

The At-Home Agent Movement: A Benchmark Quantitative Analysis

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Table of Contents

Author: Paul Stockford	i
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Table of Contents	3
Introduction	5
Survey Methodology	6
At-Home Agent Population	8
At-Home Agent Population Growth Forecast	10
Management and Technology Challenges	11
Real-Time Performance Analytics	11
Real-Time Speech Analytics	14
Self-Service Web Portals.....	15
Conclusion	16
Figure 1: Percentage of Respondents from Vertical Markets Represented in Survey	6
Figure 2: Size of Contact Center by Number of Seats Represented by Survey Respondents	7
Figure 3: Responses to Query as to the Existence of At-Home Agents in the Contact Center	8
Figure 4: Percentage of Agent Population Represented by At-Home Agents	9
Figure 5: Expected Change in Percent of At-Home Agents.....	10
Figure 6: Levels of Satisfaction with the Time Required to Share Performance Metrics with Agents and Managers.....	13

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Introduction

The U.S. contact center market has been fascinated with the concept of having its customer service representatives work from home rather than in the brick-and-mortar contact center since JetBlue Airways established their high-profile virtual contact center in 1999. At the time of its establishment, JetBlue's home-agent virtual contact center called for the purchase and implementation of specialized equipment for each at-home agent as well as in the company's headquarters contact center in Utah. While JetBlue was able to attract talented agents as a result of their offer to let agents work from home, the additional cost of equipment, maintenance, and management prevented the at-home agent movement from finding widespread success in the industry.

With the proliferation of broadband connectivity to homes throughout the U.S. and the resulting capability of both voice and data communications over those lines, the barriers that were once hindering the widespread adoption of an at-home agent strategy have been effectively removed. In recent years, the idea of having contact center agents work from home has gone mainstream as evidenced by the number of industry media articles, trade show conference sessions, webinars, and workshops dedicated to the topic of establishing an at-home agent workshop.

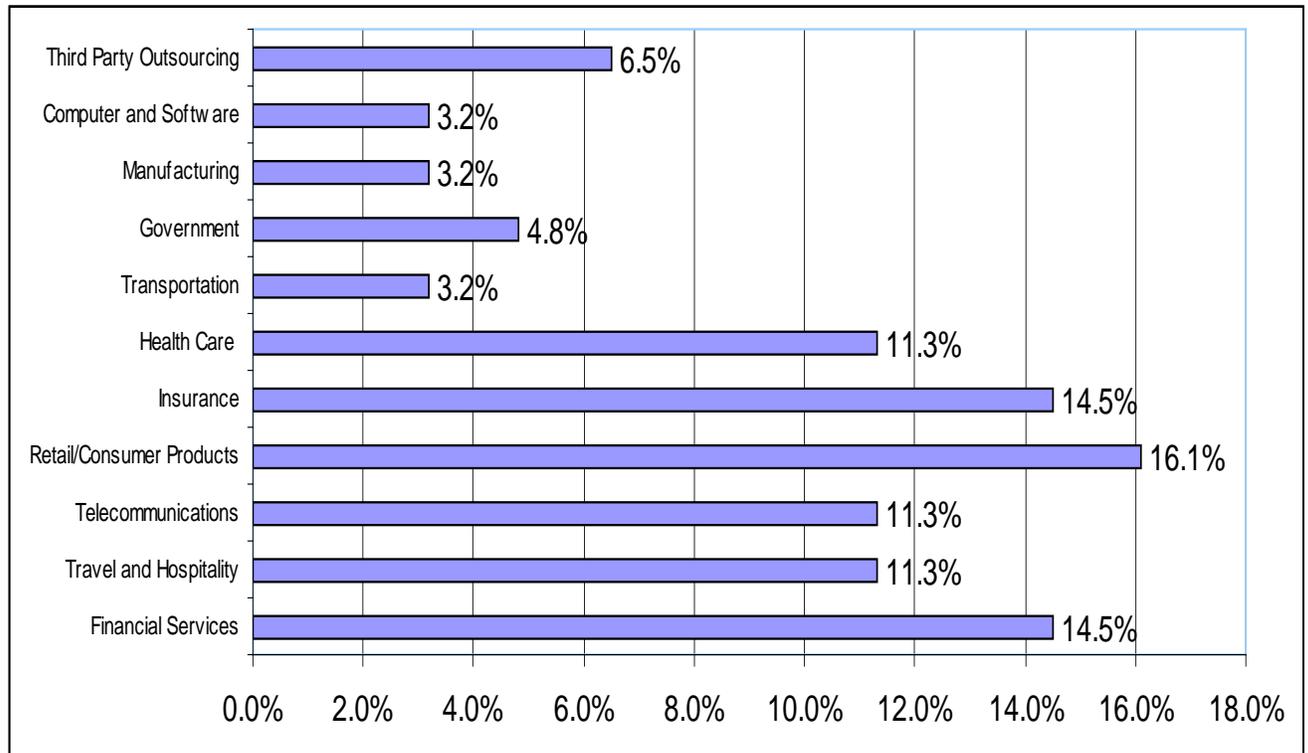
Despite the proliferation of media coverage and qualitative discussion, there is very little quantitative data available that can validate the success, or failure, of at-home agent programs. The empirical data that supports qualitative discussions of at-home agent implementations generally address a small number of contact centers. The data does not provide an indication of the overall number of contact centers that have launched at-home agent programs.

