.8	**6.5**	17%
Effects of legislation	5.9	6.8	6.2	**6.3**	10%
Social media	5.3	5.1	5.8	**5.3**	5%
Site consolidation / virtualisation	4.5	4.3	6.8	**5.0**	8%
Domestic outsourcing	2.5	3.0	4.6	**3.2**	3%

THE CONTACT CENTRE IN 4 YEARS' TIME

Respondents were asked how they thought the contact centre might change in the next five years.

There was a general feeling that the contact centre industry was dynamic enough that things would certainly look different in 2014, although this was disputed by over a quarter of respondents.

There was widespread rejection of the notion that offshore contact centres would dominate UK customer communication, with 89% disagreeing with this idea.

Almost half of respondents expected agents to be paid considerably more, based upon the increased complexity of the role and knowledge requirements that the agent of the future is expected to have.

There was less general agreement when considering the centralised nature of the future contact centre and the effect that automation and self-service would have on the 'live' agent population.

The decentralised nature of future contact centres was supported very strongly by respondents in the public sector and finance vertical market, unlike the telecoms and utilities respondents, which argued for a centralised future structure.

Self-service and automation - and the attendant decrease in the importance of human agents - was widely agreed with by respondents in the finance, retail & distribution, TMT & utilities sectors, many of which have generally large agent numbers in their operations and who have actively encouraged self-service and web service over recent years. Those in the insurance, medical and outsourcing industries disagreed about the drop in future agent numbers - for the former two, the specialised, complex nature of many of these calls makes automation very difficult, and for many outsourcers, human agents are where they make their money.

Figure 159: How will the contact centre look in 4 years' time?
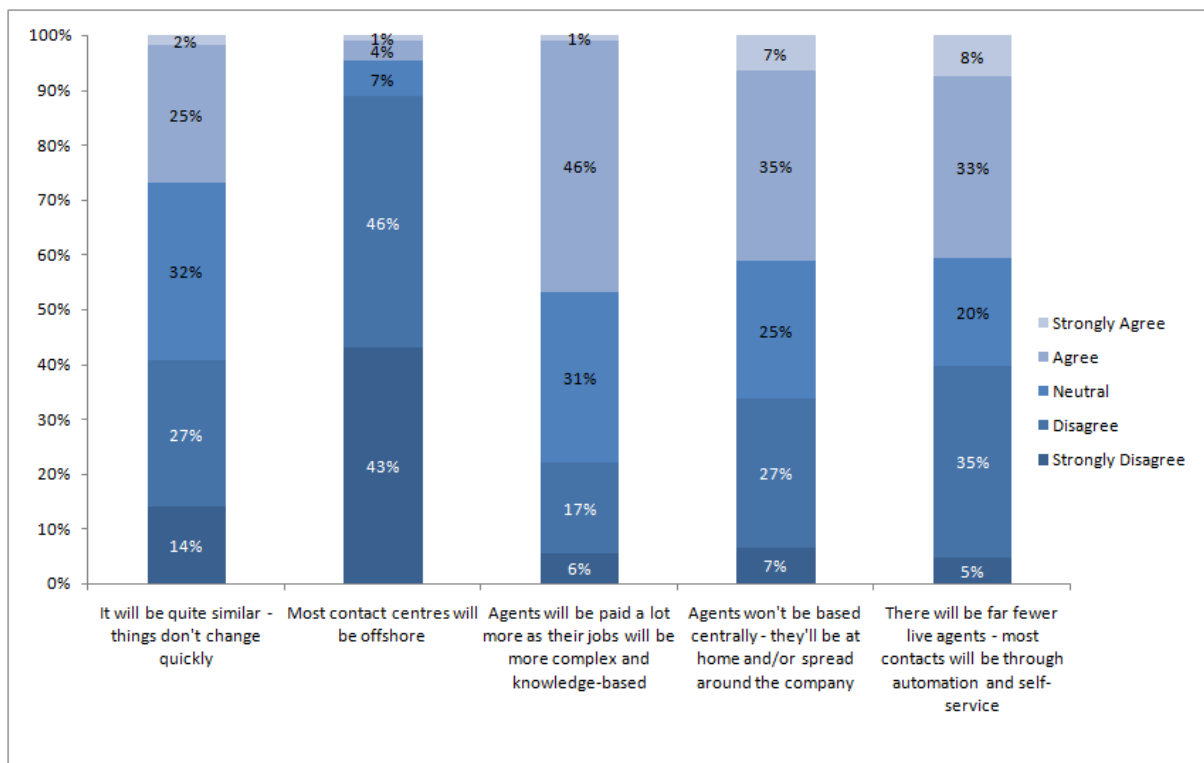
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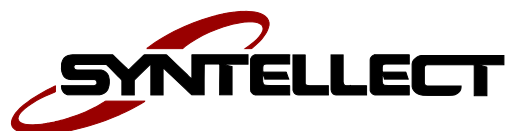
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APPENDIX: ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

Email: info@contactbabel.com

Website: www.contactbabel.com

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