Industry Warms to Hot Solutions for 2010

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Given the benefit of clear hindsight we can see today that the dual forces of the economic recession and the habits of the millennial generation have had an effect on the contact center industry in 2009 that will undoubtedly carry forward to 2010. We are talking specifically about the rise of both hosted services and social networking in the customer service industry.

Hosted services offer the dual advantage of providing the flexibility to add or remove technology solution features, or remove the entire solution itself, as required by the user. Beyond that, hosted services also offer the advantage of minimizing capital outlay as the solution is delivered as a service rather than an equipment acquisition. The contact center can take advantage of the benefits a specific technology solution offers while avoiding the use of capital as would be required in a typical purchase scenario.

In order to validate what we saw as emerging trends we turned to our favorite means of gathering industry information and ran a brief survey in this newsletter a couple of weeks ago. In this particular survey we simply asked if respondents used any type of hosted service in their contact center. We were surprised to learn that 65.1 percent of respondents were in fact already using a hosted service. Although we didnÂ't ask about hosted services in 2008, we are certain that the use of hosted services grew significantly in 2009 as the recession forced the moving and maneuvering of budgets away from acquisitions and toward services.

We also asked the respondents who are not currently using hosted services if they had any intention of using hosted services in the future. 21.1 percent of these respondents indicated that they did plan to bring in hosted services during 2010 while an additional 5.3 percent indicated that they would bring in hosted services in the next 24 months. It is interesting to note that there are four vertical markets that comprise the entire population of contact centers planning to bring hosted services in over the next year:

-Financial Services
-Manufacturing
-Third-Party Outsourcers
-Telecommunications

If you compete in any of the above vertical markets and have not yet brought in or plan to bring in hosted services, this may be the time to revisit that decision.

When we ran our annual summer survey this year, we asked our respondents about their attitude toward Web 2.0 in the contact center. The figure below illustrates the distribution of the responses we received.

The responses were fairly evenly divided between those who were actively preparing for Web 2.0 in the contact center or were studying its potential impact and those who believe Web 2.0 will have no impact on their contact center or donÂ't know what Web 2.0 is. Financial services, retail and third-party outsourcers lead the verticals currently studying the potential impact of Web 2.0 on their customer service operations.

Last month we asked respondents specifically about their use of such social media as

Stock	Price	Value	Change
NICE	30.40	7.57	-2.43
VRNT	17.28	7.05	-2.95
SYKE	25.44	13.39	3.39
WIT	20.44	13.65	3.65
CVG	10.94	6.19	-3.81
TTEC	19.27	8.38	-1.62
ICTG	16.25	15.60	5.60
APAC	5.28	23.89	13.89
TOTAL		95.71	15.71

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= $95.71, down a few dollars in the past few weeks and still in the profitable category. The technology stocks advanced while the third party providers inched a bit downward.

NACC Composite Index

Twitter and Facebook in the contact center. A surprising 20.9 percent of respondents are now using Web 2.0 social media applications in their contact center, which is a significant jump from the 12.7 percent of respondents who were gearing up to use social media fewer than six months ago.

Of the 79.1 percent of respondents not currently using social media in the contact center, 34.1 percent indicated that the use of social media such as Twitter and Facebook will be a part of their customer care strategy in the future. 51.2 percent of respondents indicated that they werenÂ't sure how important the use of social media would be to their contact center. Only 14.6 percent of respondents indicated that they do not intend to incorporate social media into their customer care strategy in the future.

The combined forces of social and economic changes have clearly had an impact on the contact center industry. If you are among those steadfastly clinging to the way things have always been done, the time has come to pay close attention to what your industry colleagues are planning for the next year.

From the Trenches

Becoming the Best: Assessing your Support Functions

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This article series has already defined a strategic context for a contact center assessment and how to become the best in the most important part of your center Â– the front line. We now shift our focus to the support functions that enable the front line to achieve its goals. Whether its supervisors wearing multiple hats in a small center, dedicated analysts in a support group, a smattering of IT and business liaisons, or some combination, these support functions can make or break the efficiency of a center and its ability to continuously improve.

Defining the Scope of the Assessment
We define seven key areas when considering support functions. While the nature of these functions can vary greatly based on factors such as size, number of sites, type of business and business goals, culture, and other organizational roles and responsibilities, we believe any center should be able to point to these functions and know how they are supporting the center's operation. The functions are:
-Workforce Planning Â– forecasting, budgeting, and scheduling
-Commend Center Â– real-time management
-Quality Â– quality monitoring and reporting, as well as customer satisfaction/voice of the customer
-Training Â– development and delivery of business and technical training, as well as soft skills training
-Process Optimization Â– analysts and designers to define and optimize processes (within the center and in their interactions with other areas)
-Reporting and Analytics Â– analysts for both business and operational reporting
-Technology Tools and Workflows Â– addressing routing, prompting, IVR self service, web integration, contact handling workflows, application of core tools (e.g., CRM, KM), and end-to-end workflows

In addition to these critical functions, the hiring of appropriate front-line staff is another support area which we highlighted in a previous article in this series.

