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Volume 6, Issue 10 - November 4, 2011

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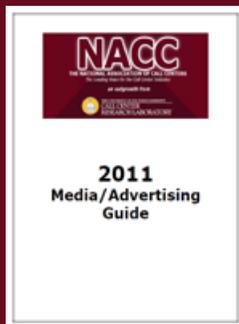
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NACC Investment Portfolio

The NACC Needs You! Volunteer!

Paul Stockford, Research Director, NACC and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

We have a limited number of NACC volunteer memberships available for 2012. Becoming a volunteer member is a straight-forward proposition: we provide you with an annual membership at no cost in exchange for no more than 30 minutes of your time over the next year. What we need are members who will participate in the few surveys we conduct over the course of the year. These surveys become the basis for much of our research so participation is important. That's why we're offering this deal.

The only requirement for volunteer membership is that you work in a contact center in a supervisory, management or executive position. Vendors and consultants are not eligible for the volunteer membership. If you'd like to see an example of a survey, please go to:

www.surveymonkey.com/s/NACC2011.

This links to our biggest survey of the year and as you can see, it takes less than five minutes to complete. While you're there, complete the survey and let me know if I'm not right.

As you know, the NACC is a not-for-profit, university-based organization with limited resources so we count on our members and readers for help in conducting our research. No one will call you in response to your participation in the survey – we don't ask for any identifying information so you can be assured no salesman will call. Even if you're not interested in becoming a volunteer member, please complete this survey for us. We'd be grateful.

If you are interested in becoming a volunteer member, please drop me an e-mail with the word "Volunteer" in the subject line and I'll send you the details. You can always find me at paul.stockford@nationalcallcenters.org and I'm always happy to hear from members, potential members and subscribers.

Wondering About "The Cloud?" Here's Your Answer

Paul Stockford, Research Director, NACC and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

If you're wondering what the big deal is and why there's so much industry chatter about hosted contact centers and contact centers in the cloud, here's your chance to find out.

Earlier this week you should have received an e-mail from the NACC inviting you to attend a virtual conference entitled "The Shift to Hosted Contact Center Solutions" hosted by Genesys and its parent company Alcatel-Lucent. The purpose of the conference is to provide you with just about everything you need to know to better understand this important industry trend. Numerous industry experts will define and discuss the various aspects of the contact center in the cloud, including the hot topic of data and asset safety in the virtual environment.

This is a virtual conference, which offers many benefits. First of all, there is no travel expense involved. You don't have to get dressed up or eat hotel chicken. In fact, you never even have to leave your desk. Similar to other conferences there will be educational sessions, an exhibit hall and content for you to download and keep. Although there will be no tchotchke for you to bring home for the kids, there will be drawings for prizes and a lounge for sharing comments and ideas with other attendees. On top of all this, there is no registration fee and no tuition

Stock	Price	Value	Change
NICE	35.37	8.81	-1.19
VRNT	28.21	11.52	1.52
SYKE	15.34	8.07	-1.93
WIT	10.10	6.74	-3.26
CVG	11.23	6.36	-3.64
TTEC	16.72	7.27	-2.73
TOTAL		48.76	-11.24

And now there are six. When we started the NACC Investment Portfolio and NACC Composite Index in 2007 there were 10 companies that made up each one. Now that APAC has been acquired by One Equity Partners, the private investment arm of JPMorgan Chase & Co, the stock is no longer traded. It was APAC, more than any other stock since the recession of 2008 that kept the portfolio in the positive territory. No wonder it was acquired. With its absence, we are now down to 6 stocks having lost three others along the way to privatization, bankruptcy and mergers. When we purchased APAC it was at \$2.21 and it was sold to One Equity Partners at \$8.55 a share. Not a bad profit for the portfolio but still a loss since now only Verint is in the positive territory. All other stocks are still negative from the original purchase price but improving slowly it appears.

You will note that there is not a NACC Composite Index this month. This is because with all of the stocks exiting from the portfolio the Composite Index is beginning to look weak and will need some adjustment. Maybe it is time to acquire some new stocks that reflect the current contact center environment?

