



In Queue
The fun, informative and interesting newsletter for
the call center industry.

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and suppliers should examine the
new *NACC Underwriting*
opportunity in 2008 as evidence of
their dedication to the growth of
call center industry. See the *2008*
Media/Advertising Guide link below

Why You Buy: Factors that Influence Your Purchase Decision

Paul Stockford, SaddleTree Research and NACC Advisory Board Member,
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One of the questions we asked in our survey of *In Queue* readers earlier this year had to do with understanding which factors influence your purchase decision. This followed the question covering which technologies were of enough interest to you to consider purchasing them this year. Results of that question have been published in previous issues of *In Queue* and can be found on the *In Queue* archives through the NACC website, http://www.nationalcallcenters.org/pubs/in_queue.html.

In order to keep the question of influencing factors reasonable enough to get those of you who participated in the survey to answer the question, we whittled down the universe of potential influencing factors to a manageable number and concentrated on the factors we were most interested in.

We listed nine factors from which respondents could choose the top two factors that influence their purchase decisions. We did leave one open ended "Other" selection and asked respondents to fill in what factor other than those listed influenced their purchase decisions. The results of the survey were not entirely unexpected and in many cases put an exclamation point at the end of trends that seem to be developing in the contact center industry.

We received 125 completed surveys with the responses illustrated in the table below.

FACTORS CITED AS INFLUENCING PURCHASE DECISIONS IN 2008

for more information.

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NACC Investment Portfolio

Stock	Price	Value	Change
NT	9.76	5.36	-4.64
NICE	32.85	8.18	-1.82
VRNT	23.50	9.59	-0.41
SYKE	21.22	11.17	1.17
WIT	13.10	8.75	-1.25
CVG	15.39	8.71	-1.29
TTEC	22.87	9.94	-0.06
ICTG	10.55	10.12	0.12
APAC	1.53	6.92	-3.08
TOTAL		78.75	-11.25

Original Value start 11/6/2007
 =US\$90.00 or US\$10.00 per stock.

Total Portfolio Value Now= \$78.85

The NACC Investment Portfolio, over the past six weeks has gained each week except for this week netting an additional \$8.57 since 5/7/2008. The portfolio lost \$1.62 the past two weeks. This overall net gain has shown a rallying of the stocks in the portfolio since the large declines at the beginning of 2008. Though the NACC Investment Portfolio has not gained back all of its losses since the inception in November 2007, it has continued to gain ground since March and now holds 87.5% of its original value.

NACC Composite Index



It came as no surprise that the majority of respondents cited price as a major factor influencing their purchase decisions in 2008. With economic uncertainty and the effects of the weak U.S. dollar on monetary markets, savvy managers have to consider price at the top of the list of considerations.

Second in importance in the ability to influence purchase decisions was the reputation of the company. This was somewhat surprising in that companies in the contact center business do not seem to be investing in public relations and brand advertising the way they did just a few years ago. This fact may have also contributed the poor showing of many of the other factors that that used to be highly influential in the purchase process such as website information and trade shows.

A decade ago, trade shows were a critically important factor in any company's sales efforts. It was a chance to meet prospects face-to-face and demonstrate your product's capabilities. By about the year 2000 the trade show demonstration was being replaced by extensive product information that was made available on a company website. In 2008, it appears that neither trade shows nor websites hold much sway over buyers. Keeping in mind that company reputation was the second most important factor in our survey respondents' decision making process, we assume that companies are maintaining their industry reputation today through word-of-mouth inasmuch as traditional means of brand establishment and maintenance such as magazine advertising, trade shows and websites appear to hold little value to buyers.

Among the write-in purchase influence factors in the open-ended question, 18 percent of respondents cited return on investment (ROI) as one of their top two influencing factors. Given the focus on price among the majority of respondents a corresponding concern with ROI makes sense.

Date	Value	Change	Percent
11/6/07	100.00		na
11/8/07	94.62	-5.38	-5.69
11/16/07	94.94	0.32	0.34
12/5/07	94.38	-0.56	-0.60
12/26/07	97.90	3.53	3.60
1/15/08	80.89	-17.02	-21.04
1/29/08	77.54	-3.35	-4.31
2/13/08	75.56	-1.98	-2.63
2/27/08	76.72	1.16	1.51
3/12/08	65.47	-11.25	-17.18
3/24/08	67.92	2.45	3.61
4/9/08	68.98	1.06	1.54
4/23/08	74.17	5.19	7.00
5/7/08	77.31	3.14	4.07
5/21/08	78.57	1.26	1.60
6/4/08	81.51	2.93	3.60
6/18/08	80.48	-1.02	-1.27

