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The City of Phoenix Municipal Court will be releasing a Request for Proposals for Automated Calling and Skip-tracing Services on May 4, 2009. A copy of the RFP can be obtained on or after May 4, 2009 at Phoenix Municipal Court 300 W. Washington, 9th Floor, Phoenix, AZ 85003, or on web-site:
http://phoenix.gov/business/contract/opportunities/rfp/
The closing for responses is 10AM on May 28, 2009.

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Underwriters

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Will Contact Center Merger and Acquisition Activity Return Once Again?

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research,
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Over the past two weeks the NACC has been fielding calls from the media asking whether or not we see a return of the merger and acquisition (M&A) activity that characterized the contact center industry from 2004 through 2008. The impetus behind this question was the resurrection of merger and acquisition activity that surprised the worldwide business community last week.

Less than two weeks ago, on April 20, 2009, no fewer than ten M&A deals totaling more than $27 billion in value were announced. Over half of the $27 billion involved in these deals was paid in cash, indicating that these were more than just paper-based transactions. This much cash changing hands after many months of inactivity in the worldwide economy indicates to us a possible return of business confidence. The question for many was, and continues to be, "Will this confidence spill over into the contact center industry?"

With the exception of companies that are obviously searching for a buyer for all or part of their organization, like Nortel, we don't see a return of anything like the M&A action the contact center industry saw over the past five years. One of the biggest factors weighing on our opinion is the fact that the maturity of most contact center market segments has left it with few attractive acquisition targets. If merger activity was to pick up again in the contact center industry of the near future, we believe the motivation behind it would be companies looking to buy market share. Looking to buy new or complementary technologies doesn't appear to be on the radar of many contact center executives and companies this year.

Another factor behind our perceived lack of M&A activity in the contact center business is the fact that the debt boom is over. The relative scarcity of bank loans to fund acquisition activity is certainly taking its toll on transactions in all industries. In the latest acquisition most closely related to the contact center industry, Oracle's $7.4 billion acquisition of Sun Microsystems, the deal was sealed by an offer of $9.50 a share in cash. Although many companies in the contact center industry are sitting on a comfortable stockpile of cash, the conservative nature of the industry makes it unlikely that the cash will be spent in the near future on anything other than necessary operational expenses.

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NACC Investment Portfolio

Stock	Price	Value	Change
NICE	24.91	6.20	-3.80
VRNT	5.54	2.26	-7.74
SYKE	19.87	10.46	0.46
WIT	9.26	6.18	-3.82
CVG	10.17	5.76	-4.24
TTEC	13.32	5.79	-4.21
ICTG	7.18	6.89	-3.11
APAC	4.31	19.50	9.50
TOTAL		63.04	-16.96

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= $63.04, up almost $6.00 in the past two weeks. Things are looking up in the portfolio. Sykes Enterprises and APAC are both in positive territory and we hope that a few others will follow their lead. APAC specifically has been a very hot stock the past month.

Correction-A reader correctly pointed out that I reported the APAC increase last newsletter at 58% when in fact it was 71%.

NACC Composite Index

The NACC believes that the next wave of M&A activity will not occur until the market has sufficiently grasped the notion that Web 2.0 services will be the next disruptive factor in the "business as usual" mentality of the industry. We foresee a new generation of Web 2.0 startups shaking up the status quo and forcing traditional vendors into acquisition action in order to maintain a competitive edge. Until that occurs the contact center industry will continue to ride the wave of recovery that is just beginning to break in the ocean of economic uncertainty.

From the Trenches

Technology Optimization Part 3: Scorecards and Dashboards

Lori Bocklund, President, Strategic Contact, <u>Lori@strategiccontact.com</u>

Scorecards and dashboards present a tremendous opportunity to focus everyone in the contact center on what truly matters to the business. In the best case, the technology and associated processes operate like a nervous system, sensing and reporting key information about the current environment and stimulating coordinated action by all affected parts. In the worst case, they fire off the wrong responses, overwhelm the receptors with too much information, fail to warn of impending danger, or some combination of all three. There's no doubt about it: It makes good "sense" to give thoughtful consideration to the design, presentation, and use of this technology.

Whether built in-house or purchased off-the-shelf, scorecards and dashboards provide a "snapshot" of performance for the organization, teams, and individuals. In their most basic form, they provide daily, weekly, and/or monthly views of key metrics, as well as real-time displays for selected operating statistics. Higher end solutions use color coding to compare actual performance to targets and highlight trends. They equip users to slice and dice the data and/or drill down for additional detail. And analysts, team leaders, supervisors, and CSRs get custom views on their desktops tailored to their specific needs.

As cool as they are, scorecards and dashboards can get muddied up by technology, process, and people issues. Home-grown solutions fall prey to the too-much-of-a-good-thing syndrome in which more and more data gets crammed onto scorecards with little regard to the stats that really matter. And with the high risk of human error that comes with this kind of reporting, unsuspecting users may get too-much-of-a-bad-thing! Vendor tools have their own Achilles heel: poorly applied bells and whistles due to lack of strategy and context. No matter who does the development, some common threats are:

   Poorly defined Key Performance Indicators (KPIs) which lack context within business strategy
   Limited diversity in the scorecard data – mostly repackaged ACD stats, perhaps with a dash of QM – which fails to account for voice of the customer, IVR performance, schedule adherence, cost/revenue numbers, and other KPIs.
   Too many KPIs ("Just measure them all!") and/or conflicting KPIs with little concern for how the data drives – or fails to drive – performance.
   General confusion by the team about what the metrics mean, why they're important, and what the team should do about them, compounded by an absence of coaching to stimulate peak

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

The *NACC Composite Index* was up again this week by 11.12%. This is another huge gain and suggestive the call center industry continues to be viewed by investors in a Cinderella fashion. This is 6 weeks in positive territory for the index and 6 of the 8 last newsletters have reported positive gains in the index.

