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In Queue

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

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NACC Investment Portfolio

From the Trenches

Lori Bocklund, President, Strategic Contact, Lori@strategiccontact.com

Now is the time for process optimization

In the December 5, 2008, issue of "In Queue," one of the "60 Ideas in 60 Minutes" came from a long-time friend and colleague, Bill Durr. Bill talked about the people, process, and technology triumvirate and one of its shortfalls, stating, "I have never run into anybody who is in charge of process. Are you" ([Volume 3, Issue 24](#))? Well, I have run into such people and seen the value they bring. But I agree that it is all too rare. A dedicated process optimization role can have a tremendous impact on both the customer experience and call center performance. There has never been a better time to put such a role in place.

Several clients with whom I've worked had this position, and we have helped clients put this role in place. It is part of our "best practices" design. These people work closely with reporting and analytics, quality monitoring and assurance, training, and technology specialists, as well as with front-line call center management. They analyze process results, using performance outcomes, focus groups with agents, input from trainers, and observations and time and motion studies to identify areas for improvement. They redesign and optimize existing processes and play a critical role in defining and developing new processes. They are part of a continuous feedback loop with the other support roles to use technology effectively and help individuals and teams achieve performance goals. They work with training and coaching resources to provide the guidance staff need to execute processes effectively and consistently.

Today's economic conditions intensify the need for and value of this role. "Do more with less" and "control spending" are themes of the day. Process optimization delivers both. Improving processes leads to greater efficiency on every contact, lowering costs or enabling a center to handle more contacts with the same resources. Those of you who can't run out and buy new technology to increase efficiency or improve the customer experience can likely find significant improvements by modifying processes and applying the technology you already have more effectively. As your processes improve, you may find that you not only control costs, but drive more revenue through the improved customer experience it creates.

Ideally, such efforts look at end-to-end processes. Contact centers sit in the middle of these processes, impacted by front-end functions (e.g., creating and mailing bills, sending marketing materials) as well as the back-end (e.g., dispatching field support, shipping the package, fulfilling

Stock	Price	Value	Change
NICE	21.00	5.23	-4.77
VRNT	5.75	2.35	-7.65
SYKE	15.34	8.07	-1.93
WIT	6.25	4.17	-5.83
CVG	6.78	3.84	-6.16
TTEC	8.15	3.54	-6.46
ICTG	5.21	5.00	-5.00
APAC	1.52	6.88	-3.12
TOTAL		39.08	-40.92

Original Value start 11/6/2007 =US\$90.00 or US\$10.00 per stock. Then Nortel went bankrupt so we have adjusted the investment portfolio and now the new start value would be \$80.00 or \$10.00 per stock.

Total Portfolio Value Now= \$39.08 which is up about half a dollar from the past two weeks. All stocks are down by at least one dollar with Sykes (SYKE) down the least and Verint (VRNT) down the most.

NACC Composite Index

Date	Value	Change	Percent
11/6/07	100.00		na
12/5/07	94.38	-0.56	-0.60
1/15/08	80.89	-17.02	-21.04
2/13/08	75.56	-1.98	-2.63
3/12/08	65.47	-11.25	-17.18
4/9/08	68.98	1.06	1.54
5/7/08	77.31	3.14	4.07
6/4/08	81.51	2.93	3.60
7/2/08	70.28	-10.20	-14.52
8/13/08	65.57	-0.97	-1.48
9/10/08	66.55	-1.69	-2.54
10/8/08	43.24	-13.67	-31.62
11/5/08	43.26	1.43	3.31
12/3/08	36.19	3.30	9.13
1/7/09	42.75	2.10	4.92
1/23/09	36.23	-6.52	-18.00
2/4/09	35.68	-0.55	-1.54
2/18/09	33.36	-2.32	-6.96

The NACC Composite Index was down this week -6.96%. This was a fairly large drop considering that the

the request). Unfortunately, the end-to-end view requires a cross-functional process team and can feel like "boiling the ocean." So, even if you can't achieve the ideal, tackle a manageable scope – the process elements you fully control within the center.

Don't let a hiring freeze stop you from creating this position. Think about where the process optimization role might fit within your organization. Then figure out where you can repurpose positions, shuffling headcount if you must. Perhaps the trainers aren't training as many new hires, or lower turnover can enable you to increase your span of control for each supervisor. Find a way to do it now to create benefits that will pay off short term and long term.

NACC Annual Market Review and Forecast Now Available

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

The NACC Report "North American Contact Center 2008 – 2009: The Year in Review and a Look Ahead" is now available for NACC members and sponsors. The report's Executive Summary was published in the last issue of "In Queue" but part of that summary was inadvertently omitted. In this issue we publish the entire Executive Summary for your review.

The report was written with the contact center executive in mind. It provides something of a reality check for what you may have seen or heard in the market over the past year, and it looks ahead at the important trends that will affect the market throughout 2009, including economic conditions. In addition, much of the data in the report came from you, the readers of "In Queue." Throughout 2008 we asked you to participate in occasional surveys. The survey results not only provided us with a feel for the pulse of the industry, they also offered you a means of comparing your knowledge, attitudes, intentions and management practices with those of your peers. Many of these results are included in the report.