The NACC Composite Index is gaining steady ground. The graphic indicates the changes in the index over the past several week when I was out of the country and was not reporting the progress of the index. Note that on 5/21/2008 the index was up from the previous two weeks and continues to climb into the week of 6/4/2008. The NACC Composite Index lost a little bit of ground, 1.03 points, the past two weeks, however, the overall trends is still positive. Though the index has not caught up to its original starting point of 100 points back in November 2007, it has increased its value significantly since the low points of March 2008 when the index was only 65.47 points. The gain from the March low is an impressive 15.01 points in just a few months. This suggests one of two possible scenarios for the call center industry. Scenario one is that the overall market forces have already calculated in the recession into the stock price and now we are seeing buying of these stocks associated with anticipated future performance post recession later this year. Scenario two is that the call center industry, which differs from the housing, mortgage and financial sectors, is in part immune to this recession (not quite recession proof) and thus investors are putting money into this industry because of the belief that this sector can continue to make money even if the recession is

At the bottom of the heap of influencing factors was a prior relationship with the salesperson. I've always believed the old sales adage that states "People buy from people," which essentially highlights the importance of the seller/buyer relationship in the sales process. In light of the results of this survey perhaps that sales adage should be changed to "People buy from people as long as they have the lowest prices."

The list of influencing factors in our survey is far from exhaustive, but it is broad enough that it should be of interest to vendors who want to reach buyers and to buyers who want to know what is important to their peers in the industry. The good news is that there is still purchasing activity in the market, but the factors that influence those purchases are undoubtedly changing with the times.

How to Win a No-Win Situation

Sanjay Patel, Datanutix, sanjay@datanautix.com

In the movie *Star Trek II: The Wrath of Khan*, the Kobayashi Maru is a computer simulation that takes place on a replica of a starship bridge. The "captain" receives a distress signal stating that the Kobayashi, a ship with 400 passengers, is disabled in the Neutral Zone and is rapidly losing life support. The cadet must decide:

- Rescue the Kobayashi, which involves violating the Neutral Zone, potentially provoking a Klingon attack; or
- Avoid a Klingon confrontation by abandoning the Kobayashi and leaving the passengers to die

The objective of the simulation is to test the cadet's thinking and behavior in a no-win situation. If the person tested chooses to save the ship, the simulation proceeds. As the starship enters the Neutral Zone, three Klingon starships appear on an intercept course. Attempts to contact them fail and the Klingons open fire and the starship is destroyed.

It's not as dramatic, but call center leaders are in the same no-win situation. Since the first centers opened almost forty years ago right up to today, there has really been only one core challenge: trying to get agents to do what you want them to do as accurately as possible, as completely as possible and as quickly as possible.

Underlying this challenge is agent variability. Unlike manufacturing where you can set up machines and expect them to perform with defined parameters, call center agents are inherently variable. The application of conformance-oriented quality assurance is the most common approach to combating agent variability. But this approach has been limited in its ability to continuously drive Key Performance Indicators (KPI) improvement. We have to do something, but what we are doing (trying to control agents) is not working. In other words, it's a no-win situation.

Of course, if you saw *The Wrath of Khan*, you know there is only one cadet that ever saved the Kobayashi: Captain James T. Kirk. How? He reprogrammed the simulation so it was possible to save the ship. In other words, he changed the game.

Several studies in consumer behavior show that there are some pretty basic aspects of the customer/agent interaction that, if engineered correctly, can significantly increase the likelihood that the agent is going to be quick, accurate and complete. To change the game and break out of our performance rut, call center leaders need to develop more of an

more prolonged than originally expected. Most likely the truth lies in some mix of the two scenarios outlined.

Dow Composite	-2.92%
S&P 500 Composite	-2.94%
NASDAQ Composite	-3.02%
NACC Composite	-1.27%

The NACC Composite Index is still hanging tough against the other major indices. Even though the index loss 1.27% the past two weeks, this was less than 50% of the losses of the other major indices. This suggests that when there is a sell off, the broader stocks are more vulnerable than the call center stocks. Stated another way, the call center stocks appear to be more resilient than broader stocks.

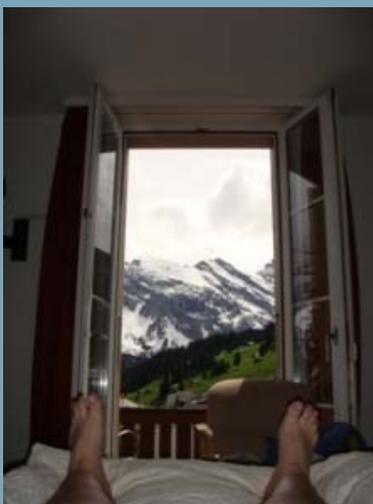
Real Estate

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

"No man needs a vacation so much as the man who has just had one."
-Elbert Hubbard (1856 - 1915)

Picture of the Week



I really enjoyed my vacation. This

engineering mindset:

- 1) Leverage tools on the market to decompose interactions into basic steps, similar to manufacturing assembly lines
- 2) Analyze those steps for problems with between-agent variability at a more granular level
- 3) Once those key segments have been partitioned and defined, leverage desktop consolidation and agent-assisted voice solutions, which standardize what agents do with their systems and say to customers through the use of pre-recorded audio files, to dramatically increase adherence to the defined process.