With an interest in measuring the success of at-home agents in the market as a whole, the NACC turned to our membership. The data provided in this report is based entirely on NACC member survey results rather than based upon any vendor interviews or input.

Survey Methodology

In order to estimate the success of at-home agent programs in the U.S. contact center market, the NACC pursued a course of action that would provide a quantitative analysis of the number of U.S. contact centers currently supporting some or all of their agents working from home. We surveyed a representative sample of 70 contact center managers and executives regarding their attitudes toward at-home agent programs and the results of any at-home agent programs they currently support. Survey respondents represent a broad selection of vertical markets as illustrated in Figure 1.

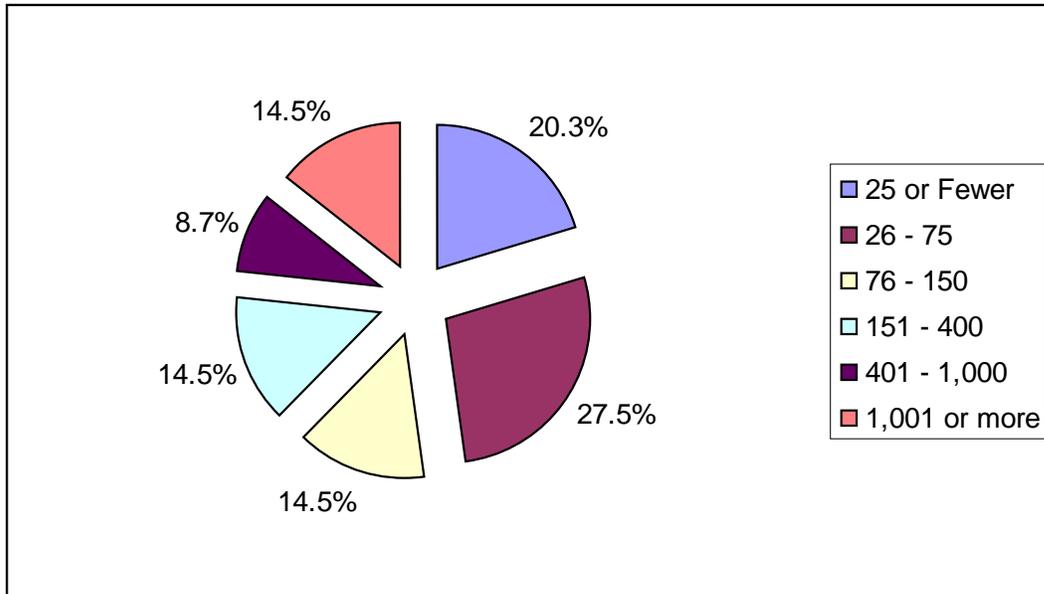
Figure 1: Percentage of Respondents from Vertical Markets Represented in Survey



Source: National Association of Call Centers
December 2012

Distribution of the size of the contact centers represented by survey respondents was remarkably even. Figure 2 illustrates the percentage of respondents from the various contact center size categories we established for this study.

