

Complex Call Center Desktops Freeze Corporate Profits

**A Survey Commissioned by Jacada
and Conducted by Winn Technology Group**



Overview

Companies participating in the Jacada survey include:

Abbott Laboratories
A.G. Edwards
Bank of America
Blockbuster Entertainment
Colgate-Palmolive
Del Monte Foods
Gillette Company
Grolier
Hilton Hotels
ITT Hartford
Nationwide Insurance
Penske Truck Leasing
Polaroid Corp.
Radio Shack
Sears
Winn-Dixie Stores
...and 175 others.

Efficiency, customer satisfaction and profits are among the goals that are severely impacted by the complexity and multiplicity of computing systems found in many contact centers, according to a survey of 200 multi-national corporate call centers conducted for Jacada by Winn Technology Group Research.

Rather than a flexible and fast interaction with customers, contact center agents labor under processes that are cumbersome and unwieldy:

- More than **50 percent of call centers** require that a contact center representative access an average of three to five applications to service a customer.
- Even more astonishing, **33 percent of call centers** require agents to master more than six applications.
- More than **33 percent of all contact centers** require service representatives to key the same data into multiple applications, multiple times.

The painful result: **Customer Satisfaction objectives are difficult if not impossible to achieve**, contact centers' training costs remain chronically high, and agent productivity is stagnant or in decline.

An industry-by-industry look identifies today's most complex contact center environments.

- **Retail contact centers** have the largest percentage of customer service representatives who are required to key in redundant data, a whopping 54 percent.
- **Banking, insurance and technology industries** have the most complex call centers – none operate with fewer than three applications.
- **Insurance, technology and supply chain sectors** are as much as three times more likely than other industries to increase outsourcing of call center operations.

Customer Satisfaction Ranks #1

According to the survey, when call center managers were asked about improvement goals, 56 percent of respondents ranked customer satisfaction at the top of their list (Figure 1).

56 percent of respondents ranked customer satisfaction at the top of their list.

Responses show that call center managers recognize that traditional metrics, such as “reduced call times,” need to be ranked in context of more important goals such as efficiency and customer satisfaction. The survey results suggest that respondents understand that a long call for a routine inquiry is a disaster; however, a long conversation where the agent is cross-selling services may suggest improved customer satisfaction.



However, the research indicates that call center managers do not forsake traditional metrics. Call center managers realize that a customer’s experience cannot be improved without also reducing the call time. 22 percent of all respondents still consider ‘reduced call times’ an important objective.

The survey indicates both the importance of qualitative metrics such as customer satisfaction and quantitative metrics such as reduced call times and more profitable outcomes.

The high importance in the survey given to customer satisfaction improvement supports the trend of call centers that measure the satisfaction of customers’ experience by incorporating customer feedback into evaluations of their agents.

What is troubling is that the survey also suggests that improving customer satisfaction is at risk due to the complexity of the agent desktop environment.

Desktop Complexity Handcuffs Agent Productivity

One of the key findings of the Jacada research is that contact centers run their operations with a staggering number of applications on the agents' desktops.

49 percent of all contact centers report that agents spend in excess of 20 percent of the call time searching for information.

Respondents were asked how many different applications their agents needed to know in order to perform their jobs properly. **50 percent indicated that three to five applications were required; and 32 percent indicated that the number of applications was greater than six** (Figure 2).

The agent desktop affects each and every aspect of call center performance.

- Do the agents have the capability to access information when it is needed for the customer?
- Does the desktop allow them to do their work?
- Does the flow of the application hinder the ability to focus on the customer?

In two areas – searching for information and re-keying of data – multiple applications and complex desktops have a huge impact on productivity, according to the survey.

According to the survey, a significant portion of an agent's interaction time with customers is spent searching for information. **49 percent of all contact centers report that the call time spent by their agents searching for information is in excess of 20 percent.** Even the majority (52 percent) indicate that between 10 to 20 percent of an agent's time with the customer is spent searching for information.

