

# Saddletree Research

## The Time is Now

Workforce Optimization Becomes Reality for  
the Small-to-Medium Sized Contact Center

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## Introduction

The small-to-medium sized enterprise (SME) contact center represents the majority of the U.S. contact center industry today. While the lion's share of attention from technology suppliers typically goes to the larger contact center, the fact remains that the SME contact center is the lifeblood of the industry.

Saddletree Research defines the SME contact center as one with 150 or fewer seats. According to our research, conducted in conjunction with the National Association of Call Centers (NACC) at The University of Southern Mississippi, SME contact centers as defined above represent about 66 percent of all U.S. contact centers.

Despite its numerical domination of the industry, the SME contact center has long been underserved by the technology supplier community. While part of the responsibility for this situation lies with the vendors who tend to focus on the higher profit margins offered by large system sales rather than supplying comparable solutions to smaller businesses, this circumstance can also be attributed to the SME contact centers themselves.

SME contact centers have, in general, been reluctant to embrace new or leading-edge technologies. Saddletree Research believes that much of this reluctance is rooted in a fear that the implementation of new technologies will not only be exceptionally disruptive to these smaller operations, it may also create a drain on the typically limited resources available to the management of these smaller contact centers. In addition, we believe that many SME contact centers find that the capital outlay required to procure more advanced technology solutions is prohibitive for their business. This lack of buyer enthusiasm for new technologies combined with the dearth of technology solutions for the SME contact center have combined to create an industry vacuum where advanced customer service technologies meet the SME contact center.

Among the array of advanced technologies that are ideal for the SME contact center is workforce optimization (WFO). Although the definition of WFO will vary depending on who is asked, it is generally accepted that a complete WFO suite consists of the following individual solutions working in harmony with each other and with other contact center technology solutions:

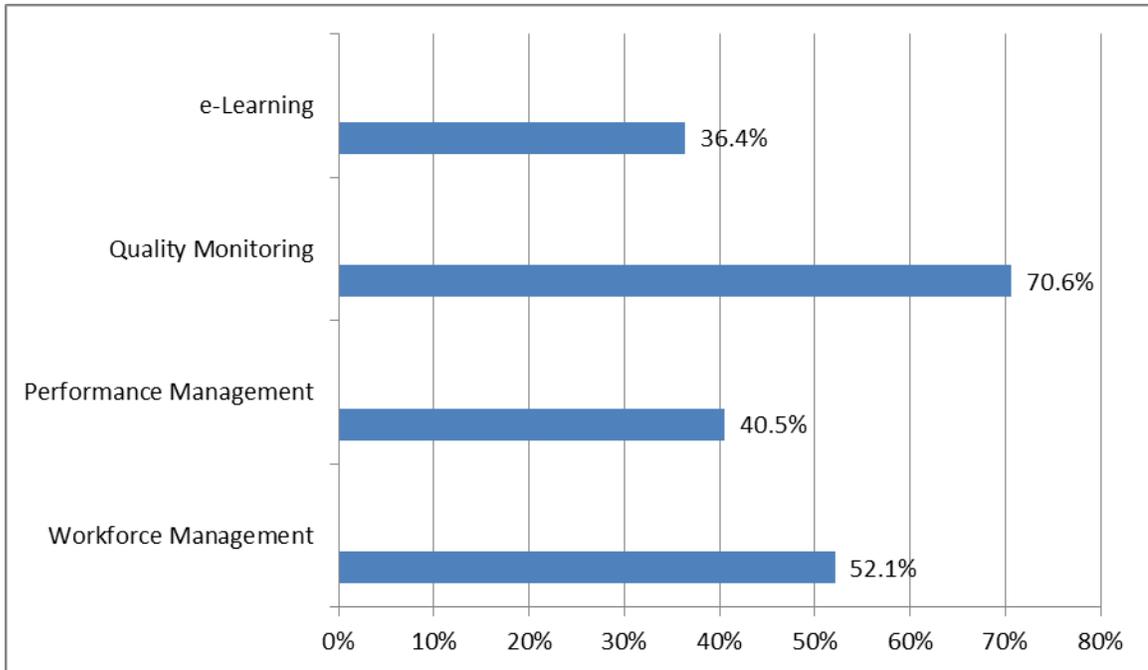
- Workforce Management (WFM)
- Quality Monitoring/Quality Management
- Performance Management/Analytics
- E-Learning

Since the first WFO suite appeared on the market in 2003, the definition has also expanded to include other analytics solutions, including speech analytics and more recently, desktop analytics.

