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In Queue

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

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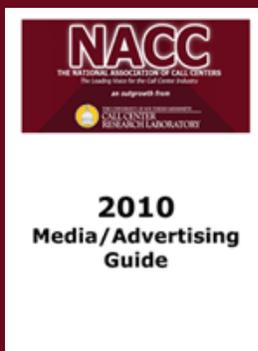
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Contact Centers Continue to Grow-New NACC Report Finds

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

The NACC's *State of the Industry Report: 4th Quarter 2009* was released this week. The executive summary from the report is found below. All members of the NACC received their copy of the report earlier this week. If you would like to receive a copy of the report you can join the NACC at the following [link](#).

With the global economy in a recession and slow recovery, uncertainty seems to lurk around each corner. Not knowing the industry trends can be a huge liability to your organization. Join the NACC to be sure you are kept up-to-date with the latest trends in the industry. The \$500 membership more than pays for itself in the strategic knowledge gained from the reports that members receive.

Executive Summary

In the fourth quarter of 2009 more call center jobs were gained in the United States than were lost creating a three quarter long job recovery from the recession low of fourth (4th) quarter 2008. The number of call centers opening versus closing was, however, a net negative, somewhat dampening the appearance of a solid ongoing recovery for the call center industry within the United States. The call center job losses were most pronounced in the Telemarketing sector with the largest growth coming from the Financial Services sector. Some states had a strong growth in call center jobs such as North Carolina and Georgia while other states such as New York and Texas showed a loss of call center jobs.

From the Trenches

Business Process Optimization: Discovery-Know Yourself

Brian Hinton, Principal Consultant – Strategic Contact, brian@strategiccontact.com

In the first article in this series, we discussed the importance of defining your overall BPO project and establishing the project team. This article looks at Discovery – the first step down the road toward optimized

evidence of their dedication to the growth of call center industry. See the [NACC Advertising Page](#) for more information.

Share the Knowledge

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NACC Investment Portfolio

Stock	Price	Value	Change
NICE	31.28	7.79	-2.21
VRNT	23.40	9.55	-0.45
SYKE	24.03	12.65	2.65
WIT	21.01	14.03	4.03
CVG	12.51	7.08	-2.92
TTEC	17.50	7.61	-2.39
APAC	5.20	23.53	13.53
TOTAL		82.23	12.23

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

And then there were seven. This past week, Sykes Enterprises, a third-party outsourcing provider in the contact center industry, purchased ICT Group, also a third-party contact center outsource provider. Both Sykes and ICT Group were part of the NACC Investment Portfolio and Composite Index. When we started the indices in November 2007 there were nine publically traded stocks. Since then Nortel went bankrupt and now Sykes has purchased ICT Group, leaving us with seven. This means to be able to measure profitability or loss in our Investment Portfolio we are now dividing by seven stocks at \$10 each instead of nine stocks at \$10 each. Using the new baseline of \$70, the investment portfolio is still in positive territory. If we choose to absorb the two \$10 losses, that of Nortel and ICT Group, then we are at a loss with only \$82.23 from a total \$90 investment. I suspect that as credit starts to loosen up and companies such as contact center third party providers who fared well during the downturn look to spend cash, more mergers and acquisitions will begin to show up in the industry.

processes.

Why Discover

Before redesigning processes, it is important to understand your current environment so that the end-state meets your needs. Discovery provides that understanding – what is unique about your organization, the issues your face, and the goals you have defined. Discovery establishes the context within which you define and understand your current processes.

How to Discover

Begin Discovery through team meetings to review the project process and discuss the goals of each stage. Clearly, a key aspect of Discovery is gathering and sharing information about your current situation. Team members will assemble and present the following information for the area(s) they represent:

- Overview of current operations, processes and technology
- System and process demonstrations
- Observe processes, if required for everyone to be fully informed
- Discuss strengths, weaknesses, and opportunities in each area

This exercise ensures that all team members fully understand the end-to-end process flow and how each area impacts other areas. In addition, the team needs to get up to speed on best practices and enabling technology for each area under review. Be sure to assign responsibility for research and reporting to the entire team and assign due dates.

