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North American Contact Center Industry 2009 – 2010: The Year in Review and a Look Ahead

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Executive Summary

2009 proved to be a year of contradiction for the contact center industry. While contact centers in some vertical markets experienced large scale layoffs or outright closings, contact centers in other vertical markets thrived and grew. Economic conditions made it clear from the beginning which vertical markets would survive and why. Although technology suppliers generally experienced a decline in revenues, the contact center industry itself experienced a net gain of 10,500 new jobs.

Despite the economic slowdown, interest in certain technology solutions continued. Voice over Internet Protocol (VoIP) passed the point of inflection in 2009 with more than 50 percent of the market reporting that they are using VoIP in their contact center. Market segments such as workforce optimization (WFO) continued to grow not only in shipments to buyers, but in interest among potential buyers. New technologies such as unified communications (UC) and speech analytics also continued to grow in interest among potential buyers.

The product that had been funded for purchase in 2010 more than other among NACC survey respondents was agent desktop software. As the year 2009 progressed and the NACC continued to survey and otherwise communicate with members, it became clear that agent productivity tools were top of mind among buyers. In response to this, we saw the launch of desktop analytics solutions in early 2010. We view desktop analytics as the first important contact center technology development of this decade.

The march toward the use of Web 2.0 applications in the contact center continued in 2009 although not in ways most readers would expect. The capabilities of the Web 2.0 framework extend well beyond posts and tweets on social networking sites. A handful of innovative vendors have introduced products that begin to leverage the true value of Web 2.0 in the customer service scenario. 2010 has already seen the refinement of some of these products as the return of business confidence has more vendors thinking beyond survival mode and innovating once again.

All leading call center companies and suppliers should examine the *NACC Underwriting* opportunity in 2010 as evidence of their dedication to the growth of call center industry. See the NACC Advertising Page for more information.

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NACC Investment Portfolio

This past four weeks has been moved the NACC Investment Portfolio slightly down leaving us with four stocks in the black, with Verint just barely, and three stocks in the red, Convergys the most still down $2.86 from the initial purchase price. Overall we are still in positive territory adjusting for the losses of the other two stocks in the portfolio this past year.

NACC Composite Index

2010 will be a year of steady, moderate recovery for contact center vendors and continued growth in specific vertical markets for customer service centers. The wheat will continue to be separated from the chaff in terms of the contact center technology suppliers that had the business acumen to weather the recession with poise as opposed to those who took an overly–defensive economic posture and lost the confidence of their customers.

The importance of the customer service function in the enterprise was verified during the recession of 2009 as companies relied on the contact center to maintain their critically important customer bases. The value of the contact center to the enterprise was proven once again. Whether times are good or bad, the contact center is an essential component of any successful business.

For access to the complete report you need to be a member of the NACC. To join, click on the link below to get started
http://www.nationalcallcenters.org/membership.php

From the Trenches

Business Process Optimization: Design New Processes and Develop the Plan

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In the first three articles in this series, we discussed the importance of defining your overall BPO project, preparing the project team, conducting a discovery of your environment, defining realistic options, and determining tools to enable achieving your vision. In this article, we look to the future Â–designing your "to–be" processes and developing the plan to implement the new processes.

These steps launch your transition from exploring the options to using the analysis your team has done to design new processes and the action plan:
–Validate your project goals, objectives, and scope, focusing on the business drivers and what they mean for process redesign.
–Review and validate the process redesign assumptions.
–Define principles that will govern the types of process changes that the organization can make.
–Identify process changes that support the business goals, developed according to principles. Consider front line processes, support processes, back

Stock	Price	Value	Change
NICE	32.60	8.12	-1.88
VRNT	25.49	10.41	0.41
SYKE	23.00	12.10	2.10
WIT	23.43	15.64	5.64
CVG	12.62	7.14	-2.86
TTEC	17.31	7.53	-2.47
APAC	5.83	26.38	16.38
TOTAL		87.32	17.32

The *NACC Composite Index* was up just 1.68% after the past four weeks. The index is at an all time high of 109.39, which is good news. This puts the index in positive territory over the pas three reporting periods, or eight weeks, however you want to measure it. Hopefully, next time I report back to you it will be over 110.