## Current State of WFO in the Contact Center Industry

The term “Workforce Optimization” first appeared in industry press in 2003. Over the past decade WFO has earned a reputation as a reliable solutions suite with a rapid and proven return on investment (ROI). As a result, it has found widespread acceptance in the U.S. contact center industry at large. Figure 1 below illustrates current market penetration rates for the four foundation solutions that are found in a typical WFO suite.

**Figure 1: Penetration Rates of WFO Foundation Solutions in the U.S. Contact Center Market**

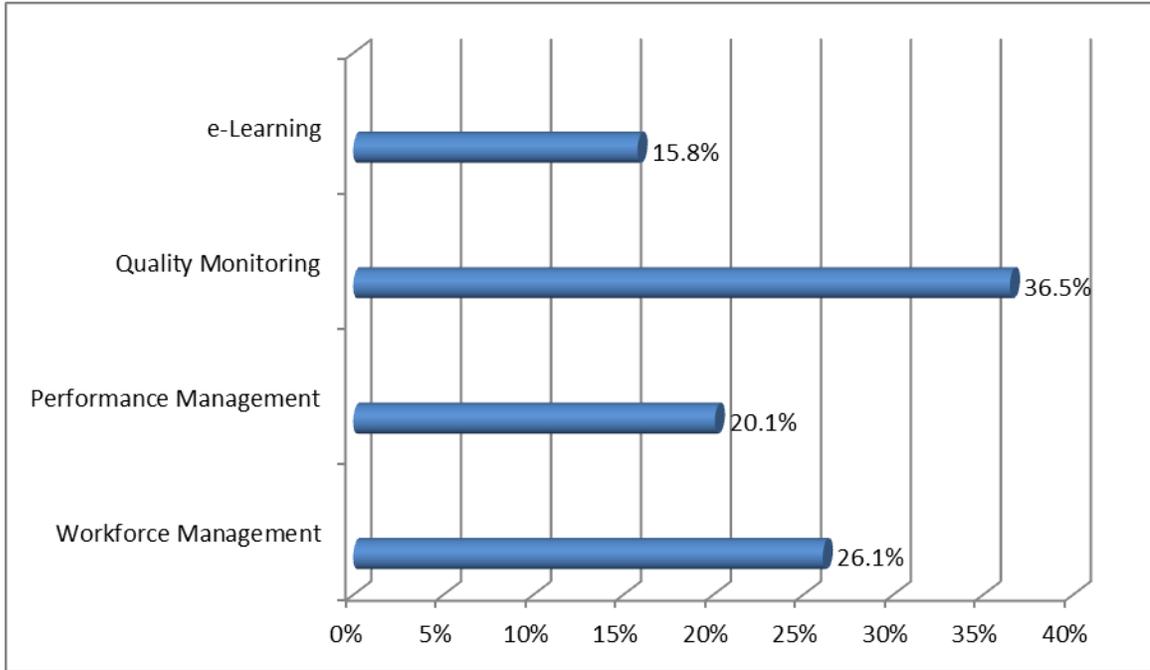


Source: SaddleTree Research  
July 2013

While workforce management has topped 50 percent penetration in the U.S. contact center industry, the more mature solution, quality monitoring, is beginning to reach saturation level. Both e-learning and performance management still have plenty of room for overall industry growth.

Figure 1 above represents WFO penetration rates in the industry as a whole. Figure 2 below represents penetration of the same WFO components in contact centers with 150 or fewer seats.