The final step in Discovery is to revisit the project definition and scope now that all team members have the information they need. Use standard one-dimensional flow charts to define the high level call center functions with basic links to other departments. These charts help define the scope of the current project and identify "touch points" into processes for which others are responsible. Use tools such as Responsible, Accountable, Consulted, Informed (RACI) tables to explore links to other areas and ensure those stakeholders are at the table. Finally, use multi-tiered, swim-lane charts to document processes when required.

As you conclude Discovery, you should have a clear understanding of your current processes such that they support documentation of the fully optimized "to-be" processes in a later stage of the project.

Successful Discovery

Here are some critical success factors to keep in mind as you "Discover" your current operations:

- Expand Discovery beyond your own four walls – research benchmarking and best practices within and outside your industry to fully understand what is possible.
- Explore how state of the art technology might enable your process vision
- Don't spend time blindly following unnecessary steps. You need only understand your "as-is" environment and processes sufficiently to move forward. Don't get bogged down in detailed "as-is" process mapping unless it has a material impact on process redesign.
- Record baseline metrics to ensure you can measure the results of process redesign when the project is complete.

In the next article, we'll look at the second stage of a BPO project – Assess and Analyze – and how it builds on Discovery, moving one step closer to successful process optimization.

Hold the Phones!! My Excellent Virtual Queuing

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

The *NACC Composite Index* was up 4.83% after two previous reporting periods being down. The index is now at 99.36, not quite in the positive territory of 100 yet, but close. Note that the formulas for the composite index have been adjusted to reflect the losses of the floated shares of ICT Group which no longer exists as a traded company as of 2 February 2010 and instead have been converted into .3423 shares of Sykes stock.

Dow Composite	3.14%
S&P 500 Composite	3.14%
NASDAQ Composite	3.80%
NACC Composite	4.83%

The *NACC Composite Index* was up 4.83% the past two weeks. The other indices were up as well with the Dow and S&P500 each up 3.14% and the NASDAQ up 3.80%. The composite index beat all of those by at least 1% which is what I like to see and report.

Quote

"Finishing second in the Olympics gets you silver. Finishing second in politics gets you oblivion."

-Richard Milhous Nixon

Picture of the Week

Adventure

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

Earlier this month I was invited to speak at a company meeting held by Virtual Hold in Akron, OH. Although Virtual Hold sells virtual queuing solutions, I was asked to speak about the contact center industry in general, which was good news for me because I am admittedly a little light in my knowledge of virtual queuing solutions. Of course, I knew what virtual queuing was and I've even had the opportunity to use it on occasion, but my knowledge of virtual queuing wasn't as in-depth as my knowledge of other industry technology solutions. I didn't realize what an education awaited me on that trip to Akron.

Believe it or not, Akron, Ohio, isn't the easiest place to get to and from by air, especially from my starting point of Phoenix. Apparently there isn't a lot of demand for flights from Phoenix to Akron and back so I ended up with extra time on my hands between the end of my morning presentation and my flight back to Phoenix later that evening. I asked Virtual Hold's CTO, Eric Camulli, who invited me to the meeting, if I could hang around for a while after my presentation. He consented, I did, and it turned out to be quite a learning experience.

I suppose the cost savings and customer satisfaction benefits of a virtual queuing solution should be intuitive. After all, you're giving the caller an alternative to hanging on the telephone for what always seems to be an eternity when you're the one on hold, and you're cutting down on your phone bill if you happen to offer the caller a toll-free number to your contact center. What I didn't realize was the magnitude of the savings realized when using a virtual queuing strategy.

Virtual queuing is a fairly simple concept to grasp, but its effects can often mean the difference between a happy customer and a frustrated former customer. Virtual queuing kicks in when the expected call hold time exceeds a certain threshold, which is set by contact center management. At that threshold point the caller is offered the option of continuing to hold or receiving a callback at the same time his or her call would have hit the head of the queue anyway. In other words, the call retains its position in the queue and the caller is not punished for taking the option to stop listening to endless loops of new age music-on-hold.

Some customers will continue to hold regardless of callback options although I have no idea why. I suppose skepticism is the likely culprit. I recall the first time I used a virtual queuing option many years ago. I was calling a customer service center around lunchtime and I didn't want to keep hanging on the phone so I took the callback option and headed out to lunch. I honestly didn't expect to receive a callback soon or even at all so I was totally surprised when I returned from lunch and there was a message on my voice mail from an agent returning my call within a few minutes of my requesting the callback.