Dow Composite	3.15%
S&P 500 Composite	3.55%
NASDAQ Composite	3.72%
NACC Composite	1.68%

The *NACC Composite Index* was up 1.68% while the other indices were up between all over 3.0%. The NACC Composite Index had been leading the other indices significantly for the past few reporting periods making me wonder if the capital that went into the call center sector is starting to slow and more capital is flowing into more broad-based, less niche,

office processes, other workflows, and self–service.

How to Design the New Processes

Once you have the context within which you will design your new processes, start by documenting the functions performed in the contact center at a high level to understand the relationships among the functions and to identify touch points outside the contact center. This step ensures that as you target the specific functions or sub–functions for re–design/optimization, you understand the implications for other processes within the contact center and outside the contact center. You will also identify any other impacted stakeholders that should be part of your project team. We suggest using basic flow charts as shown in Figure 1.
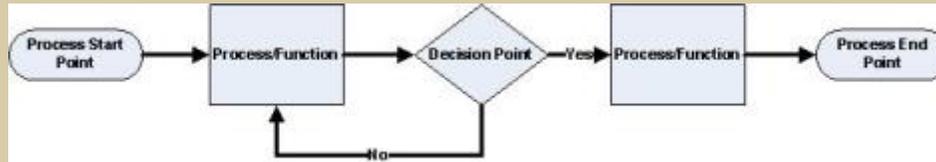

Figure 1: Flowchart to define high level functions and the relationships among them

To fully understand the impact of redesigning specific processes and to ensure all stakeholders have been included, define the "players" within each function and the role they will play. We suggest using RACI (Responsible, Accountable, Consulted, and Informed) charts to identify the stakeholders and the role each will play in the function. See Figure 2.

	Stakeholder	Stakeholder	Stakeholder	Stakeholder	Stakeholder
Function	R	C	I	A	
Function		A	R	I	C
Function	A	C		I	R
Function	I		A	R	

Figure 2: Responsible, Accountable, Consulted or Informed (RACI) charts define the stakeholders and roles

Now you are ready to dig deeper into the functions identified for redesign. The next step is to define the vision for the to–be process. Review as–is process analysis/documentation developed during the previous phases of your project as input to your thinking, along with the transition steps noted above. Then draft detailed swim lane charts (Figure 3) supported by process definition tables to document the process vision (or to–be state) for the new processes.

businesses.

Picture of the Week

Outside of Shanghai, we find Yunyansi Pagoda, built in 959 A.D. It was built by the Song Dynasty (which ruled what we now know as eastern China between 960 and 1279 A.D.) and is 47.7 meters tall. Yes, it does lean, by 3.50 degrees, to the east. Not as famous as the leaning tower of Pisa, of course, it too is at risk from
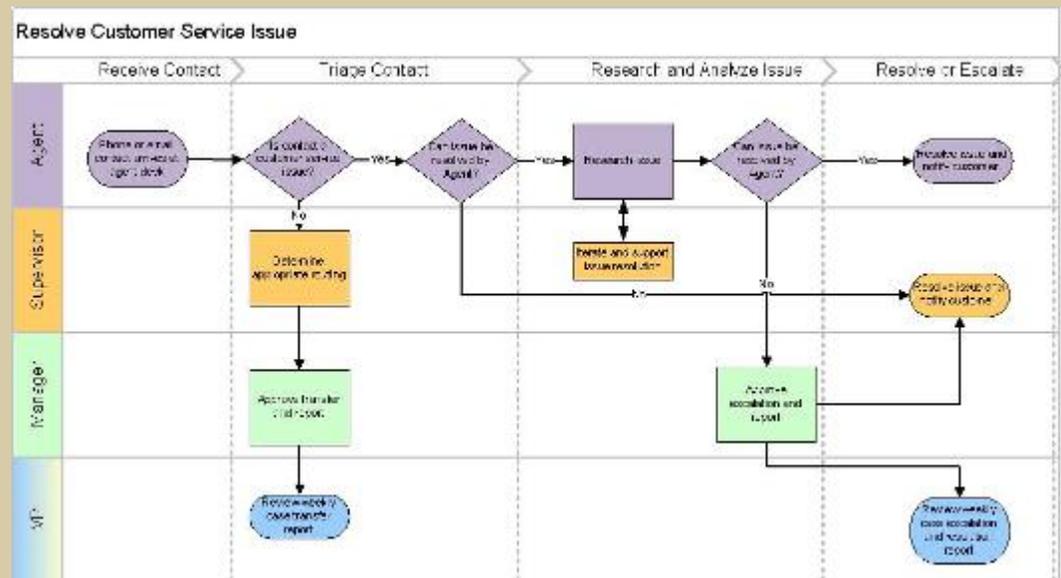

