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Virtual Contact Centers: What Are The Benefits?

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EXECUTIVE SUMMARY

Virtualized contact centers extend customer support to a wider group of employees who are not located within a physical contact center. Using IP technology and applications based on session initiation protocol (SIP), companies can connect to employees located in remote branches or home offices and provide expanded services and expertise to existing operations. With many companies prioritizing additional revenues from their existing customers, dispersing service from a wider pool of knowledge workers enables companies to broaden their portfolio of services, while also improving responsiveness to customer needs. IP contact centers support home-based agents, which often result in higher productivity and improved agent retention. However, to be successful, companies need to build processes and policies that support their virtual workforce in a secure environment, and ensure that remote workers are well-trained and support the company's culture.

TARGET AUDIENCE

Customer experience professional, customer service professional, IT operations/engineering professional

RESEARCH CATALYST

Clients selected this topic for Client Choice research.

CONTACT CENTER OPERATION COSTS ARE A MAJOR CONCERN FOR COMPANIES

Companies face high costs for managing contact center operations and find it difficult to maintain service levels and high performance. To offset these costs, businesses need to consider alternative ways to better manage their contact center expenses. Two of the most common alternatives are consolidating operations and outsourcing to a third party or offshore provider. However, companies also realize the importance of improving customer satisfaction and creating new lines of revenues from their installed base. As a result, shrinking operations or outsourcing to an offshore provider may prove detrimental to these goals. With IP contact centers, companies now have a new way to improve services through the virtualization of their contact centers, while also reducing operational expenses.

IP Offers Improved Functionality For Contact Centers

As companies move to an IP network, they gain new flexibility in managing their operations. These benefits include:

- **Location independence.** With IP, any site on the network or with network access can serve customers through the IP network for branch offices or by secure external connections through an Internet services provider.
- **Expert support.** Experts and knowledge workers external to the contact center can assist customers with sales, support, or handling complex issues rather than waiting for a call back. Companies can assign virtual on-call teams to support these activities and eliminate hiring of experts assigned to each physical location.
- **Presence capability.** Agents can check the availability of external knowledge workers by viewing their status online prior to contact. This allows agents to quickly identify the availability of external resources prior to contact.
- **Seamless transfer.** Once an external expert joins in a conversation or connects via the Web, the agent can disconnect and go to the next transaction. External resources access caller information and update databases without requiring an agent remain on the phone.
- **Access to a larger pool of workers.** Companies are no longer constrained to local labor markets and can recruit for a much larger labor pool. This is especially beneficial when specific technical skills are required to support callers.

QUANTIFYING SAVINGS FOR VIRTUAL CONTACT CENTERS

There are several areas that offer potential savings for upgrading to an IP contact center. Companies can not only save money but also operate more effectively through process and technology standardization. These benefits include:

- **Improved management and workflow.** Single workflow processes promote more efficient account handling, and centralized network management reduces staffing requirements. This also leads to process standardization, which provides callers with consistent delivery of services.
- **Shared applications among sites.** Shared applications lower the cost of hardware needed to support each site and administration of applications. Companies no longer need to physically house key applications at each site but can manage applications from a central location.
- **Improved redundancy and emergency backup.** Redundancy eliminates a single point of failure and enables backup sites to quickly handle emergencies without added infrastructure costs. Branch locations can be set up to take over support services with a minimum of disruption.

- **Leveraged expertise in branches.** Knowledge workers can be pooled remotely, requiring fewer experts at each location to handle complex issues and support revenue-producing transactions.
- **Promotion of intelligent routing.** Shared resources provide an extended labor force to handle complex issues. Specific skills can support various transaction types such as customer retention specialist or high-value customer support.
- **Extended hours of operation.** Organizations can extend hours of operations and handle peak periods without adding new headcount. Companies can better support the needs of customers from around the globe.
- **Reduced infrastructure costs.** Companies save the cost of the physical infrastructure needed to support workers. In more expensive metro areas, this could save several thousand of dollars per year per agent.

Organizational Benefits For Virtual Contact Centers

In addition to the potential to improve operations, virtual contact centers also offer several organizational advantages, which promote a more stable workforce. Key organizational benefits include:

- **Improved agent retention.** Companies with remote agents report that they experience lower attrition due to the ability to work from a home office. Agents save both the time and costs of commuting, which results in more disposable income. Companies save the high costs for recruiting, hiring, and training replacement agents due to annual turnover.
- **Increased productivity.** Agents are less distracted and work in a favorable environment, which results in increased job performance. This results in more calls per agent, which results in a lower cost per call.
- **Reduced absenteeism.** External reports indicate that home workers have fewer sick days for illness or for care of a family member than counterparts in offices. Agent absenteeism traditionally runs at 7% to 10% and requires contact centers to add more staff to cover this shortfall.
- **Flexible work hours.** Remote agents are more willing to take split shifts and work evening hours than their counterparts in offices. This allows companies to optimize staffing at peak hours and not pay overtime to cover agents to fill less desirable work hours.

SUPPORT REQUIREMENTS FOR HOME AGENTS

Home agents require a quiet and secure environment for their work. Some companies with remote workers plan quarterly visits to their home offices to ensure that the environment is conducive to engaging in business and safe from external disruptions. Other important support factors include:

- **Proper IT setup and support.** With IP, workers only require a dedicated high-speed Internet line and a PC with a headset. However, many companies do not want the PC to be used for personal business or used by other members of the family. Help desk support is critical to help agents with any PC or software problems they may experience.
- **Secure connections.** Home workers may need more than corporate firewall protection and will need to have their PC protected from external programs that could infect their PC with a virus or other security intrusion.
- **Regulatory policy understanding.** It is essential that home-based employees receive regular updates on all corporate and regulatory policies such as HIPAA to ensure full compliance.
- **Real-time monitoring.** Software applications from a centralized location can provide real-time monitoring of agents' performance for coaching and quality assurance.
- **Continuous training.** Many companies offer eLearning modules that allow agents to receive ongoing training from their desktop. These sessions can be scheduled into their normal workday during slower traffic times.
- **Instant messaging with supervisors.** Remote workers also need to have immediate access to a supervisor for questions or issues that arise during the day. It is important that field supervisors remain available to support their home workers during all shifts.
- **Understanding of company culture.** Although home agents are independent, some initial training at the main corporate location is important to provide the fundamentals of the work required and to support agents with guidelines regarding the company's policies and culture.

RECOMMENDATIONS

PHASE IN YOUR VIRTUAL WORKFORCE GRADUALLY

Firms transitioning from physical to virtual contact centers should do so gradually and:

- **Develop guidelines to hire experienced professionals.** Experienced agents demonstrate the ability to get the job done and do not require excessive supervisory attention.

- **Provide clear processes and guidelines.** Create online support that describes current processes and update it on a regular basis to reflect all changes, so agents have access to the most recent guidelines.
- **Involve human resources.** Much of the success of the home agent program is for HR to be involved early in the process, so they can support remote workers with resources as needed.
- **Assess performance on a regular basis.** Have in place appropriate performance management tools to measure agent performance and provide regularly scheduled feedback.
- **Build IT support system.** IT departments need to provide technology guidelines for PC, Internet lines, and security. Additionally, they need to support agents with help desk services.
- **Provide ongoing evaluations.** Most companies prefer to implement in stages and evaluate results prior to launching a full-scale rollout. This could be done by providing more senior agents with the choice of working from home and gradually extending it to other agents who demonstrate high performance.

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