

# Call Center Times

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## CALL CENTER COSTS - INSOURCING VS. OUTSOURCING

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### Introduction

Like most corporate strategic or tactical initiatives, outsourcing results from the need to change business practices to compete more effectively in the drive for revenue growth and/or improved profits. The increase in business complexity and the ability to compete has been revolutionized by the world-wide-web and telecommunications. The demand for products and services is no longer Monday through Friday, 9-5, but 24/365. If you want to meet demand, then you better be prepared to supply it, all day, every day, in rapid, high quality fashion.

The analysis to outsource all or parts of customer service is the classic "make or buy" review whereby all the costs, benefits and risks associated with doing it yourself are compared to those provided by an outsourcing specialist. For those companies motivated by improving profits, outsourcing may be a strategy to reduce operating costs while maintaining or improving service levels. It may provide the opportunity to lower costs and shift business risks by

purchasing customer service functions from an outsource specialist whose only business is customer service.

### Call Center Costs

Although the focus of this article is quantitative, outsourcing needs to encompass concerns for quality and organization culture. Short-term increased profitability, at the cost of customer service and quality is self-defeating over the long term.

The cost elements of operating most call centers are discussed below. Some of these have obvious impact on overall cost while others are less obvious but may be equally significant. Most of the costs will vary over a period of time and are not fixed. Other costs change as a result of business or external factors such as inflation and unemployment rates.

As we review the various cost elements of the call center, we will attempt to build a model that demonstrates the actual costs of the operation for a fictitious company, American Financial Health Services. American is a "medical banking" company that helps corporations set up and

maintain health savings accounts on behalf of client employees. They are located just outside a major urban area. American has 40 employees working in their call center. At each step in the discussion, we make cost assumptions that we believe to be reasonable. We also provide a chart that summarizes American's costs and provides an opportunity for you to estimate your actual operating costs.

### Customer Service Representatives (CSR) Wages

The most obvious and largest element of call center cost is the cost of compensating customer service representatives. This is the hourly wage or weekly wage paid. CSRs at many companies are usually paid entry-level wages, which vary depending on the location of the call center. Centers located in urban areas pay more in an effort to compete in the labor market where the cost of living is higher than in suburban, rural or foreign areas. Our experience suggests that starting wages in the U.S. for CSRs range from \$8.00 to \$16.00 per hour. American pays its CSRs an average of \$15.00 per hour (\$31,280 per year).

### Benefits

Additional costs are the benefits that employers pay that may include health, dental, life and disability insurances. These "benefit" costs are usually expressed as a percentage of the hourly or weekly wage and are typically anywhere from 20 to 35% of the hourly wage. American's benefit rate is 25%. The wide range results from the differences in the benefits provided by employers. In older industries or companies, the benefit rate is usually higher as additional benefits were added in more prosperous times and employees continue to have an expectation of receiving them. The costs of benefits, especially healthcare, also increase from year to year.

### CSR Supervision

A direct cost of the call center is the cost of the supervisors required to supervise CSRs. The ratio of supervisors to representatives varies widely but usually falls within the one to 20 range. American has one supervisor for every 20





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CSRs. Supervisors earn 10% more than CSRs. This means that the cost of supervising is equal to 5.5% of the CSR wage rate with benefits.

### Shrinkage

Shrinkage is a call center term reflecting the percent of time that an employee is actually available for work. It represents the difference between the 40 hour work week less the time that is used for breaks, lunches, formal training, and paid time off (sick and vacation days). It usually represents the time the CSR is *not* logged into the company's ACD or racking software.

The shrinkage number is a key component of good planning that helps to ensure appropriate staffing to manage call volumes consistent with other call center goals, such as speed of answer and service quality. In order to prevent burnout and turnover, it is extremely important that good workforce planning and forecasting software tools are used to strike a healthy balance between productivity and overwhelming the service representative.

Industry shrinkage numbers can range from 15 to 40%. Obviously, these numbers can fluctuate widely as unscheduled events and calls impact activities. American's shrinkage factor is 20%. This means that employees are available for customer interaction 32 hours (40 times 80%) each week.

### Occupancy

Occupancy is the percent of work time that the CSRs are available to provide services after accounting for shrinkage. American forecasts occupancy at a level of 75%. This indicates that CSRs are available (logged in) for 75% of the hours (32) after accounting for shrinkage or a total 24 hours out of the work week. The reality of forecasting and planning is that incoming call rates have peaks and valleys and as such, the occupancy factor provides some flexibility for representatives to accommodate non-planned incremental call flow and minimize long hold times.

### Attrition

A major advantage of outsourcing either parts or all of customer contacts results from the elimination of attrition expenses, probably the single largest cost variable in the customer service equation. Most outsourced call center agreements shift the responsibility for hiring and training to the outsourcer. If the company agrees to outsource a fixed number of customer service positions, the outsourcer becomes financially responsible for rehiring and retraining when attrition occurs.

Attrition rates are usually defined as the average number of terminations (voluntary and involuntary) divided by the average number of employees over a period of time, usually 12 months. Attrition rates vary widely among call centers. Typically the rates can be as

low as 30% and as high as 50% when measured after the first 120 days of employment. The relatively high rates result from a number of functions having to do with the nature of the position (usually entry or near-entry level), the wage paid, training, company culture, and working environment.

There are many studies where the costs of attrition are measured as a multiple or fraction of employee cost. For higher-level managerial positions, turnover costs are estimated to be as much as four times the annual salary, including re-hire and re-training plus lost productivity. Lower paid positions are generally less costly. American's CFO estimates that CSR attrition costs them 25% of the CSR's salary plus benefits or \$9,750.

Regardless of your own estimate, turnover is usually a major hidden cost of operating a call center. American has 40 CSRs and has been experiencing a turnover rate of 35% per year equaling 14 CSRs. The annual cost adds up to \$136,500 per year, a considerable sum in any business. Another way of understanding the enormous impact is to determine how much extra revenue is required to make up for the extra expense. In a business whose goal is to make 20% EBITA, an incremental operating expense of \$136,500 would require five times that amount or almost \$682,500 to make up for these expenses.

### Overhead

Every position or function in the company is supported by allocated fixed costs. These costs usually represent such things as rent, training, quality, payroll, scheduling and forecasting, legal, IT and others. American's overhead rate is 25% of the total costs of each employee.

### The Hidden Cost of Attrition

Why does employee turnover cost so much? To begin with, once an employee begins to consider leaving their current position, you can assume some lost productivity as they use paid time off to search for a job. Once they resign, consider all of the many elements and costs associated with all the paperwork, recruiting, hiring, training and productivity impacts when an inexperienced employee replaces an experienced one.

Attrition reduction and employee retention are critical indices of performance. One way to manage this is to eliminate or at least reduce attrition by the use of outsourcing. Outsourcing can be used to complement or replace existing operations. Complementary practices may include after-hours and weekend services or sharing a percentage of calls, or using skills-based routing for certain types of calls. Outsourcing strategies vary depending on the complexity and nature of the task and the type of customer contact needed.



## What Does It Really Cost To Operate Your Call Center?

When we incorporate all of the factors listed above, the real CSR hourly cost of operating the call center (using American's numbers) comes out to be \$45.85 per hour or more than three times the actual wage rate paid to the company's CSRs. The numbers are shown in the table below and also provide space to add up your own

company's costs.