Figure 2: Size of Contact Center by Number of Seats Represented by Survey Respondents

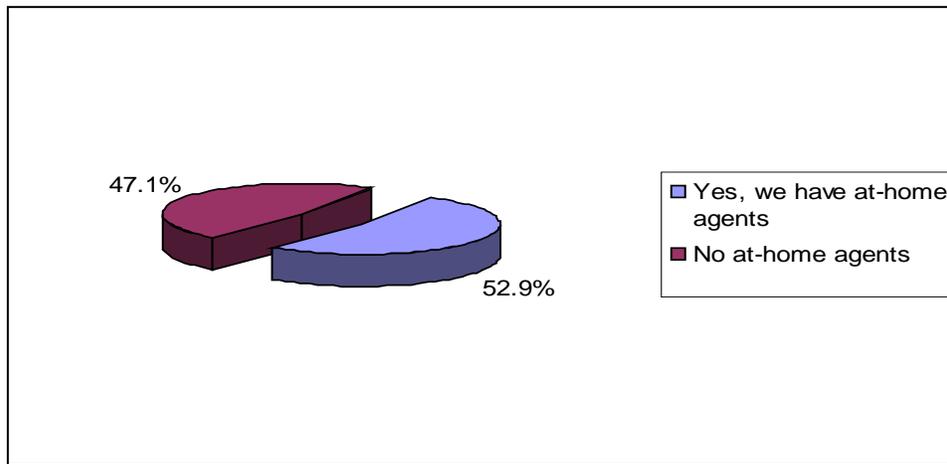


Source: National Association of Call Centers
December 2012

At-Home Agent Population

The first step involved in this research was to determine the actual population of at-home agents in the U.S. contact center industry. As previously stated, most of the discussion around this industry movement has been qualitative in nature with no indication of the actual success of at-home agent programs. We began this research with the assumption that just the existence of at-home agents in a contact center would be indicative of the success of a program. With that in mind, we asked respondents if they currently had any of their agents working from home. The results are in Figure 3 below.

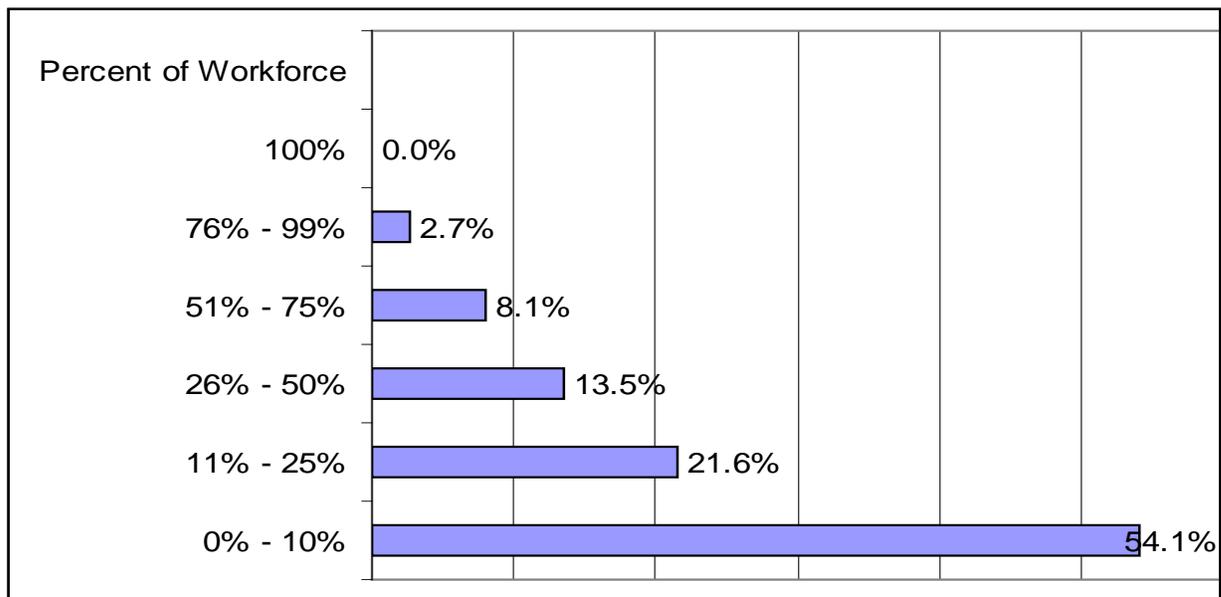
Figure 3: Responses to Query as to the Existence of At-Home Agents in the Contact Center



