



## *In Queue*

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

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### Underwriters



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All leading call center companies and  
suppliers should examine the new  
*NACC Underwriting* opportunity in 2008  
as evidence of their dedication to the

### Our First Underwriter-Jones Lang LaSalle

The National Association of Call Centers is pleased to announce our  
first Underwriter for 2008, Jones Lang LaSalle.

Let me explain to you briefly the purpose of an underwriter and then  
a bit about the company Jones Lang LaSalle. As a not-for-profit  
organization we were founded on the mission to help improve the call  
center industry. We take this mission very seriously. Over the past  
several years since our inception, we have turned down many  
revenue making opportunities since they would compromise our hard  
earned unique neutral position in the industry of "telling it as it is." To  
ensure we have a solid revenue stream to keep meeting our mission,  
we launched a limited number of underwriting slots in 2008.  
Underwriting allows us to showcase the best in class in a particular  
sector/product of the call center industry as a partner that shares our  
values and in turn their underwriting revenue allows us to continue to  
bring to you this newsletter and other research, products and services  
this year and into the future. The more underwriters we have, the  
more services we can offer the industry. Now onto our first  
underwriter!

Jones, Lang, LaSalle (JLL) is an established Fortune 500 real estate  
site selection company with the largest presence overseas of any of  
the leading site selection companies in the United States. One  
element that makes this company unique is their Call Center Practice  
Group which goes beyond "find a building and collect a fee" of most  
other call center site selectors in the industry. I have worked with JLL  
for over a year now and these folks know the industry and quite  
frankly are just good people to work with. Their call center site  
selection process which includes a pre- assessment, finding the right  
unique location for each call center and then an unheard of complete  
post-assessment to be sure what they promised you in your new  
location is being delivered to your satisfaction. The JLL Call Center  
Practice Group is a great organization, with great people, doing a  
great job and we are happy to have them be our 2008 Site Selection  
Underwriter. If you need a new call center site, to expand, contract,  
or just move locations, give Sam Weatherby a call or email him. He is  
a super nice Texan and a fun person to talk with. Sam can be reached  
in Dallas at 214.414.9707 or at [sam.weatherby@am.jll.com](mailto:sam.weatherby@am.jll.com) or see his  
logo and contact information on the left hand side.

So if your company is interested in underwriting the NACC, just let  
me know and check out our Underwriters page at  
<http://www.nationalcallcenters.org/underwriters.html> and our Media  
Guide at <http://www.nationalcallcenters.org/files/NACC-2008-Media-Advertising-Guide.pdf>.

growth of call center industry. See the [2008 Media/Advertising Guide](#) link below for more information.

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### Share the Knowledge

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### NACC Investment Portfolio

Stock	Price	Value	Change
NT	6.51	3.58	-6.42
NICE	29.53	7.35	-2.65
VRNT	15.25	6.23	-3.77
SYKE	17.66	9.29	-0.71
WIT	11.27	7.52	-2.48
CVG	15.22	8.61	-1.39
TTEC	22.53	9.80	-0.20
ICTG	9.75	9.36	-0.64
APAC	0.8	3.62	-6.38
TOTAL		65.36	-24.64

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

Total Portfolio Value Now= \$65.36

The *NACC Investment Portfolio* gained a few dollars in the past week with several companies in our portfolio like Nortel, Sykes, and TeleTech reporting new business or good news the past two weeks. As the equity market continues to find a stable point the more good information that is reported in the call center sector the more faith in the sector will accrue and then investment in these stocks will continue.

### NACC Composite Index

## Business Value of Contact Center Knowledge Management: A Strategic Perspective

Ashu Roy, Chairman and CEO, eGain Communications Corporation, [aroy@egain.com](mailto:aroy@egain.com).

As the US economy slows down, business leaders pause to evaluate their organic growth strategies. Most of them involve maximizing the value from existing customers. Your customers are more likely to buy more from you than your prospects. In response, contact center and customer service leaders are looking for ways to improve customer loyalty - as measured by repeat business - through differentiated customer service and service- led sales.