The chart below summarizes American Financial Health Care Services cost assumptions developed in this paper and provides space to estimate your own. The goal is to better understand the total costs of operating a call center.

Components of Call Center Costs

	American Health Financial Services	Incremental Cost	Cumulative Cost Per Hour	Your Company Assumptions	Your Company Cumulative Cost
Wage/Hour	\$ 15.00				
Employee Benefit Rate	25%	\$ 3.00	\$ 20.00		
Supervision	5.5%	\$ 1.10	\$ 21.10		
Shrinkage	20%	\$ 4.32	\$ 25.42		
Occupancy	75%	\$ 6.61	\$ 32.03		
Attrition	25%	\$ 8.82	\$ 40.85		
Overhead	25% (of \$ 20.00)	\$ 5.00	\$ 45.85		



## Customer Service Burnout – Changes Aimed at Making an Impact on Employee Productivity by MarySue Lucci

### What is customer service burnout?

Have you ever looked at one of your customer service team members and noticed that they have a distant stare? Perhaps their eyes are glazed over? This person may be experiencing the dreaded *Customer Service Burnout*. When typically high-performing customer service agents begin to show a lack of enthusiasm for their work, their service to customers begins to decline, and overall production is sluggish, they may be experiencing burnout.

### Why does it happen?

In the Call Center industry, it is often noted that the customer service call center environments are stressful. This is not surprising when you think about the nature of the customer service calls. Customers do not typically contact customer service when everything is fine. Customers call service lines to get help, complain about products or services, or to have a problem resolved. At times, these customers are in a stressed state, because they don't understand their account, they are displeased with the company, or they have a question related to benefits, billing or an endless number of other topics.

Calls can be viewed as tedious, because they address the same topics. Sometimes the calls lack challenge. Other times service centers are handling new issues that customer service agents have little control over, but yet they must be the voice of the company to your customers. All these things lend to an environment of stress, **but it does not have to be that way.**

Calls are not the only factor in Customer Service Burnout. Often, there are opportunities for the operations of the call center to overcome this challenge. When employees don't feel appreciated, communicated with, and supported, their stress levels increase. This is where managers can make the difference...

### Why is burnout dangerous?

Customer service agents are the front line of your business. They are the voice of your company. These employees listen to customer needs and then make them feel supported and helped. If a customer service agent is feeling burnt out and uninterested in their work, they run the risk of delivering poor service and affecting the customer experience. If the customer experience is not top quality, they'll take their business elsewhere.

### So, how can operations prevent Customer Service burnout?

Managers, Directors, Human Resources staff and Trainers are



all responsible for preventing customer service burnout. ***The challenge is to create a support system in your Call Center environment to help your front line employees handle the stress of their everyday calls.*** Here are some things you can do to make changes that impact your team's job satisfaction.

### ***Ways to Create a Support System to Relieve Call Center Stress***

**Keep things fresh.** Make an effort to bring new and refreshing concepts to the call center. Introduce games related to performance, have theme days (dress down, dress up, Hawaiian shirts), and decorate the call center for special events and seasonal changes.

**Monitor calls and offer feedback.** It's crucial that call center management listen to what their callers are saying on the phone, and offer feedback on a consistent basis. They should listen to what customers are asking, and how customer questions and concerns are being handled. Are the customer's needs being handled sensitively and with accurate information about the product and service? Are there missed sales opportunities that can be identified and help the call center employee recognize areas in their performance that can be improved to meet their goals? Monitoring also creates opportunities to praise and

reward call center employees for meeting performance criteria, so that they can continue what's working. This feedback process not only has a positive affect on product, but also helps the employee overcome burnout by continually refining their role, motivating them to be their best!

### **Get excited about your job to get them excited about theirs.**

Show enthusiasm for new programs, types of calls, and training. Approach your day with a smile and an upbeat nature; be friendly, welcoming and helpful. *Studies have shown that employees who have a friendly, professional relationship with their direct supervisors stay with companies longer.*

### **Educate and offer development opportunities.**

Refresher Training is a great way to prevent burnout. It mixes up the work experience for the callers, and sparks ideas for improvement. Time to reflect and learn new ways to improve performance can revitalize employees. Make training interesting by jazzing it up with fun PowerPoint presentations that include humor and themes.

### **Provide incentives and acknowledge success.**

Simple competition with an element of fun can relieve stress. Contests can be related to sales, quality, or performance. Help your team members create personal goals

and offer encouragement to achieve them. A simple email letting an agent know what a great job they are doing can motivate people to further success.

### **Communicate and Listen.**

Asking employees what they want to reduce stress can open the door to the answers you are seeking. Listen to employee concerns and let people vent. People love to feel involved with the solution. By first asking for their opinions, then listening carefully and finally implementing their solutions, you can change your environment and boost morale at the same time.

**Inspire people to do the best job they can. Present team meetings with a "go get 'um" attitude.** Send inspiring emails throughout the day. This may seem challenging, but there are applications that can make this task fun and effective. (To learn more about these applications, visit [www.marastar.com](http://www.marastar.com)).

**A recent case study conducted by MaraStar Communications, an international provider of on-line training animations, explains how their client, a national malpractice insurance company, noted a vast improvement in employee morale when humorous and topical ToonUp animations from**

**MaraStar Communications were included in monthly training sessions via PowerPoint. "ToonUp animations addressing customer service situations that we all face help to break the tension and keep our campaigns energetic and productive!" says their Human Resource Manager.**

Customer Service Burnout is out there, but it is preventable. Save your call center employees from that vacant stare by taking action.

MarySue Lucci has been involved in the Teleservices and Direct Marketing Industry for over 25 years. Formerly President and Co-founder of RMH Teleservices, an international call center operation that she co-founded with her partner, Ray Hansell, in the mid 1980's and took public in 1996, MarySue has more than 25 years experience in every aspect of telemarketing operations, including employee recruitment, training, and motivational programs for RMH, and prior to RMH, for companies such as Colonial Penn and Clement Communications. Currently, MarySue is the President and Co-founder of [MaraStar Communications](http://www.marastar.com). Based in Wayne, PA and founded in 2000, MaraStar produces animated training and communications products for their national and global



business customer base, designed to train and motivate employees within the call center and customer service industries.

###

**Incentive Programs Go Global as Call Centers Expand Worldwide**  
 By Luke Hager, Research Analyst with the Incentives Alliance

Call centers are popping up in India, the Philippines and other remote locations due to the cost savings in being able to employ educated people for a fraction of the price it would cost in the US. Companies are definitely going global with their operations, subsidiaries and divisions spread out throughout the world. Due to this factor, such companies are increasingly moving

incentive programs online as they are easier to use, less expensive to run, and more motivating for customer service people, employees and customers. New findings support that those companies that move to a truly global incentive platform will save money, resources, time, and increase performance and ultimately profits.

Many traditional incentive and reward service companies are finding they need to change with the times in offering global reward programs, which is why the Global Incentive Council was established in 2006. Traditional incentive and reward service and product companies came together for the purpose of creating a forum to define and develop the common interests of companies that offer global incentive solutions to their clients.

