

# NACC

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CALL CENTER  
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# In Queue

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

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## Recession Can't Dampen Industry Enthusiasm for New Tech Solutions

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, SaddleTree Research,  
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Continuing our series that looks at the results of the member/reader survey we conducted in May and June of this year, this week we look at responses to questions regarding interest in new and existing technology solutions. This year we also have the ability to compare and contrast responses to the questions over a two year time period. The results appear to reflect the optimism that seems prevalent in the customer service industry.

Given current economic conditions and remembering that we conducted this survey during the time that the recession was showing no signs of letting up, we were surprised to find a great deal of enthusiasm among survey respondents relative to their interest in contact center technology solutions. Perhaps it is simply reflective of the optimistic nature of our survey participants.

In the surveys we conducted we asked our respondents to rate their interest in the following technology solutions:

- Voice over Internet Protocol (VoIP)
- Workforce Management, including scheduling and forecasting
- Performance Management or Analytics
- Quality Monitoring

## NACC Investment Portfolio

### We Have Arrived!

Stock	Price	Value	Change
NICE	26.24	6.53	-3.47
VRNT	11.74	4.79	-5.21
SYKE	21.46	11.29	1.29
WIT	15.30	10.21	0.21
CVG	10.24	5.79	-4.21
TTEC	16.43	7.14	-2.86
ICTG	9.98	9.58	-0.42
APAC	5.86	26.52	16.52
<b>TOTAL</b>		<b>81.87</b>	<b>1.87</b>

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= \$81.87,  
 we are in the black now, hurrah! We  
 have not had this value in the  
 portfolio, making money beyond the  
 initial investment, since its inception  
 in November 2007. This \$1.87  
 is....profit! In a later issue of the  
 newsletter we will look back from  
 November 2007 to today and see  
 what has happened to the stocks in  
 the portfolio. Though we are back in  
 the black, not all of the stocks have  
 returned to their original values and  
 some have zoomed on up there. It is  
 time to explore this new call center  
 landscape.

### NACC Composite Index

- Call Logging or full-time recording
- e-Learning
- Speech Analytics

We gave respondents three choices with which to categorize their attitudes and intentions to the above listed technology solutions. We asked respondents whether they already owned the technology solution, whether they were interested enough to evaluate the technology solution over the next 12 months or whether they had no interest in it at all. The responses are summarized in Figure 1 below.

Figure 1: NACC Survey Responses Relative to Attitude toward Specific Technology Solutions

	Already Own		Will Evaluate		No Interest	
	2008	2009	2008	2009	2008	2009
Voice over Internet Protocol (VoIP)	40.7%	55.0%	22.9%	16.5%	34.6%	22.0%
Workforce Management	46.6%	57.8%	16.1%	22.0%	37.3%	17.4%
Performance Management	41.3%	36.4%	22.3%	39.1%	36.4%	20.0%
Quality Monitoring	63.0%	71.8%	16.8%	17.3%	20.2%	7.3%
Call Logging	55.9%	57.8%	17.8%	20.2%	26.3%	19.3%
e-Learning	26.5%	36.7%	24.8%	27.5%	48.7%	29.4%
Speech Analytics	8.3%	10.3%	21.7%	28.0%	70.0%	57.0%

The reader will note that in virtually every product category the percentage of respondents indicating "no interest" in the technology has declined significantly. Even in speech analytics, which led the "no interest" respondents in 2008, only about half the respondents now indicate that they are not interested in speech analytics. The number of respondents with no interest in quality monitoring is now nearing the zero mark, which is consistent with the fact that 72 percent of respondents now own some sort of quality monitoring solution.

The solution leading the others in terms of interest in evaluating by our respondents is performance management, also referred to as analytics. While this would indicate that performance management is growing in popularity, this result may also reflect changes in the respondent population. The reader will note that there was a decline in the number of respondents already using performance management in 2009. We believe this is attributable to survey population changes rather than equipment removal because the number of respondents indicating "no interest" in performance management declined from 36.4 percent in 2008 to 20 percent in 2009. If the "no interest" responses would have increased this year, it would have painted a picture of declining interest in performance management since last year. This was not the case.

This year's survey project provided us with 110 completed surveys. Although this is a disappointing number and something that we hope will change in the future, it still allowed us to evaluate the results and provide statistical significance at a confidence level of 95 percent and a confidence interval of 10. These results are representative of the industry population as a whole.

NACC members with further questions regarding these survey results are invited to contact us with your queries. More survey results, including respondents attitudes toward hiring and training and the arrival of Web 2.0 and social networking applications in the contact center, will be published in future issues of In Queue.

## Technology Capital Budgeting: Breaking the Code on

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
7/22/09	66.48	12.00	18.05
8/5/09	73.97	7.50	10.13

The *NACC Composite Index* was up this week by a beyond modest 10.13%. Though not as spectacular a rise as in the last issue, 10% still is great and makes me happy. Note that the NACC Investment Portfolio has now moved into the black and is making a profit. The composite index, which was at 90 points the last time the portfolio was in the black is still about 18 points away from making it back to the same level.

