

# NACC

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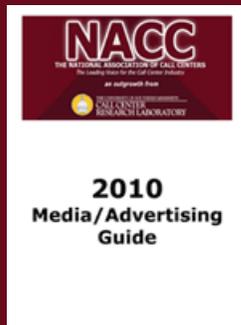
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## NACC Investment Portfolio

## State of the Industry Report 2nd 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 2nd Quarter 2010 report.

### Executive Summary

In the 2nd quarter of 2010 more call center jobs were gained in the United States than were lost creating a five quarter long job recovery from the recession low of 4th quarter 2008. The number of call centers opening versus closing was also positive indicating that the call center industry is on its way to an economic recovery and hopefully stability. The call center job losses were most pronounced in the Financial Services/Banking/Insurance vertical and with the largest growth coming from the Telecommunications sector. Some states, such as Arkansas, had a strong growth in call center jobs while states such as Ohio, Massachusetts, New Mexico and Oklahoma 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>.

## Got 20 Minutes to Trade for a Free NACC Membership?

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

Each year the NACC recruits a core group of volunteers who agree to participate in our surveys in exchange for a free NACC membership. When I design our surveys, I design them so that they can be completed in five minutes or less. Our biggest survey of the year is the one that we conduct during the summer. Many of you have already visited the site and completed the survey. If you're curious to see what the biggest of our surveys looks like, go to: <http://www.surveymonkey.com/s/258PTTG>. While you're there, why not complete the survey and see how easy it is.

The most we'll do in a single year is three or four surveys. The one I'm talking about here is the first one of the year so we have asked our volunteer members to do absolutely nothing for the first six months of the year while we delivered them market data and market reports.

Believe it or not, there were volunteers who took advantage of the free membership and the accompanying benefits but did not honor their side of the agreement when we asked them to take five minutes to complete our first survey of the year. These volunteers have been culled from the membership roster, which means there are a handful of vacancies available for those who would like to trade 20 minutes a year for a \$500 NACC membership.

As a new volunteer member we will get you caught up on the reports and data that have already been sent to members. You will immediately be put on the distribution list for the business opportunities that come in to the NACC and you will have immediate access to other benefits such as the advisory service the NACC offers its members. In return, you will participate in our current survey and agree to participate in any surveys that may come up for the rest of the year. No other surveys are planned yet but there may be one or two more to help us clarify responses we receive to the annual survey.

If you are interested in becoming an NACC volunteer in exchange for this free

Stock	Price	Value	Change
NICE	28.27	7.04	-2.96
VRNT	25.10	10.25	0.25
SYKE	13.49	7.10	-2.90
WIT	13.09	8.74	-1.26
CVG	10.20	5.77	-4.23
TTEC	13.21	5.74	-4.26
APAC	5.16	23.35	13.35
TOTAL		67.99	-2.01

The NACC Investment Portfolio barely moved following the performance last month. It is now \$2.01 in the red, but that is still negative. We now have two stocks, APAC and Verint, which are above their original purchase prices. Wipro is closing in on the positive side but the remaining are all are two dollars or more to break even.

### 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
9//2010	64.78	-3.50	-5.40

The *NACC Composite Index* was down to 64.78 points this past month or negative 5.4%. Until the cash hoarding that is going on by all, businesses, government and consumers alike changes, then we are at a new normal for the markets, up a few days, down the next.

membership, please contact me or David Butler to get set up. We'll be happy to welcome you into the fold!

### From the Trenches

#### Avoid Technology Traps as You Budget for 2011

Maren Symonds- Consultant and Marketing Director— Strategic Contact, [maren@strategiccontact.com](mailto:maren@strategiccontact.com)

The recession claimed over eight million jobs and turned up the heat on those who kept their paychecks rolling. We responded by posting five straight quarters of productivity gains, reaching an annualized rate of 3.9%. But with a .9% drop in output per worker in the second quarter of this year, our "little engine that could" seems to have stalled in its tracks. We can't keep pulling that heavy load by puffing faster and faster and saying, "I think I can. I think I can. I think I can." We need a bit of a boost.

Technology has often been the "hole card" for meeting business objectives when the resource deck is stacked against us. It carries the promise of delivering the productivity gains that push us up and over the mountain of work that never ends in a contact center. But with skeptics lining every corridor and budget dollars tighter than ever, you need to be especially vigilant when assembling your technology wish lists for 2011. Here are a handful of traps to avoid:

**The If-You-Build-It, The-Gains-Will-Come Trap.** Most technologies with any kind of staying power have a compelling cost-benefit story to tell. Real people in real centers give testament to the monies they've gained, the costs they've saved, or the customers they've won over. But what's often left on the cutting room floor is the painstaking effort in business process design, organizational restructuring, and/or interdepartmental coordination to reap the benefit of the investment. If you're planning a leap forward in a new area, make sure you've accounted explicitly for resources you'll need to do the hard work in design, development, and implementation so that your technology will work hard for you.