Source: National Association of Call Centers
December 2012

As Figure 3 clearly shows, the majority of contact centers today have some portion of their customer service representative population working from home. We sought to refine this outcome by asking those respondents who have at-home agents to specify what percentage of their contact center agents work from home. The results, as detailed in Figure 4, reveal that over half of the respondents have less than ten percent of their agents working from home.

Figure 4: Percentage of Agent Population Represented by At-Home Agents

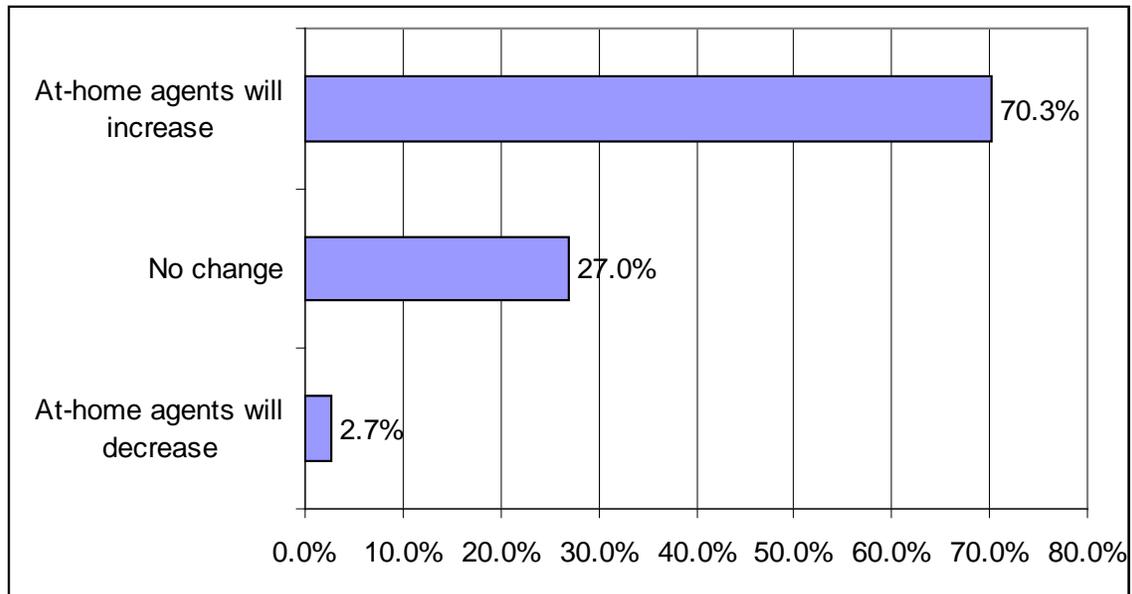


Source: National Association of Call Centers
December 2012

At-Home Agent Population Growth Forecast

Survey respondents who reported having some percentage of their agent population working from home were asked if they expected the population of at-home agents to increase, decrease or stay the same in the next year. Only 2.7 percent of respondents reported that they expect to pull back on the number of at-home agents in 2013. Full responses are illustrated in Figure 5 below.

Figure 5: Expected Change in Percent of At-Home Agents



Source: National Association of Call Centers
December 2012

The overwhelming majority of respondents who expect their population of at-home agents to increase in the next year are a testament to the success of at-home agent programs thus far. When queried about the percentage increase expected in the at-home agent population next year, the majority of the 70.3 percent of respondents who indicated an increase in their at-home agent workforce expect their at-home agent population to grow to represent 11 percent to 25 percent of their total agent population. It is reasonable to assume that the majority of contact centers that have at-home agents in 2013 will have up to 25 percent of their agent population working from home.