As we consider these support functions, the critical questions in an assessment surround whether they are well defined, adequately staffed, coordinated, and consistently and effectively executed. The lack of any of these functions can sub-optimize a center. Even when present, to be truly effective, they must be choreographed into a dance that ensures the application of technology, use of valuable human resources, and execution of processes all work together to achieve the target outcomes.

Support Function Issues and Opportunities
In reviewing many centers over the years, some common themes emerge as deficiencies in support functions Â– or more positively spun, opportunities to improve. The first is the plain and simple lack of one or more of these critical functions. Even the smallest center needs some level of each of these functions to operate efficiently and effectively. We often see centers with little or no workforce planning or command center functions, haphazard quality assessments that occur whenever we have time,

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
4/15/09	43.13	5.25	12.18
5/13/09	50.72	2.19	4.31
6/10/09	61.67	6.00	9.74
7/8/09	54.48	-0.59	-1.08
8/5/09	73.97	7.50	10.13
8/19/09	72.54	-1.43	-1.98
9/2/09	74.97	2.44	3.25
9/16/09	81.26	6.29	7.74
9/30/09	85.36	4.10	4.80
10/14/09	90.05	4.69	5.20
10/28/09	86.95	-3.09	-3.55
11/11/09	92.62	5.66	6.11
11/11/09	96.56	3.95	4.09

The *NACC Composite Index* was up this past two weeks 4.09%. The reason why the composite index was up while the portfolio was down is twofold. One, the portfolio is sensitive to individual stock gain and loss since there are $10 worth of each. The composite index, on the other hand, is weighted to the price and the outstanding number of shares, so it does not treat each stock equally as in the portfolio. This week I also adjusted the composite index, as I do periodically, adjusting for the total number of commonly traded shares. Sometimes a company buys back their stock reducing the shares, other times they sell or distribute them, so this will cause some slight changes in the composite index.

Dow Composite	1.57%
S&P 500 Composite	0.97%
NASDAQ Composite	0.83%
NACC Composite	4.09%

The *NACC Composite Index* was up 4.09% this past few weeks while the other indices were up as well near but only 1-1.5% for each. So the call center

and non-existent process reviews or improvements. So a key starting point is an inventory, and then definition of who is going to do what to provide the necessary functions to fill any gaps.

The training and technology tools roles are the most likely functions to reside outside the center, and that can be effective with the right collaboration, communication, and coordination between HR, IT, and the center. However, too often these groups are not well connected and the HR and IT functions have no accountability to the center or defined role in helping them achieve their goals. To be effective, the support functions must have accountability that aligns with the center, regardless of where they sit organizationally.

Most contact centers struggle to define exciting career path opportunities for staff, and support functions can be a ready target. However, these are not roles that any good CSR can grow into. These roles require an analytical mindset and proper training in the tools and processes they will use every day. Too often new staff are thrown into these exciting new roles and must find their own way through on the job training that is more often on the job learning. These roles are too important to leave to chance that the assigned staff member will figure it all out. Centers need to invest in careful placement (whether hiring outside resources or screening inside staff for promotions), formal training, and good mentoring to ensure the staff in these roles can truly succeed and add value.

A final opportunity to improve these support functions is to place the right tools in their hands Â– something weÂ'll address in the next assessment series article when we talk about technology.
Apply Best Practices to your Support Functions
Best practices bring focus to an assessment and the action plan for improvement. When looking at support processes, the goal is that processes are properly focused and designed, consistent with strategy. Here are some of the hallmarks of a best-in-class center that reflect the important role support functions play in optimizing operations:
-Processes for support functions are well defined, reinforced, and consistently executed Â–
-Center access (hours, numbering plan), contact routing (including menus/prompts), and skills use consider customers first, while balancing the needs of the business and the center
-Processes are designed to ensure customer expectations are met and operations are efficient and effective; the end-to-end experience is considered, even when other departments play a role in addressing customer needs
-Continuous process improvement initiatives are in place to ensure ongoing optimization

Similarly, the goal with the support function organization is that the organizational structure provides the appropriate numbers and types of resources to achieve goals. So best-in-class centers have these characteristics in their support function organizational structures:
-Roles, responsibilities, and accountabilities for all support functions are clearly defined

-The organizational design enables strategic planning and execution while also addressing the day-to-day demands of the operation
-Sourcing and hiring approaches are effective and aligned with business goals
-Strategy, goals, and outcomes are clearly communicated across all levels of the organization

