A 'Virtual' Change in Call Center Form

by Greg Levin

Virtual call center setup varies widely from one organization to the next. A look at four approaches.

A valued customer phoned a retail call center three different times over the course of a month: The first call was handled by an agent in the company's inhouse call center; the second one was handled by an associate at a service bureau across the country; and the third call was handled by a mother of three sitting in her country home. Sound like this company's strategy is all over the place?

That's the idea.

Welcome to the new face of customer contact, where the term "call center" doesn't necessarily refer to a solid physical place any more. Many traditional call centers are breaking up, dispersing and, in some cases, even disappearing. While these words – break up, disperse and disappear – are usually used to describe something that is coming to an end, in this case they mark a "virtual" beginning.

According to research firm Datamonitor, virtual call centers are growing by leaps and bounds. Datamonitor defines a virtual call center as one that features several groups of agents in geographically separate locations being treated as a single entity for call-handling, reporting, management and scheduling purposes. The firm reports that, in 1998, there were just 570 virtual call centers in the United States and 50 in Europe, but, by the end of this year, there will be more than 3,000 in the U.S. and nearly 500 in Europe.

This trend is not too surprising when one looks at the potential benefits of a virtual environment, says Sydney Burton of NEC America Inc., a large customer contact outsourcing specialist. "The benefits of geographically distributing a call center are well known," Burton says. "Virtual environments allow companies to locate call centers where the workforce exists; extend service hours across time zones; tap into a larger staff to cover peak demands; and provide coverage for call centers during major or minor disasters, such as hurricanes or snow days."

Thus, building a business case for a virtual call center isn't too difficult. And thanks to recent technological advancements, building the actual environment isn't either. "[Until a few years ago], inadequate and expensive technology was a primary barrier to creating a successful virtual call center," explains Bruce Calhoon, director of contact center consulting for AnswerThink's customer solutions practice. "However, today's network technologies are readily available, more reliable, and cost effective."

Different Approaches

While Datamonitor has effectively defined what a virtual call center is, it's difficult to pin down what a virtual call center actually *looks like*. Why? Because they vary in form significantly from one organization to the next. Following is a look at the various shapes that today's virtual call centers may take. (Note: Some organizations combine two or more of these approaches to fully leverage the advantages of a distributed environment.)

1. The networking of multiple, full-scale call center sites. This is the model that pops into most people's heads when they think of a virtual call center. The road was paved for this approach when, a few years ago, many companies started replacing their large, single-site consolidated call centers with two or more smaller, regional centers to leverage economies of scale. In most cases, these multisite call centers operated independently, though were often linked by technology to help each other out during heavy calling periods.

It didn't take long for many of these multisite environments to evolve into true virtual call centers. Today, they operate as a single customer contact entity, with calls and e-contacts from all over being seamlessly and intelligently (e.g., skills-based routing) distributed between/among each center.

With regard to the technology that is used to make this happen, there are two common and very viable options, according to AnswerThink's Calhoon. These include:

- *Switch-dependent virtual call center software*. This is ideal for multisite environments which feature homogenous (all from one vendor) switches, says Calhoon. Provided the ACD system at each center is the same, this software provides intelligent call routing and load balancing. "The leading switch manufacturers all have the capability of 'intelligent look-ahead,'" Calhoon explains, "which means that when a call lands on a switch, that switch will have real-time information that tells it who called [via CTI]; whether or not resources are available network-wide to handle the call; where those resources are; and to which specific resource to route the call."

- *Switch-independent virtual call center enablers (third-party software).* These are highly sophisticated tools that make detailed routing decisions prior to the call connecting to a given switch, and thus do not require each center in a multisite environment to have the same switch. "Third-party software packages monitor in real-time the MIS data-feeds or the CTI links from the switches to determine resource availability for making routing decisions," explains Calhoon. "Via such real-time monitoring, and based on routing tables, calls are dynamically routed to the location and switch, the ACD group and, in some cases, the individual agent." The leading suppliers of switch-dependent virtual call center software include Cisco,

Alcatel and IEX.

But transforming multiple call centers into an authentic virtual operation requires much more than just advanced technology, says Gary Houston, a former multisite call center manager and now an independent consultant with Virtual Call Management Associates. "It requires a tremendous amount of knowledge and planning," he says. "If not implemented properly, you can incur considerable costs and cause a major disruption in service."

Houston recommends closely assessing the current state of each site involved before going virtual. Problems that exist at individual sites, when not addressed up front, "will cause even more complex problems in a virtual call center environment."

The key is to determine the best practices among all sites, says Houston, and then to incorporate those practices at each site to ensure the solid consistency that is required in virtual environments. He adds that multisite consistency is particularly important in areas such as performance metrics/management, reporting, hiring practices and, above all, training. "Moving to a virtual environment means that your agents will likely require additional training and product knowledge," Houston explains, "especially if the calls handled in the separate sites are different."

2. Service bureau extension. Some organizations are missing a key ingredient to make the fully networked, multisite approach work – *another call center*. To overcome this shortcoming, many single-site call centers have teamed with a service bureau for a virtual advantage.

