

Quality and Value with Home-Based Call Center Services

By Jim Ball

Remember when “outsourcing” just meant sending your call center services to an off-site facility? Then, as costs began to rise and labor markets became saturated, off-shore outsourcing to countries like India and the Philippines became popular. While some calls will continue to be sent offshore for cost-cutting purposes, transactions that involve a premium customer, a sale or involved customer service issue are returning to U.S.-based call centers in droves.

Today, the home-based, or ‘virtual’ contact center model is gaining in popularity through the public adoption of the model by both public and private sector organizations, such as Office Depot, Jet Blue, and 1-800-Flowers.

The Advent of Home-Based Call Center Services

Recent analyst reports from firms such as Gartner and IDC confirm that the virtual contact center model is the best choice for the long-term success of corporate call center operations. Companies that are looking at the overall value they receive from their contact centers are discovering that they can, indeed, find both quality and value in home-based contact center outsourcing

However, terms such as “home-shoring” continue to creep into the call center vernacular, implying that companies should look at the use of home-based agents as a way of gaining the benefits of offshore centers (low per-unit cost) without having to deal with the operational and political concerns associated with sending calls out of the country. Not only is this inaccurate, but it is a bit of a red herring and the true value of the model is often overlooked.

The Benefits of Home-Based Agents

With home-based contact center employees, commonly referred to as home-based agents, costs are competitive while providing significant increases in agent quality. While there are many benefits to utilizing home-based agents, the overriding theme is that the right home-based model provides higher quality agents that deliver better results. Whether your needs are related to lower-than-expected conversion rates, low average sale amounts, or a sought-for increase in customer service rates, the home-based agent model allows the flexibility to recruit, train and support agents that are best suited to perform optimally to achieve your desired results.

Agent Quality

By far, the most important advantage of using agents working from their homes is **higher quality agents**. The reason the home-based agent model can deliver on the promise of providing higher quality agents is quite straightforward: the larger the pool of candidates from which a company hires its agents, the more selective it can be in the quality of those agents.

In a physical call center, a company is limited to hiring agents within a reasonable commute, but with a home-based agent model that provides regional, national, or even international access to agents, the candidate pool is essentially unlimited. Instead of desperately trying to keep seats filled, companies employing home-based agents have the luxury of hiring only the very best of those applying for positions.

Having such a large reach does not automatically yield a high-quality workforce, however. It is important that the company has solid processes, specifically designed to identify those characteristics of candidates that will lead to outstanding performance. Once on board, those agents expect a professional and efficient operation, with appropriate training, communications and support. The company that can meet all of those expectations will be rewarded with an agent workforce that is extremely difficult to replicate in an affordable manner at scale with a traditional call center model.

Redundancy

In addition to providing higher-quality agents, the home-based agent model offers a unique opportunity to create a fully-redundant service offering. Traditional call centers can implement a wide variety of sophisticated hardware and software infrastructures providing for very high systems availability, but being able to route calls and data to an alternative location in an emergency is not very helpful if the agents trained to answer those calls all live near the primary (now non-operational) facility in a disaster situation. Transporting trained agents to alternative locations may look good in a disaster recovery plan, but the logistics and realities of actually implementing such a plan often undermine the intended redundancy.

Building comparable multi-location redundancy in a home-based agent model, with agents dispersed over wide geographic areas, provides the ultimate redundant infrastructure. Designed properly, the loss of an entire facility at one location can go unnoticed by the end-user as calls and data are routed to alternate facilities and agents receive those calls and data without interruption.

Flexibility

Another attractive characteristic of the home-based agent model is that it is possible to quickly add staff in the event of an unexpected increase in call volume. By contacting agents who are trained on a given call type, but not normally scheduled during that time, it is possible to increase staffing significantly in a matter of minutes.

Not only would those agents be far less likely to drive in to a call center in such an emergency, but the time required to mobilize and affect any significant increase in staffing would likely be measured in hours instead of minutes. This can be critical, as the longer it takes to react to an unforecasted increase in call volume; the more difficult it is to dig out of the inevitable resulting queue.

In addition to responding to unforeseen surges in call volume, the home-based model can easily expand its capacity to handle *forecasted* surges in call volume, such as holidays, new product releases, or even Mondays, which are typically the busiest day of the week for call centers. In any of these cases, the ability to add staff without needing to worry about having physical seats to accommodate those forecasted surges, can be a significant benefit.

With agents working from home, the only fixed infrastructure needed is the technical system capacity to handle peak concurrent agent load. By having more of the part-time workforce deployed during those surges, it is much easier to provide consistently high levels of service.

Control

One of the most common concerns about agents working from home is that of not being able to control or manage behavior; however control is actually another benefit of the model.