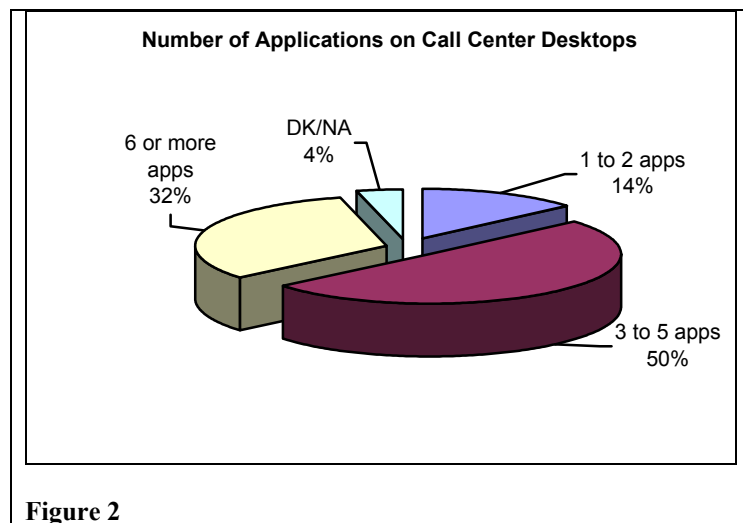
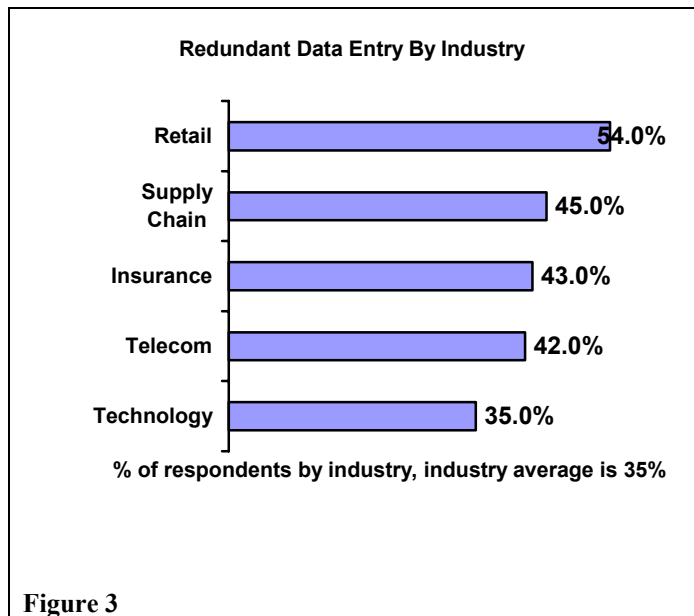


Figure 2

In addition to time spent searching for information, Jacada research indicates that more than 35 percent of all contact centers require representatives to key the same data into multiple applications, multiple times.

Particular industries are severely affected by redundant data entry. Retail contact centers indicated the largest percentage of customer service representatives who are required to key in redundant data, a whopping 54 percent (Figure 3).



According to the survey, insurance, supply chain/distribution and telecommunications industries have higher than average amounts of redundant data being re-keyed.

The impact of the complexity of the agent desktop on call centers is broader than the productivity of its agents.

The issue impacts:

- Offshoring and outsourcing decisions, since they are driven by an evaluation of costs, which can be significantly impacted by the desktop complexity.
- Quality assurance, since to ensure that each agent handles customer interactions consistently requires intuitive, easy-to-navigate agent desktops.
- Technological discussions, like call routing and IP in the call center, since their deployment is driven by the desktop applications.

35 percent of all contact centers service centers require representatives to key the same data into multiple applications, multiple times.

Desktop Complexity Increases Cost of Operations

According to Gartner, **92 percent of all customer interactions happen over the phone**. In handling the phones, Gartner estimates that **personnel costs account for 71 percent** of a typical contact center budget.

How does a contact center manager get personnel to be more productive, faster? Given high personnel costs, training is seen as one of the most important factors in lowering costs, improving productivity and helping ensure customer satisfaction.

However, the cost of training new agents is becoming more and more expensive due to the ever-increasing complexity of the agent desktop environment.

The survey by Jacada shows the majority of respondents – 60 percent – conduct training that takes approximately one to two months. An additional 15 percent of call centers conduct new-hire training longer than 9 weeks, according to the survey (Figure 4).

28 percent of the call centers report that it takes more than 12 weeks after training for the average agent to become productive and self-sufficient.