Founded in 1999, Globoforce, a pioneer of global incentive solutions, is one such company that saw early on the power of providing a global incentive platform and developed from its inception a global incentive strategy for this fast growing global market.

The incentive industry is evolving quickly and getting a lot more attention than in the 1990's Dot Com boom. There has been several perception studies conducted recently that shows there is a definite disconnect between what employees value and what employers think they value in the US. When you take that perception worldwide, the gap increases exponentially. For instance 86% of companies think they do a good job of treating employees well while only 55% of the employees agree. Furthermore, 54% of

employers say they will do a better job of treating employees well over the next three years while only 24% of employees make that same prediction.

What does ring true in today's landscape is that those employers that are focused on doing a better job in recognizing employee achievement are looking to incentive solutions as the number one solution. And most that aren't yet global are also considering global incentive solutions because they expect their organization to be playing globally within 3-5 years if not sooner.

This brings us to the point of why several incentive companies are now looking to evolve their traditional incentive programs to global rewards solutions. But in doing so, they are finding challenges in addressing languages,



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currencies and cultural issues. They are also facing difficulties in developing merchants to support a worldwide approach and global reporting issues dealing with taxes and varied government regulations. Although these barriers to entry aren't stopping such companies as Maritz, O.C. Tanner, Carlson Marketing and Hinda Incentives that are looking to evolve their current programs into global ones. Today they ship merchandise from the US or even regionally, but soon expect to unveil a next generation incentive program and service where they offer on-ground rewards in each and every country. The ultimate goal for such companies are to provide rewards that really are suited to local tastes and that are locally selected and locally delivered.

Reuters and Dow Chemical are two companies we surveyed and found that are using a truly global incentive platform. Globoforce, which began from its inception as a global incentive solution for global organizations, offers programs that span five continents. Its incentive solutions are presented in local languages that cover the globe – from English to Japanese, Spanish to Chinese. The company provides global reporting in all local currencies from US Dollar to Australian Dollar, from Mexican Peso to British pound and many more. For example, the Globoforce program offers global reporting and cultural and economic analytics so that

employees in India receive the same award value as do their counterparts in the U.S., China or any other worldwide locale.

With global enterprises revamping health-care and retirement programs, high-performing employees are placing strong emphasis on pay, but too often many global employers appear to underestimate its importance. According to the 2006/2007 Strategic Rewards survey, 71% of top-performing employees rank pay as one of the top three reasons they would leave an organization, but only 45% of employers believe pay is a top retention issue. Instead, employers rate promotion opportunities (68%) as one of the top three reasons employees leave, closely followed by career development (66%).

Three years in a row, employers have reported difficulty in attracting and retaining employees, particularly critical-skill and top-performing employees, which is why so many organizations are going global to get a larger pool from which to pull talent. More than half (63%) of employers report a moderate or high level of difficulty in attracting critical-skill staff, and 39% report moderate or high difficulty in retaining them. These are all key factors in why rewarding employees has become a critical issue. Relatively few employees (19%) cite difficulty in finding another job as a key reason they remain with an organization, and 15% of top

performers are not sure they will remain with their present employer, an increasingly alarming issue.

It is evident that incentive companies are changing their domestic strategies into global ones in order to accommodate the growing number of companies going global. It is highly recommended for companies that compete for talent in the workforce and want to retain its existing employees to deploy a comprehensive global rewards and incentive programs. Such companies like Dow Chemical, Ruetters and others are already reaping the benefits, not only in higher retention rates but also in productivity, teamwork and a renewed focus on corporate values.

#### **Five Essential Must-Have's for an Effective Global Incentive Program:**

1. on-demand incentive solutions that provide a single platform for managing and implementing enterprise or divisional recognition.
2. solutions that are available in multiple languages that offer rewards in multiple currencies.
3. Online reporting and workflow capabilities for global flexibility. For instance, a solution that allows an employee in India to be nominated for an award, approved in French by their manager in Montreal, and issued in Indian Rupee and invoiced to the client in the UK

HQ in Sterling.

4. It is also important to have a self-built fulfillment capabilities that allows for the control and coordination of the giving of gift certificate and rewards worldwide.

5. It is critical that your incentive solution is linked to a network of merchants that span the world so that rewards given in any location can be redeemed locally and in that local currency. Having a network and multitude of merchants worldwide reduce the operating expenses of incentive programs by saving on shipping costs, international taxes, customs duties, tariffs, human resource administration and especially on the costs of running different programs in different divisions of a global company, across different countries.

For more information, you can reach Luke Hager, Research Analyst at Incentive Alliance at 323-309-2994 or email him at editor.assistant@gmail.com

###

#### **HOSTED SERVICES AS AN ATTRACTIVE OPTION FOR IVR AND CONTACT CENTER SOLUTIONS**

*By John Joseph*

The rapid adoption of VoIP technology is changing hosted IVR and contact center solutions and their providers. Hosted service providers, like their enterprise brethren, are adopting VoIP quickly, and as



a result they are making available more IP-based hosted services than ever before. This is significant news for enterprises, particularly those that are small to medium-sized; because hosted IVR and contact center services offer a number of advantages over on-premise solutions.

What is driving the change? It all begins with the cost of service. Using a VoIP connection, the hosted service provider is able to transfer calls over the Internet to the enterprise without incurring the cost of a traditional phone network. And, according to a number of analysts, those organizations that are VoIP-based are able to connect their networks and applications more easily thereby lowering the cost and pain of adopting hosted solutions. VoIP, therefore, enables hosted service providers to either achieve healthier profit margins or to remain competitive in a price-sensitive market and still lower their service delivery costs.

In addition, hosted service providers are able to pack more services into their offerings by implementing VoIP. For example, industry analysts have pointed out that VoIP makes the deployment of speech-enabled voice solutions faster and at a lower total cost of ownership as compared to their TDM counterparts. This is

significant in the case of speech-enabled solutions where cost has been a major barrier to adoption. Now, thanks to VoIP, speech-enabled applications are a more attractive option – even for smaller enterprises.

In addition to the benefits yielded by VoIP, there are several core reasons that organizations elect to implement a hosted solution instead of an on-premise one. First and foremost, hosted solutions have significantly lower start-up costs than their on-premise alternatives. For example, when an enterprise contracts with a service provider for their hosted solution, the enterprise is banking on the reputation of the service provider. Assuming that the service provider has a long list of customers, an enterprise can validate that the infrastructure has been fully deployed and tested with other customers. And, the enterprise is able to avoid the capital cost of buying voice servers,

Web servers, telephony hardware, speech recognition software licenses, and other system components. Plus, the enterprise does not need to house the IVR and contact center systems forfeiting valuable office space. With a hosted solution, there are few, if any, back-end costs because the solution provider maintains the applications and server infrastructure. For the same reason, the enterprise

doesn't require in-house application specialists and there are no training costs because in-house IT doesn't need to service the hosted technology.

Organizations that select hosted voice solutions are also able to avoid the cost of developing voice user interfaces (VUIs) which is a highly specialized skill that few companies can afford to maintain in-house. The only major up-front cost incurred by organizations choosing hosted contact center solutions is for any customization that may be required to the solution provider's application.