This is a popular approach that provides the extra support that single-site operations often require, and enables them to quickly and easily scale up or down as needed. These operations view the service bureau as an extension of their own call center, and the *customers* of these operations don't view the service bureau *at all*; any call, email, Web chat or other contact that is routed to the service bureau is handled just as it is when handled in house.

Teaming up with a service bureau can make single-site call centers better not only from an efficiency and scalability standpoint, but from a geographical one as well. Having an arm of the call center that is physically separated from the main body can prove to be invaluable in the event of a natural or technological disaster.

3. Work-at-home agents. This is the approach that has recently made the once-simple question, "Where is your call center?" into one that is not so easy to answer. A growing number of companies have gone virtual by virtue of telecommuting – scattering a number of home-based (a.k.a. "virtual") agents around the hub of an in-house operation. A few companies, including outsourcing specialist Alpine Access, have even created a call center frontline that is 100 percent home-based.

The biggest advantage of a work-at-home virtual environment is improved staffing. Companies that have opened the doors to telecommuting usually find that they have access to a much broader labor pool, including residents in remote rural areas, individuals with disabilities, senior citizens and others that find it very inconvenient or difficult to commute to work. As AnswerThink's Calhoon says, "virtual call centers [that feature remote agents] take the calls to the people instead of the people to the calls." And those people tend to work harder and last longer. Numerous studied have revealed that, due to the satisfaction that working at home provides, the productivity and retention rates among remote agents is very often higher than that of their in-house colleagues. One call center, My Twinn (a high-end doll manufacturer), implemented a work-at-home agent strategy in 2000 and saw an 88 percent decrease in staff turnover compared to 1999.

Such retention benefits alone should be enough to entice call centers into considering a virtual agent environment, says Wendy Close, a CRM researcher at Gartner. "Any technique to reduce agent turnover is worth investigating. … For the average call center, 71 percent of the cost per handled call is personnel-related. Reducing turnover therefore not only improves customer service, it lowers costs because it cuts back on the extra training and management resources required to bring new recruits up to speed."

The technology behind telecommuting has matured significantly over the past decade, thus helping to quell management's concerns about remote supervisory issues, says Jack Heacock, vice president of Tmanage – an Austin, Texas-based consulting firm specializing in work-at-home program implementation. "To most ACDs and related software, it makes no difference if the agent is 20 feet away or 20 miles away," says Heacock. "Supervisors can easily see real-time performance data as well as weekly or monthly performance reports on each remote agent." AnswerThink's Calhoon adds that today's top ACD platforms (Aspect, Rockwell, Lucent, Nortel and Siemens) all feature technologies for extending ACD and CTI functionality to

The Promise of VoIP in the Virtual World

While voice over Internet protocol (VoIP) has yet to fully mature and take off in the call center industry, it is rapidly evolving and, according to technology experts, stands to open the floodgates for virtual operations.

VoIP is an advanced communications technology for transporting integrated digital voice, data and video over a common Internet protocol (IP) network. Researchers and analysts predict that IP-based call center platforms will eventually replace traditional circuit-switched legacy platforms used by the vast majority of call centers today. And when they do, the ease of going virtual – and the relatively low cost of doing so – will become very attractive to customer contact operations, says Adam Gur, president and CEO of call center solutions provider Composit Communications International.

"IP-based applications support integrated multimedia queuing while also allowing enterprisewide contact management based on a single set of business rules," Gur explains. "Through the omnipresence of IP transport, organizations… can afford geographic independence of both agent resources and IP-based application servers. In laymen terms, organizations can have a location-free contact center. All hardware and software needn't be in one building; agents can be dispersed all over the world, while their managers can still keep track of their work productivity."

virtual agents off a single switch.

4. Telework centers. Call center telecommuting doesn't always entail agents working from home. A few companies have experimented with the use of telework centers (a.k.a. "satellite" offices) – small facilities usually located in suburban/rural areas where a small group of agents handle customer contacts just as they would if they were working in the main call center. The technology used to make it work is more or less the same as that used in work-at-home arrangements.

While telework/satellite centers aren't common in the call center industry, the approach is starting to draw attention, according to Gil Gordon, founder of Gil Gordon Associates and a renowned expert on telecommuting.

"The predominant form of telecommuting today is still the work-at-home kind, though there's growing interest in satellite offices and other kinds of facility-based telecommuting," writes Gordon in response to an FAQ on his Web site (www.gilgordon.com/telecommuting). "These centers are often located near where people live; they work well for telecommuters who can't or choose not to work at home; and they can be an economical way to make certain resources (such as high-speed printers or video conferencing) available that can't be placed in each telecommuter's home."

Read about the technologies involved with setting up a remote work program in this month's Technology Focus column on page 7.

Spreading Out and Linking Up

The days of large consolidated call centers and independent multisite call centers may soon be drawing to a close. Companies are realizing the benefits of spreading out and linking up to provide efficient, seamless service and to overcome staffing challenges and security issues that have stifled many centers in the past.

Whether the typical call center of tomorrow features 100 agents in five different places or 100 agents in 100 different places – or some other scenario – remains to be seen. However, it appears that companies are going to continue bending, breaking and even erasing the traditional rules regarding what – and "where" – a call center is. CCMReview

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