

# NACC

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*The Leading Voice for the Call Center Industry*

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newsletter for the  
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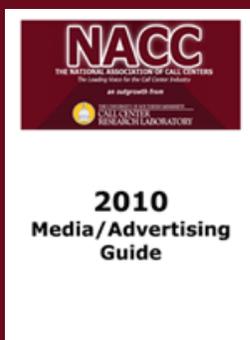
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## NACC Investment Portfolio

## State of the Industry Report 1st Quarter 2010

David Butler, Executive Director, National Association of Call Centers,  
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The NACC is on the cutting edge of what happens in macro economic terms within the contact center industry. For over a decade our research team has tracked call centers as they open, close, expand, contract, add employees, layoff employees, move centers overseas, and much more. As we do each quarter, we report the most recent data in 11 contact center verticals within each state to allow professionals in the contact center industry to be aware of the trends to make the best, and most informed, decisions possible for their business. In the post-recession era of getting back to business basics, it make sense to have this data at your fingertips before spending the limited capital available for your business. So, how do you receive these quarterly reports? Simple, join the NACC. Below is the executive summary from the 1st Quarter 2010 report. Next month's issue will highlight the 2nd quarter 2010 report and data.

### Executive Summary

In the first quarter of 2010 more call center jobs were gained in the United States than were lost creating a four quarter long job recovery from the recession low of 4th quarter 2008. The number of call centers opening versus closing was, however, a slight net negative, indicating that the call center industry is not 100% out of the recessionary woods yet. The call center job losses were most pronounced in the Telecommunications vertical. The largest growth came from the Government sector. Some states, such as Utah and Georgia, had a strong growth in call center jobs while other states, such as California and Virginia, showed a loss of call center jobs.

For details, including charts and graphics of this and more data, join the NACC at <http://www.nationalcallcenters.org/membership.php>.

## From the Trenches

### Best Practices Study Reveals Maturing Contact Centers

Lori Bocklund - President - Strategic Contact, [lori@strategiccontact.com](mailto:lori@strategiccontact.com)

Like competitive athletes, successful contact center professionals always like to keep an eye on the score. If you're in the game, you want to know how you're doing over time and in relation to others. Centerserve's recent release of the 2010 Call Center Best Practices Report provides a perspective on what's happening in the trenches for 130 companies around the world, and how things have changed since the 2007 report. While we can't render generalizations about a large, diverse and complex industry based on a limited sample size, we can offer a few observations from reading the report.

Consistent with other industry data, most participants in the 2010 survey are single-site, small- to medium-sized centers (100 seats or less). China moved into the number two participant spot behind the United States, edging out India. This surge in activity suggests growing consumerism in that economy which (naturally) calls for customer service.

The "top KPIs" show the participant centers are truly operating in a "best practices" mindset. Service level and customer satisfaction outpace all other KPIs, the latter having made a big leap up the list over the last three years. Fifty-six percent of participants measure customer satisfaction with a focus on the contact center (not just general enterprise satisfaction studies), most using phone call or email rather than mail or IVR. The KPI list also includes first contact resolution and cost per contact, reflecting the importance of optimizing the customer experience as well as operational costs. In addition, ninety-one percent of participants have formal quality monitoring programs that provide targeted agent feedback as well as input to training and process improvements.

Stock	Price	Value	Change
NICE	29.51	7.35	-2.65
VRNT	23.76	9.70	-0.30
SYKE	11.97	6.30	-3.70
WIT	13.94	9.31	-0.69
CVG	10.29	5.82	-4.18
TTEC	13.50	5.87	-4.13
APAC	5.25	23.76	13.76
TOTAL		68.10	-1.90

The NACC Investment Portfolio moved up some this period following the disasters performance last month. It is now only \$1.90 in the red, but that is still negative. Only one stock, APAC, is above the initial purchase price. Verint and Wipro are close to breaking even with TeleTech and Convergys far from braking even with losses over \$4.00 each.

### 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
3/12/08	65.47	-11.25	-17.18
6/4/08	81.51	2.93	3.60
9/10/08	66.55	-1.69	-2.54
12/3/08	36.19	3.30	9.13
1/7/09	42.75	2.10	4.92
3/4/09	30.94	-2.42	-7.82
6/10/09	61.67	6.00	9.74
9/16/09	81.26	6.29	7.74
12/16/09	100.81	4.24	4.21
1/13/10	110.48	9.67	8.75
1/27/10	97.93	-12.54	-12.81
2/9/10	94.57	-3.37	-3.56
2/24/10	99.36	4.80	4.83
3/9/10	107.55	8.19	7.62
4/7/10	109.39	1.84	1.68
5/5/10	99.95	-9.45	-9.45
5/31/10	98.29	-1.66	-1.69
7/6/10	60.63	-37.66	-62.12
8/4/10	68.28	7.66	11.21

The NACC Composite Index was up 11.21 points this past month. Up is a good thing, but last month it was down 62 points, so there is much room to move upwards and still over 30 points before we break even at the 100 point starting mark.

