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THE UNIVERSITY OF SOUTHERN MISSISSIPPI  
CALL CENTER  
RESEARCH LABORATORY

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

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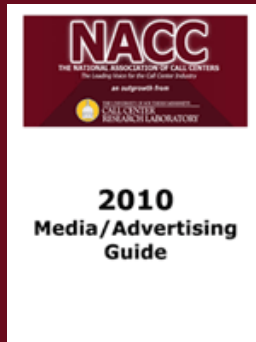
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## Underwriters

All leading call center companies and suppliers should examine the *NACC Underwriting* opportunity in 2010 as evidence of their dedication to the growth of call center industry. See

## 2009 Contact Center Employment Data Proves Resiliency of the Customer Service Industry and Customer Service Function

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research, [Paul.Stockford@nationalcallcenters.org](mailto:Paul.Stockford@nationalcallcenters.org)

In July of 2009, I published an article in this newsletter indicating that employment in the U.S. contact center industry experienced a net gain of 1,014 jobs during the first half of 2009 ([http://www.nationalcallcenters.org/pubs/In\\_Queue/vol4no14.html](http://www.nationalcallcenters.org/pubs/In_Queue/vol4no14.html)). I later learned that the job count was off by 1,200 jobs. The actual net gain in U.S. contact center jobs over the first half of 2009 was actually 2,214.

This week I had the opportunity to review the annual contact center employment data for 2009 from the Call Center Lab at The University of Southern Mississippi and, after preparing myself for the worst, was surprised and pleased to learn that there was a net gain in contact center jobs for 2009. The net employment gain for the entire year was even more impressive than the net employment gain for the first half of the year. According to data from the Call Center Lab, the U.S. contact center industry experienced a net gain of 10,606 jobs in 2009.

Worldwide, the contact center industry job gain was even more remarkable. The Call Center Lab reported an increase of 24,202 jobs worldwide during 2009. The international employment growth leader last year was a financial services company in Mexico City, which added 6,000 contact center jobs during the year. This impressive number was augmented by other companies worldwide that added jobs by the thousands such as a bank in Cebu City in the Philippines which added 2,000 jobs and an outsourcer in Cape Town, South Africa that added another 2,000 jobs. Even Russia checked in with the addition of 1,200 contact center positions at a mobile phone service provider.

In the U.S., job growth came mainly from two vertical markets. Of the top ten companies with contact center growth during 2009, five were outsourcers and contributed a combined total of 10,500 jobs to the growth total. Four of the top ten were telecommunications companies, both traditional and wireless, and contributed a combined total of 3,592 jobs. The top ten was rounded out by a financial services company that grew by 1,000 contact center jobs during 2009.

On the jobs lost side, there were more vertical markets involved. Of the top ten companies reporting contact center cutbacks during 2009 the company with the biggest loss was in the entertainment vertical and registered a downsizing of 3,000 contact center jobs. Other top ten losers came from the retail vertical with 2,350 jobs lost, financial services with 1,975 jobs lost, collections with 1,200 jobs lost and fulfillment/distribution with 900 jobs lost.

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## NACC Investment Portfolio

Stock	Price	Value	Change
NICE	32.76	8.16	-1.84
VRNT	24.50	10.00	0.00
SYKE	24.07	12.67	2.67
WIT	22.93	15.31	5.31
CVG	12.71	7.19	-2.81
TTEC	17.87	7.77	-2.23
APAC	5.85	26.47	16.47
<b>TOTAL</b>		<b>87.57</b>	<b>17.57</b>

Original Value start 11/6/2007  
=US\$90.00 or US\$10.00 per stock.

This past two weeks has been good to the NACC Investment Portfolio. Even though we lost ICT Group in the merger with Sykes, our portfolio continues to climb. We have three stocks that are still in the negative territory, three in positive territory, and one that has just broke even which is Verint. The portfolio value is now \$87.57 for net of \$17.57.