Dow Composite	4.50%
S&P 500 Composite	4.85%
NASDAQ Composite	3.35%
NACC Composite	10.13%

The *NACC Composite Index* was up 10.13% with the other indices also gaining ground but each under 5% each. So the NACC Composite Index outperformed the other major indices by twice the percentage rate this

## Project Approval

Brian Hinton, Principal Consultant, Strategic Contact,  
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Getting capital budget for technology projects is a challenging exercise. The budget cycle may be too early to have much information from appropriate vendors. Even with credible cost information, it's hard to anticipate the benefits, especially if the technology is new and unfamiliar. And today, spending cutbacks in a difficult economy can thwart the best laid plans for your contact. If you want to make it over the budgetary hurdles, you'll need the right approach. Our four-step plan includes:

- Identifying technology projects that focus on achieving corporate goals
- Linking requests to the overall IT strategy
- Specifying the total cost of ownership (TCO) in your budget request
- Providing key value statements to justify the expense

While contact centers are a strategic tool, we sometimes forget to consider strategy in our technology plans. To support capital budget requests, you need to go beyond generic efficiency measures and identify enablers to achieving corporate goals. For instance, to meet an aggressive revenue goal, a center may need to implement a dialer to make outbound sales calls during low inbound volume periods. Or, to react to a lack of operations budget growth in a high growth corporation, the company may need to step up its web or IVR self-service to offload agent assisted calls.

A second step in the process is ensuring that IT can attest to the proposed technology's fit with the overall corporate technology plan. This endorsement lends credibility to your request while involving IT early in the project (and they may, in fact, own the technology budget). IT can ensure that your sourcing strategy (premise, hosted, etc.) is consistent with their planned resources. They can also support you in understanding required integration with legacy systems.

Perhaps the most difficult step in preparing your capital budget request is to include all of the costs – the TCO. Problems with capital budgeting credibility can diminish the likelihood of funding for future requests. The following table outlines the major cost elements:

TCO	Initial	Ongoing
<b>External</b>	<ul style="list-style-type: none"> <li>▪ Hardware</li> <li>▪ Software</li> <li>▪ Installation</li> <li>▪ Implementation professional services (vendor, consultant, contractor)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintenance</li> <li>▪ Additional phases</li> <li>▪ Expansion, upgrades, new features/functions</li> <li>▪ Additional professional services</li> </ul>
<b>Internal</b>	<ul style="list-style-type: none"> <li>▪ Process design</li> <li>▪ Training</li> <li>▪ Change management</li> <li>▪ Project management</li> <li>▪ Development/integration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operations</li> <li>▪ Administration</li> <li>▪ New roles for administration and management</li> </ul>

Vendor bids are a useful resource for estimating some of your external costs. However, make sure you push past the purchase quote and get at an understanding of what drives costs initially and ongoing – e.g., number of hubs, sites, supervisors, agents, and the all important maintenance fees. Vendors base their bids on their understanding of the cost drivers at one point in time. You also need to be concerned with the environment you'll have in the future (assuming you have a dynamic environment). In addition, you'll want to check in with a third

past two weeks.

## Quote

"I don't want any yes-man around me. I want everybody to tell me the truth even if it costs them their jobs."

-Samuel Goldwyn

## Picture of the Week



The castle above is Burg Eltz, which I have shown you in past issues of this newsletter. What I want you to focus on is the image below the castle, this wall looking thing. This is a siege place. If you want to knock down a castle, you have to build a castle yourself, a siege castle, that allows you to send your cannon balls and other items into the enemy's walls and fortifications while protecting yourself at the same time. The bottom image is what is left of one of the siege castles which unsuccessfully tried to breach Burg Eltz. The next time someone asks you "How do you knock down a castle," you can reply, "With another castle of course."

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party expert or experienced peer to get a handle on your needs for professional services and internal implementation and support specialists.

Don't forget to include key value statements to support the budget request, thereby improving the likelihood of approval. While you may not have a full-blown business case with detailed benefits quantification, you should include a high-level assessment of expected benefits based on first level assumptions of process efficiency and revenue growth opportunities. Given that technology represents a small fraction of the cost of a contact, you'll need to understand where and how the investment will optimize productivity by the expensive part of your cost structure - your people. [See: "Cost Structure and Distribution In Today's Contact Centers," a white paper by Strategic Contact - available at [www.strategiccontact.com/pdf/CC\\_Cost\\_WP.pdf](http://www.strategiccontact.com/pdf/CC_Cost_WP.pdf)]. By including this perspective in your budget request, you can show how a relatively small capital investment can drive substantial operations budget savings or revenue generation.

## Call Center Comics!



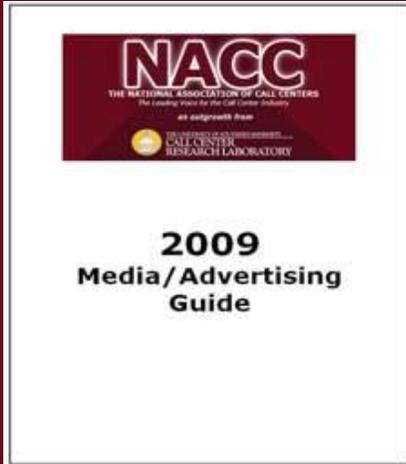
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