**Figure 2: Penetration Rates of WFO Foundation Solutions in the U.S. SME Contact Center Market**

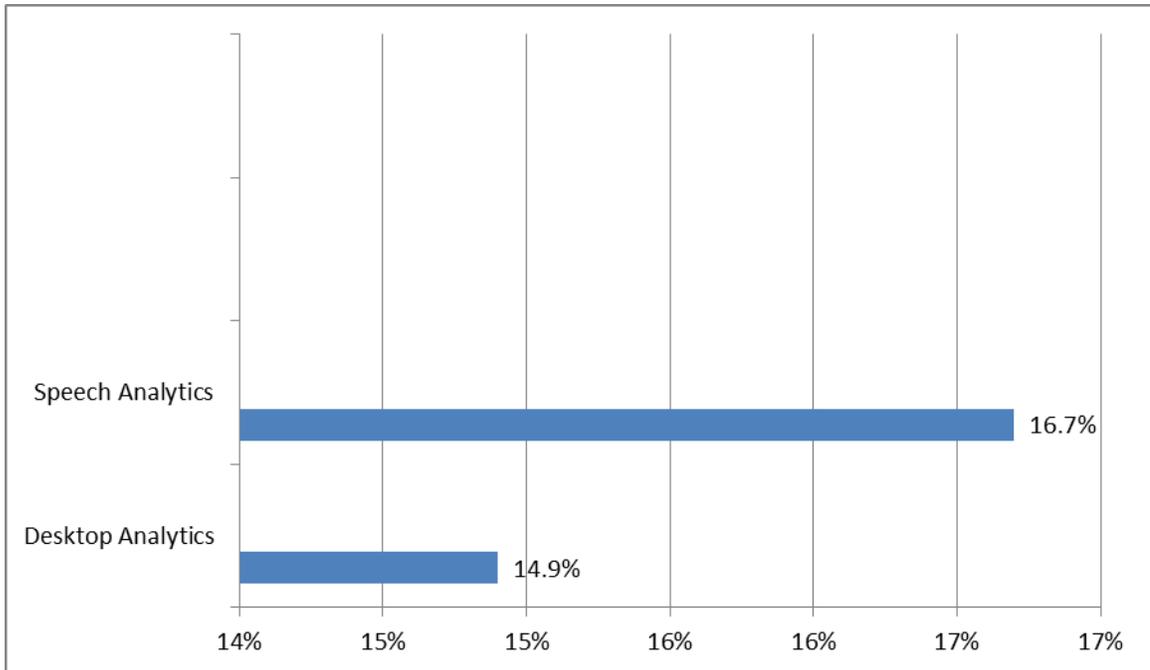


Source: SaddleTree Research  
July 2013

While penetration rates in the contact center market as a whole near saturation points for some workforce optimization solutions, the penetration rates of these same solutions in the SME contact center market differ significantly. Figures 1 and 2 indicate comparatively low adoption rates of WFO in contact centers with 150 or fewer seats.

Adoption rates of analytics solutions that are rapidly being considered as part of a comprehensive WFO solution, speech analytics and desktop analytics, are much lower than the adoption rates of more mature solutions. Figure 3 shows the current penetration rates of these analytics solutions in the U.S. contact center market overall.

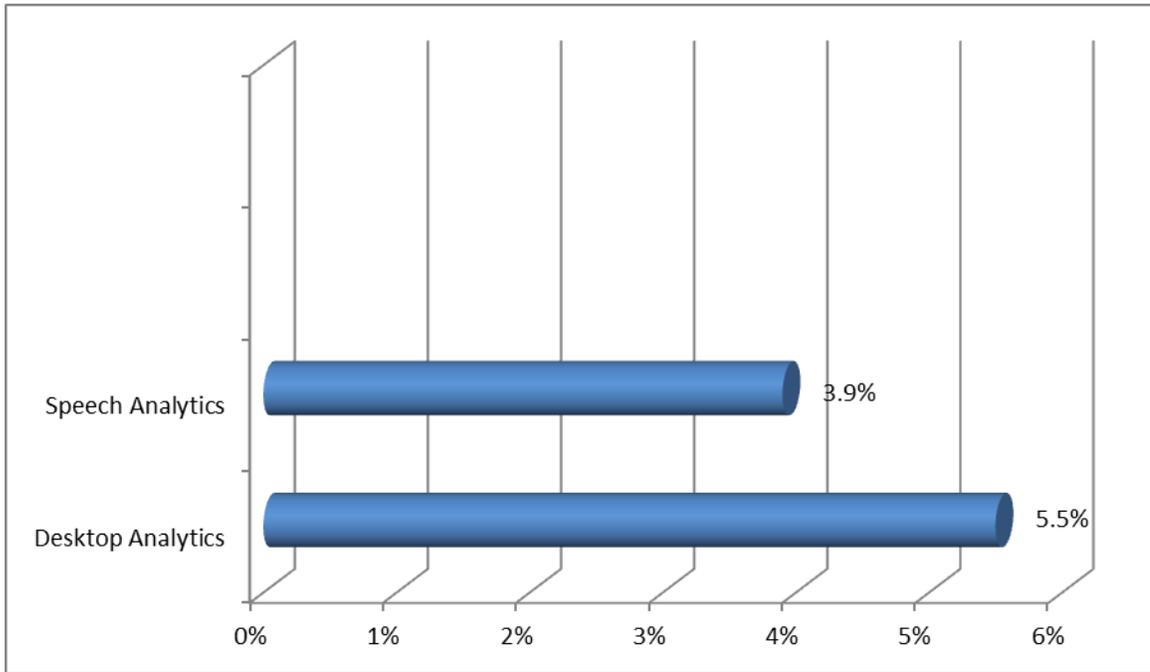
**Figure 3: Penetration Rates of Analytics Solutions in the U.S. Contact Center Market**