In addition to the cost saved running on an existing network, the start-up time is shorter because the infrastructure is already running and validated and the telephony, speech technology, and application licenses are already integrated. Even if changes are required, because the entire infrastructure is under the hosted service provider's control, there is less time-consuming negotiation between the service provider and the enterprise to reconcile the differences between data and voice communications. Instead, the service provider is simply able to issue a standard set of specifications that the enterprise has to meet to tie in.

Finally, hosted solutions are a good tool for reducing the risks that can be associated with

adopting new, rapidly changing technology. In the case of hosted IVR and contact center solutions, advanced speech technologies, such as speech recognition, speaker verification, and TTS, are all rapidly advancing technologies. VoIP itself is also a rapidly changing technology due to the adoption and evolution of the SIP standard. To a great extent, users of hosted solutions are shielded from the underlying technologies. All necessary costs of keeping up-to-date with technology advances are incurred by the hosted service provider. If they don't remain on the cutting edge, they risk losing their customers to another hosted service provider. Enterprises utilizing hosted solutions are therefore able to respond to market changes and new technology faster because they need not be concerned with capital investment in their own software/hardware infrastructures.

The advantages of these cost and time savings are easy to realize. To implement a simple 96-port interactive voice response (IVR) system as a hosted solution, a staple in most contact centers, it may only cost \$25,000, compared to \$125,000 for the start-up costs of an on-premise solution. In terms of implementation time, a hosted solution could be up and running in a week, compared to a month for an on-premise



solution.

While hosted voice services are not a new concept, with the emergence of VoIP, I expect more enterprises to consider outsourcing some, or all, of their customer service infrastructure. If you are considering deploying a hosted voice solution, pay close attention to the reliability of the network and the level of redundancy offered. These are often the key metrics that service providers use to differentiate their services and the results can vary. Also, carefully review the service level commitments that the hosted service provider offers. With a good choice of hosted service providers, plus the benefits of VoIP and hosted services, you can assure that

you'll stay ahead of the competition.

*(John Joseph is vice president of corporate marketing at Envoy Worldwide, a voice solutions provider based in Westborough, Mass.)  
###*

### Understanding the Delivery Options of Hosted Software

By Randy Saunders, Cincom Systems  
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The combination of lower start-up costs, rapid deployment, ease-of-use, limited IT resources needed for implementation and maintenance, and improved functionality have proven to be the right combination for many

organizations reviewing hosted software solutions. Moreover, advances in security and processing speeds allow organizations to get the same quality of service from hosted solutions as with the traditional on-premise options.

But before you run off to reap the benefits of hosting for your organization, there are a number of options under the hosted umbrella term that are important to understand.

### Standard Hosted (Shared or Multi-Tenant)

Standard hosted delivery options provide the lowest risk of any delivery model. This "try-it-before-you-buy-it" or "never-buy-it-at-all" offering gives the company the opportunity to take advantage of the solution

on a monthly subscription basis with full IT support. The service provider hosts the software on its premises, while the company pays a subscription fee to access the service.

### Dedicated Hosted

This subscription allows the organization to purchase a "dedicated" hosted environment versus the shared environment typically offered on the service provider's premises. Unlike the standard subscription, a dedicated environment enables a company to set up dedicated servers, firewalls, and virtual private networks (VPNs), in effect, segregating the company's data, configuration, and administrative control from the service provider's other clients. Dedicated environments usually appeal to

## WHAT'S KEEPING YOU UP AT NIGHT?

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### **Hosted License**

If an organization purchases a license, its service provider can host and manage the software on the service provider's premises via what many call a "shared multi-tenant architecture." This way, the client enjoys the lack of maintenance headaches, but the peace of mind of owning the solution. In this scenario, an organization would have a higher upfront investment to purchase the software license, but a lower monthly cost.

### **Internal Hosted**

This delivery option puts a new flair on traditional ownership by bringing all of the multi-tenant, hosting benefits into the organization. By in-house hosting, an organization can become an internal service provider to multiple contact centers, departments, or divisions within the enterprise. Each group can adopt the application for its own specific functions, all the while using a single infrastructure and single application instance.

### **Named User Subscription**

With most hosted solutions, there is an upfront implementation fee and an ongoing monthly fee. The most common monthly subscription type is named user.

Named user subscriptions are less expensive and are issued

based on the user's name. The company registers the employees to use the software, and only these users would be provided a password or key to the software. Named users can access the application from any computer, anywhere in the world, and still see all of their customization and settings. All activity and history is tracked and analyzed for each individual.

Knowing these terms and the options available to you will make you a more educated buyer when purchasing hosted contact center software.

*This article is an excerpt from the white paper "The Hosted Model: Simplifying Contact Center and Agent Desktop Solutions." To download the complete white paper, go to [www.cincom.com/hostedmodel](http://www.cincom.com/hostedmodel)*

###

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or 206-225-0800 x257**

There are an estimated 112,000 home-based agents in the US, and this number is predicted to triple by 2010. Centers are looking to this alternative method of servicing customers in order to offer flexible schedules, lower retention, cut costs and attract top-performing employees.

Sounds great, but what do you need to consider before implementing this type of remote workforce? Envision recently hosted a forum where 100 contact center professional discussed this topic and here's what they had to say.

### **Selecting Home-Based Agents**

Many companies and employees view working from home as a perk. As such, agents are chosen based upon their previous performance (KPIs) and behavioral interviews. Not every successful contact center agent makes an effective home-based agent. Successful home-based were identified as those that are independent, self-directed, confident, possessed basic IT skills and had good knowledge of the job. Once agents were selected for the program, many companies put the agents through two week to month-long at-home training program to prepare them for their new work environment.

### **Connecting with Remote Agents**

Clearly, one of the biggest challenges conveyed by the participants was how to keep remote agents connected with the company and with their peers. Ideas for keeping these home-bodies engaged included monthly office briefings, Click2Coach® informational video clips, home visits, inviting them to corporate events, utilizing Instant Messenger, dedicated

intranet sites where agents can interact with one another via chat rooms, blogs and also easy access to job aids and other corporate tools.

### **Who Pays for What?**

Most companies stated that they supply the computer hardware for the agents' home office, but ISP and furniture expenses were the responsibility of each individual agent. Overall, there was a sense that the agents must have a sense of ownership and/or an investment in the program.

### **Coaching & Training**

Many companies were using technology to provide direct desktop training and coaching to at-home agents. Click2Coach® users send a coaching package which includes a completed evaluation form, the recorded call and a short video clip on what they did well and what they could improve upon. Others used Web conferencing technology such as WebEx or ReadyTalk to push live pages to the home-agents desktop in a virtual training room.

### **Security**

Corporate security has become a hot topic for contact centers. To help keep sensitive customer information secure, companies have put VPNs in place. In addition, multiple participants stated that they require at-home workers to have shredders in their home offices to shred notes and sensitive data that they may



collect by hand during calls. Other companies volunteered that they do not allow computer peripherals like printers in the home office. One company even stated that they mask sensitive data within their computer systems.

## ANNOUNCEMENT

**Snowfly: Games that Drive Workplace Performance presents: The Workforce Optimization Webinar (WOW) Series**

Join us for the WOW Series, featuring six of today's most contemporary thinkers, educators and practitioners in the fields of workplace incentives, games, performance management and employee morale.

