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THE NATIONAL ASSOCIATION OF CALL CENTERS
The Leading Voice for the Call Center Industry
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THE UNIVERSITY OF SOUTHERN MISSISSIPPI CALL CENTER RESEARCH LABORATORY

In Queue

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

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NACC Investment Portfolio

Missed it by that Much

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research, Paul.Stockford@nationalcallcenters.org

Last December I wrote an article in this newsletter stating my belief that the economy would be in recovery by the end of the second quarter of 2009. As the reader will recall, last December was about the time that it was confirmed that the U.S. economy had been in a recession for most of 2008. The article can be found at http://www.nationalcallcenters.org/pubs/In_Queue/vol3no24.html.

I based my opinion regarding economic recovery on a number of factors including federal stimulus money that was intended to get the banking system and borrowing cycle back on track. The newly-elected administration had stated that their proposed stimulus spending would keep unemployment below eight percent which would in turn drive consumer confidence and lead to consumer spending. Without spending, economic recovery will be slow and painful. I also assumed that companies would rely on the lessons learned during the recession of 1982 – 1983 to maintain a level head, not overreact and lead us out of the economic downturn.

To quote my old TV favorite, Agent Maxwell Smart, and with apologies to those of you too young to remember -- missed it by that much.

I wasn't too far off, though, and I still believe that we are on the path to a recovery that will be slow and steady rather than fast and furious. For instance, the stock market was on a three month rally that lasted nearly the entire second quarter of 2009. The S & P index grew more than 30 percent during the second quarter from its March 2009 low point. Just when we had reason to be optimistic, the June unemployment numbers were released and sent the market back into knee-jerk reaction sell-off mode.

The June report showed jobs fell by 467,000 and the unemployment rate moved up from 9.4 percent to 9.5 percent. Although these numbers are disappointing it helps to recall the 700,000 monthly job losses of last winter to keep things in perspective. It is also important to know that the unemployment trend for the economy in general is quite different from employment trends in the contact center industry. More about that in a moment.

The June unemployment numbers appeared to have had an effect on consumer confidence although there are conflicting reports on that front. The industry group Confidence Board stated that its index of consumer confidence dropped in June. At about the same time, the University of Michigan reported a rise in consumer confidence in June. You probably already know which report got the most coverage in the news media.

The June report from the Institute for Supply Management (ISM) indicated that auto sales, retail sales and home sales look to be bottoming. Factory orders climbed as inventories have been depleted. This means it is likely that many manufacturers will be increasing production in the months ahead.

There are still a couple of head-scratchers that I'm not sure whether to

Stock	Price	Value	Change
NICE	22.53	5.61	-4.39
VRNT	10.50	4.29	-5.71
SYKE	18.15	9.55	-0.45
WIT	10.93	7.30	-2.70
CVG	8.40	4.75	-5.25
TTEC	14.28	6.21	-3.79
ICTG	8.12	7.79	-2.21
APAC	5.06	22.90	12.90
TOTAL		68.40	-11.60

Original Value start 11/6/2007 =US$90.00 or US$10.00 per stock. Then Nortel went bankrupt so we have adjusted the investment portfolio and now the new start value would be $80.00 or $10.00 per stock.

Total Portfolio Value Now= $68.40 up about two and half dollars in the past two weeks which is a good sign. Though all of the stocks in the portfolio are still down from the purchase price except for APAC, all but two are above the 50% loss. As they slowly, but steadily gain in value, each stock in turn will cross of the positive value mark and we will celebrate this achievement which this occurs with the goal of each stock in the portfolio to be positive territory and appreciating in value.

NACC Composite Index

categorize as positive factors, negative factors or simply unexplainable. For example, the stimulus package did send money into the banking system to facilitate the aforementioned lending and borrowing of money and to send cash flowing through our economic system again. The problem is the banks are hoarding the money and there doesn't seem to be anything that anyone can do about it. As of the end of the second quarter of 2009, commercial banks were holding $800 billion in reserve more than they're required to hold. Until these excess reserves find their way into the economy, the impact of the stimulus program will be minimized.

Another one that made me stop and wonder if the stock market has lost its collective mind was the drop in the market right at the end of the second quarter when the Commerce Department reported that the savings rate in the U.S. had grown to 6.9 percent. Once again the market went into knee-jerk reactive sell-off mode based upon the assumption that the American population's attention to money management would be bad for the economy. I guess the Wall Street geniuses were remembering the good old days of 2005 through 2007 when the annual savings rate was less than one percent. Look where that got us.