Source: SaddleTree Research  
July 2013

For comparisons purposes, Figure 4 illustrated penetration rates of these same analytics solutions in the U.S. SME contact center market.

**Figure 4: Penetration Rates of Analytics Solutions in the U.S. SME Contact Center Market**



Source: Saddletree Research  
July 2013

It is interesting to note the mirror image of the adoption of these analytics solutions in the contact center industry at large versus the smaller SME contact center market. Desktop analytics appears to be finding faster adoption in the SME market, likely due to its user-friendly nature. No special skills or training are necessary to use it. In the entire contact center market speech analytics is achieving faster adoption rates, likely due to the rapid ROI that typically accompanies a speech analytics solution. These factors, along with others, will be discussed in the next section.

## The State of WFO in Today's Contact Center Industry

Once within reach of only the largest, best funded contact centers, WFO is now considered a mainstream solution and is available to the industry as a whole regardless of the size of the customer service function. WFO is no longer desirable for the contemporary contact center; it is a necessity for contact centers regardless of size. As its name indicates, WFO is a productivity suite that offers users immediate results in terms of both performance improvements and ROI. In today's contact center market it is considered to be a proven solution.

WFO is also a competitive requirement in today's post-recession customer care industry, where the size of the contact center no longer represents an advantage. Through the effective use of optimization and analytics solutions, the smallest of contact centers can now effectively compete with contact centers of any and all sizes. Given this circumstance, the relatively low adoption rates of WFO in the SME contact center is somewhat of an anomaly. SaddleTree Research lays the blame for this irregularity on obsolete beliefs and misinformation that negatively impacts the smaller contact center's understanding of this revolutionary productivity tool.

While it is true that early WFO implementations required a great deal of software integration work followed by the management of clumsy administrative tools that often required separate log-in and control for each component of the WFO suite, that is not the case today. Architectural design changes have positively affected all aspects of WFO, effectively eliminating obstacles and opening the door to WFO for the SME contact center.

The advent of Web 2.0 architecture has radically changed the WFO game. Whereas early WFO offerings relied primarily on proprietary architecture to support WFO applications, Web 2.0 provides the contact center industry with its first fully open applications platform. SaddleTree Research believes Web 2.0 will be the platform of choice for the next generation of contact center software, including WFO. The Web 2.0 architecture offers a number of advantages over traditional contact center software.