It's a multichannel world, with 80% of participating centers offering email and nearly 40% supporting text chat. Most centers report increased inbound call volumes even with the diversification of channels, the use of the web, social media and mobile devices, and a sluggish economy. [We can't throw out those Erlang C tables yet!] Clearly the demands on and role of the center continue to grow.

Most centers (87%) have gotten on the pay-for-performance bandwagon by offering agents incentive compensation. KPIs alone may motivate, but KPIs and bonus money seem to drive results. Another interesting tidbit showing investment in staff: despite ever-present pressures on operating costs, half of the participants are increasing agent training time. This data may reflect a willingness to spend money to most effectively serve customer needs and may also emphasize the growing complexity and diversity in contacts which ultimately demands more training.

I take all these results as signs that management "gets" the role service excellence plays in attracting and retaining customers. In short: What we do, how we do it, and how customers perceive our work all impact the bottom line.

While these findings suggest a growing maturity in contact center operations and management, there are a few clear opportunities for improvement. Escalations are on the rise primarily due to customer dissatisfaction with company policies and agent inability to help, both of which cry out for process reviews. And Supervisors continue to feel an imbalance in where they should spend their time and where they do spend their time: training, analysis and QM are the targets, but meetings, problem resolution, and staffing/scheduling disproportionately consume them.

In our consulting practice, we always find people are eager to look at "benchmark" data to compare themselves to others in their industry. A best practices study such as Centerserve produces every few years provides that comparison point (complete with bar graphs and pie charts) while also reflecting industry trends. For centers that crave an understanding of what others are doing, these types of studies are a valuable resource for the market. Compare your center to others and think about what you might want to put on your "to do" list to move a step closer to being the best.

Visit [www.call-center.net](http://www.call-center.net) for more information on Centerserve and their recently released report.

### Early Survey Results Indicate Industry Optimism

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research, [Paul.Stockford@nationalcallcenters.org](mailto:Paul.Stockford@nationalcallcenters.org)

As covered in last month's In Queue newsletter, the NACC has launched its third annual survey of the attitudes, opinions and intentions of contact center professionals. The results will provide a benchmark for readers to better understand how their own industry perspective compares to that of their peers. As always, survey results will be reported in future issues of In Queue and NACC members will have the opportunity to request cross-tabulations or other inquiries to help them better understand the results.

If you haven't yet participated in the survey, please take a few minutes to do so now. I designed the survey so that it could be completed in less than five minutes. There are no open-ended, time consuming questions -- just boxes to tick. I promise you the few minutes it takes you will be time well-spent as your perspective becomes part of the industry perspective published in this newsletter and becomes the basis for other research that we will launch throughout the next year.

To participate in the survey click on this link: <http://www.surveymonkey.com/s/258PTTG>

Many of you have already participated in the survey and for that we thank

Dow Composite	9.61%
S&P 500 Composite	8.80%
NASDAQ Composite	9.10%
NACC Composite	11.21%

The *NACC Composite Index* was up 11.21% while the Dow, NASDAQ and S&P500 were all up around 9.0%.

### Quote

"Isn't it interesting that the same people who laugh at science fiction listen to weather forecasts and economists?"  
-Kelvin Throop III

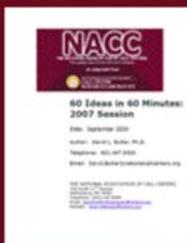
### Picture of the Week



This is the picture many of us have been hoping many months for, the pressure reading on the Deepwater Horizon rig reading almost no pressure from the BP well meaning that the oil leak is stopped and the well is almost sealed for good. Now the long road to recovery can begin.

### Reports from the NACC

The NACC has been burning the midnight oil and typing until our fingers are sore to bring out reports to our members. Each is listed below. If you are interested to see what we are writing about, click on the images below and download the executive summary of each. If you like what you see, join the NACC so that we can send you these reports and others that will be coming out soon to ensure you know the latest trends in the industry.



you. Because of your dedication to your profession we have some early survey results that all of our readership may be interested in. Remember, these are early results and are subject to change as the number of survey participants increases but I think they are worthwhile to discuss as the results develop.

As the country continues to struggle through a fragile economic recovery, there is a clear sense of optimism in the contact center industry, according to our early survey results. We asked respondents what their expectations were for the economy in 2011 compared to 2010. 52.6 percent of respondents indicated their belief that next year will be somewhat better or much better economically than this year. 44.1 percent believe that next year won't be any worse than this year and I consider that a positive response given the volume of bad economic news the media enjoys bombarding us with every day. Only 3.4 percent of respondents think next year will be somewhat worse economically than this year and there wasn't a single respondent so far who thought that 2011 will be much worse economically than 2010.