## NACC Composite Index

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
3/12/08	65.47	-11.25	-17.18
6/4/08	81.51	2.93	3.60
9/10/08	66.55	-1.69	-2.54
12/3/08	36.19	3.30	9.13
1/7/09	42.75	2.10	4.92
3/4/09	30.94	-2.42	-7.82
6/10/09	61.67	6.00	9.74
9/16/09	81.26	6.29	7.74
12/16/09	100.81	4.24	4.21
1/13/10	110.48	9.67	8.75
1/27/10	97.93	-12.54	-12.81
2/9/10	94.57	-3.37	-3.56
2/24/10	99.36	4.80	4.83
3/9/10	107.55	8.19	7.62

learning more about the companies that gained or lost jobs during 2009. With U.S. unemployment reaching double-digit proportions during 2009, it is remarkable that the contact center industry experienced job growth. It is a testament not only to the resiliency of the industry, but also to the importance of the customer service function during times of economic challenge. Customer retention became of paramount importance during the recession and remains so as we begin to clamor our way out of the doldrums. As the economy continues to recover and grow, we fully expect to see the contact center industry not only grow with it, but be recognized as a leader in that growth.

## From the Trenches

### Business Process Optimization: Assess and Analyze to Identify Your Options

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In the first two articles in this series, we discussed the importance of defining your overall BPO project, establishing the project team and conducting a discovery of your environment. In this article we look at assessing and analyzing your opportunity – defining realistic options, narrowing those options and determining tools to enable achieving your vision.

Once you have defined your BPO project and understand your as-is processes, you will want to delve deeper to understand the improvement possibilities. You should also assess the implications that the projected process change has for the following areas:

- Organizational structure and roles and responsibilities
- Metrics and reporting
- Technology – including process automation technology

#### How to Assess and Analyze

Base your analysis on the understanding of the current processes you achieved in the Discovery phase. You can identify opportunities for process improvement by watching for the following conditions:

- Lots of paper and manual processes
- Inconsistent execution, including unmet commitments
- Many layers of review and approval
- High error rates and significant rework
- Low self-service success rates
- "Tribal knowledge" rather than documentation, manuals and tools to enable process steps
- Low first contact resolution leading to high transfer or handoff rates
- Customer complaints
- Contact Center agent complaints and turnover

As you create your "short list" of ideas that will achieve significant improvements, focus on the biggest pain points, your business goals, and best practices. Consider process strengths to build on at the same time you identify opportunities to improve. Define the actions to take to improve processes, and the critical success factors to making those actions viable and sustainable. Set priorities and define outcomes to expect for each process change recommendation.

Next, develop your assumptions and principles for process change. Make sure you identify the associated implications and requirements for other areas, including technology, organization, metrics and change management. Where appropriate, define and analyze options and tradeoffs, measuring against criteria relevant to your situation such as cost, complexity, and speed to implement. Create recommendations and define the key decisions you need to make to solidify your process redesign action plan. Also, conduct some preliminary value analysis of the recommendations and options under consideration.

The *NACC Composite Index* was up 7.62% after two weeks. The index is now at 107.55 fully in positive territory which is over 100 points. The index has not hit the high of over 110 points in January, but it is headed in a positive direction.

Dow Composite	1.83%
S&P 500 Composite	3.09%
NASDAQ Composite	4.48%
NACC Composite	7.62%

The *NACC Composite Index* was up 7.62% the past two weeks. The other indices were up between 2% and 4.5%. The NACC Composite was up over the S&P500 and NASDAQ combined. This is good news and suggests that this recent rally has investors looking at the contact center stocks in a favorable light.

### Quote

"Spring is when you feel like whistling even with a shoe full of slush."

-Doug Larson

### Picture of the Week



Like the US, food in China is quite regionalized. Even dishes that are found throughout China vary widely from place to place. This is a picture of dumpling-making in Shanghai. The dumplings are filled with minced meat and vegetables and hot broth. So instead of popping them in your mouth whole, you need to put the dumpling on a spoon. Raised to your mouth, puncture it with the chopsticks and then drink the broth. Only then, when the broth won't burn your mouth, do you scoot the

Understanding what's possible with technology is critical to defining process improvements. Technology acts as an enabler and catalyst for process change. Three target areas to look for ways to get more out of what you have or make a big impact on process changes are routing, Customer Relationship Management and Knowledge Management tools. In addition, you may want to look at these newer technologies to assess the role they could play in optimizing your processes:

- Unified communications - specifically the Communications Enabled Business Process (CEBP) component offered by many contact center vendors within their contact center product suites

- Business Process Management Suites (BPMS) - typically considered an enterprise application so remember to include IT in your analysis phase

- Desktop-based process analysis tools, including those from performance optimization suite vendors (e.g., those delivering your Workforce Management System)

- Desktop application integration and process automation tools

Successful Assessment/Analysis

Here are some critical success factors to keep in mind as you "assess and analyze" your current operations for process optimization opportunities:

- Involve the entire project team to get a broad picture of where your current processes might be broken.