The strategy is sound but difficult to execute. Given the training cost, attrition rates, product sophistication/proliferation, and compliance requirements, no sustainable solution can be based on simply hiring smarter agents. There just aren't enough of them. And they are too expensive.

One novel approach that works well is Knowledge Management (KM). Unfortunately, KM has had a mixed record in enterprises that believed it would solve ill-defined (hence intractable) business process challenges. The fact is that KM is a powerful tool when applied expertly to well-defined business processes that are somewhat repetitive and practiced by employees amenable to behavioral adjustment. Contact center and customer service business processes exhibit these attributes.

Here are four strategic benefits of deploying KM in contact centers and customer service organizations:

1. Build customer loyalty: KM sharply reduces the need for escalation within and beyond a contact center. A large software company saw its technical support escalations (level 1 to level 2) drop by 13% after it implemented KM. Beyond the obvious cost efficiency of reduced escalation, there is a bigger strategic impact on customer satisfaction, too. Not surprisingly, the same company saw an 8% increase in the "agent informed" score in customer surveys. As consumers we remember positive service experiences (rare as they are) and reward the providers with repeat business. Think Amazon.com.

2. Improve business model flexibility: KM allows the company to capture the knowledge essential for best practice-based operation. It enables employees and customers to access the knowledge easily - right knowledge at the right time for the right user. A leading European wireless provider implemented KM with the express purpose of reducing the cost of customer care. Having implemented KM, the provider was able to offer its customer care business to open bid, driving down the cost of its service operation by 20%. By eliminating the switching cost of domain knowledge, thanks to the KM platform that captured the process know-how effectively, the client wrung out much more cost while retaining flexibility.

3. Gain authentic customer insight: Customer feedback is notoriously difficult to gather and authenticate. Focus groups tend to suffer from the "Hawthorne effect," and market research can be dangerously tilted by its very design. The one place where customers really say what they think is when they ask you for help. Unfortunately, most customer feedback is captured in contact centers as "resolution codes." It is hard to derive trends from them when the default resolution code is "selected" disproportionately because of convenience than correctness. KM-powered contact centers enable

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

The *NACC Composite Index* was up 3.61% over the past two weeks. This means, well, who knows what this means? Two weeks ago it was down 17.18% and two weeks before that up 1.51%. To date the index has lost 32% of its value since inception in November 2007.

Dow Composite	2.58%
S&P 500 Composite	2.41%
NASDAQ Composite	3.46%
NACC Composite	3.61%

The *NACC Composite Index* outperformed all of the other major indexes for the past two weeks. Over 1% outperformance over the Dow and S&P 500 but just a few ticks above the NASDAQ.

One problem I have is the action by the US Federal Reserve. In the past, under the Greenspan Fed, most actions were predictable based on what is known as the "Taylor Rule," which in essence says that the Fed is an inflation fighting organization. If that were still the case, with core and non-core commodity prices increasing, the logical response of the Fed would be to raise interest rates to slow down the heated inflation. However, the Fed is not raising interest rates, nor is it keeping them steady, it is lowering interest rates, counter to the inflation fighting logic that prevailed for many years. The Fed has articulated that the weakness in the economy, measured by the equity markets, personal spending, and overall general negative mood, is more threatening short-term than is inflation. Therefore,

businesses to accurately capture the rich customer-agent dialogue. This dialogue is effectively mined for churn traps and up-sell windows!

4. Capture and leverage intellectual property: Without KM, most companies suffer from the "Yoda" effect. Given any situation, there is always some "Yoda" in the company who can best address it. Unfortunately, the "Yoda" is not as easy to spot as in "Star Wars." A well-defined and effective process to suggest, review, and capture knowledge is an invaluable strategic benefit of a KM system. This closed-loop process fuels continuous organizational learning that is hard to replicate for competitors.

