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CALL CENTER
RESEARCH LABORATORY

In Queue

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

Volume 6, Issue 6 - July 8, 2011

Evidence that morale
in your contact center
might be low:



calabrio

Our Contact Info:

Paul Stockford
Research Director
National Association of Call Centers
100 South 22nd Avenue
Hattiesburg MS 39401
Tel: 480.922.5949

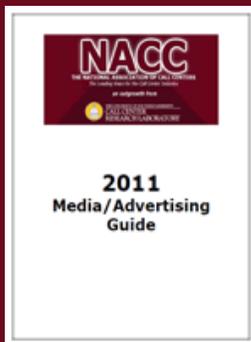
Paul.Stockford@nationalcallcenters.org
<http://www.nationalcallcenters.org>

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NACC Investment Portfolio

Listen to Me! Podcast Series Launched

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

If you are like me, you probably receive e-mail invitations to attend a dozen or more webinars a week. If you are also like me in that you don't have time to attend all those 60+ minute webinars during the week but are interested in many of the topics, I have an alternative for you.

This month my alter-ego company, Saddletree Research, is launching a series of podcasts that will get to the heart of many of the issues that are important to the industry today. We'll boil the discussion of the issues down to an 8-to-10 minute audio recording that you can listen to at your convenience. If you are interrupted during the podcast playback, you can always pause and resume listening when circumstances allow. We've tried to make this as convenient for the listener as possible.

The podcasts will be posted and stored at www.saddletreeresearch.com. Just click on the "Podcast" tab. As more podcasts are recorded I'll let you know via this newsletter and you can access them at your desktop, at your convenience, and hear them in around 10 minutes.

NACC members are invited to contact me and let me know if there are any particular subjects or issues you'd like to hear discussed in a podcast. I'll do my best to accommodate your suggestions. And while you're visiting www.saddletreeresearch.com, be sure to check out my blog on the homepage. I don't write unless there's something substantive to write about. I promise not to waste your time.

Web 2.0 in the Contact Center: Understanding the Five Basics

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

New to the podcast series this month is a discussion with Kristen Jacobsen of Calabrio that covers the five basic benefits of Web 2.0 in the contact center. If you're a regular reader of *In Queue*, you know I'm bullish on the extraordinary capabilities that the Web 2.0 framework brings to the customer service profession. If you're also interested in Web 2.0 but haven't had the time to really dive into the subject, this 11 minute podcast is perfect for you. You'll get what you need to know in less time than it takes to drink a cup of coffee. You can find the podcast at http://www.saddletreeresearch.com/index.php?option=com_chronocontact&chronoforname=podcastSignup002.

Hope is Not a QA Strategy

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

Quality monitoring, or quality assurance (QA), systems are, according to our research, the most widely used technology solution in the contact center today. Further down in this newsletter you will find some statistics that illustrate how popular quality monitoring is as a means of

Stock	Price	Value	Change
NICE	36.61	9.12	-0.88
VRNT	37.43	15.28	5.28
SYKE	21.75	11.45	1.45
WIT	13.34	8.91	-1.09
CVG	13.76	7.79	-2.21
TTEC	21.57	9.38	-0.62
APAC	5.44	24.62	14.62
TOTAL		86.53	16.53

The *NACC Composite Index* was down 1.34% to 110.17 points from the previous month even though the NACC Investment Portfolio was up. This is due to the weighting of the stocks based upon the number of outstanding shares. When the composite index is down while the investment portfolio is up suggests that the stocks that have the most outstanding shares performed poorly compared to those that have fewer outstanding shares. Overall the composite index is above the 100 point starting place in November 2005, but only up 10 points over five and a half years. That is fewer than 2 points gained per year.

NACC Composite Index

measuring first call resolution (FCR). In this podcast, we discuss quality assurance strategies and whether or not random monitoring is still as valid a strategy for quality assurance as it was when it was introduced to the market decades ago. I'm joined in this podcast by Patrick Botz of VPI who has some interesting, if not controversial, opinions on the topic.

You can access this podcast at http://www.saddletreereseach.com/index.php?option=com_chronocontact&chronoformname=podcastSignup001.

Learnings from the 2011 ACCE Conference

Lori Bocklund, President - Strategic Contact
lori@strategiccontact.com

I just returned from the ACCE Conference in New Orleans, one of the biggest and best contact center conferences of the year. While more people seem to be finding budget to attend conferences again, perhaps some of you are wishing you could have been there to attend sessions and talk to peers and vendors (and perhaps drink a "Hurricane" or eat some Gumbo!). So here are some tidbits to share.