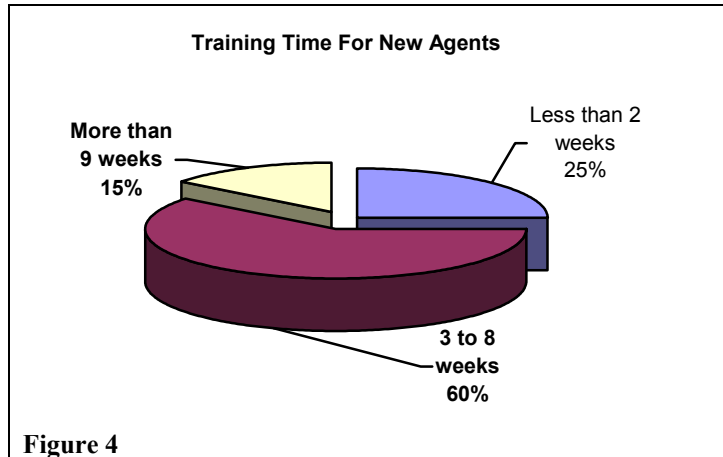


Figure 4

And a significant part of this training is required due to the complexity of the applications the agent must use.

According to the research, 50% of the respondents indicated that the complexity of the desktop increases training costs by at least 20%, with 17% indicating it increased training costs by more than 40%, (Figure 5).

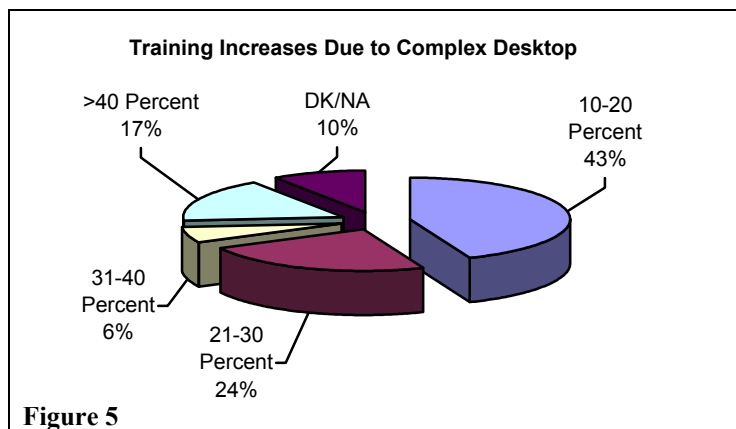


Figure 5

And these are only the costs associated with initial training. **28 percent of the call centers report that it takes more than 12 weeks after training for the average agent to become productive and self-sufficient.**

The complex agent desktop has a negative impact on corporate profits by increasing the expenses for initial agent training, and delaying the time it takes for them to be completely productive, servicing the all-important customer.

Outsourcing Trends and the Home-Based Agent

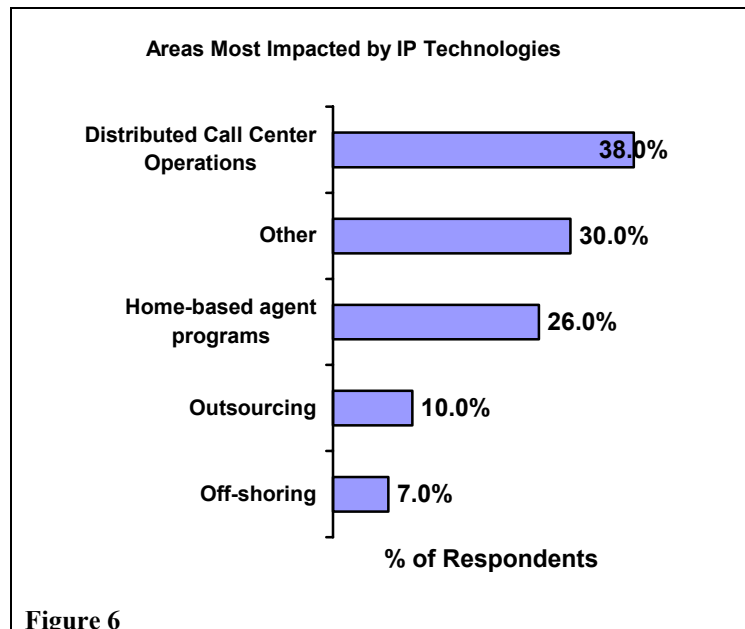
88 percent of Jacada survey respondents indicate that it is unlikely that increased outsourcing would occur while 12 percent consider it likely that outsourcing will grow.

Widely reported in news media are highly visible instances where companies switch their call center inquiries to locations such as India in a bid to tap into cheaper wages and overheads. Media also report well-publicized failures in customer service by outsourced or offshore call center operations. Neither approach tells the complete story. The best call center managers understand that regardless of whether or not they outsource or offshore, they need to understand their business processes in order to help ensure customer satisfaction.