## 60 Ideas in 60 Minutes Round VII

For an introduction to the "60 Ideas in 60 Minutes" essays, or to read previously published rounds, please visit our archives and start with [Volume 2, Issue 22](#) of *In Queue*.

**David L. Butler**-If you go and get an MBA, you will acquire all of this math so you won't have to hire anyone for that (referencing Kevin Hegebarth's response in Round VII, [Volume 3, Issue 5](#)). So you can insource it to yourself.

The calls that Penny receives (referencing Round VII, [Volume 3, Issue 5](#)) are similar to the calls that I received which are "tell me a benchmark that we need to meet, do we need to send something to someone to say that we are doing everything right to cover our butts." The second most frequent call type that I receive is around the idea of customer satisfaction. "Show me a customer satisfaction form; what do we need to do" etc. There is only one variable that matters when it comes to customer satisfaction and that is the repurchase rate. If you ask someone if their experience as "pleasurable," very pleasurable" or "the most pleasurable that you have experienced" it means nothing. Unless they are going to repurchase your product or service or recommend someone else to do so actively, the customer satisfaction scores are almost meaningless because that is where the revenue comes from and the revenue is what runs your centers, especially if you are a cost operation.

**William (Bill) Durr**-So I have a story to share with you about workforce management. The story goes this way. Once upon a time there was a king whose young son the prince was a little short in the brains department, a little royal inbreeding problem I suppose. The King wanted nothing more than for his feeble minded son than to play chess. And chess master after chess master paid with their lives because the prince could not learn to play chess. Finally, the King decided to bring in a workforce management person to teach the prince how to play chess. And after only a few hours, the workforce manager said, "mission accomplished." The King said, "How did you manage to do that?" I made a simple assumption that all pieces moved the same way. And you know that chess does not work that way. The connection though, there are a lot of workforce management software programs out there that do make that simple assumption that everybody in the center with the same skill does the same job with respect to HT, that is not the correct model. Check.

**Penny Reynolds**-Try and turn some of your unpleasant situations in a call center into opportunities. For example how many of you find Monday a difficult day in terms of staffing? You are probably getting the majority of your calls and is that when your absenteeism is the

they are going to focus on stimulating, jump-starting, the economy first, then they will focus on inflation second. A key question is, should the Fed be in the jump-starting the economy business? Or should we allow the subprime market mess work its way through the economy, with some people and organizations getting hurt, but arrive out the other side all cleaned up? A very difficult decision, especially during a big election season coming up.

So what will happen? Worst case scenario is that the Fed will try and spur on the economy just enough to make sure it is not in decline, and then rush to raise interest rates, and oil and other commodity prices continue to rise or be high, all items too late and we are stuck in stagflation, where our economy is stagnant but inflation continues to rise. This undercuts all of us and our purchasing power. Best case scenario is the commodity prices start to drop, slowly and steadily, back to more rational levels, the Fed slows its interest rate cuts and then goes neutral and slowly starts to raise them again as the market re-starts and the institutions that have bad debt on their books bite the bullet, make the announcements, write off the bad debt, take the hit on their stock price, and then move forward again.

Somewhere between these two potential realities are market opportunities for call centers within organizations and third-party providers to indicate their value to organizations as a way to communicate to customers effectively and inexpensively (compare to other channels) and as a means to keep customer loyalty high and long term revenue in check.

## 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

"The beginning of knowledge is the discovery of something we do not understand."

-Frank Herbert (1920 - 1986)

## Picture of the Week

highest is that surprise? What can you do to make Monday a more pleasant experience. Turn that Monday around. A lot of call centers have a program called Magnificent Mondays so that is the day where it is free muffins and pizza. That is the day where instead of casual Friday it is casual Monday. Get them out of bed a little easier. All the little drawings and things that they earn tickets to draw prizes, guess what, the drawing happens on Monday and you must be present to win. So try and turn Monday into the fun day, or whatever day it is for you. The same thing with those complaint calls I mentioned earlier. Nobody likes getting those. We need to have our staff equipped to handle them properly, but nobody likes to get those. Well, turn that around. Most quality monitoring systems have the capability where an agent can activate a recording if needed. So as soon as you get one of those calls, let the agent record it and enter it into the "worst call of the week contest" to see who can turnaround one of those complaint calls the best way. You will then have some great calls for training purposes too.