Figure 3: Use Swim lane Flowcharts to document "to–be" process flows

This stage is an iterative process and may involve several meetings to ensure you optimize the to–be processes. Start designing the new process using "yellow stickies" on a white board before finalizing the design. There will be changes as your team brainstorms options.

Successfully Develop a Plan

The specific steps required to plan for implementing new processes within your organization include:

–Review process flows, RACI, swim lane charts and supporting tables to ensure the team completely understands the new processes.

–Identify impacts on staff and changes that are required to support the process redesign. Consider front line staff, support staff, and back office staff.

–Identify how existing applications will be used differently and/or priorities for new technology, including sourcing and support models.

–Review issues and opportunities to change metrics and reporting to meet your goals.

–Define the role of project management in process optimization success.

–Define the role of formal change management in process optimization success.

–Complete any financial analysis of the benefit of the proposed process changes.

–Define key steps to pursue the process changes defined. Prioritize actions and develop target timelines and phasing.

earthquakes.

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.
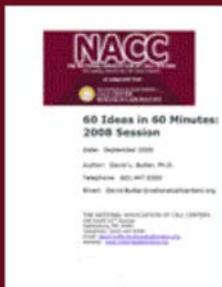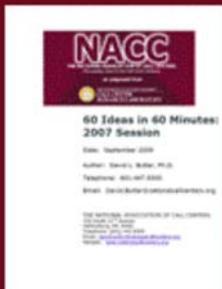
—Define factors to ensure success in executing the plan.

As you complete these steps, you will document the process changes and supporting information, and iterate with the team and the sponsors to validate the process changes. Your goal is the "stamp of approval" to move forward.

In the next article, weÂ'll look at the final stages of a BPO project Â– Execution Â– to bring your process optimization plan to fruition.


Web 2.0 in the Contact Center Â– More Than Just Tweets and Posts

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To read any of the articles about Web 2.0 in the industry media for the past year, youÂ'd think Web 2.0 was the be–all, end–all of customer service in the contact center. In typical CRM hype–like fashion, industry pundits have taken a budding concept and blown it completely out of proportion. Of course Web 2.0 applications will have an impact on the contact center in the future Â– itÂ's unavoidable as more workers from the millennial generation join the workforce and begin careers in customer service. Social media has become a fact of life, like it or not, but IÂ'm not convinced it will be as important in the contact center as most media would have you believe.

There is a greater value to Web 2.0 in the contact center but only a handful of technology suppliers seem to have looked beyond Facebook to see what that value might be. Among the companies that do have a grasp on the true value of Web 2.0 in the customer service environment is Calabrio (www.calabrio.com) as demonstrated by their latest workforce optimization release, Calabrio One.