- Don't be constrained by your current process definition. To really optimize, you have to think out of the box.

- Ensure IT is part of the discussion to assess opportunities to get more out of your existing technology and to assist in identifying and defining requirements for new technology.

- Don't forget the agent desktop. Optimizing desktop call handling can enhance agent efficiency and reduce training requirements.

In the next article, we'll look at the third stage of a BPO project - Define and Develop - to continue building toward successful process optimization.

### Study Sheds New Light on Home Agent Issue

Paul Stockford, Research Director, National Association of Call Centers and Chief Analyst, Saddletree Research, [Paul.Stockford@nationalcallcenters.org](mailto:Paul.Stockford@nationalcallcenters.org)

Ever since Jet Blue first burst on the scene touting their successful at-home contact center agent workforce strategy several years ago, the industry has toyed with the idea of having agents work from their homes. Not only would this concept conserve resources and lower commute-generated air pollution - important as every industry looks to go "green" - the thought was that it may also address other workforce issues that have dogged the industry for years, like turnover and attrition.

I had the opportunity recently to speak at a seminar in Scottsdale hosted by Verint. Following my presentation I moderated two separate discussion groups that were supposed to address the three issues I brought up in my presentation - hiring and attrition, workforce optimization, and Web 2.0. In both discussion groups we never made it past the first topic - hiring and attrition. It was clear that this was a hot topic for everyone in attendance at the seminar.

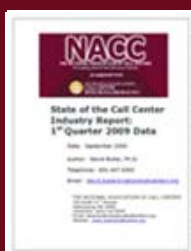
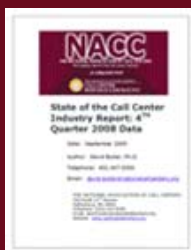
In both groups the members were contact center professionals and in both cases those who had at-home agents in their workforce said that their attrition rate among those at-home agents was much lower than the attrition rate among their brick-and-mortar agents. The general consensus among group members was that at-home workers made better agents. This is a reasonable assumption to make.

A recent report detailing research conducted by FurstPerson of Chicago, IL ([www.furstperson.com](http://www.furstperson.com)) makes the argument that at-home agent candidates are no better or worse than brick-and-mortar agent candidates. In skill-based simulation tests that measure competencies such as multi-tasking, computer ability and accuracy with information, the researchers found that the test

whole thing in your mouth. Delicious.

## 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 the latest trends in the industry.



scores for brick-and-mortar agent candidates and home agent candidates were nearly identical. However, Furstperson also has documented data that supports the belief that home agents produce better performance results than brick-and-mortar agents within the same organization. How can this be so?

The FurstPerson report argues that these home agents as a group tend to perform better simply because the ability to expand the geographical reach of the hiring function to include a greater number of better qualified candidates has a positive impact on the at-home agent population as a whole. Simply put, if a hiring manager is limited to a given geographical range or commute radius in order to hire agents, the pool of potentially top performing agents is limited to the number of top performers residing in that area. If the hiring manager is able to cast a wider net into the pool of potential top performers by going beyond geographical limitations, the availability of more top performers is increased.

While the aforementioned tests concluded the two groups of agents, at-home and brick-and-mortar, perform similarly, home agent models outperform brick-and-mortar models because hiring managers have the ability to be more selective in who they hire. They are able to access to the broader talent pool with more potential high performers by going beyond a geographical commute ratio.

The obstacles that have traditionally stood in the way of hiring home agents are gradually being overcome by both technology and hiring strategies, as detailed in the report. There is no longer any reason for contact center performance to be less than optimal due to a lack of available talent in the labor pool.

## Call Center Comics!



If you like this comic and would like to see more write Ozzie at [callcentercomics@yahoo.com](mailto:callcentercomics@yahoo.com) and visit his website at [http://callcentercomics.com/cartoon\\_categories.htm](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.

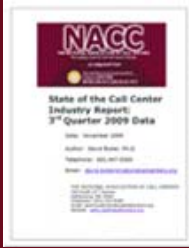
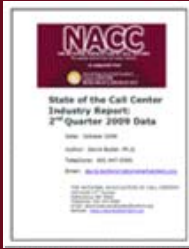
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