Heads are in the Clouds

Call it what you want – hosted solutions, Software as a Service (SaaS), Communications as a Service (CaaS), cloud solutions – but regardless, it has arrived for both buyers and sellers. At least half of the vendor exhibits featured cloud-based solutions. Some offer full blown contact center solutions with routing, reporting, IVR, CTI, and performance tools (e.g., WFM, QM). Others were peddling targeted applications such as CRM, proactive outbound contact, web chat translation services, analytics, or voice of the customer surveys. The chance to get something done quickly, with little upfront cost, really seems to resonate with companies constrained by IT resources and budget dollars. In a knowledge exchange session I facilitated on the topic, attendees testified to implementations that maxed out at three months. No one could recall a premise-based implementation of similar technology that came close to that timeframe. Concerns seem to be security, reliability, and negotiating and managing service level agreements – all topics that can be addressed with the proper due diligence in project processes.

You Can Optimize Your Desktop

I'm not sure I've ever seen a contact center with an "ideal" desktop, but I know a lot of people who long for an improved desktop and applications. People need to capture interaction information and customer profiles (including the increasingly changing and elusive contact information – like cell phones and email addresses), and they want to make it easier for their reps to help customers. Enter today's CRM solutions and desktop optimization applications. The former can be had for less pain through hosted applications and improved deployment approaches (configured instead of customized, with "easy" integration). The latter bring the metrics to see what is happening on the desktop, integration between applications to avoid the pain of cut and paste and notepads, and the process optimization to smooth interactions delivering shorter handle times and increased first contact resolution (which EVERYONE wants). Both deliver a desktop "portal" that truly transforms the customer and rep experience.

Performance Tools Cross Barriers and Channels

With the proliferation of analytics tools, customer satisfaction surveys, and eLearning and coaching capabilities, vendors are vying for the attention of call center leaders who want to take their staff and center

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
9/8/10	64.78	-3.50	-5.40
9/29/10	71.85	7.06	9.83
11/2/10	73.72	1.88	2.55
12/1/10	110.90	37.17	33.52
2/1/11	108.73	-2.17	-2.00
3/1/11	107.51	-1.22	-1.13
3/23/11	113.35	5.84	5.15
5/3/11	112.42	-0.93	-0.83
6/1/11	111.65	-0.77	-0.69
7/6/11	110.17	-1.48	-1.34

The *NACC Investment Portfolio* was up to \$86.53 this week, a gain of \$3.11 from a month ago. Even though the portfolio was up, there are only 3 stocks that are in positive territory from their original purchase price. The stocks that are in the black are Verint, Sykes and APAC. The remainder are all still in the red at various levels. Convergys, for example, is down \$2.21 from the original \$10.00 purchase whereas Teletch is only \$0.62 under the \$10.00 starting investment. The other stocks are in between these two endpoints.

Dow Composite	2.73%
S&P 500 Composite	1.84%
NASDAQ Composite	2.29%
NACC Composite	-1.34%

The *NACC Composite Index* was down 1.34% while the other major indices such as the Dow, S&P500 and NASDAQ were all up this month. Each of these other indices was up around 2%. The market movement

performance to new heights. As centers mature, they yearn for these tools to meet the high demands corporate leaders place on them to improve customer service, cut costs, and drive revenue. Speech analytics has been the "hot" topic in the past few years, and seems to be settling in to the realities of where and how to use it – including the commitment of appropriate analyst resources to drive value from this powerful technology. And now with text analytics and cross channel analytics, companies can apply similar analysis to their email and web chat. Scorecards and dashboards were of great interest, as was desktop analytics coming from both the performance suite vendors and from those with desktop optimization solutions. The sessions the attendees flocked to (popular topic!) and vendors present (many choices for VoC) reinforce that there is no reason not to do voice of the customer surveys anymore to complement quality monitoring and other internal performance perspectives.

Still Room for Niche Vendors

While some of the big vendors anchored the event, it was also clear there is still plenty of room for niche players that help companies solve the specific challenges. Want to improve your reps' keyboarding skills? There's an app for that! Need to add proactive outbound contacts to your customer interaction strategy? Recover idle time to use for knowledge building with your agents? Improve your forecasting ability? You guessed it; there are apps for those too. Whether your needs are wide-ranging or targeted, whether you have a "suite" approach to technology or seek best of breed solutions, there are good options to consider.