Dow Composite	1.94%
S&P 500 Composite	2.47%
NASDAQ Composite	4.97%
NACC Composite	11.12%

The *NACC Composite Index* was up this week as were the other indices but again the NACC Composite Index came out on top of the others. The next highest gain was in the NASDAQ at almost 5%, not even close to the 11.12% that the NACC Composite racked up.

Quotes

"Health is not valued till sickness comes."
-*Dr. Thomas Fuller* (1654 - 1734)

Picture of the Week

performance.

If these pain points sound familiar and you've got a hankering to enhance your operational nervous system, here are some suggestions for optimizing your scorecard and dashboard technology and its application in the center:
1. Develop a metrics strategy tailored to your primary business objectives such as revenue generation, cost control/efficiency, or relationship building. Identify a few targeted KPIs that have particular relevance to your objectives. Measure staff productivity across all media and the efficacy of customer-facing technologies such as IVR. Distinguish between metrics with specific targets and those to simply monitor for trends and anomalies. Finally, define who gets what, with what frequency, and through which media. As shown in Figure 1, a good strategy provides folks in the trenches with frequent, granular data, while senior management's role is to understand the "big picture" and resist temptation to dive into the weeds. A strategy provides the focus and alignment everyone needs to do their part.
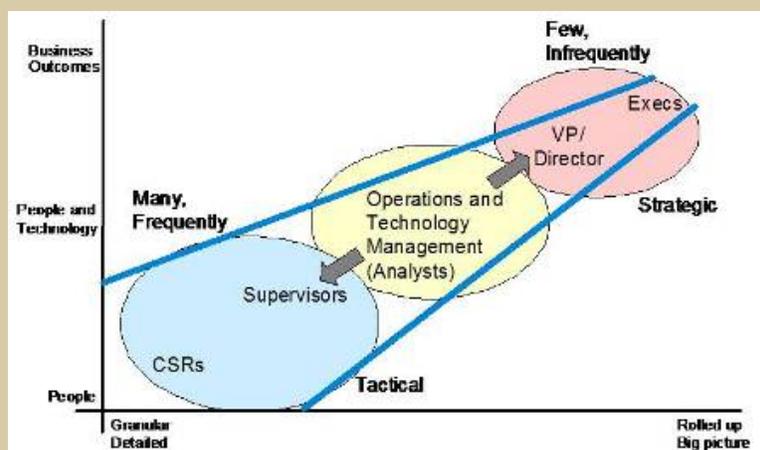

Figure 1: Each function has a different role in using performance data

2. Choose the right data from the right sources to create a balanced view of the center's performance, along with each individual's contribution to the collective. Paint a comprehensive picture, but don't inundate the viewers with too much information.
3. Take time to educate the team on the metrics strategy and how it relates to the center's business objectives. Communicate how and why the metrics were chosen, what they mean to the center and the individual, and how they'll be used to monitor and enhance the team's performance.
4. Create business processes to specify who does what under what circumstances with information provided on scorecards. Address real-time operational protocols to meet critical metrics such as service level. Provide opportunities for feedback, coaching, and personal development to help individuals raise their skills and competencies. Note trends and root causes that affect the whole organization and engage the training, IT, and process optimization folks to launch performance improvement initiatives. Use results to recognize individual and team successes.

Survey Time Again!

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This is a picture of a gate outside a graveyard near a church in Salzburg, Austria. What is funny is that when this photo was taken it was for an appreciation of the ironwork. When looking through the viewfinder, the play of shadows off the wall and other illusions were lost. Only after arriving home, downloading the images and viewing them on a monitor, and in reflection did the nuances show up. I think this is quite a metaphor for life as well.

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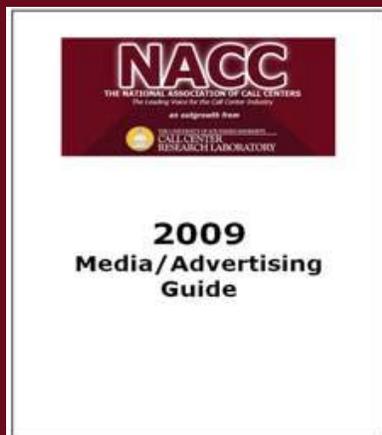
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The time has come for us to update the user attitudes and intentions survey that we conducted at about this time last year. Our last survey garnered 125 completed surveys from NACC In Queue reader respondents. We would like to double that number this year.

Those of you who participated in last year's survey know that we were as good as our word – your anonymity is guaranteed, survey results were shared with all readers and no salesperson from any company will call. We offer that same guarantee this year.

The results of the survey, which will be published in future issues of In Queue, allow you to benchmark your attitudes and intentions with those of your peers so the more participants we have the greater the value of the results. We will once again endeavor to make the survey quick and easy to complete in order to minimize your time commitment while maximizing the usefulness of the information you will receive.

For those of you who were on the fence about taking us up on our offer of a free annual membership in the NACC in exchange for your participation in our dedicated survey group, there is still time to join us. Just send an e-mail to the NACC Executive Director, David Butler, at david.butler@nationalcallcenters.org and let him know that you'd like to participate. If you have questions about the benefits of being an NACC member, please visit http://www.nationalcallcenters.org/membership.php. We promise to keep your time commitment to a minimum while you enjoy the maximum benefits of membership.

Even if you choose not to join us as a member, please consider participating in this year's survey. The results will benefit all and you will have the pleasure of knowing that you have contributed to a better understanding of the industry that we all rely upon for our careers.

Look for the link to the survey in the next issue of In Queue and thank you in advance for your ongoing support in the efforts of the non-profit NACC.

Call Center Comics!

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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