Other Indices

Dow Composite	9.50%
S&P 500 Composite	9.21%
NASDAQ Composite	8.91%
NACC Composite	n/a%

All indices for the past month are up nearly 10%. This is a good sign that even though there is uncertainty in the European monetary union with Greece and a few others, generally the US economy, outside of housing, is growing, even if very slowly. Investors are beginning to realize that since the Federal Reserve is going to hold interest rates a historically low levels for a while, stocks are the only place that will have enough of a return to make the speculation of investment worthwhile.

Quote

"October. This is one of the peculiarly

so no budget pitches to the boss will be necessary.

Mark your calendars for November 16th and 17th to attend this conference. If you missed our e-mail this week, if you'd like more information on this unique event, or if you'd like to register for this conference click on the Genesys banner at the top of this newsletter.

Welcome to life in the cloud!

Contact Center Hiring and Workforce Issues Dominate November Podcast Series

Paul Stockford, Research Director, NACC and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

Taking advantage of another opportunity for shameless self-promotion, the Saddletree Research podcast series this month focuses on contact center hiring challenges and the unique expectations and requirements of the next generation of contact center employees. If you're facing hiring challenges over the next year, these podcasts will be of great interest to you. If you don't believe contact center hiring and turnover can be an expensive proposition, take a look at the stats in my article at the bottom of this newsletter.

These and the other podcasts at www.saddletreeresearch.com are 10 – 15 minutes in length and allow you to gain a great deal of knowledge in about the time it takes you to drink a cup of coffee. Specifics of this month's podcasts are as follows:

Understanding the Nuances of the Next Generation Contact Center Workforce

In this podcast I discuss the characteristics of Generation Y contact center workers with Kristen Jacobsen of Calabrio (www.calabrio.com). We pull in some stats from the latest NACC end-user survey and Kristen details some of the unique expectations, motivators and attributes of what will be the largest generation of contact center workers since the Baby Boomers. Listen to this podcast by clicking [here](#).

Recent Innovations in the Contact Center Hiring Process

I have been and continue to be a vocal critic of contact center employment issues. The contact center industry lags behind all other modern industries in its acceptance of hiring strategies that can significantly lessen turnover and positively impact the bottom line. In this podcast I'm joined by longtime colleague Kevin Hegabarth of HireIQ (www.hireiqinc.com) for this discussion about some of the emerging technologies and processes that promise to pull the contact center out of the Stone Age when it comes to hiring practices. Give this one a listen by clicking [here](#).

Contact Center Conferences: Invest a Little to Learn a Lot

Lori Bocklund, President and Brian Hinton, Principal Consultant - Strategic Contact

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After attending ICMI's CCDemo in Dallas, it's clear that investing a few days in a conference still pays off. There is nothing like a few education sessions and some time on the show floor to boost your insights into what's real and what's not, what's new and what's hot. Here are some things we learned:

Multi-channel communications seems to be ready for the next step.

dangerous months to speculate in stocks in. The others are July, January, September, April, November, May, March, June, December, August, and February."

-Mark Twain

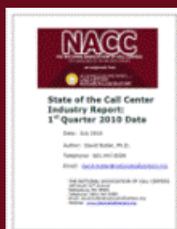
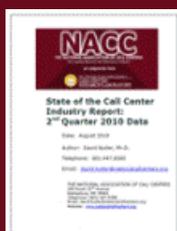
Picture of the Month



On a grey, late summer morning in Surf City, USA (aka Huntington Beach, CA), waves roll in from a storm off New Zealand, breakers as high as 15 feet. This same storm, when it moved on Tahiti, brought 40 feet waves and, conveniently, during a world surfing championship! The more modest but still large waves in Southern California were good news to surfers and boogie boarders alike.

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.



Most centers receive email and many are doing chat or planning for chat and other web-based and mobile channels. The discussions in sessions and on the demo floor seemed to reveal people are starting to use the multimedia routing engines and the associated reporting to manage their center – regardless of media. And one of the channels that keeps coming up is...