Management by wandering about is the too-often employed default in traditional call centers, resulting in lack of control over many of the key operational functions. In a distributed-agent model, those traditional processes are inadequate, so new processes and systems are needed in order to manage the workforce. Implemented properly, the result is a control infrastructure that actually provides a much higher degree of “visibility” to what every agent is doing at every moment.

The systems provide the support that is necessary to maintain absolute control, and with thousands of agents working from home, there is either absolute control or total chaos. Because there cannot be any middle ground (and assuming chaos is an unacceptable option), the home-based agent model is *required* to operate with a very high level of control.

Many of the traditional control components, such as real-time or recorded call monitoring, should be standard components of a home-based agent model. Likewise, regular quality assurance sessions similar to those that should be used in traditional centers are easily accommodated.

Security

As with control, many are surprised to learn that security is actually a strength of the home-based agent model, primarily because of the people.

A secure technical infrastructure and appropriate business processes should be similar in both the traditional and home-based agent models, but the home-based agent model has a distinct advantage when it comes to the people handling the calls.

Many people think an external hacker or malicious program that tries to access sensitive information is the biggest threat to data security when, in fact, if you were to ask most security experts about the most vulnerable point in a given data network, they probably would tell you it is the internal people who are authorized to access that data.

Whether through intentionally accessing protected data for improper purposes or through inadvertently making system access available to outsiders, authorized users usually are a company's greatest security risk. With the ability to be much more selective in hiring people to whom system access will be granted, a company using home-based agents can significantly reduce the likelihood of a security breach.

Similar to control, the unique business processes needed to support a large, distributed workforce provide the opportunity to implement a much higher level of security than typically is accomplished in a traditional center. Every action of every agent at all times must be monitored and recorded by the supporting systems in order to maintain control.

In fact, simply making agents aware of the level of activity monitoring that takes place can be a significant deterrent to inappropriate behavior. Combined with the use of algorithms designed to identify behavioral trends that could indicate potential security breaches, the level of data protection and breach detection can be extremely high with the home-based agent model.

Cost and Value

Given the fact that, by far, the single largest expense in any call-handling model is agent labor, and that the labor rates in the most common offshore locations is a fraction of that in domestic labor markets, it would not be possible for a home-based agent model to compete with offshore models if the measurement were simply on the basis of the cost per agent hour (or minute, or call). That does not mean that the home-based agent model is without significant cost benefits, however.

In a traditional model, it generally is necessary to schedule agents for a minimum of 3-4 hours at a time to make it worthwhile for the agent to commute to the call center. With this scheduling limitation, it can be very difficult for a traditional call center to match its workforce with the incoming call volumes in a manner that yields high agent utilization without compromising acceptable service levels. In order to maintain acceptable service levels, it generally is necessary to operate at lower-than-desired agent utilizations during certain periods of the day.

In contrast, a home-based agent model affords a company the ability to schedule its agents in much smaller time increments; often with multiple schedules in a given day. This ability to more closely match agent labor to forecasted incoming call volume can yield a very significant cost savings. Although the unit cost per hour (or minute) may be comparable to a traditional center, the number of units required to get the job done can be much lower.

One cost impact that often is overlooked is the cost per dollar of revenue generated in an average transaction. Many businesses consider the call center function to be a pure cost component when, in fact, it may be possible to have this function not only pay for itself, but become a profit center for the company. Once again, the key to that success lies in the quality of the agents. If the nature of the calls is customer service, then an agent's ability to perform at a higher level can translate into higher customer retention rates, higher return purchase levels and superior word-of-mouth support, not to mention the possibility of real-time up-sells and cross-sells.

If the nature of the calls is sales, the benefits are clear. Agents who have been selected because they are friendlier, smarter and the best possible representative for the product or service being sold will produce higher close ratios and higher average order sizes. The higher levels of agent satisfaction resulting from the convenience of working from home also result in longer average tenures which further translate into increased levels of product knowledge and experience.

So, Why Isn't Everyone Doing It?

Although the value proposition is quite compelling, making the move to home-based agents can be difficult. Making the assumption that it is possible to extend traditional operational models to the home is a big mistake. While it may work for a few agents, the chaos that would result from a more aggressive initiative without a major shift in operational philosophy would be disastrous.

On a more practical basis, many companies have been reluctant to move to a home-based agent model due to the enormous amount of existing investment in traditional call center infrastructure. Certainly, the bricks and mortar aspects of that investment are completely unusable in a home-based agent model. Companies also find that much of their technology, business process and human resource investment are of little or no value in this model, as well.

To date, the combination of these factors has limited the model's large-scale adoption in existing operations. Companies looking to launch new or expanded operations, however, as well as a growing number of those with existing traditional centers are beginning to reconsider their options as they discover the real value proposition of the home-based agent model.

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