Growth of Services

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I am researching the service industry within the United States and globally to determine how contact centers fit within this large and dynamic space. To get my head around contact centers I had to start with the big picture--the goods and services produced, imported, and exported into and from the United States. Since I am a visual learner, I like to graph these endless data tables. Below is one such graphic. This image represents the total value of Service Exports and Imports to the United States from the years 1929-2008. The blue line is the value of the exports from the United States to the rest of the world, valued in 2008 at 564.2 billion dollars. The red line represents the US import of services to the tune of 412.4 billion dollars. The United States has a net positive trade difference in the value of our exports to our imports at

stocks as a group continue to increase their value faster than the overall metrics for the economy.

Quote

"If your ship doesn't come in, swim out to it!"
-Jonathan Winters

Picture of the Week

We continue our tour of the Cascades. Mt. Rainier, centerpiece to the eponymously named National Park, is 14,411 feet and has the most glaciers of any mountain in the Lower 48 states. Variously called Tahoma or Tacoma in the Lushootseed language, it means "place where the waters come from." Although today Mt. McKinley in Alaska is mostly known by its native name, Denali, this change has not yet happened with Mt. Rainier. The mountain in Alaska is, of course, named after President William McKinley, who designated Mt. Rainier as the nation's fifth national park in 1899. Mt. Rainier gets its name from Rear Admiral Peter Rainier, friend of Captain George Vancouver who explored the Puget Sound in the late 1700s. If you haven't yet been, you should make it a goal.

Reports from the NACC

The NACC has been burning the midnight oil and typing until our fingers are sore to bring out reports to our members. Each is listed below. If you are interested to see what we are writing about, click on the images below and download the executive summary of each. If you like what you see, join the NACC so that we can send you these reports and others that will be coming out soon to ensure you know

151.8 billion dollars represented by the green line. Hidden within these numbers are contact center services that are contracted from the United States to serve people in other countries. Likewise, within the import data are the contact center services that US-based companies contract with outside the US to serve the US population.
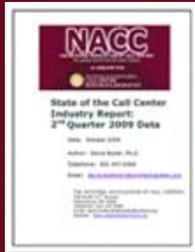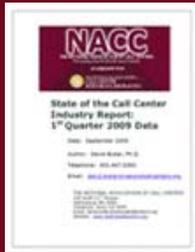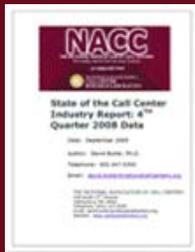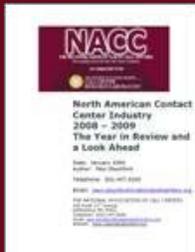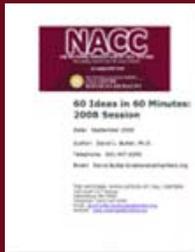

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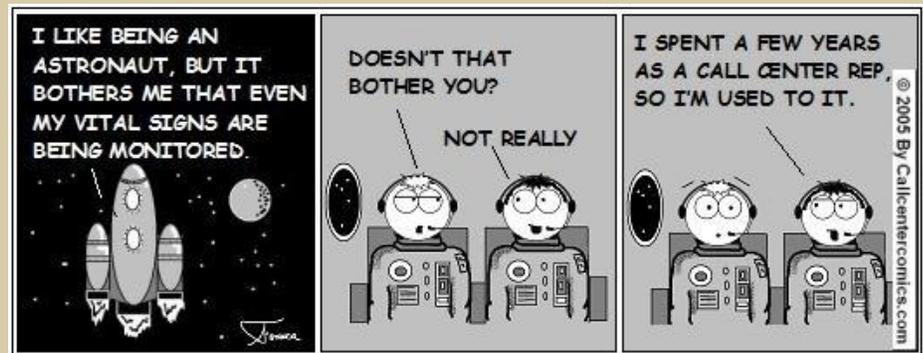
If you like this comic and would like to see more write Ozzie at callcentercomics@yahoo.com and visit his website at http://callcentercomics.com/cartoon_categories.htm or just click on the comic to take you to his page. The NACC appreciates Ozzie letting us use some of his comics in our newsletter.

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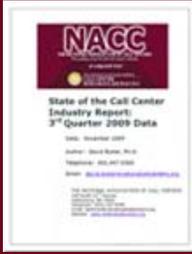
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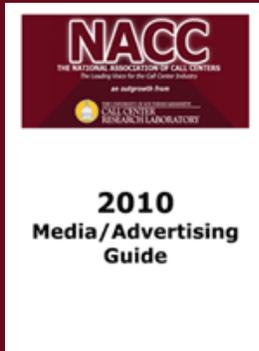
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