Calabrio One is a software–based workforce optimization suite in a Web 2.0 framework. The Web 2.0 framework provides users with a common look–and–feel across applications, shared administration and a high degree of flexibility in terms of how the software can be configured for each individual work environment. As agent desktops become increasingly important to the industry, as indicated by the survey results we have published in various issues of In Queue over the past several months, flexibility and customization of the agent desktop should be principal factors for consideration when
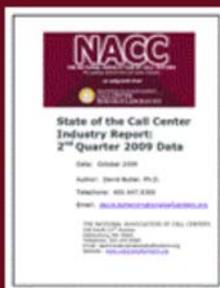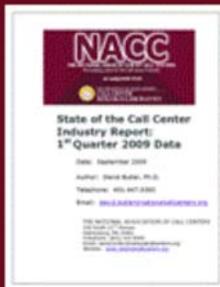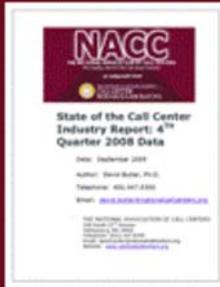
evaluating which software is right for your contact center.

Creating a custom desktop within the Web 2.0 framework can be as simple as drag–and–drop and desktop presentation is highly personalized for the user. Desktops become a mash–up of relevant information and access rather than the cumbersome and clumsy configurations that they often are today. Of course, widgets for social networking sites can also be included on the desktop.

In the interest of full disclosure, I have written a research brief on the topic of how Calabrio One fits into the vision of Web 2.0 in the contact center today and in the future. It is available for download at CalabrioÂ's website, www.calabrio.com.

The next time you read an article about how weÂ'll all be communicating with our customers via social networking sites in the future, maintain a healthy degree of skepticism. But, donÂ't underestimate the importance of a Web 2.0 framework in the contact center. Web 2.0 definitely does and will continue to have an important role in the contact center, and that role revolves more around simplicity, flexibility and customization than it does around Facebook and Twitter.

Gearing Up for our Third Annual Member/Reader Survey

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We are beginning to design the questions for our third annual survey of NACC members and readers of In Queue. If youÂ've been with us for any time at all, you already know that the results of our surveys are published over time in the issues of In Queue that follow the end of the survey period. If youÂ're fairly new to this newsletter and would like to see results of past surveys, review the In Queue archives at www.nationalcallcenters.org. YouÂ'll see that weÂ're as good as our word.

YouÂ'll also know by now that you wonÂ't be bothered by us or anyone else if you participate in the survey. We donÂ't ask for your name or company, just high–level information that allows us to build a demographic profile. David Butler keeps all membership information highly confidential so you can be guaranteed that no salesman will call. Neither will we.
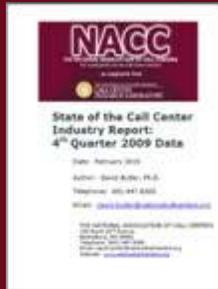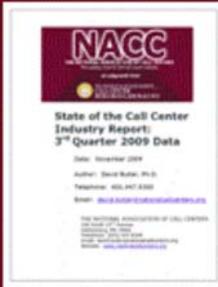
Last year we ended up with 110 completed surveys. WeÂ'd like to double that number this year. The survey is designed so that you can complete it in a couple of minutes through multiple–choice questions. The more responses we get, the more relevant the results will be to you. Your responses allow us to reliably gauge the interests and attitudes of customer service professionals and the In Queue articles that follow survey completion will allow you to compare your interests and attitudes with those of your peers. The results also become the basis for further research and publications on our part for the rest of the year.

NACC members are invited to contact us with any questions or issues you would like to see covered in this yearÂ's survey.

As a true non–profit industry organization, we rely on your participation in all of our endeavors and I hope that you will support our survey efforts again in 2010. Look for the survey launch in the summer of 2010 and donÂ't hesitate to contact David or me with any questions you may have.

Call Center Comics!

If you like this comic and would like to see more write Ozzie at callcentercomics@yahoo.com and visit his website at 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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