Despite all the turmoil surrounding it, the contact center industry continued to prove its resiliency during the first half of this year. I base this statement on employment data I was able to obtain this week from the Call Center Lab at The University of Southern Mississippi. While the U.S. economy in general experienced disconcerting unemployment numbers, the U.S. contact center industry actually experienced a net gain of 1,014 jobs during the same period.

The jobs seem to be distributed fairly evenly over the vertical markets that the NACC tracks although wireless and telecommunications companies represent the companies that established the most new jobs. On the other side of the coin, contact center closures in the retail and financial services sectors appear to lead the jobs lost category. This should not be a surprise to anyone.

Although we are not as far along in terms of economic recovery as I thought we would be at this point in time, I believe we are moving in the right direction. As long as you don't let the bad-news-obsessed media color your objectivity it is possible to see that the positive economic factors outweigh the negative economic factors. Beyond that, real employment numbers indicate that the customer service function has not been abandoned in favor of cost savings during this recession. While many other market segments seem to be ignoring the lessons that should have been learned from past recessions, it is clear that the contact center market is not.

From the Trenches

Technology Optimization Part 8: Customer Relationship Management

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

Customer Relationship Management (CRM) has held great promise for over a decade. By consolidating customer information and interaction history in a central repository, employees in different roles and departments would get a complete picture of their organization's relationship with each customer. It was supposed to be a win-win scenario – heightened efficiency and effectiveness for the company with a corresponding improvement in the customer experience. All too often, poor execution, inattention to functional and/or interface requirements for real-time interactions, and stale content and workflows turned the call center's symphony of benefits into a band of sour notes. The net result: many reps treat CRM as a burden and avoid using it. CRM is too important to relegate it to nuisance status. If you have an underutilized CRM, it's time for a restart. If you haven't got CRM, it's time to learn from your predecessors' mistakes and apply "best practices" when you're ready to leverage this powerful technology.

CRM comes in many forms – home-grown, premise-based, and more recently, hosted or Software as a Service. Although "CRM nirvana" is an enterprise-wide

Date	Value	Change	Percent
11/6/07	100.00		na
12/5/07	94.38	-0.56	-0.60
1/15/08	80.89	-17.02	-21.04
2/13/08	75.56	-1.98	-2.63
3/12/08	65.47	-11.25	-17.18
4/9/08	68.98	1.06	1.54
5/7/08	77.31	3.14	4.07
6/4/08	81.51	2.93	3.60
7/2/08	70.28	-10.20	-14.52
8/13/08	65.57	-0.97	-1.48
9/10/08	66.55	-1.69	-2.54
10/8/08	43.24	-13.67	-31.62
11/5/08	43.26	1.43	3.31
12/3/08	36.19	3.30	9.13
1/7/09	42.75	2.10	4.92
2/4/09	35.68	-0.55	-1.54
3/4/09	30.94	-2.42	-7.82
4/1/09	37.88	1.75	4.63
4/15/09	43.13	5.25	12.18
4/29/09	48.53	5.40	11.12
5/13/09	50.72	2.19	4.31
5/27/09	55.66	4.94	8.88
6/10/09	61.67	6.00	9.74
6/24/09	55.06	-6.61	-12.00
7/8/09	54.48	-0.59	-1.08

The *NACC Composite Index* was down this week by 1.08%. This was not that bad of drop considering the 12 point drop from two weeks ago suggesting that the level heads are back in place again. As Paul Stockford mentions in his essay this week, too many stocks are responding to daily news instead of long term economic trends and solid value investing. This week is one more example of when the composite index drops and the investment portfolio increases in value.

Dow Composite	-1.46%
S&P 500 Composite	-2.43%
NASDAQ Composite	-2.59%
NACC Composite	-1.08%

The *NACC Composite Index* down about 1% while the other major indices were down between one and half to two an half percent. This means that the NACC Composite Index outperformed, or was less bad, this past two weeks than the other leading indices suggesting that investors are still seeing value buys in the call center industry.

Quote

"Three may keep a secret, if two of them are dead."
-Benjamin Franklin

tool, the challenge of getting all of the data, processes, and organizational elements aligned to leverage the technology can be overwhelming. So the starting point for a useful solution is figuring out where and how the “80-20 rule” fits in your environment. Project scope must reflect a clear sense of the business strategy, a concrete statement of what the company will achieve, and an action plan that incorporates people and process elements alongside technology deployment. If you’re long on technology and short on strategy, people, and process, you are asking for trouble.