Social Media Hype Continues and Takes a Reality Check

We heard and talked about "tweets" and "followers," social media strategies and the role of marketing and the contact center in responding to these important interactions. From keynotes to sessions to vendor booths, social media hype flowed. But at the same time, the table and hallway conversations were flavored with some healthy skepticism on the fit of social media for various companies and their customers. Perhaps we've reached a point in the maturing of these new interactions where people will take a careful look at the role they play today and tomorrow. In a time where companies must make careful choices about priorities for their precious investment of time, money, and resources, the reality check is a healthy thing.

Not as Dramatic, But Industry Employment Gains Nonetheless

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

After the spike in U.S. contact center industry employment that occurred during the fourth quarter of 2010, the way industry employment would go during the first quarter of 2011 was anyone's guess. During the fourth quarter of 2010, employment in the U.S. contact center industry spiked in growth, reaching a net gain of 9,695 jobs in that quarter alone. The third quarter of 2010 saw a gain of 3,929 jobs. Trending that growth we would expect to see another reasonably large spike in growth but it appears that the industry is settling into more moderate growth for 2011.

The first quarter of 2011 saw a U.S. contact center industry job increase of 1,520 net new jobs. While employment in most other industrial sectors stalled and the number of new unemployment claims varied month-to-month, the contact center industry experienced its eighth

that past month surrounds three main issues. One, the Greek debt problem and the Eurozone generally; two, the debate on whether to raise the US debt ceiling; and three, it is summer, and summertime the stock market does odd stuff, mainly nothing, so when a few traders are highly active they can sway the market given the limited volume traded.

Quote

"There are those who will say that the liberation of humanity, the freedom of man and mind is nothing but a dream. They are right. It is the American Dream."

-Archibald MacLeish

Picture of the Month



"Unlikely Bedfellows" is the title I gave to this photo. The two objects that you see are an Aloe Vera plant in a terracotta pot on the front porch at my house. The Aloe Vera plant's friend that recently popped up is a mushroom. Why these two items are unlikely close friends is that the Aloe is a succulent plant, one that lives mostly in a hot and moisture challenged environment. Think of a desert or similar area. It is basically a small cactus-like plant. The mushroom on the other hand is usually found in a dark, moist environment like a forest or jungle. So why, and how, did this two come to share the same space? I speculate that the mushroom spore was present already and heavy rains over a period of a few days encouraged its growth. Because it was in the shade of one of the Aloe branches, the temperature stayed within range and the moisture did not fully flow through or evaporate, it was able to grow and thrive for a short period of time.

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

quarter in a row of industry job growth.

Companies losing contact center jobs during the first quarter tended to cluster in the vertical markets that suffered the greatest during the recession. Specifically, companies in the financial services and retail verticals suffered the greatest losses with one financial services company losing 1,900 contact center jobs during the quarter. These jobs were not offset by job gains in any international markets that we could track so we can assume these jobs were lost rather than transferred offshore.

On the growth side, companies adding contact center jobs tended to be much more varied in terms of the vertical markets that they serve. While it is not surprising to see a large contact center outsourcer adding jobs, it was very surprising to see a large real estate developer adding a substantial number of contact center jobs. The table below illustrates the four largest growth contact centers during the first quarter of 2011 by both vertical market and the number of jobs gained. Employment numbers have been rounded.

Vertical Market	Number of Jobs Gained
ContactCenterOutsourcer	600
Real Estate Developer	600
Utilities Company	500
Mobile Telecom Provider	500

Source: NACC

The NACC has gone on the record stating our belief that the recession has ended for the U.S. contact center industry. The first quarter 2011 employment numbers support this statement, as do the previous seven quarters in a row of industry employment growth.

To Measure or Not to Measure: That is the FCR Question

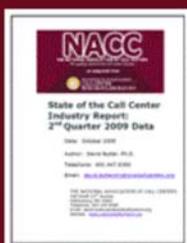
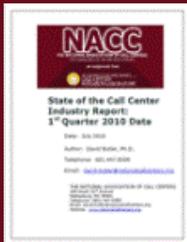
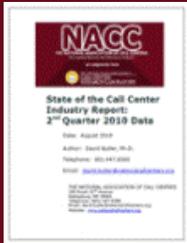
Paul Stockford, NACC Research Director and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

First Call Resolution (FCR) seemed to take exponential leaps in priority and importance during the recession as many contact centers realized the value of FCR as an effective cost cutting measure. If a call is one-and-done the cost of the follow-up call is not incurred and, by extension, money is saved. For many contact centers the challenge became identifying an agreed-upon way of tracking FCR. Like so many other contact center metrics, measurement standards for FCR have never been established so most contact centers use whatever method they are most comfortable with to measure FCR.