Chapter headings and sub-headings in the report include:

- Industry Trends
 - o Internet Protocol (IP)
 - o Workforce Optimization (WFO)
 - o Speech Analytics
 - o Unified Communications (UC)
- Market Trends
 - o Contact Center Growth by Vertical Market
 - o Market Polarization
 - o Economic Conditions
- 2009 Forecast
 - o Hiring and Retention
 - o Web 2.0 and the Contact Center
 - o Economic Challenges

The Executive Summary of the report follows. For information on becoming a member of the NACC and receiving your own copy of this report, please visit www.nationalcallcenters.org.

North American Contact Center Industry 2008 – 2009: The Year in Review and a Look Ahead

NACC Investment Portfolio was actually up this week. This suggests that some of the larger stocks, which are weighed heavier in the composite index, pulled the index down the past two weeks.

Dow Composite	-5.04%
S&P 500 Composite	-5.56%
NASDAQ Composite	-3.21%
NACC Composite	-6.96%

The *NACC Composite Index* was down more than the other composites this week. The Dow and S&P500 were both off by 5.0% or so with the composite index off nearly 7.0%. The NASDAQ fared the best since it was down a little over 3.0%.

Quotes

"Quality, quality, quality: never waver from it, even when you don't see how you can afford to keep it up. When you compromise, you become a commodity and then you die."

-Gary Hirshberg

Picture of the Week



The picture is to proportion. This is a hand and that is a sink. No, not an airplane sink. This was a hotel sink in Salzburg, Austria. I have always found the scale of objects in Europe versus North America to be odd and funny. Why would Europeans have a sink that you can barely put your hand in? Conversely, why would North Americans have sinks that you can bath a few children and animals in at the same time? This comparison goes for automobiles, elevators, closets, and cafe chairs as well. We are so similar in many ways yet these little differences clearly show that as much as we are

Executive Summary

The North American contact center industry experienced a relatively quiet year in 2008, tempered during the second half of the year by increasingly apparent economic deterioration. Although it was not exactly business as usual, the industry as a whole did continue to grow as did many of the important segments within the industry.

Internet Protocol (IP) continued to make inroads into the contact center. A 2008 survey among readers of the National Association of Call Center's (NACC) *In Queue* newsletter revealed that about 41 percent of respondents currently use IP in their contact center. Surprisingly, the greatest interest in IP for the contact center is coming from those centers configured with 75 or fewer agent seats.

Workforce Optimization (WFO) also saw steady growth in 2008. Defined as a suite of products designed to optimize agent performance and including such solutions as workforce management, performance management, quality monitoring and e-learning, WFO has found its way into the contact center mainstream. Although the rate of WFO implementation has slowed since a burst of activity in 2005 – 2006, its demonstrable benefits and proven return on investment (ROI) maintained WFO's attraction as a desirable productivity tool in 2008.

Although unified communications (UC) has been in the contact center industry for the past several years, 2008 saw the understanding of the technology reach critical mass. No longer an experimental solution or a technology in development, UC deployments began in earnest. Although there is still considerable missionary work to be done by vendors of UC solutions, as another 2008 NACC survey revealed, there is momentum in this vertical market segment that should carry it into 2009 and beyond.

2009 will be a challenging year for the North American contact center industry as economic conditions and responses create a ripple effect that will find its way into the contact center. On the positive side, customer service will continue to be a necessary component of any business with aspirations of surviving the current recession.

Beyond economic challenges, the contact center will be challenged by the appearance of Web 2.0 services in the contact center. Web 2.0 will be brought into the contact center by the next generation of workers, commonly known as the Millennial generation. The Millennial generation, about 76 million in number, will eventually replace the Baby Boomers in the workplace and they will bring with them a different set of workplace communications expectations. Contact centers will be forced to change along with the changing workforce or risk being left behind in an increasingly connected world.

The contact center will not escape unscathed the negative impact of the recession of 2009, but it will continue to grow nonetheless. Customer service will remain a critically important component in the battle for customer retention, especially in a recession. For contact center professionals concerned with career security in 2009, the customer service industry will be a relatively good place to be.

60 Ideas in 60 Minutes-Round VIII

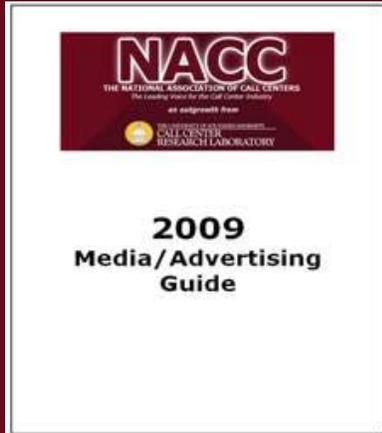
David L. Butler, Executive Director, National Association of Call Centers, David.Butler@nationalcallcenters.org

Paul Stockford, the Director of Research for the NACC, asked me to

alike, there are still clear cultural and social differences that separate North America and Western Europe.