Published research suggests savings of 40-60 percent when call center operations are outsourced. However, more sophisticated analyses, such as Gartner research estimates that cost savings projections should be cut in half once various up-front costs are taken into account, are gaining acceptance.

Jacada survey results indicated neither a rush to adopt outsourcing, nor an avoidance of considering its benefits. 88 percent of Jacada survey respondents indicate that it is unlikely that increased outsourcing would occur while 12 percent consider it likely that outsourcing will grow.

As some U.S. companies consider outsourcing, others – both outsourcers as well as corporate call centers – are adopting home-based agents as an alternative to centralized call centers.



64 percent of the call center managers indicate that home-based agent programs and distributed call center operations would be impacted greatly by the growing importance of IP technology.

A recent study by consultancy Booz Allen Hamilton showed home-based agents are less expensive than traditional outsourcing, and 25 percent more productive than employees who handle calls in-house. The research indicated that 80 percent of companies that use home agents are satisfied with the model, and that 22 percent of companies that haven't tried home-sourcing yet plan to do so within two years.

The ability of companies to take advantage of home agents and distributed call center operations will require a flexible agent desktop environment and, according to the survey results, will be significantly impacted by the growing role of IP technology (Figure 6).

According to the Jacada research, when call center managers were asked about the importance of IP technology, **64 percent of the call center managers indicate that home-based agent programs and distributed call center operations** would be impacted greatly by the growing importance of IP technology.

A complex, technically heterogeneous desktop environment is difficult (if not impossible) and costly to IP-enable, further stressing the need to simply and ultimately easily IP-enable the agent desktop to take advantage of some of these significant cost savings alternatives.

Conclusion

Call centers share common goals regarding their agents: reduce turnover, lower agent costs, make training more effective, less costly and more relevant. While the focus is on improving customer satisfaction, action must be taken on the agent desktop environment if gains are to be made in improving customer retention and loyalty.

Survey respondents indicated that the complexity of the desktop significantly affects agent performance. Turnover, retention, training costs, morale – all can be impacted by improvements in the agent desktop.

It is highly significant that call center managers are virtually unanimous in one opinion. Overwhelmingly, 96.5 percent of respondents said that agent satisfaction was an essential component in providing effective customer service.

If a contact center provides more effective agent satisfaction it will lead to measurably better customer interactions and a more profitable business.

Overwhelmingly, 96.5 percent of respondents said that agent satisfaction was an essential component in providing effective customer service.

About the Research

Winn Technology Group, Inc. (WTG) conducted the collection and analysis of the market research data utilizing outbound teleprofessional contact with subjects as well as an email campaign and web site for online collection of data.

WTG surveyed target respondents who were responsible for oversight of operations, customer service, call center, and help desk. The contacts ranged from manager and director level, through vice presidents and CIOs. A database of individuals was identified that met the selection criteria from the WTG enterprise database. The database included 2,797 records of identified call center operations with greater than 1,000 employees. Jacada supplemented this with 680 contacts from its in-house database.

WTG completed 200 surveys. 197 individual companies were successfully contacted. Three companies with multiple call center locations each completed two surveys. Seventy-one surveys (35 percent) were collected from the data provided from Jacada. The remaining 129 (65 percent) were collected from contacts provided from the from the Winn Technology Group enterprise database based on identified call center operations with greater than 1,000 employees.

Winn Technology Group used an unlimited model of calling to complete surveys. Contacts or referrals not reached on first try were put back into the queue for additional calls. Voice mail messages offering a toll-free number for a return call were left for subjects not available, and those contacted were also provided online access to the survey.

From the final database of 3,477 records, a total of 1918 presentations were made to potential survey respondents. The results were conducted with a “blind survey” approach so that Jacada’s name was not used in the survey, thus eliciting unbiased results.

Winn Technology Group, Inc. is privately held marketing solutions company headquartered in Palm Harbor, Florida. WTG focuses exclusively on the technology marketplace and has earned the respect of major corporations who continually subscribe to their B2B marketing services including primary market research, lead management, marketing database services, competitive intelligence and customer satisfaction programs. Clients include palmOne, PeopleSoft, Gartner, Trend Micro, Avnet, Apple, SAP Americas, Cisco Systems, and Deloitte Consulting. For more information, please visit www.winntech.net.

Jacada Contact Information:

1-800-773-9574 (U.S.)
+44 20 3178 4803 (U.K.)
info@jacada.com
www.jacada.com