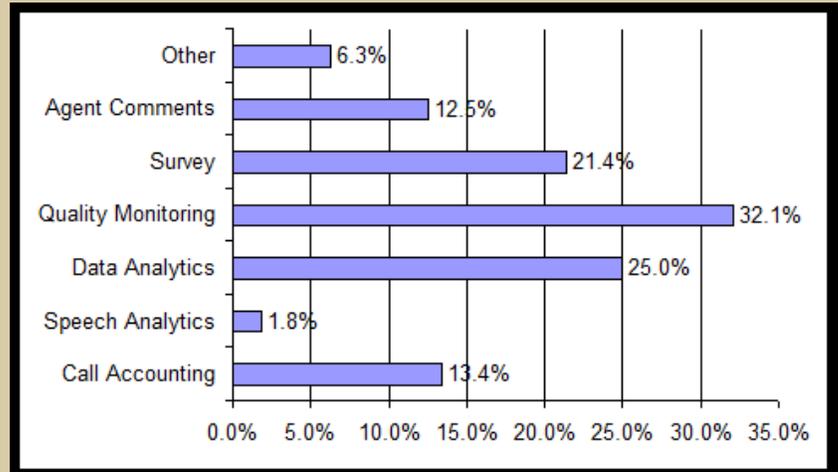
In our 2010 summer survey of NACC members and readers, we asked respondents if they measured FCR and if they did how they measured it. The responses were as varied and diverse as the respondents who provided them.

We were surprised to find that nearly 27 percent of respondents did not measure FCR at all. We were expecting that number to be much lower

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.



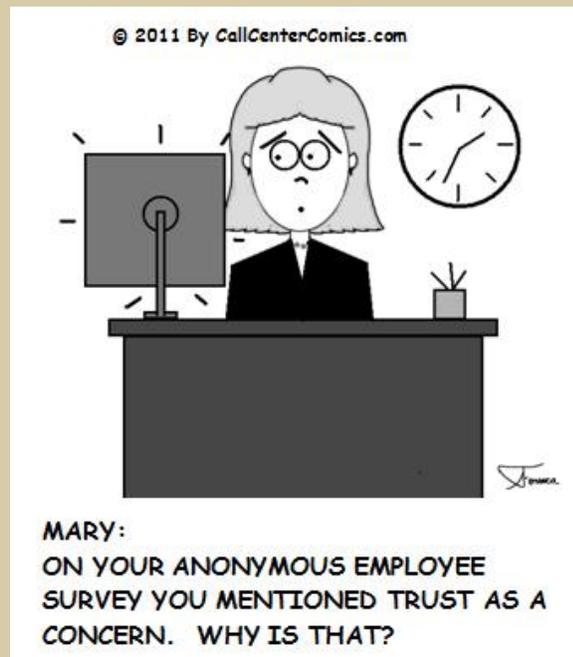
given the value of FCR as a means of controlling costs, but apparently the value of FCR is not yet universally realized. When we asked those who did measure FCR what standard or method they used for measurement, the results were varied as illustrated in the table below.



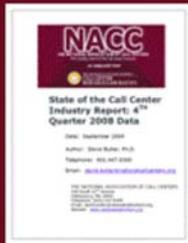
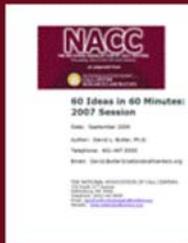
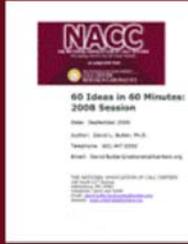
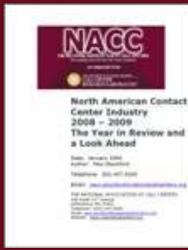
Source: NACC

As these results confirm, there is no “right way” to measure FCR at this point although quality monitoring is the most favored method today. As FCR becomes a more exact science, this list of measurement methods will certainly become smaller. For today, however, the means of measurement appears to be based upon individual preference.

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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