Social media is settling into the organization. We're past the point of awareness on how the center needs to be attuned to the power and potential impact of social media while recognizing that marketing is the more likely owner (at least for now). It's time for the center to take the next step to really play an active role. Tools from vendors (familiar and new to our industry) help find comments that the center needs to address and route them to the right people for response. The analytics and insights marketing gains may still be the big game, but the contact center is now a player.

Cloud-based solutions continue to grow. More and more centers are considering hosted solutions for their core contact center technology (ACD), IVR, performance applications, or a specific application as IT continues to be resource-constrained and the vendors continue to proliferate.

Speaking of resource constraints, you can use **services** to get farther faster when your internal resources can't find the time. Want to do analytics (speech, text, data) but don't have the time and resources? Vendors can help. Want to optimize hiring or IVRs? Vendors can help.

We need BI and AI to have CI! Business Intelligence and Artificial Intelligence were talked about as mechanisms to Continuous Improvement in areas as diverse as hiring and IVR. Using information about what works and what doesn't can optimize process flows, interfaces, and results.

Better desktop tools lead to better interactions. Through easier means of web collaboration, desktop integration and analytics, you can optimize the experience of the customer and the agent. Handle times go down while first contact resolution goes up. It's a win-win.

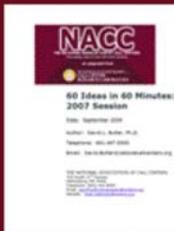
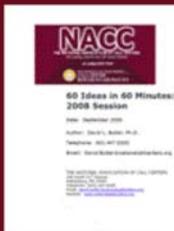
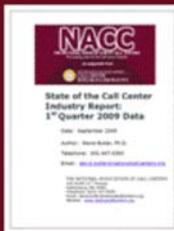
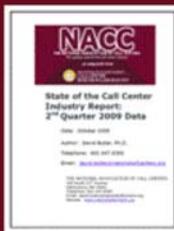
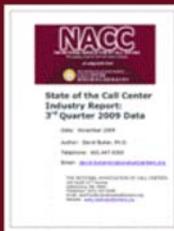
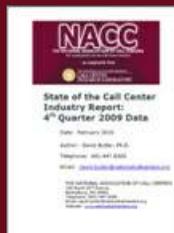
Metrics, Scorecards, and Analytics are all hot. These user-friendly tools are leading to smarter use of all that data the center has had for so long. Improved presentation leads to better informed staff – from the CSRs in the trenches to the CxOs in their offices. And the enhanced ability to integrate and access data from multiple systems leads to greater insights into what to work on next.

Video is being emphasized as a primary component of enterprise Unified Communication and it is (once again) looking for a home in the contact center. Perhaps in this new world where everyone is mobile, everyone has a video device (aka smartphone or tablet), and a lot of people use desktop video for other reasons, real contact center applications will finally emerge. It's not just about CSRs doing video calls with customers. It's about showing something using video – whether it's problems or solutions, clarifications, or curiosities. The customer may show the contact center, or the center may show the customer. It looks like it's time to imagine the possibilities for video as part of the "call flow" to better serve customers.

NACC Works with Bureau of Labor Statistics to Revise Customer Service Representative Profile

David Butler, PhD, Executive Director,
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One of the primary missions of the National Association of Call Centers (NACC) is to improve the contact center industry by any means possible and within our sphere of influence. To this end, we have been working



with the U.S. Bureau of Labor Statistics (BLS), which is part of the U.S. Department of Labor, to revise the current Customer Service Representative Profile for the BLS Occupational Handbook. This handbook describes the position, skills, work environment, training requirements, and duties of a customer service representative as well as expectations for future growth in customer service jobs.