Here are some examples of “typical” CRM issues:
-If CRM isn’t aligned with the call center’s workflow, it is a seen as more of a hindrance than a help in servicing and selling to customers. IT blames the call center for its process issues, and the call center blames IT for poor technology deployment. In many cases, the problem may boil down to the need for change management.
-The “we’re different” mindset leads folks down the path of building a highly customized solution rather than working with best practices-based tools. They wind up creating a monster that can no longer evolve, get support, or weather a vendor upgrade.
-Makeshift solutions and processes crop up when system designers lack an understanding of the customer life cycle, the role of each organizational group in that life cycle, and the processes required to ensure end-to-end support through customer identification, attraction, acquisition, and optimization (or marketing, sales, and service). The resulting inefficiency and errors diminish the project’s ROI.
-Call centers may adopt a view of CRM that is too narrow and build an isolated tool that only shows part of the picture. Crucial data about customers and interactions either don’t exist or are inaccessible. The nightmare scenario is multiple incompatible CRM solutions each housing part of the story – marketing, product group, field sales, branches, billing/accounting, fulfillment, etc.
-CRM suffers a chronic lack of resources (people!) to keep it “alive” through ongoing data capture, workflow updates, reporting and analysis, and use (processes!). In a fast-paced world, the exciting new technology can look old and out of date in a matter of months.

Whether you have a home-grown CRM, premise-based CRM, or hosted CRM, chances are you can get more value out of the solution for your center. And if you are embarking on a CRM journey, keep these “best practices” in mind.
1.Start with vision and strategy. Define CRM’s role and ensure that your deployment supports that role across marketing, sales, and service. Build CRM around the customer life cycle and consider the call center’s role in each step of that life cycle. This mindset will force a focus on customer interactions and experience. Consider the enterprise view, if possible. Build strategy and plans for the call center with an eye toward its interactions with the rest of the organization.
2.Don’t focus just on the technology. Define processes and allocate resources to get value from technology. Process elements include initial workflow definitions and processes to review and revise workflows. Define and align the people elements – such as organizational roles and responsibilities – with the process plans.
3.Keep in mind that CRM is never “done.” It needs to evolve to respond to business needs and react to business outcomes. Success in ongoing application requires IT and business collaboration.
4.Configure the technology, don’t customize. That way you leverage best practices while applying the tool to your environment, and that tool can continue to evolve with your business needs and the product’s capabilities.

Call Center Comics!

Picture of the Week

Floating Art is what I coined this picture from Hallstatt, Austria. This town is build on the side of a mountain on one side and a lake on the other. Though this makes for great picturesque views, it leaves little room for parks and public art. Never fear, with a lake front view, the cities choose to support local artist by having them produce art that floats. So this picture is one of may pieces that can be found floating on the lake in front of the entrance to Hallstatt.

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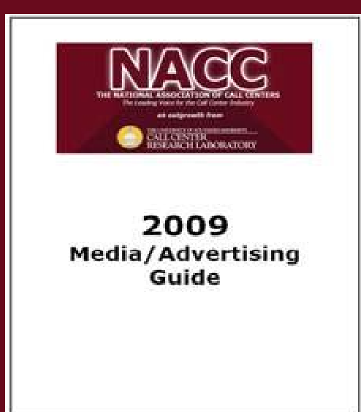

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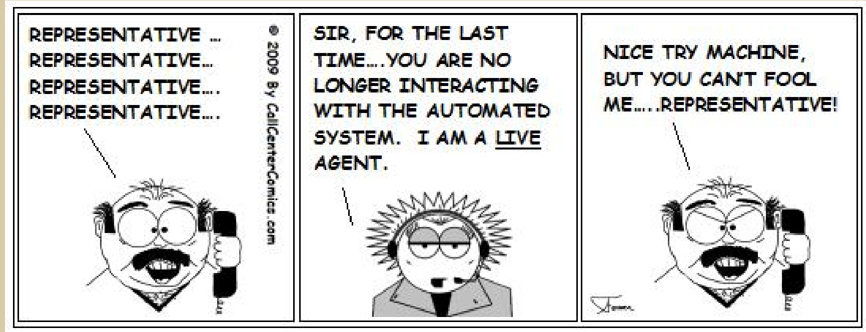

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