Management and Technology Challenges

There are scores of documents and reports available that cover the tactical management challenges of supervising an at-home agent workforce, so that well-worn ground will not be covered in this report. Instead we will focus on the technology solutions that we believe will eventually be necessary for the efficient management of a part-time or full-time at-home agent workforce.

With the technological foundation for at-home agents in place, the NACC believes the technology solutions that will be of the greatest interest to those with responsibility for managing an at-home agent workforce are as follows:

- Real-time performance analytics
- Real-time speech analytics
- Self-service web portals

Each of these areas will be discussed individually.

Real-Time Performance Analytics

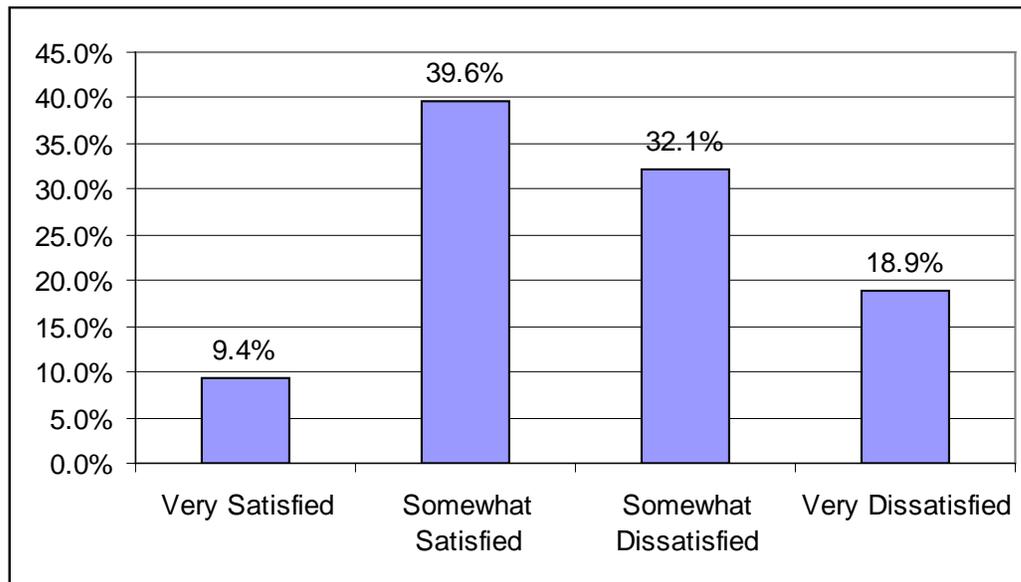
Performance analytics, also referred to as performance management, has established itself as a reliable means of tracking agent, departmental and enterprise productivity. Many organizations rely on performance analytics as their primary reporting tool, using it in conjunction with other workforce optimization (WFO) solutions such as quality management in order to provide customer service management a holistic view of agent performance in the contact center.

The NACC's partner company, SaddleTree Research, estimates penetration of performance management solutions in the U.S. Contact Center industry to be approximately 55 percent. This estimation is based upon input from end-users regarding their solutions purchases. It is not based upon vendor shipment numbers. We further assume that the majority of the solutions in the installed base are not real-time performance analytics solutions but rather solutions that provide performance data that includes some degree of time lapse.

Real-time performance management offers the ability to track agent performance as it is happening, with no time lapse. We believe this capability will be particularly desirable among contact centers with home agents as it represents the best, and only, means of tracking the performance of off-site agents and providing the performance data in a manner such that performance issues can be addressed immediately rather than after-the-fact.

In real-time performance management benchmark research recently completed by Saddletree Research in conjunction with the NACC, 51 percent of survey respondents indicated their overall dissatisfaction with the time currently required to share performance metrics with front-line agents and managers, as illustrated in Figure 6 below.

