Hot Stock Picks! (this is not SPAM)

If you are a regular reader of the In Queue newsletter you know by now that I talk about helping to make the call center industry, and professionals within it, equal to professionals in marketing, management, finance, accounting, and other such industries. As part of being a professional in an industry you have to be aware of larger industry trends and where you and your business operation fit within those overall trends. To help you understand this a bit more I have created two pieces of financial information called the NACC Investment Portfolio and the NACC Composite Index. These portfolios are made up of nine (9) publicly trade stocks related to the call center industry-three are technology providers to the industry Nortel, Nice, and Verint. The remaining six (6) are third party call center providers-Sykes, Wipro, Convergys, Teletech, ICT, and APAC. I have purchased US$10 worth of each of these company’s stock totaling US$90.00 (as of 11/6/2007). We will track the performance of these stocks in the NACC Investment Portfolio over time to see if it increases in value, stays flat, or drops.

The NACC Composite Index is slightly different. Using the same stocks, the outstanding float of publicly traded stocks is multiplied by the closing price of the stock on 11/6/2007 creating a starting point that equals 100. We will track the change in performance of this index in the In Queue newsletter as it grows beyond 100 or declines under 100 in the weeks, months and years to come.

No single index is a definitive measure of the health of the industry but only one of many measures that should be examined. The NACC Investment Portfolio has a bias toward smaller capitalized stocks since US$10 bought more stock in these companies than it did in the higher capitalized stocks. The NACC Composite Index is biased toward the larger capitalized stocks since the algebra has floated shares as a key variable. Professionals in all industries should know the performance of companies in their industry and how their company stacks up to such indices. We hope to give you a jump start to informed professional status with our new NACC Investment Portfolio and Composite Index (look to the left—it was a tough week).

If your favorite publicly traded call center stock was not listed, don’t cry, just send me an email, we will talk about it, and heck, I might go out and purchase US$10 worth of that stock to add to the portfolio and the index if it makes sense. On a completely separate note, but part of this same paragraph, if you are going to interview for a professional job in the call center industry, knowing the NACC Investment Portfolio value and the NACC Composite Index number and the health of the call center industry would impress would be future bosses—or at least a person like me.
If you are looking for a new call center location you should check out the NACC Real Estate page by clicking on this link to see some of the available existing sites.

Quotes

"If stock market experts were so expert, they would be buying stock, not selling advice."  
-Norman Augustine  
(aerospace business person)

Cool Stuff (NEW!)

When my wife and I were graduate students at Texas A&M University a couple friend of ours were from Omaha, Nebraska. He was completing a MBA with and emphasis in finance and she was completing a Masters in English (like my wife). One night we were chatting about stocks, stock markets, and Warren Buffet of Berkshire Hathaway fame (no relation to Jimmy Buffet). I told him that I was interested in creating some retirement stock portfolios for myself and the logic I as going to use to pick stocks for them. He recommended a new company for buying stocks online for little money to build my portfolio. That company, ShareBuilder, is my cool pick. I have been with this company for a decade and a half slowly building up my retirement portfolio. The system is easy to use and each stock purchase is only US$4. This the company that I used to purchase the NACC Investment Portfolio (described in the essay and highlighted above). This is a company like many of the other online discount brokers but this one is quieter, conservative, and out of the other online discount brokers. I believe. They have awesome call center agents, too. Every call I have made had very knowledgeable and articulate agents answering the call. So if you need to invest in some stocks for retirement purposes or just like play high powered financier, I would recommend using ShareBuilder. They are nice, good, quiet and successful company that I have enjoyed for many years. If you have never bought stocks before, this is the easiest place to get started.

If you want to know more about his company you can click on the logo above to go to the ShareBuilder website.

Picture of the Week

This is a view of the Trummelbach Falls near Gimmelwald, Switzerland. This is a huge waterfall with an amazing view

What the Call Center Industry Can Learn from Manufacturing: Part I

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Call centers are extremely complex operations: Constantly changing telecom and computer technology, business continuity challenges, scheduling agents, predicting call arrival patterns, globally routing and balancing calls it is enough to make your head spin.

Manufacturing operations are enormously complex as well. To much of what was listed for call centers, you can add mind-numbingly complex logistics, parts and materials quality and availability, safety concerns, recalls, environmental regulations, etc.