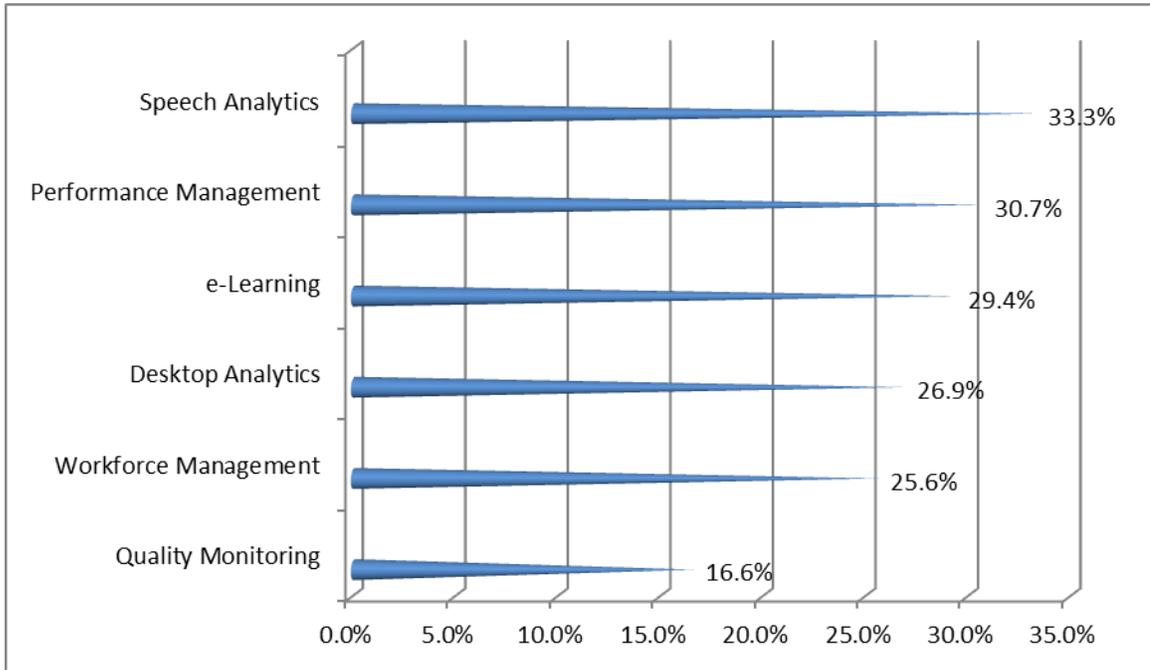
In the contact center software realm, Web 2.0 provides a flexible user experience that is intuitive and open to personalization, virtually eliminating the intimidation factor that often accompanies proprietary user and administrator interfaces. It offers lower ownership costs and reduced support overhead since it is less hardware dependent. Applications development is relatively fast and easy, requiring very little specialized skills or training. All of these factors add up to make the Web 2.0 generation of contact center solutions especially accessible and attractive to the SME customer service operation.

### [WFO and the SME Contact Center](#)

The software factors outlined in the previous section are proving to cause a measurable, positive impact on demand for WFO in the small-to-medium sized contact center. We are confident of this increased demand based upon the results of the annual survey of end-users that SaddleTree Research conducts during the fourth quarter of each year. This survey of end-users is conducted in conjunction with the National Association of Call Centers (NACC) at The University of Southern Mississippi. Survey results are statistically valid and are representative of the industry population with a 95 percent confidence factor.

When asked if they intended to evaluate WFO suite components for purchase in the next year, respondents from contact centers with 150 or fewer seats showed a strong interest in acquiring these solutions for their own contact center. Figure 5 illustrates the percentage of respondents from SME contact centers who indicated that they would be evaluating the specified contact center solution for purchase in 2013.

**Figure 5: Percent of SME Contact Centers Evaluating WFO Solutions for Purchase in 2013**



Source: SaddleTree Research  
July 2013

The data contained in Figure 5 depicts a growing interest in all aspects of WFO, including newer solutions such as speech analytics and desktop analytics, from the SME contact center market segment. It should be noted that higher market penetration of such established solutions as quality monitoring and workforce management have likely affected their demand statistics. Although not nearing market saturation, the higher penetration rates as illustrated in Figure 2 translate to lower demand rates for more mature solutions as opposed to demand rates for relatively newer solutions.

The benefits of WFO are not only available to today's small-to-medium sized contact center they have been deployed and proven as discussed in the following section. As the early barriers to entry such as complex user interfaces and burdensome administrative and integration requirements have been eliminated, contact centers with more limited resources are discovering the productivity enhancements provided by a comprehensive WFO solution.

## CASE STUDY – Polaris Dealer Services

### 70 Agents, High Customer Service Standards, No Obstacles

At Polaris, they take fun very seriously. With the company creed – “Understand the riding experience. Live the riding experience. Work to make it better.” – etched on the entrance of each location, Polaris is passionate about ensuring the highest quality customer experience possible for its power sports vehicles. The company believes in helping its customers find a “way out” of one fast-paced world filled with cell phones, pressure and demands on time and into another. Polaris’ innovative, high-quality lines of off-road vehicles, ATVs, snowmobiles, motorcycles and on-road electric-powered vehicles allow customers to escape everyday chaos and find sanctuary and excitement in locations where only powerful Polaris vehicles can take them.