Figure 6: Levels of Satisfaction with the Time Required to Share Performance Metrics with Agents and Managers



Source: National Association of Call Centers
December 2012

The 51 percent shown in Figure 6 corresponds closely to the 53 percent of at-home agent survey respondents who reported that they had some portion of their agent population working from home, as shown in Figure 3. Although we are unable to perform cross tabulations due to the fact that the two surveys were separate projects, we strongly believe that there is significant overlap between those respondents whose contact centers have at-home agents and those respondents dissatisfied with the time it takes to share performance metrics with their agents and managers.

Although the penetration of performance analytics in the installed base of contact centers is relatively high, our end-of-year 2012 survey indicates that nine percent of respondents intend to change out their performance analytics solutions during 2013. Using an estimated 66,000 contact centers in the U.S., this translates to nearly 6,000 contact centers that will be replacing their current performance management solution. We believe the majority of these upgrades will be to real-time performance management solutions.

Real-Time Speech Analytics

Speech analytics is a technology solution that has gone from leading the pack of least desired technology solutions in 2009 to topping the list of the most desired technology solutions for 2013 according to the latest NACC survey of end-users. 31 percent of respondents indicated that they will evaluate speech analytics for purchase during 2013. That percentage translates to about 20,000 contact centers that will likely purchase a speech analytics solution during 2013.

Real-time speech analytics is a relatively new development that allows users to conduct the analysis of speech as the conversation is actually occurring as opposed to after the termination of the customer conversation. The use of real-time speech analytics allows customer service managers to receive alerts when key words are mentioned during a customer contact at the moment the key words are mentioned. Real-time speech analytics enables real-time problem resolution, typically leading to higher customer satisfaction and first call resolution results.

For contact centers with at-home agents, real-time speech analytics allows managers to provide the same level of support to remote agents as is provided to in-house agents. Regardless of agent location, supervisors and managers are alerted to the mention of predetermined key words and phrases at which time they have the option of joining the call or coaching the agent in order to bring the call to a satisfactory conclusion.

Current penetration rates of speech analytics in the U.S. contact center market are still relatively low at about 25 percent, but it is interesting to note that nearly five percent of the installed base has indicated that they intend to upgrade the speech analytics solution during 2013. We believe that this five percent, which represents about 3,300 contact centers, are motivated to replace their current speech analytics solution due in part to recent technological advances such as real-time speech analytics.

Self-Service Web Portals

In order to keep the remote at-home agent connected to the contact center from both a practical and a personal perspective, it will be necessary for the at-home agent to easily access contact center self-service functionality such as schedule requests. Although typical agent requests can still be made by e-mail or other messaging functions, the web-based self-service portal has the additional benefit of providing the remote agent with the assurance that he or she is still part of the team.

For at-home agents, who typically want to schedule work hours around other activities such as school hours, child care and other obligations, the self-service web portal provides a means of responding to contact center schedules that corresponds to their individual needs. Contact center schedulers can test schedules in order to meet service level needs, and then offer hours to remote agents based upon schedule hours that need to be filled. At-home agents can choose hours that fit around their other obligations and scheduling results can be filtered through business rules to ensure all agents have scheduled their assigned number of hours.

Conclusion

The survey results indicate an unmistakably strong trend toward the support of agents working from home. Supporting a remote workforce opens a number of doors for contact centers in terms of finding the best qualified and most motivated agents for their operation. Allowing agents to work from home expands the potential labor pool of agents from the typical 20 minute drive distance from a brick-and-mortar contact center to accessing a labor pool that spans the entire country. In addition, the flexibility offered by at-home, part-time agents provides contact centers such as third-party outsourcers the ability to quickly react to shifts in demand for their services.

As the percentage of at-home agents grows so will the need for recruitment and selection tools that will assist contact center human resources in identifying agent candidates with attributes desirable for agents who work independently. The NACC foresees the demand for recruitment and selection software tools growing commensurate with the growth in the at-home agent population.

Although contact centers have supported at-home agents since the 1990s, we view at-home agent support as a true 21st century solution. The technology infrastructure is in place and working from home does not hold the stigma in the industry that it once did. While there will always be brick-and-mortar contact centers, having an at-home agent workforce opens new opportunities for the contact center industry and for those who choose customer service as a career.