Webinar Speakers/Topics Include:

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[Dr. Robert Provine - Laughter from 9 to 5: The Relationship between Workplace Laughter and Job Satisfaction](#)

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###

**DirecTV Opens New Call Center in Missoula, Montana**

**Contributed by  
Jim Trobaugh**

[jim.trobaugh@cbre.com](mailto:jim.trobaugh@cbre.com)

DirecTV, the leading broadcast satellite provider in the United States, has brought high definition and the NFL Sunday Ticket services to more than 15.5 million customers in the U.S. and over 1.5 million customers in Latin America.

In 2004 and 2005, DirecTV sold all other operations and holdings in an effort to concentrate on their satellite business alone. They have also teamed up with companies like Verizon and Intel to bring their services to voice and internet communications as well as a working component with Intel's technology for PCs, laptops and other electronic devices.

**The Challenge:**

With a service that brings 15.5 million customers 130 basic entertainment channels, 31 premium movie channels, over 33 regional and specialty sports networks, an aggregate of over 1,100 local channels, DirecTV needed to open an in-house Customer Care Center to support growing subscription base for satellite services and to keep up with their high call volume. The challenge was to find a location that would accommodate their requirements of finding a well educated workforce and have a customer care center up and running in 9 months.

**The Solution:**

CCSG provided DirecTV with their Site Selection Services, Incentives, and Real Estate expertise to assist DirecTV in selecting a location that would enable them to meet their labor force and education level requirements.

DirecTV chose the area around the University of Montana to help achieve their goal of finding a well educated available workforce. "The customer call center representatives will provide technical help for new DIRECTV products and advanced television services, such as standard-definition and HD digital video recorders and interactive services," DirecTV, Inc.

**The Benefit:**

DirecTV chose Missoula for their newly developed customer care center, which will create, up to 1000 new jobs the community. "DIRECTV will be among the largest employers in the state and said it expects to hire more than 600 agents by year end," DirecTV, Inc.

Missoula, with cooperation from state, with cooperation from state, county and city, was able to offer an incentive program that included low interest financing to build a best in class 78, 000 square foot facility, donation of 12 acres of land and creation of Tax Increment District to provide for site infrastructure (roads, fiber, utilities, power, etc). The benefit to DirecTV was millions of dollars in operating cash savings over a 10 year lease term.

Incentives and Real Estate

Low interest construction loan from the Montana Board of Investments (MBOI) to build facility;

Cash grant for infrastructure improvements from the U.S. Economic Development Agency (U.S. EDA);

Cash from the Montana



CDBG Program to purchase that facility from DirecTV upon completion;

Cash from the Montana Job Training Grant Program to reimburse DirecTV for training expenses;

Tax credits can be earned over 10 years to help pay down the MBOI loan

###

### **FINE-TUNE THOSE INTERVIEWING SKILLS**

by Ginni Garner,  
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### **IMPROVEMENT TODAY CAN HELP AVOID PAIN LATER**

IF PROCRASTINATION IS ANY GUIDE, two tasks that most managers would rather do next week are hiring and firing. They are the *yin* and *yang* of the employment process – the bookends of too many people's careers – and the worse the hiring decision, the more likely it will lead to eventual termination of the person hired.

Central to a sound hiring process is the interview, which bears more than passing similarity to the performance reviews to follow. Both require analysis and introspection, some degree of planning, and an intense period of personal interaction leading to an outcome that will either delight or disappoint the other person.

Moreover, interviews and performance reviews require skills that many people fear they lack and compete for time with the day-to-day demands of running a business. Last but not least, they require us to make a decision about someone's life. That's a heady combination.

Job candidates have a unique perspective on the interview, since it is *their* lives that are at stake. All too often, the feedback they provide to their recruiters is that the interviewing process stunk. For example, interviewers expressed no urgency in filling the position, showed little interest in the candidate and basically had him/her confirm résumé information. That was not to mention starting an hour late or demanding to know the minimum salary the candidate would accept.

Because good interviews help ensure successful hires, they should be conducted with the same foresight and finesse that one would bring to a major sales meeting, union negotiation, security analyst conference or board of directors presentation. To paraphrase a well-known saying, an ounce of preparation is worth a pound of cure.

#### **How to build better interviews from the ground up**

MORE THAN ONCE, veteran

search consultants have heard their clients say, "I'll know what I'm looking for when I find it." What a prescription for frustration, delay and disappointment.

In truth, the key to successful interviewing is knowing exactly what one is looking for. The Sanford Rose Associates *Dimensional Search*® process, for instance, pinpoints skills required to perform the job, experience needed to hit the ground running and management/operational style best suited to the organization's culture and long-term goals.

Of those factors, the issue of style may be most important – especially at senior management levels. To use an analogy, it's a well-known anthropological fact that civilizations developed when farming communities began to replace wandering tribes of hunter-gatherers, leading to the development of computation and written language as crop production was counted and recorded. In today's corporation, hiring managers need to determine the optimum mix of hunter-gatherers to bring home today's kill versus cultivators to plan for the success of next year's crops.

With the assistance of your professional search consultant, write down those key factors that will determine success or failure on the job at hand and

insist that candidates to be interviewed have demonstrated the ability to meet them.

If a search has been long and arduous, there can be the temptation to fall in love with the first warm body – despite obvious shortcomings (such as lack of experience, missing skills, poor cultural fit, etc.). Avoid that temptation.

Conversely, if a search firm strikes pay dirt on the first one or two candidates presented, there can be the temptation to assume that even stronger candidates must be lurking in the underbrush. Avoid that temptation as well; a bird in hand is worth two in the underbrush.

In short, remain objective. A well-defined set of expectations can help eliminate the guesswork.

Plan the actual interviewing process carefully; it is astonishing how many participants in how many organizations have no clue as to why they have been included or what they are supposed to ask. Decide whether there will be one or several rounds of interviews, what role each participant will play and how the process will be structured – e.g., a sequence of one-on-one interviews versus a single panel interview, or perhaps some combination of the two. In order for candidates to be compared on an apples-to-



apples basis, Sanford Rose Associates recommends that a consistent “core” panel of interviewers see all finalists. Panelists should have a full understanding of the position opening and how it interacts with their areas of responsibility.

Time being precious, the interview is not the place to be confirming details covered on a résumé; if there is need for verification or clarification, Human Resources or the outside search firm can do that in advance. Amplifying information on the résumé, however, is fair game. Most contain lists of accomplishments – such as increased sales, reduced costs, new product introductions and the like. Did the candidate do that all by herself, or was she part of a team? What role did her boss play? Etc.

Decide ahead of time the questions to be asked, and who will ask them. (A list of really good questions can be found at the end of this newsletter.) One of the most common problems with corporate and broadcast interviews alike is the failure to listen: the interviewer is too busy instead formulating the next question he wants to ask. If one does listen, then one can pick up on red flags, inconsistencies and other areas to probe. (In one recent interview, a candidate responded to a typical shortcomings question by

citing a tendency to make sure that subordinates’ work was perfect. The astute interviewer responded in turn, “So others would call you a micro-manager?” The rattled candidate confessed that this was so.)