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serve on a panel at the ICCM Toronto call center conference in October this year after serving last year as well. Each panelist was given 1 minute to share their idea for improving call centers before the next panelist's turn. Stockford moderated and kept time for 60 minutes. We have recorded and transcribed the session. To view past rounds, visit our In Queue archive at the following link

<http://www.nationalcallcenters.org/newsletter.php>.

David L Butler - I'd like to talk about self-service again since Bill is talking about service, everybody's talking about me talking about self service, and here's the issue. I'm actually writing a book on it and have completed the research over the last couple of years. Carrots work, sticks don't. Airlines and mobile phone companies have tried to use the stick approach and it backfires in their face. These companies then have to back up and next thing you know they're issuing press releases to apologize for the customers. Carrots do work, however, but you need to train your reps to train your customers. Don't think you can just open channels to self service and customers are just going to gallop all over there going whoohoooo something neat—most people are pretty conservative in their behaviors, they get into patterns, so you need to give them a little nudge, a little kick, a little carrot to get to that channel, and don't shut the door behind them, always leave it open, that little security measure. Additionally expect about an 18 month transition from your customers using multiple channels before they go almost 100% total self service, so don't think its going to be a panacea overnight where you're going to ship those labor costs, don't start cutting staff because you're going to actually need a little bit more during that transition period.

Samantha Kane - I'd like to talk about reporting. It's a pretty complicated subject in most call centers, yet it's typically left to the last decision making process when you're putting in new technology especially if multiple applications are involved. It's the business rules and the business processes that are going to drive what you're going to report on, how you're going to report it and who you're going to report to. There are a lot of organizations, especially in the financial industries, that have 45 to 80 different kind of reporting services that do not provide summaries and do duplicate information, so what we suggest organizations do is take basic intelligence and the content of the report and teaching what it actually means to the reader. It's not the number of reports you get, it's the value and intelligence of the report. If you start off with four reports with meaningful content for the reader, and then build it to eight, we typically see better results and use of the information. Interestingly enough call centers are so robust in what information they gather but don't necessarily share or get asked for by the rest of the organization. There are lots of departments such as the marketing department, or lots of folks in the sales department that would probably like to know what's happening in the call center or something happened that they should know about and it would help them build their campaigns or provide them with real-time business intelligence on the customer they all serve.

Barb Bleiler - I mentioned earlier, mistakes are going to happen. But the one thing that I would like to ask you to do is, are you taking the opportunity to do positive coaching with your reps? When they do something good are you making sure to recognize it and acknowledge them right away? More and more people are coming out saying that they would stay at a location because of a positive reinforcement in their current position. So look in the mirror and say "what are we doing, when I know someone's doing well am I making sure to applaud them?" I know we had some people in our area that are like "if I'm doing my job, I'm doing 100% let me go, let me do what I'm supposed to do." And there are some like that, but there's more people that are on the other

side of it that are saying, "if I'm doing a good job, tell me, would you let me know, you know I have days where I'm not certain, I'm unsure, I'm not comfortable with what I'm doing." That little pat on the back to say "hey that was a great call you just took, or I just got a compliment from a customer on you," you take that second out if you can and actually give that feedback back to you rep really helps make their day because sometimes their days are hard just like ours, we would like our superiors to come by and say great job.

Beel Yaqub- Resource planning is vital for your contact centre success. Your clients count on you to be there for them when they need you. We also know that schedules are the most talked about irritant for contact centre employees. Having a fair and equitable process is very important. What is equally important is providing your employees with a clear line of sight into when they can achieve a more desirable schedule which can accommodate their life and work balance needs. This is done by introducing mini shift bids which allows you to provide more desirable shifts to your employee base on a regular basis. The bid must reward both performance and tenure. Introducing flex schedules and part time profiles will also allow you to provide your workforce with flexible options in addition to improving you organizations ability to enhance service level consistency.

Vicki Herrell-SWPP-vicki.herrell@swpp.org - I am going to suggest that you invite vendors to show you their products. And I know what you are thinking, "What we don't need is another call from a sales person trying to sell us something for our call center." But don't think of these people as interruptions. Vendors can be your resources to teach you about the new technologies and products for the call center. Have your managers invite the vendors who have products in your call center to come in and present their ideas, show their wares, and help you keep up to date on what is new and innovative. And you as attendees here at ICCM have a fabulous opportunity to just go upstairs and talk with the vendors in the exhibit hall upstairs and let them tell you what is new in the industry and what is beginning to develop. You don't have to buy anything but it is great way to get new ideas and keep educated on what is out there.

William (Bill) Durr - No, you don't have to buy anything, we are happy to talk to you all day long. Honest. Let's talk about service level and I don't know what your service level is or how you go about getting it, check all the organizations you want and you will find that when the center is below service level there is focused pressure to recover but when the service level goal is exceeded there is backslapping and high fives. Let me offer you this idea, service level is not like profit, more is not necessarily better. Service level is more like tire pressure, there is a target with a minimum acceptable low and a maximum acceptable high. Performance beyond these limits is financially irresponsible. If you over-achieve on service level you have actually incurred higher costs than you were expected to incur for the organization.

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