**The If-It-Was-Good-Enough-For-Your-Father, It-Is-Good-Enough-For-You Trap.** The corollary to the Field of Dreams trap comes into play for replacement technology. We take out the old and usher in the new with little fanfare and little change. We keep the same old processes and simply adapt them to the new application. It's a missed opportunity. If you have one of these projects on the drawing board, take the time to discover how these new tools and technologies could transform the way you do business. An accompanying investment in business process re-design could reap huge rewards.

**The I-Only-Have-Eyes-For-You Trap.** Self-Service gurus across the land are always trying to figure out how to get more of their real-time voice traffic to switch to an agentless medium. Unfortunately, the IVR person focuses on IVR, the web person on the web, the social media person on social media, and so on. Meanwhile, your customers may already be using as much IVR as they care to use. They may be cultivating new forms of communication with other companies. And they may have needs that none of your siloed service offerings address. Before you're too far down the path of next year's self-service plans, take the time to assemble the "brain trust" and think outside the box. You may need a fresh approach to multi-channel service.

**The Have-It-Your-Way Trap.** You've got to love in-house software developers who have the ambition to tailor your software applications to your specific needs. A home-grown application here, a customized incarnation of a vendor application there, and pretty soon you've created your own private ball game. The trap sets when your developers can't keep pace with the market or your requirements, or your customized software falls out of step with the vendor's new releases, or your ongoing maintenance costs start breaking the bank. Just because you can (customize), doesn't mean you should. Take a good, hard look at standardized, configurable offerings before you get too enamored with doing your own thing.

It's a tough world out there. Technology can be your best friend if you think

Dow Composite	-2.75%
S&P 500 Composite	-2.58%
NASDAQ Composite	-3.35%
NACC Composite	-5.40%

The *NACC Composite Index* was down 5.40% while the Dow, NASDAQ and S&P500 were all up down less around 2-3%.

### Quote

"Whenever you find that you are on the side of the majority, it is time to reform."

-Mark Twain

### Picture of the Week



Summer has only a few more weeks left officially, so it's time for a car trip around the West. This cholla cactus is in Death Valley National Park, the lowest, driest, hottest spot in North America. Though this cholla is at a few thousand feet in elevation, the lowest spot in the park, Badwater, is 282 feet below sea level. The record temperature recorded in the park is 134 degrees and 120+ days occur almost every year. The park is a beautiful place to visit during the winter with daily temperatures in the 60s and 70s.

### 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.

strategically and get your people and process acts together and aligned. Then – at least for contact centers – the productivity dip of Q2 2010 might get some productivity zip in 2011.

### Web 2.0-Beyond Twittering your Facebook

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

When you've heard enough about the coming social media tsunami and the contact center, please take a few minutes to take a look at a paper I authored regarding the broader impact of Web 2.0 on the contact center. The paper was sponsored by Calabrio so it's free for you. Click on the Calabrio banner at the bottom of this newsletter to get taken straight to where you can download the paper. Once you've read it, I'd be interested in your take on the issue of the true impact of Web 2.0 in the contact center. The way I see it, Web 2.0 goes way beyond social media. How do you see it?

### Contact Center Employment Continues Growth Trend

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

The NACC recently released the second quarter 2010 State of the Industry report to members (see lead article for the executive summary). As detailed in the report, the contact center industry realized its fifth consecutive quarter of growth following the recession low of Q4 2008. There was net growth in the number of contact centers opened as well as the number of jobs created. Contact centers were not just hiring to replace agents lost to attrition; new jobs were being created in both the quarters of this year.

Job gains and losses were not evenly distributed across the industry. Given the current economic climate there were some states and vertical markets that were hit harder than others. Surprisingly, many contact center outsourcers seemed to take the biggest hits in job losses over the first six months of this year while other contact center outsourcers were among the top companies hiring contact center positions during this same period. In fact, of the top ten companies gaining jobs during the first half of 2010, five were outsourcers. Of the top ten companies losing jobs during the first half of 2010, five were outsourcers.

Overall the North American contact center industry gained 20,274 jobs and lost 17,982 jobs during the first half of 2010 for a net gain of 2,292 jobs. Besides outsourcer contact centers, job growth came from companies in Health Care, Education Services, Insurance, Telecommunications and the U.S. Government.

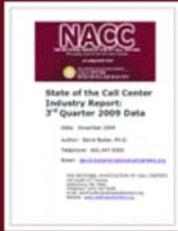
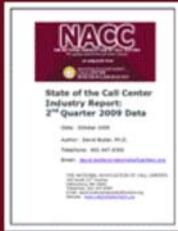
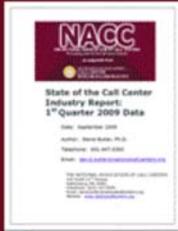
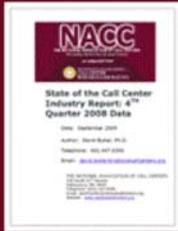
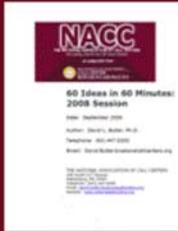
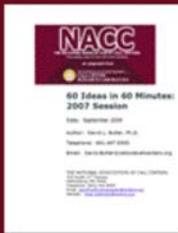
Job losses came not only from outsourcers but also from vertical markets such as Telecommunications, which led job losses during the first quarter, as well as Financial Services and Travel. The largest loss in the second quarter came from an Internet Service Provider.