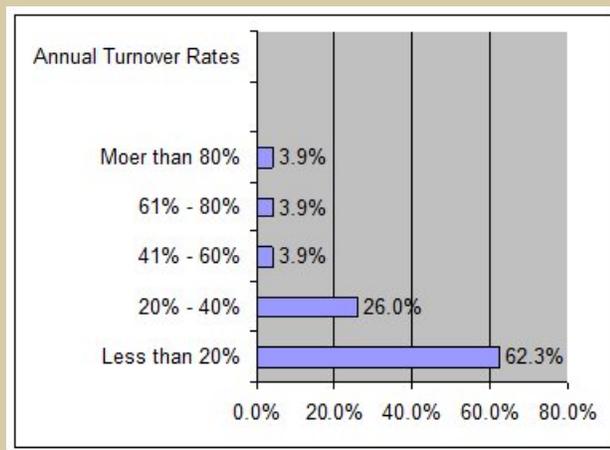
As a not-for-profit membership organization serving the very dynamic contact center industry, we are often called upon to assist U.S. federal government agencies in the understanding of the customer service profession. In the past, for example, we have consulted with the U.S. Economic Census to help with the revision of the methodology associated with collecting data on the contact center industry. While this is still a work in progress as industry codes for contact centers are continually revised in the hope of being able to better capture many contact centers that are currently subsumed in other standard industrial codes, we are pleased to be part of this effort. It is our hope that the NACC's work with the federal government will serve to elevate the status of the contact center industry, sharpen the understanding of the nuances of the customer service profession and add value to membership in the NACC.

Cost of Agent Turnover Will Remain High in 2012

Paul Stockford, Research Director, NACC and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

The NACC's current survey of members and readers includes questions regarding agent turnover and the cost of on-boarding a new or replacement employee. Although it appears that the recession may have had an affect in reducing the rate of turnover among agents, it certainly hasn't done anything to reduce the cost of finding and hiring a new or replacement agent.

The chart below indicates annual agent turnover rates as reported by survey respondents.



Source: NACC

The good news is that turnover rates seem to have dropped for the majority of contact centers. Although industry pundits typically quote an average turnover of about 50 percent, our survey indicates that the turnover rate is significantly lower. Again, we attribute this decline in turnover rates to the economic uncertainty of the past few years.

The bad news is that the cost of finding and hiring replacement agents for even the lowest turnover rate is still significant. The chart below indicates the average cost to recruit and on-board a new agent as reported by our survey respondents.

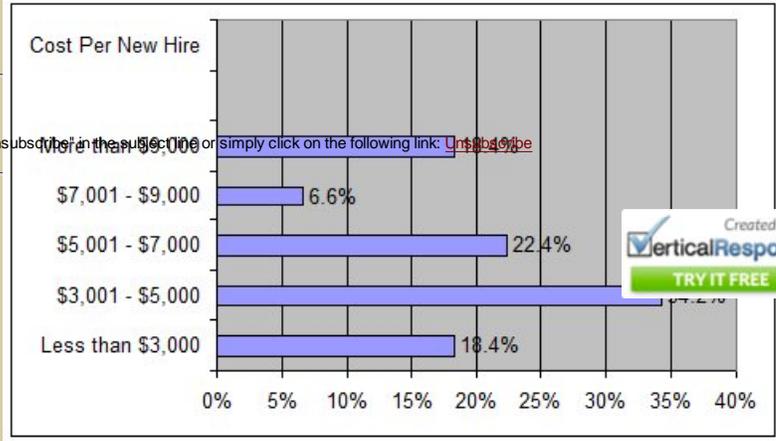


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Read the VerticalResponse marketing policy.



Source: NACC

Using the data acquired in our survey, a 100 seat contact center dealing with 20 percent turnover at the lowest cost of \$3,000 to on-board a new agent would still be looking at an annual cost of \$60,000 just to replace agents who leave as a result of normal turnover. Higher rates could be catastrophic for a contact center of any size.

Be sure to listen to the podcasts mentioned earlier in this newsletter to learn more about managing the issue of personnel turnover and hiring in the contact center. And, if you haven't weighed in yet with your opinions in our survey it's not too late. I promise it won't take more than five minutes to get it done and your help will be invaluable to us as we continue our industry research next year. To participate in the survey, please go to www.surveymonkey.com/s/NACC2011. Thank you for your support.

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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