

# Economy and the Call Center

Webinar Hosted by MER and CCPF  
Questions and Answers

Response Design Corporation  
CREATING THE UNCOMMON CALL CENTER



## Economy and the Call Center Webinar

Webinar sponsored by Contact Center Performance Forum ([www.contactcenter.ning.com](http://www.contactcenter.ning.com))

### Panelists

- Bruce Belfiore:
  - CEO, BenchmarkPortal
  - Senior Researcher, Center for Customer-Driven Quality
- Chad McDaniel: President, MER (McDaniel Executive Recruiters)  
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- Michael Nessler: Executive Vice President – Global Operations, Intercall
- Phil Grudzinski:
  - Vice President/General Manager, International Insurance Service, American Express
  - Chairman, American Teleservices Association
- Moderator: Kathryn Jackson, Associate, Response Design,  
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## Answers from Bruce Belfiore (brucebelfiore@benchmarkportal.com)

No.	Question	Answer
1.	Is US economic downturn causing a higher number of BPO's to return more high tech jobs back to the USA from other companies such as India, Malaysia	"Low hanging fruit" that you can improve most easily. Make this your objective and get everyone's buy in. Then celebrate when you reach your objective. This can be a great way to improve morale while improving performance
2.	The traditional approaches to our people, our customers, and our owners cannot be supported in this current economic environment. In this we are all agreed. However, unless we become very specific and target the changes we believe will enable our operation to reflect this essential change, we will fail. What do our panelists suggest to managers who are going through this for the first time, as the best place to begin? Can any particularly effective specifics be offered?	We feel that you need to know "where you stand" before you can determine "what to do". Benchmarking is the first step, following which you have guideposts that you can use for becoming more effective, more efficient, more competitive and creative.
3.	Let's say the contact center in which you are currently working, does not have a Balance Score Card, but is currently working on one. What would be the best way to roll it out/implement it so as not to frustrate managers, employees, etc. especially in a time when the economy has affected the morale so negatively?	This is a delicate matter. You can do your first benchmark without fanfare and with mind open to learning as much as possible. Then you identify the low hanging fruit, get everyone's buy in, and make improvements. When you reach your goal, celebrate and give everyone credit. This can help morale as it improves performance.



No.	Question	Answer
4.	Have you seen a movement of call center programs returning to the USA? Are they going back in house or to domestically based outsource providers	We have seen all of the above. Companies are trying to get smarter about how to leverage their customer contact function in strategic ways. It is not all cost driven. 2. If you are an outsourcer, then you must benchmark each of the main industry sectors you serve on a separate basis. This is not hard to do and is very worthwhile. We at the Center for Customer-Driven Quality/BenchmarkPortal have assisted many outsourcers to benchmark themselves effectively.
5.	What Metrics are recommended?	You should include a balance of quality metrics (customer satisfaction, first call final, etc.) and cost (costs per agent per hour, cost per call, occupancy and utilization, etc).
6.	How do you tie-in your knowledge base to your metrics (e.g. Balanced ScoreCard) to improve results?	By knowing and benchmarking your metrics you can identify the "low hanging fruit" to improve results, keeping a balance between quality and costs. The relationship with the desktop knowledgeware often shows up in average talk time, average hold time, transfers, and after-call work time. We have seen dramatic improvements once deficiencies are correctly identified and corrected.



No.	Question	Answer
7.	Are the centers looking to merger opportunities to offer lower costs through economies of scale? It seems like Call Centers are stuck in a business as normal mode.	The tendency to consolidate, both internally (merging center operations) and externally via corporate acquisitions is certainly present. Our studies indicate that huge call centers are not, however, the most efficient. Centers over 500 agents can show diseconomies of scale as well.
8.	Dealing with OffShore vs. Self Service and Customer Satisfaction, where do you weigh in on the benefit of OffShore? Most CCs are pulling back OffShore due to increased dissatisfaction with OffShore CC operatives.	Mergers, partnerships and other corporate transactions make it more important than ever to understand the customer contact function as an integral and important part of the company's strategy. The best way to cut "red tape" is to have competitive, metrics-based facts in your hands. Knowledge from industry benchmarking gives you power. Get it and use it.
9.	So if we are understanding the self service question would u recommend this as a viable option for tech support or more for customer care type support	Both. It takes different forms, but ultimately has the same result. Both also have their limitations.
10.	Another important aspect of the work at home model is focusing on the selection of the right agents.	Correct. Not all agents can be happy and productive working at home. There are three avenues to increase success: 1) selection of internal agents using interviewing methods and training; 2) using the services of a specialized firm such as Kelly's at-home agent division; 3) using an outsourcer that specializes in self-employed at-home agents, such as Arise. I am available to discuss further



No.	Question	Answer
11.	Considering the growth of twitter, blogs and chat is this a growth opportunity for the industry?	Definitely. We predicted the continued growth of customer-company communication via many channels. This will offer growth opportunities for years to come
12.	What categories of businesses tend to thrive in a bad economy?	In general, we have seen government entities, health care, basic food companies, discount retail companies and insurance do relatively better in a bad economy.
13.	Remote agents...can you explain self-employed model?	Self-employed agents contract with an outsourcer that specializes in this business model. They are recruited, trained and "managed" by the outsourcer. They get paid by their time on the phone. There is a lot more to it, and I would be happy to talk with you about it.
14.	What do you think to take the operation to a near shore contact center, where are cheapest salaries?	The Caribbean basin offers cheaper salaries. We also assisted a client who partially outsourced to Argentina, with excellent cost and quality results.
15.	Do you see the current global economic issues pushing the industry to be more virtual vs. brick& mortar Contact Centers?	The current downturn aside, I see continual increases in contacts between customers and companies/governments/non-profits. There will be continued need for traditional call centers even as virtual capabilities, self service and outsourcing all grow.
16.	Do you think unified communications solutions are mature enough to extend the contact center boundaries outside the traditional call center walls to utilize back office staff, drive one and done, reduce costs etc?	This is already beginning - - but it is only the beginning. As unified platforms (often emanating from the call center environment) increase in popularity, it will make unified communications and processes more attainable.