Respondents are even more optimistic about how well their own businesses will do in 2011 compared to 2010. 56.2 percent of respondents felt that the company they work for will do somewhat better or much better in 2011 than it did in 2010. 37.5 percent believed that business in 2011 will be about the same as it was in 2010 and only 6.3 percent of respondents thought that their business would do somewhat worse in 2011.

The majority of respondents that indicated a belief that their business would do somewhat worse next year were in the financial services vertical market. Other respondents in this category came from the health care and publishing vertical markets.

The industry's overall optimism is also reflected in agent hiring plans for the next year. 28.1 percent of respondents indicated that they plan to add additional agent headcount over the next year. 65.6 percent of respondents expect their agent headcount to remain stable over the next year while only 6.3 percent of respondents expect to reduce agent headcount over the next year.

Those most optimistic in terms of hiring plans over the next year were from the retail vertical market, which is somewhat surprising given the current news reports of sagging consumer confidence in the U.S.. Other vertical markets with a strong showing in hiring intentions included Computer and Software and Third Party Outsourcing.

If you've read this far you are obviously interested in this type of data. If you've read this far and haven't yet participated in our survey, you need to rectify that oversight immediately. Just go to <http://www.surveymonkey.com/s/258PTTG> to ensure that your voice is heard among the dedicated customer service professionals who have already participated in our annual survey.

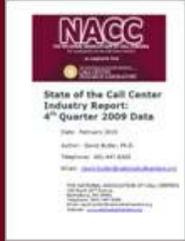
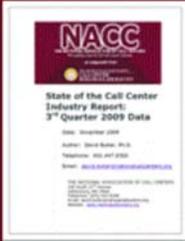
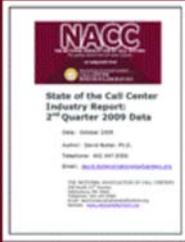
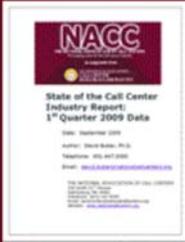
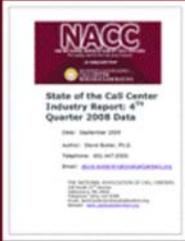
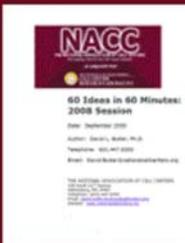
Look for more survey results in upcoming issues of In Queue. NACC members are welcome and encouraged to contact either David ([david.butler@nationalcallcenters.org](mailto:david.butler@nationalcallcenters.org)) or me with questions or comments regarding this survey project.

### Outsourcing and Pop Culture Coming to a TV near you soon

David Butler, Executive Director, National Association of Call Centers, [David.Butler@nationalcallcenters.org](mailto:David.Butler@nationalcallcenters.org)

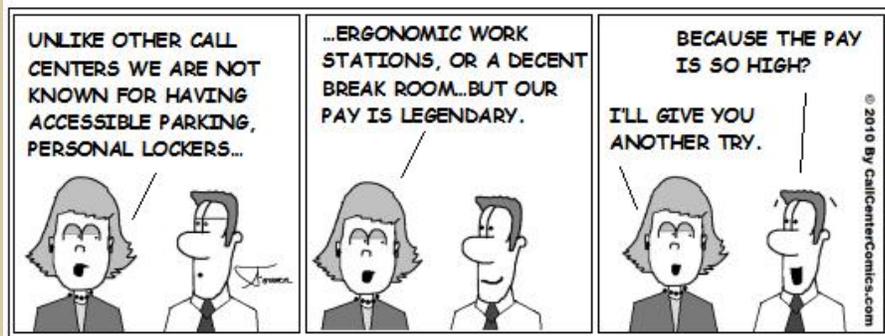
The NBC television network announced that starting fall 2010 a new show titled "Outsourced" which will follow a cast of characters of an India-based call center serving the US market. This comedy is apparently not only going to parody the Indian call center worker from the American perspective, but also draw on how odd the US culture looks to the Indian call center agent.

The fact that a sitcom was bought by one of the large networks with the offshore contact center focus should tell us how pervasive the offshore contact center experience has become for Americans. This national experience should



allow the audience to empathize with the situations the writers put before us on the screen. This combined with Senator Schumer's promise to bring a call center offshore fee legislation before the senate should prove to be a very interesting fall for all of us in the contact center industry.

### Call Center Comics!



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.

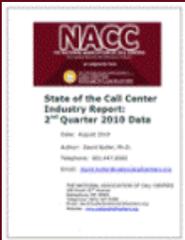
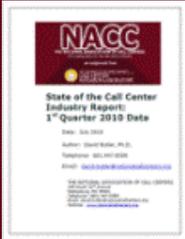
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