**Garry Schultz** - Grounding your managers, supervisors and executives within the contact center is important. I have found too many people are not clear in what they should be doing. "I am statistics", "I manage the line", "I am the telephony guy" - these claims are too narrow, too restrictive. I suggest you take your entire operation and get all of your managers together and explain to them that they are there to remove obstacles for the agent in order to facilitate customer satisfaction. Once they are all aligned under one guiding principle you will find the management layer will all be pulling in the same direction. Your managers are there to remove obstacles so that agents can better serve your customers. Reposition your contact center - re-center the mind set.

**Chris Crosby**-Read Paul Stockford's monthly column in *Call Center Magazine*. A shameless plug. I am actually serious about that, it is a great column. The point is continue your education. You don't have to go out and get an MBA (reference to Butler Round II, [Volume 2, Issue 23](#)) to run a contact center. It is not building rockets but it can be confusing. Just today you have heard ten different perspectives on service level, workforce management, that sort of thing. You are not alone in the industry. There are a lot of great resources but obviously you guys are here and that is one. Take a couple of hours each week and get involved in your different user group forums and do the research, watch the webinars, they are not just vendor spins, there really are a lot of good content in there, take those new ideas and see how you can spin those into your operation. I am a big fan of moving the contact center out of the box. Don't do it the way you have always done it because that is the way you have always done it. There are resources and go after it.

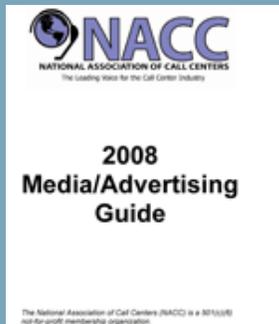
**Kevin Hegebarth**-I would be interested on Garry's take on this one when it comes his time. My one tip here is to become a strategic partner with your marketing or product development or product management organization. A lot of times we work in silos. The only time the call center finds out about a new marketing initiative is "oh my god now I have to go and train 5000 call center agents on this new product that is coming out. I have no idea on what it does all I have is a bunch of Excel spreadsheets, PowerPoint presentations, Word documents, whatever, and now I have to go and train people." See if you can go and sit on those product teams. See if you can get a seat with the product manager, with the marketing people so you kind of get the advanced warning flyer that these things are coming. Also it allows you to set up a bi-directional communication between yourselves and marketing. Marketing can tell you what is coming down the pipe, you can go back and tell marketing "here is what has worked in the past that you have shoved at us and here is what has



This is a photo in Switzerland of a person paragliding. Because Switzerland is very mountainous, most of their sports revolve around mountains. In this sport, you start at top of a mountain and then jump off and glide via parachute thousands of feet down to the valley floor with wondrous vistas on either side of you and every direction you look. I think I have convinced my wife to let me do this when we travel there this May/June.

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not worked in the past and here is how we can team together to make it successful for everybody."

### Call Center Comics

I lied. I said in last issue that this issue we would announce our winners of the call center comics and show you the comic ideas they generated and Ozzie drew from their ideas. But since we were announcing our first underwriter I did not want to take the limelight off of Grace and Shelly so they will be highlighted in the next issues.

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**I'M SORRY YOU WERE TRANSFERRED 12 TIMES BEFORE REACHING US. THE PERSON WHO CAN HANDLE YOUR EMERGENCY DOES WORK IN THIS DEPARTMENT. SHE WILL BE RIGHT WITH YOU....AS SOON AS SHE IS BACK FROM VACATION.**

If you like this comic and would like to see more write Ozzie at [callcentercomics@yahoo.com](mailto:callcentercomics@yahoo.com) and visit his website at [http://callcentercomics.com/cartoon\\_categories.htm](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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