Provide candidates the opportunity to ask questions as well, since those will often reveal the candidate’s amount of research, degree of insight and true level of interest in the job. Likewise, your responses provide a wonderful opportunity to extol the virtues of your organization and sell the candidate on the position.

At the end, clarify next steps. Unless you are ready to make an offer on the spot, don’t try to negotiate salary, title and other factors. It’s fair to ask about the candidate’s current compensation – but not what he or she expects in the new job. Once the interviewing process is complete, make an up or down decision on the individual. Down means out the door. Up means the candidate remains in the running with, at most, two or three other top contenders.

### A few great questions

What would you like us to know about you?  
 Why are you interested in changing jobs at this time, and what is the perfect next job for you?  
 Why is this opportunity a good fit?  
 In your current job, who do

you report to? Tell me about their responsibilities – and yours.

What are your three greatest achievements – and exactly how did you accomplish each? How would your current employees describe you, and how would your boss?

Describe both a shortcoming and a disappointment – and how you dealt with each.

What risks have you taken in your current job, and what happened as a result?

What would make your current employer (even) more successful?

What changes in your current job would make you want to stay?

###

## A Teltronics, Inc. Success Story

*Waterford Wedgwood, USA  
 Sparkles with Teltronics*

*OMNIWorks® Multi-Media  
 Contact Center System*

Submitted by Allison Latimer  
 alatimer@teltronics.com

### History

Waterford® is the leading brand of premium crystal in the ‘luxury lifestyle’ market. Headquartered in Ireland, the company was originally established in 1783 near the harbor town of Waterford. The founders of this organization wanted to create the finest quality crystal, and now their vision is a solid reality. Products for Waterford extend beyond crystal and now include other upscale product

lines such as fine china, table & bed linens, stainless flatware, writing instruments, and candles. Since its organization, Waterford Crystal has merged with, as well as acquired, several other companies. The name ‘Waterford Wedgwood’ was established in 1986, when Waterford Crystal and Wedgwood merged. Wedgwood is known for its beautiful pottery and ceramic pieces. Merging these two companies added complementary products to Waterford’s portfolio. Currently, Waterford Wedgwood has a presence in over 80 countries, including a USA office in Wall, NJ, and internationally employs over 9000 people. In addition to offices in the Wall, NJ location, this facility also houses a large contact center for Waterford Wedgwood, USA.

### The Challenge

To properly accommodate customer needs due to the diversified product line, Waterford Wedgwood, USA required an updated telephone and customer contact management system that handled the increased volume of incoming calls, answered calls in a timely manner, had customer information readily available, had reporting mechanisms to indicate call abandonment rate, tracked peak call times, and could be maintained and upgraded cost effectively. They wanted the insurance that their customers



were handled quickly and received the care and attention deserved.

### The Situation

The new system needed to serve as a telephone switch, with call center capabilities, and give their customers an effective/efficient level of service with less call abandonment, a decrease in the callers wait time to speak to an agent, personalized service, and more.

### Why Teltronics?

A Teltronics customer since 1995, Waterford did its due diligence and investigated other telecommunications products from various companies. After comparing several products, Waterford found that the Teltronics 20-20<sup>®</sup> switch with the OMNIWorks Customer Contact Management System met all of their requirements in addition to some extra features that are standard to the system. Those include:

Skills-based routing – routes a call, fax or e-mail to an agent who has the skills to handle the call effectively. Agent skill classifications can be combined: e.g. Spanish speaking agent who is proficient in glassware. Web collaboration – lets Waterford Wedgwood, USA call center agents assist their web customers, allowing for an agent to securely share a customer's computer screen

and assist them throughout the entire ordering process. Call reports – tracks peak call times and call abandonment rates, allowing Waterford Wedgwood, USA to efficiently manage extremely high volumes of calls while assuring the time calls, faxes and e-mails are held in queue are kept at a minimum. Supervisor screens – allows supervisors to monitor agent activity to ensure that ultimate customer satisfaction is achieved. Supervisors can dynamically change the call flow process ensuring that the call center runs as efficiently as possible.

Multi-Media functions – used by agents to process high volumes of incoming calls, emails, and faxes. Agents with the appropriate assigned skills are presented with e-mails and faxes in addition to calls. Agents can also assist web customers by utilizing OMNIWorks powerful Web Collaboration and Web Chat Tools.

### The Results

With the Teltronics OMNIWorks Call Center Solution, Waterford gives its customers the high level of service they deserve by quickly and efficiently routing calls, faxes or e-mails to the right agent the very first time. "The Teltronics 20-20 Digital Switch and OMNIWorks Customer Contact System allow Waterford to provide a significantly better level of service to its customers,"

states Mike Rossi, Telecommunications Manager for Waterford Wedgwood, USA. Additionally, Mike Rossi had this to say about Teltronics personnel, "The quality of support is outstanding and whenever we need them they are there for us. Teltronics delivered the solution we needed."

###

**Call Center Times February Newsletter Article Title:**  
***What You Tolerate Becomes Your Standard***  
**by Kimberly King,**  
**[kking@interweavecorp.com](mailto:kking@interweavecorp.com)**

Now that we are a month into 2007, the gleam of our resolutions may have lost some luster. What once was a solid commitment may have been replaced with the status quo. Often this happens in our contact centers, where we have established standards for performance, yet the "daily grind" has eroded some of the high expectations that go with those standards.

We all look around our call centers and see performance that does not WOW us. We see it in the manner in which Representatives dress, the number of minutes that Representatives are late from break and the lack of passion and sincerity we hear on our phone calls. Are our standards not high enough? Have we not set resolutions and goals for achieving higher levels of

performance? How is it that we are not as WOW as we think we could be or should be?

Chances are, your standards are perfectly in line with your goals. Look first to the level of tolerance that your management team has for the behaviors that are not meeting your standards. Listen to Supervisory statements such as:

*"That's always the way he sounds."*

*"He's always late on Monday mornings."*

*"She never asks for the sale a second time."*

*"We can never keep these meetings to the scheduled time."*

If you hear these comments being made throughout your organization, you are tolerating less than your standard and you will have a challenging time achieving WOW performance. How do you fix it? Here are the steps that will assist you in holding everyone accountable for your standards and ensuring that you are tolerating nothing less than WOW!

### Be Sure that Your Standards Are Clearly Defined

If your standards are attitudinal in nature such as "polite", "professional", "responsive" or "respectful", you will have a difficult time helping your Employees to follow the



standards. Be sure that your standards are behaviors that they can clearly understand with little or no interpretation.

### **Set Clear Consequences for the Achievement or Non-Achievement of the Standards**

Ensure that everyone, including Representatives, Supervisors, Managers and Human Resources knows what the consequences are for achieving or not achieving the standards. When you hear Supervisors say, “HR won’t do anything about that...”, it is an indication that the consequences are not fully understood.

### **Confirm Everyone’s Comfort Level with Providing Consequences**

Role play situations in which Supervisors must provide verbal consequences for not following the standards. For example, “I know that we spoke about the dress code. Sandals are not part of our dress code for safety reasons. I will need to ask you to go home and change into appropriate footwear so that we can be fair and consistent with everyone.” This type of communication is difficult, but is critical to achieving your WOW standards.