This approach allows agents to focus on understanding the customer's key issues, rather than just trying to get the call right, which can drive breakthrough improvements in the customer experience and other call parameters.

It is not as sexy, but every day you face your own Kobayashi Maru: Keep doing the tired, try-to-control-agents approach and destroy shareholder value or change the game by focusing on the process with an engineering mindset?

Your agents, customers and shareholders stand ready for your decision.

Rewarding Behaviors: Show them the Money... or a Trip to Hawaii: Part I-The Unrealized Potential of Incentives in the Call Center

Christopher Cabrera, President and CEO, Xactly Corporation, info@xactlycorp.com

Inbound or outbound, sales or service side, agent or supervisor: cash is king when it comes to call center compensation. Carefully calibrated cash-compensation plans – combining fixed and variable pay – certainly ought to be the bedrock on which to build a productive call center team. We all have to eat and pay the bills. But can cash by itself really overcome the challenges of inspiring top-flight sales and customer service behaviors, and retaining call center personnel?

Enter non-cash rewards incentive programs. Savvy call center managers know the power of contests and incentive programs, particularly in uncertain economic times like these, when base compensation is holding relatively steady. Many call centers have used contests with cash or non-cash rewards, recognition programs, or other incentives. And, again, cash rewards have their place in this scheme. But non-cash rewards – currently underutilized and undervalued – are what have the most potential to drive and motivate behavior.

Cash rewards can be seen as an extension of cash pay. In motivating group behavior, cash rewards can provide an excellent incentive. Cash is impersonal – we all like it equally. Non-cash rewards, on the other hand, can be highly personal and thus extremely motivating for individuals. That is, provided the individual truly wants the non-cash prize that is offered. This is just one point where non-cash rewards programs haven't lived up to their potential. Too often, non-cash rewards programs have been boring, being limited to fixed-prize giveaways like gift cards (27 percent of which are left unredeemed, according to Consumer Reports!) or to one-size-fits-all prizes that don't get everyone equally excited.

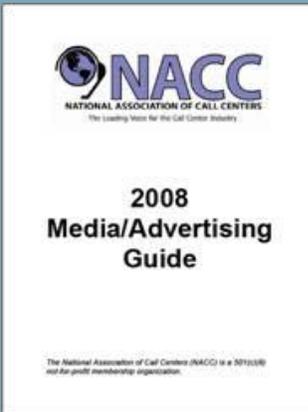
Another issue with rewards programs, cash or non-cash, is that they are rarely well integrated with companies' overall compensation programs and are consequently more often tactical than strategic. That is, they are valuable as "kickers," and for getting people to "stretch" to meet a short-

image of the Swiss alps outside my hotel room window in Murren, Switzerland, sums up my trip- breathtaking and relaxing.

In future issues I will share with you the best photos taken during the trip. I was able to snap nearly 900 photos, my wife, about 250, so within this approximately 1100 images are some nice ones to share with you over the coming months in the *In Queue* newsletter.

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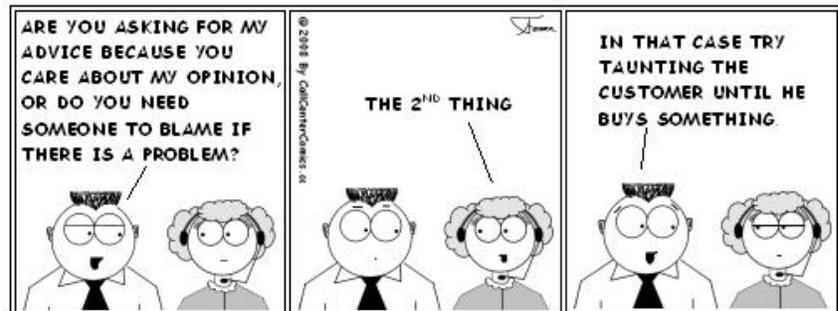
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term goal, but not ideal for molding sustainable long-term behaviors. How they are managed and tracked hasn't helped either as management by spreadsheet (today's standard method) results in dumbed-down contests that do little to motivate employees over the long haul.

But it doesn't have to be this way. When liberated from the confines of management-by-spreadsheet and one-size-fits-all prizes, non-cash rewards incentive programs can go where cash compensation can't. They can be personalized and highly targeted to specific individuals at any level across any call center audience (outbound selling, customer service, collections, etc.). They can be made not just more compelling but also "stickier" than cash, meaning that employees will be less likely to forget why they received them. They can play on the desire for instant gratification, in that they can be tied to points that can be immediately redeemed via the Web for merchandise, travel, entertainment, etc. And they can be integrated with strategic compensation programs and CRM applications to become a major driver in improving and sustaining call center productivity and combating turnover.

What it takes is a programmatic approach, resting on best practices and enabled by a level of automation similar to that provided by today's ubiquitous CRM applications. Part Two of this series will examine these best practices, while Part Three will explore automation strategies and potential return on investment (ROI).

Call Center Comics



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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