For many companies, virtual queuing has enhanced the experience of their customers as well as enhancing the balance in the bankbook. When I saw some of these savings presented in case studies, I was impressed – so much so that I asked for permission to reprint some of the case studies in this week's In Queue.

Although I can't use the specific customer's name, one of the case studies I was privy to detailed the virtual queuing experience of a major Midwest airline. A quarterly analysis from their contact center showed that they received 6,892,411 calls during the quarter. Of those, 4,775,039 calls reached the hold threshold set by the company where



Traditional shopping in Shanghai. This funny looking Blue Guy is the mascot for the 2010 World Expo, to be held in Shanghai this year from May 1 to the end of October. And, apparently, they are still looking to fill some of the Expo positions. Interested? The catch? You need to be fluent in both Chinese and English. That, and you need to actually be in Shanghai. Jin Mao Tower is in the background.

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.



callers should be offered a callback option. As I recall, the wait-time threshold in this situation was two minutes. All of these callers were offered the option for a callback when their call reached the head of the queue.

As previously mentioned, not everyone takes the callback option but in this case 42 percent of callers chose the return call option. That's 2,025,622 callers who were smart enough to get off the phone and do something else until the agent returned their call. This is where things get interesting.

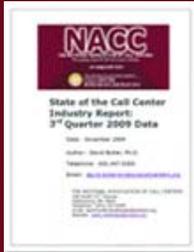
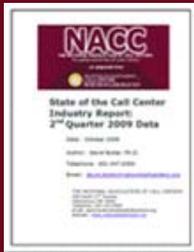
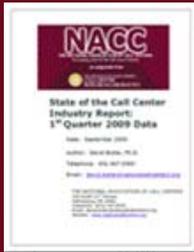
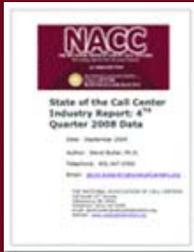
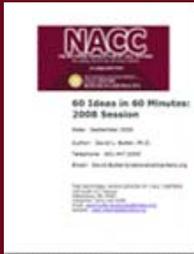
Using the average speed of answer (ASA) in this situation, which was 5.9 minutes, and knowing that 2,025,622 calls were terminated after two minutes as the virtual queuing solution kicked in, the hold-time minutes saved equaled 21,002,045 toll minutes. If you whip out your calculator and follow along with me, you'll discover that 21,002,045 minutes equals 350,034 hours or 14,585 days or 40 years of hold time! And that's just in one quarter.

On the monetary side, this airline provided callers a toll-free number. If we assume a toll rate of \$0.02 per minute, which is not unreasonable, we find that this company saved \$420,041 in toll charges during one quarter alone while improving their ASA and their service levels.

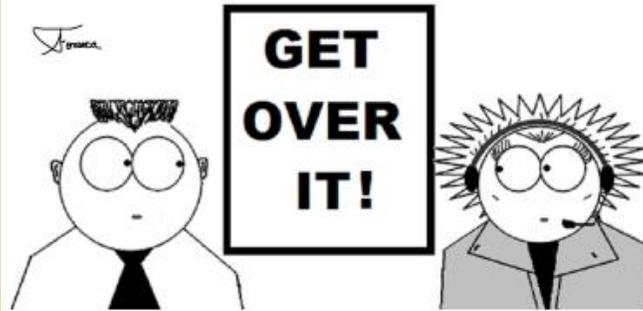
There were equally impressive results in other vertical markets. An insurance company saved 29,092,310 minutes of hold time in 2009 as callers chose to take advantage of the callback option. Again using a toll rate of \$0.02 per minute, this company saved \$581,826 in toll charges during 2009 while also improving the customer experience for those callers.

For the past decade there has been a lot of talk in the industry about customer experience management but most of it has been fluff. Solutions like virtual queuing are the real thing – something you as a manager can get your arms around and something your customers will truly appreciate in a tangible way. These types of blue collar solutions, if you will, provide solid value for the contact center and truly contribute to an exemplary customer experience in a way many of today's high-profile contact center solutions cannot.

Call Center Comics!



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WHILE THE POSTERS PROVIDED A LOW COST ALTERNATIVE TO FORMAL CHANGE MANAGEMENT, THEY INEXPLICABLY FAILED TO GET EMPLOYEE BUY-IN.

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