### **Praise the Achievement of the Standards**

Be sure to provide a great deal of positive reinforcement when the standards are achieved and you do receive

the desired results. Your Employees will appreciate the positive recognition and respond by continuing to raise the bar even higher.

###

## **Customer Case Study**

Submitted by Mary  
Holsenbeck

### **Background**

Fifteen years ago, CaLLogix was a traditional answering service in Manchester, New Hampshire, answering the phone for doctors, lawyers, plumbers and electricians. Although they still answer the phone for doctors, lawyers, plumbers and electricians, a lot has changed. Today, CaLLogix, Inc. is a fully integrated contact center providing a full menu of customized outsourced programs and supporting over 1,500 clients throughout the United States.

### **The Challenge**

Although CaLLogix employs the industry’s most advanced technology infrastructure, they lacked an efficient way to schedule agents. “We were working from a spreadsheet to manage over 1,500 accounts who were using different switches,” said Sherry Leonard, VP of Operations. “We needed a customized solution that was flexible and could integrate different programs and switches in order to accommodate the requirements of our customers.”

Sherry stated that although she had used many different vendors, she was looking for a company whose core competency was workforce management and not a value-added product. “CaLLogix is a boutique contact center that is highly specialized and committed to high quality standards. Customer service is our only business and we wanted a workforce management vendor that was aligned to our standards of both excellence and focus.”

### **The Solution**

CaLLogix chose Pipkins. Pipkins was fully customizable and flexible with customer and business needs. “They also offered the best customer service and their response time was immediate,” states Sherry.

Sherry was most impressed with the transition process and ramp up to their system. “One surprise was what Pipkins accomplished from an IT perspective. They were instrumental in setting up the server and our IT department had little involvement. CaLLogix experienced no down time or technical problems throughout this process. Pipkins helped in every phase of the transition.”

CaLLogix purchased and implemented the entire suite of Pipkins’ software. Sherry stated that two of the most helpful features have been the

agent notification and web agent access. The agent notification feature allows call center supervisors to send pop-up messages to agents’ computer screens. Messages can alert agents to schedule changes and incorporate each agent’s new schedule within the pop-up window, or send overtime requests and allow agents to respond with a click. Web agent access enables agents to view their work schedules, request modifications or vacations, sign up for overtime, exchange schedules with other agents, and report absences over the corporate network or the Internet through a Web browser. “Our agents were so excited with these features that it was like giving them an early Christmas present. They found the software very user friendly and loved having more control over their schedules.”

Sherry said that from a management perspective, having the ability to focus on forecast to actuals has been a significant benefit in efficiency. Pipkins’ ability to use historical data to accurately forecast scheduling has helped CaLLogix address client needs, improve service levels, and realize an overall increase in efficiency. Sherry stated that Pipkins’ software has also helped create new opportunities for the company. “We are now able to give presentations to clients who have more significant staffing and call volume needs. We



didn't have that ability before and it has made a huge impact for our larger clients."

**Conclusion**

Sherry stated "Pipkins' software and customer service has exceeded our expectations. We feel like we now have a partner in our business which has increased our business opportunities and helped streamline our efficiency and operations."

###

**WHY OUTSOURCING MAKES GOOD BUSINESS SENSE**

By Michael Kierath, Executive Vice President  
Call Center Solutions, Apex CoVantage

Today, the motivation for outsourcing is fairly straightforward: to improve competitiveness and profitability through better management of costs and quality. This can be achieved by seeking out lower cost locations, consolidating operations and lowering the costs of infrastructure training and management. An additional motivating factor, often not mentioned, is that business processes such as accounts receivable and outbound sales calls can be so well defined that businesses can accurately measure how efficiently and effectively these processes are implemented.

For instance, an Apex client,

one of the largest credit card issuers in the US, made the strategic decision to migrate customer acquisition programs offshore in order to contact and convert more prospects, more quickly, without adding cost. The key challenge was to complete the migration process before the introduction of a major new credit card in 90 days.

Apex provided a turn-key, offshore contact center capability that allowed our client to seamlessly migrate its customer acquisition programs offshore within the required timeframe of 90 days. The result was a highly successful new credit card launch and customer acquisition program. The offshore contact center operation quickly exceeded important service level standards and provided this client with realized savings of 40%.

If you have not heard about Apex CoVantage, you should know that we are the leading global knowledge process outsourcing (KPO) provider of customized contact center solutions. We help businesses dramatically increase the efficiency, revenue and profitability of their contact center channel. Our clients include leaders in financial services, insurance, publishing, healthcare and telecommunications.

Apex has almost two decades of leadership in global outsourcing and expertise in

managing diverse contact center programs and locations. We offer state of the art contact centers around the globe, combined with US-based leadership and project management.

Apex provides highly trained contact center personnel and expert consulting to help you set goals and meet your business objectives. One hundred percent of our call centers staff are university graduates who are "Americanized" in terms of trends and news and who see the offshoring opportunity as a chance to enhance their English language and western business skills.

We offer inbound, outbound, customer service, technical support services, data and analytics services and contact center consulting. We can help you maximize your marketing dollars without the "global glitches" that can occur when managing call centers worldwide. We can help you to turn your contact center channel into a strategic asset, increase the value of your contact centers, increase sales, strengthen customer relationships and maximize revenue.

To learn more, visit our web site:  
[http://www.apexcovantage.com/contact\\_center\\_solutions/index.aspx](http://www.apexcovantage.com/contact_center_solutions/index.aspx)

###

**CALL RELUCTANCE**

By Graeme Russell  
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**What is Call Reluctance?**

In general terms call reluctance is where an outbound (generally speaking) telemarketer/CSR will look for ways to avoid making the call; most commonly for fear of rejection.

Fear of rejection can be for a number of reasons. It could be that the agent has experienced unprecedented levels of rejection from prospects. And, it is important to look at the level of rejection agents are getting, when looking at handling the Call Reluctance; after all, they are interrelated.

The selling style of an agent can have significant bearing on causes of (and be the cause of) Call Reluctance. It is important to look at whether the agent is/has:

- Well planned
- Well organized
- Selling by objectives
- Following up on previous calls
- Good time management

Also of importance to look at is whether the agent

- Can portray confidence (in first 15 seconds)
- Can develop rapport/interaction

An agent with difficulties in any of the above areas, is in need



of guidance/coaching to help them overcome their 'Call Reluctance'.

The level/amount of planning the agent is making for his/her day (selling period), if they are not planning what it is that they want to achieve, or are over planning. Then, they have areas that need work.

Planning need not take an excessive amount of time whether the agent wants to make 10 or 100 calls in a day. What is needed in the planning? It is accepted that this will vary wildly depending on the sales method and history of the prospect. But, in general the planning should include:

When to make the call  
Who to call Recent history of the prospect  
Expected outcome/s

The agent may work to a prescribed method of calling depending on the type of business you are in, and the type of business/location being called. In general there is an illusion that there never is a good time to call either a business or household. If you or your agents have this attitude then perhaps a career change is in order.

In the majority of situations be it B2B or B2C, the name of the person to be called is known, as is the history of the prospect. So there shouldn't be any great need for pre-planning the call. Everything the agent needs is at his/her

finger tips.