It would be a walt-less discussion to argue which industry is more challenging, but one key difference between the two is in their track record of results. Most manufacturing operations and especially world-class manufacturing operations have an enviable track record of dramatic year-over-year (YOY) improvements in quality, productivity and customer satisfaction. And the best are not resting on their laurels; a few years from now, all three of those output measures will be up from where they are today.

Few call centers have achieved that kind of output measure hat-trick. Productivity might be up and costs down because more calls have been automated or the customers have been directed to self-service or the Voice over Internet Protocol (VoIP) initiative has lowered telecom charges. But is quality in the form of agent compliance with requirements or best practices improving dramatically YOY? Is it even approaching a five-nine's (99.999% reliability)? Is customer satisfaction with live agents systematically improving YOY? Though few centers are driving improvement in all three measures, they could be if the leaders were willing to look at what other complex operations are doing to improve.

You might feel there is no way call center leaders could learn anything from manufacturing. People are not machines after all and call center leaders are dealing with people on both sides of the transaction. There are three leverage points used in manufacturing that call centers could benefit from: 1) define the process (call flow) exactly, 2) don't focus on improving the workers (agents), focus on improving the process the workers (agents) are using, 3) give more to and expect more from your vendors (outsourcers).

Define the process exactly. A Harvard Business Review article entitled "Decoding the DNA of the Toyota Production System" outlined the four key rules that were critical to the success of total production system (TPS). The first rule was "all work shall be highly specified as to content, sequence, timing and outcome." The level of specificity in manufacturing can be down to exactly how many turns to tighten a screw.

This is not the case in call centers, not by a long shot. First of all, there is not a single process in a call center even for one call type. If there are 100 agents handling a single call each will be doing it differently: some slow, some fast; some in compliance, some not; some appropriately building...
waterfall all encased within the mountain. The waterfall is tall so viewers must take an elevator or walk many stories of stairs to enter the site. Once you enter, the temperature drops fast, the humidity goes up, and the noise level is almost deafening. About 20,000 liters of water pass through the falls per second—which is fast. It is this speed and volume of water that cut these impressive tunnels through the inside of the mountain.

An interesting note is that it is hard to get a good picture of the falls. Most cameras with an automatic flash will use the flash since it is fairly dark inside—after all you are inside mountain. All of those liters of water banging around and splashing against everything send up mist that is not easily viewable until you take a picture. When you view the image is looks like a thousand fuzzy dots, but no waterfall, since the flash catches the water droplets in the air. So to get a good image, you must turn off your flash and hold the camera still until enough light enters the lens to resolve the image.

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rapport with customers, some not.

Why is this? Well one reason is that call flows and expected behavior for all the possible branches are rarely exactly scripted out. You may not believe it, but we have gone into some of the best centers in the world and sat with agents, monitors, trainers and coaches to begin to map a single call flow and the groups do not agree on how to do it. Is there really any wonder we see the variability in process and output measures that we see when there is no agreement on how a credit limit increase call or a cell phone activation call is supposed to go down?

This then is the starting point for beginning to achieve the kind of results seen in manufacturing: call center leaders have to start scripting exactly how each call should go end-to-end with all the branches. This is the minimum and this is a solution that many vendors in the marketplace offer. Though a script is the minimum, for the reasons previously sited, I do not feel scripts alone are enough.

Once the call is scripted, software and voice technology can be used to get the agents to execute the designed call flow. Since the agents are live on the call, they can still vary it if and as they need to. Leveraging technology for the agents to execute the call you designed means you can engineer-in quality, best practices and compliance and remove the lion’s share of the within and between agent variability. This is how they do it in manufacturing environments: establish a single process and then continuously improve that process that all the workers are using and this is the new frontier of the call center industry.

Part II of What the Call Center Industry Can Learn (from Manufacturing (forthcoming Nov 23, 2007, issue) will make the case for focusing the bulk of the improvement efforts on the process not the agents. Part III (forthcoming Dec 7, 2007, issue) will cover how to better leverage outsourcers.

Call Center Comics (NEW...ish)

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MEMO TO ALL EMPLOYEES

PLEASE USE THE EMPLOYEE SUGGESTION BOX ONLY TO SUBMIT IDEAS THAT CAN BE IMPLEMENTED WITHOUT MONEY, TIME, OR EFFORT.

If you like this comic and would like to see more write Ozzie at callcentercomics@yahoo.com and visit his website at http://callcentercomics.com/cartoon_categories.htm or just click on the comic to take you to his page. The NACC appreciates Ozzie letting us use some of his comics in our newsletter.

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