Regional shifts in contact center labor markets are detailed in the State of the Industry reports that were distributed to NACC members. The highlights of market shifts were included in the executive summaries of those reports, the second of which is included in this newsletter.

Overall, we are encouraged by the continued growth in contact center employment, which flies in the face of reports of increases in jobless filings in the U.S. economy overall. We believe these job growth numbers validate the importance of the customer service function during our fragile economic recovery and further validate the resiliency of the contact center industry as a whole.

### Putting our Veterans to Work

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



As the last combat troops leave Iraq it is important to remember the veterans who are already home, many with devastating injuries and disabilities that are a result of their military service. Like their colleagues returning home and thinking about the transition back to civilian life, these wounded warriors need to find a career that will ensure economic security as well as provide job satisfaction while accommodating the disabilities sustained during their military service.

Veterans2Work ([www.veterans2work.org](http://www.veterans2work.org)) is a non-profit organization that works to improve the employability and job success of special needs veterans, their spouses and caregivers. They accomplish this objective by training disabled veterans to work as customer service representatives in contact centers. Veterans2Work offers these veterans programs in career assessment, training, job placement and mentoring – all at no cost to the veteran. Contact centers that tap into this employee resource receive what Veterans2Work describes as the “Can-do productivity of U.S. military veterans.”

Besides being able to deliver highly-motivated, fully-trained contact center agents as employees, Veterans2Work has partnered with Vertex Business Solutions to offer outsourced contact center services manned by a workforce of about 1,900 disabled and other special needs veteran agents among its worldwide workforce of 9,000 agents in 70 locations.

Veterans2Work was founded by John Reynolds, himself a service-disabled veteran of the Vietnam conflict and a veteran of 30 years as a sales, marketing and customer care executive. In the interest of full disclosure, I have known John for nearly 20 years so I admit to having a personal interest in Veterans2Work. As a veteran myself, I admit that putting veterans to work is a topic of paramount interest to me.

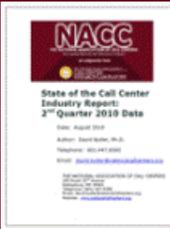
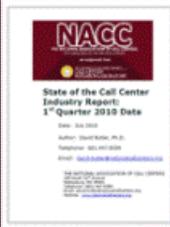
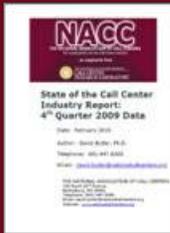
During a recent conversation, John suggested that working with Veterans2Work offers businesses a quadruple win. First, businesses will be able to tap into a fully trained and, in some cases, experienced workforce that can hit the ground running. Second, businesses can expect to receive better results from these motivated and disciplined veterans. Third, most of these veterans are eligible to provide their employer the Work Opportunity Tax Credit of up to \$4,800 per employee. Fourth, because profits are re-invested in veterans’ job and career success, it’s a great way to contribute to veterans’ well being—without sacrificing any business advantage.

I submit that there is a fifth reason for working with Veterans2Work and hiring from this pool of qualified, motivated disabled veterans the next time you’re hiring customer service reps. Simply put, it’s the right thing to do.

Contact John Reynolds via e-mail at [john@veterans2work.org](mailto:john@veterans2work.org) or by telephone at 415-925-1515.

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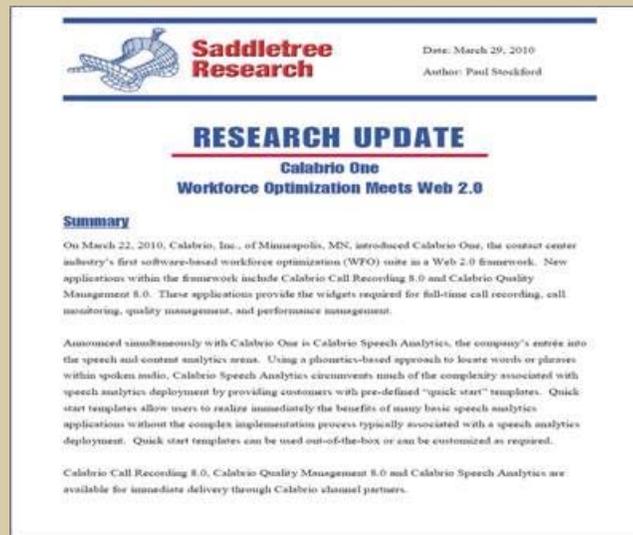
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## Sponsor Reports

Click on the image below if you would like to download a copy of this Web 2.0 report from Calabrio written by Paul Stockford.



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