As to outcome/s, this should be a given. If the agent is worth anything like his/her weight in gold, then there should be no need for this to take anything more than a matter of seconds to decide on. And if we all looked at reality, the agent, like you, should have this planned before even starting the day in the office.

### **Overcoming Call Reluctance**

We have looked at what Call Reluctance can be, reasons/causes of Call Reluctance, now we take a look at methods to help agents overcome their Call Reluctance.

Start with any fear factor that may be being displayed, if there is any lack in confidence, then coaching will be needed to bring the agent out of his/her comfort zone. This could be done through role plays, or another method is to simply move the agent from their current seating, to a more visible one.

Planning, if the agent is not planning their day (calls) in a sensible and time saving manner, spend time with him/her to work coach them out of the habit. Over planning, will need coaching at a separate level, and should include having the agent explain the method that they currently use and why.

Once it is understood why the agent perceives this necessary work with him/her to work through a more productive method that will also give them the feeling that it is their own method. That they thought of it.

Look at the agents workspace, is it well organized? If not, then work with you agent to get their space more conducive to product work. Clutter can work for some people, so don't make the mistake and make the calling environment overly clinical.

Now, look at whether the agent is also organized in their calling pattern, the way in which they administer their calls. Remember though that a good salesperson is probably not good at the administration side of their work, they are after all sales people, not administration people. You can't always have the best of both worlds with your agents.

Does the agent have clear objectives/outcomes for each call, or their day? If not then it is important that the agent is coached on the importance of having clear objectives/outcomes.

Remember that not having these is like going on a journey to anywhere, without any preparation or desire in place. It can be futile, time consuming and expensive. The agent is a cost to an organization; can you afford to have unproductive agents sitting around?

If the agent has agreed to follow-up on any previous call, it is important that they have a system in place that will work for them, and it may not always be a system that you can understand, it is important that the system is one that will work for or be easily understood by the agent.

Does the agent constantly arrive at work late, take extended breaks, miss deadlines, and have difficulty in following through? If this is the case then the agent is lacking in time management skills. But remember, that this could also be Call Reluctance manifesting itself.

Work with the agent to improve their time keeping, there follow-up, show the agent what the results of good time management can achieve (salary increases, time off in lieu), the rewards, the benefits (increased sales).

It's important for managers to work with agents to help them overcome their call reluctance; it's important that this is done as a monitoring exercise, not as a 'policing' exercise (I'll hopefully get to cover this topic in a future issue).

###



## **Maverik leverages VoIP technology to build a world class call center**

**Contributed by  
Richard Marcia  
rmarcia@csiworld.com**

In the late 1920s, when Reuel T. Call entered the gasoline business, he was clearly an early pioneer. He was one of the first visionaries to adopt a self service business model amidst an industry laden with full service pumps. At a time when gasoline supply was certainly not plentiful, he developed his own independent brand and converted his stations to the Maverik brand. The fact that he may not have supply didn't deter him from this objective. To address this obstacle, he boldly built two refineries and thus entered the refining and distribution sector of the petroleum business.

With his new refineries and a fleet of trucks, he began to provide product for his own locations. He also served as wholesale distributor to many others who saw the value in an independent brand. This

enterprise would spread across the west as Maverik Country Stores (although the company has since dropped the "country stores" from their name), a corporate-owned and operated chain with 180 stores in 7 western states.

While Reuel T. Call passed away in 1994, Maverik continued to be a family run business, which true to their name, bucked against industry expectations. As the business passed from Grandfather to Father to Sons, they decided they were going to keep blazing a new trail – this time utilizing the advantage of superior customer service to differentiate them from the competition, in a way not yet utilized in the industry.

Customer service in the convenience store business isn't just about serving the people that walk in and buy a fountain soda or a gallon of gas – indirectly, it's about servicing the managers and assistants who are running the stores. Keeping them operating at a high level will affect the direct customers.

Maverik wanted to improve how they handled incoming service calls internally, from store to corporate.

What they had in the beginning was not quite a call center – they had 4 people answering the phones, 4 computers, and 4 phone lines. Maverik then hired John Patterson to be the call center manager. Coming over from Continental Airlines, John had a distinct vision for how he could improve things. He knew the owners wanted to reach 300 stores in the next five years. He knew if he could build them a world class call center, he would be doing his part towards meeting that goal.

His first task was to leverage technology to bring his call center up to date in terms of the phone system. He upgraded to a new 3com VoIP phone system. He then visited another industry contact center to study how far ahead they were of where he wanted Maverik to be. He wanted to understand how they were using technology to differentiate themselves. He

found that their quality monitoring and agent evaluation system seemed to allow them to fine tune agents' performance. John then contacted a former co-worker at Continental to get another opinion, and hopefully a referral, on a call recording and quality monitoring system.

The Continental contact told John to contact one of the largest quality monitoring system providers – a company that had recently acquired a large workforce management company. He had left a message with them to contact him about call recording and quality monitoring for Maverik. After weeks had passed without a response, he decided to do some web searching for other vendors. He found a midsize company out of Connecticut named Coordinated Systems (CSI) and he read their website. Their product, Virtual Observer (VO), seemed to match every requirement he was looking for. Easy to use, yet robust, compatible with his 3COM VoIP system, and a modular feature set so he



wasn't forced to purchase every feature – he could “start small and think big”.

He had found his quality monitoring and call recording system. The sales process with CSI had been highly consultative in nature – no traditional sales pressure, and John was very comfortable every step of the way. The price was affordable enough to capture every call. Approximately 2/3 of his calls are internal, from the Maverik stores themselves – store personnel requiring support or help with timely matters. The other third of his calls are external – from customers and card holders. Maverik's branding efforts include a popular “Adventure-themed” prepaid purchase card program. Now he would be able to lift the customer service performance levels to world class highs.

The implementation and support of the new quality monitoring system went very smooth, exactly as the CSI sales rep had foretold. A CSI support engineer arrived in Utah, and the

training cycle was 2 days. The calls had been logging before they even arrived. By the end of the first month, VO had logged almost 9000 calls. John had only anticipated 6000. The system had more than enough capacity, so it wasn't a problem.

The system proved to show an immediate return on investment as during the second hour of recording, the system captured calls from people who had purchased gift cards with bad checks. They had called in to ask why their cards had zero balances. Maverik had zeroed out the balances of the bad cards as soon as the check had bounced. The perpetrators then called into Maverik customer service for help when their cards weren't working. An informed Maverik customer service agent asked them for their names, addresses and phone numbers. They obliged, with VO recording the conversation in the background. Maverik now had a recording of the information they needed to

provide police with so they could catch the criminals.

Almost as quickly, VO also helped solve an internal dispute between a store and a CSR over perceived “rudeness”. A store manager had called in for help from a customer service rep. The manager claimed the service person was “extremely rude”. After reviewing the recorded call, Maverik was able to clearly make a ruling on the dispute and clear the rep of misconduct.

With the capture of the fraudulent check users and the internal dispute resolution, John was easily able to convey some quick success stories to the Maverik owners. Combined with the productivity gains of the new operation, the country store chain had really developed a world class call center.

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