No.	Question	Answer
17.	<p>Are at home agents typically paid hourly or is there any pay for performance models that factor number of calls &amp; customer sat level?</p> <p>Will you be showing industry data that shows the impact of increase speed of answer on abandons, customer sat and max hold times or is there data available to review?</p>	<p>This would require special cuts of our data. If you are interested in this, please be in touch.</p>
18.	<p>Can the panelists suggest what they've seen as a cost charged by outsourcers, either pre-economic situation or now?</p>	<p>We have done numerous outsourcing assignments, and have data. Hourly rates range from under US\$10/hour to over US\$30/hour depending on country, industry and skill levels.</p>
19.	<p>Do you find that hosting services are cost effective?</p>	<p>Yes, for the right situations. The fact that up-front costs are comparatively low can be a major advantage. Also, upgrades and administration are included in the costs</p>
20.	<p>In-order to succeed we all know companies will need to ensure that they are securing re-occurring revenue and referral revenue from their customer base...that said...metrics are very important, but often companies are focusing on metrics that are not a good gauge of the customer experience...I have seen more and more companies move to a Net Promoter program with good closed loop processing...Is this something you have seen more during this downturn?</p>	<p>Yes. NPS is a good metric. It needs to be balanced with other metrics to ensure that enterprise value is being optimized.</p>



No.	Question	Answer
21.	Training is important but I'm seeing way too much time spent on tactics - job aids, real time - but not enough true SKILL BUILDING which takes time. Have you heard of any practices that achieve this?	Yes. Building these skills must start with managers, be understood and embraced by supervisors, and then will mean something to agents. Start with your own training and that of your supervisors. Please contact me if you want to talk further.

### Answers from Mike Nessler ([mjnessle@intercall.com](mailto:mjnessle@intercall.com))

No.	Question	Answer
22.	What is your view on the move from off shore to near shore?	I believe this is a natural extension of getting the right calls from the right customers into the hands of those best equipped to handle the event. I also believe the near shore models provide benefits associated with proximity so face to face interactions are simplified, same or similar time zones help support the bulk of traffic during the days for those supporting which I think will ultimately help quality, understanding of US/western culture is good , flexibility to support the second most spoken language in north America - Spanish is available and prevalent, educational background is good, labor laws are favorable and cost is almost as good as offshore when all costs are considered.



No.	Question	Answer
23.	From a sales perspective what best can a BPO organization do to capitalize on the current economic situation?	Change the way they think about the business. I think cost avoidance and root cause analysis of why customers call is now critical. Moving the cost in a labor arbitrage is no longer enough. Getting at the reason for the call and eliminating as many reasons that cause non productive calls to take place has to be an orientation. Focus on call flow and use of self serve technologies. Managing the value of the event and maximizing the value of every transaction supported has to be a key. Butts in seats and cost for the butt have to be evolved or the outsourcers continue to get squeezed into the lowest cost commodity model.
24.	How are call centers handling ITM activity from Spanish-speaking/bilingual constituencies in this down-turn market? Are you "farming" out these services to off-shore call center providers? Have this become or will become a "trend" within the industry? And, will the future technology being suggested today be applicable/customizable to service this segment?	Nearshore solutions are a perfect fit from a skill and cost standpoint. Many companies have gone this route through Argentina, Costa Rica, Panama, etc. The model works since English skills can also be hired so both Spanish and English can be supported through the same resourced.



No.	Question	Answer
25.	What recommendations can you make to keep moral up when there is hiring freezes and raise freezes?	Lots of open honest communication, good solid recognition programs, planned breathers during the day to keep folks from burning out, incentives that pay for themselves tied to quality, upsells and efficiency - balance between the three to fund, ongoing training are all mechanisms that have supported good morale levels historically and they will work in this economy. Also - get folks focused on solving the business problem causing the reasons why customer call to deal with an issue or complaint - incentives here are critical and have impact on the business as well as the life of those in service roles.



No.	Question	Answer
26.	Wouldn't you agree that the push for lower cost servicing and offshoring has led to a decline in the quality of service offered? Have we become too focused on costs and not enough focus on quality?	I think the general consensus is that quality has suffered as the focus especially in certain industries such as telecomm and technology has driven service to lowest cost locations. This may not be an end result of the outsourcing however. It may have more to do with training, processes being defined, systems in place to support interactions with customers, call flow clarity and consistency, managing quality metrics, csat, and cause of the dissatisfaction. Focus on clean, clear processes, tight alignment of these to the systems, plus tight quality processes/feedback loops and ongoing training of reps in offshore locations is a necessity to make offshoring work. If your service processes and systems are not tight before outsourcing, these deficiencies will be highlighted whenever new people/centers come on board who don't have the institutional knowledge that isn't part of the documentation and systems in place.