Polaris doesn’t consider itself to be a typical call center. With 70 agents across six contact center sites, support groups tend to be smaller and more remote than most traditional call center operations. The company relies heavily on automation and technology – laptops vs. desktops, Voice over IP (VoIP) phones, broad number of applications – to enable agents to push the envelope on the standard call center experience. What the company was missing, however, was a way to measure the consistency and quality of support that agents were providing for the 1,800 dealers that are a part of the global Polaris dealer network.

The Calabrio ONE® workforce optimization suite provides them with the extreme flexibility and usability they need to deliver consistent evaluation metrics for agents across dealer, technical and customer service teams, as well as seamlessly incorporate critical website support features. By integrating multiple channels of monitoring and reporting into its strategy, Polaris is able to evaluate support services more comprehensively and easily present the information to active team members for review and assessment. Polaris’ best practices discussions utilize this information to engage and empower the organization’s teams, allowing them to hear what people are saying, what they might not be saying, and approach it as a group.

By using the data received from the workforce optimization suite, Polaris is also able to monitor service level changes when the “Ask Polaris” website goes down. Unsurprisingly, call volumes tend to spike when that occurs. Polaris is not only able to adjust staffing requirements accordingly, but is also able to evaluate and flag any potential issues across the organization. Communication levels remain high as the WFM analysts are able to highlight the downstream impact of the website outage to other channels within the call center team.

Workforce optimization helped Polaris realize some agents would be more effective working four ten-hour shifts a week compared to a traditional work schedule. By making this change, strong agents are available at peak times while still achieving a work-life balance.

Polaris now sees greater confidence from agents, evaluators and management during evaluations. Agent satisfaction has increased with the knowledge that scores are based on a standard set of metrics incorporating all touch points with dealers. Polaris management embraces how the solution simplifies case scoring and has a positive impact on agents’ ability to self-direct.

Polaris is expanding at a fast pace, and its contact center is swiftly adapting to this with innovative ideas. Workforce optimization fits their needs of this small and mighty organization perfectly.

## Conclusion

WFO is no longer in the exclusive realm of larger contact centers as it was a decade ago. Analytics solutions, along with traditional WFO solutions, are leveling the playing field and allowing smaller contact centers to compete with larger contact centers in every way. There are no contact centers too small for WFO as illustrated by the results of WFO implementation in the relatively small Polaris contact centers.

The perceived complexity of WFO in the past represented a major hurdle for SME contact centers with a desire to use advanced productivity solutions. Today, that perceived complexity has given way to the reality of simplified and streamlined processes enabled by WFO regardless of the contact center size.

Now is the time for contact centers of all sizes, and especially those contact centers in the SME, to understand, embrace, and implement the productivity advances that WFO provides. With a proven ROI and a history of performance reliability, WFO for the contact center masses has arrived.

## [About Calabrio, Inc.](#)

Calabrio, Inc. develops and markets Calabrio ONE®, a comprehensive suite of contact center workforce optimization software that's easy to implement, use and maintain. Calabrio ONE includes call recording, quality assurance, workforce management, speech analytics, desktop analytics and performance-based dashboards and reporting. Calabrio ONE is flexible – providing product bundles and add-ons that make it easy for customers to begin with the right set of applications and features for their business today, then build on their success with new applications and features as their business matures and their needs evolve. Calabrio ONE is built on a modern Web 2.0-based architecture that allows the contact center to integrate new applications easily, as well as personalize and optimize the desktop toolset for each user – agents, supervisors, managers, knowledge workers, and executives.

## [About Saddletree Research](#)

Founded in 1999 and based in Scottsdale, Arizona, Saddletree Research provides communications industry research including analysis of market trends, issues, technologies, companies, and end-user demand in the contact center industry with a focus on high-growth market segments such as workforce optimization (WFO), customer service mobility, social media, analytics, and Voice of the Customer (VoC) strategies. In order to conduct its research, Saddletree Research works in close conjunction with the National Association of Call Centers (NACC), a 503(c)(6) not-for-profit industry membership organization and end-user research function based at The University of Southern Mississippi.