

Home based contact centres

A time for new thinking?





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The economic downturn, combined with ever-growing public expectation, is increasing pressure on customer service operations to deliver more with less. Whilst a focus on reducing failure demand, a shift to cheaper channels and the use of self-service can reduce agent demand, it's unlikely to eliminate it altogether – fundamentally it's still good to talk and in many cases, direct agent contact can help with cross selling, retention and building brand loyalty. Organisations wishing to stay ahead of the game are increasingly thinking creatively about how, when and where they deploy their human resources. By reducing the constraints imposed by the traditional bricks and mortar model, many contact centres are showing that they can free up resources, reduce costs, increase the quality of service delivery and significantly improve employee engagement and satisfaction.

Home working can provide a cost effective solution to many of the operational, employee and customer challenges faced by contact centre operations. Less than a decade ago there were genuine concerns expressed about the availability and reliability of systems and security arrangements, but in recent years cloud based technology solutions; improvements in broadband availability and speed; increasingly sophisticated data security arrangements; and

virtual work force management solutions have largely overcome these fears. Contact Babel's *2011 UK Contact Centre Decision Maker's Guide* reported that 18% of respondents are now using some form of home working (up from 15% in 2010 and 13% in 2009).

The main concern for organisations now seems to centre on management attitudes – the 'what I can't see, I can neither engage, nor manage' view. Even this perception has been somewhat disproved as remote performance management capability has developed and lessons have been learned in parallel with the expansion of outsourcing and off shoring.

A number of people and hardware capabilities (Figure 1) are required to achieve successful Home Based Agent (HBA) operations all of which require careful consideration, but experience is proving that it is the cultural components, or 'people ware' capabilities, that are often the least considered and most disabling.

The right time for new models

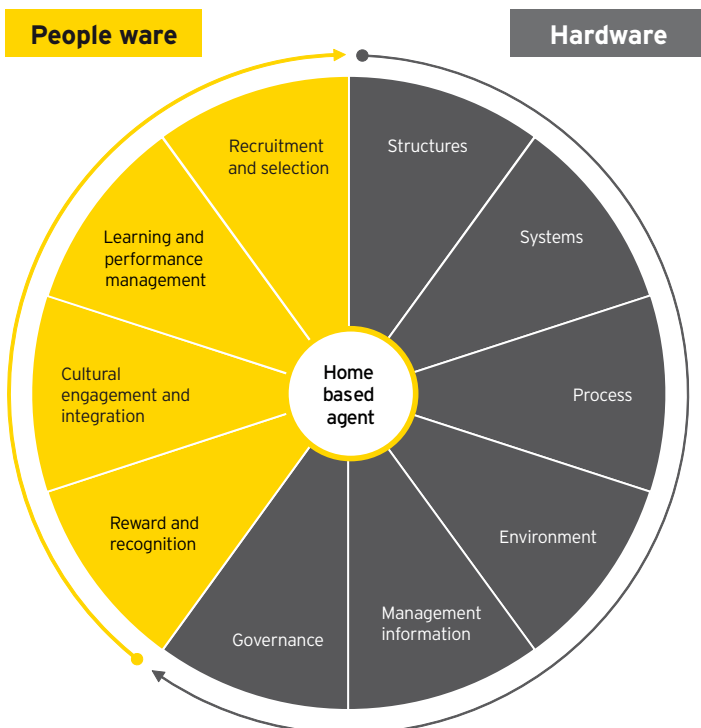
Current economic and consumer conditions combined make now a good time to rethink existing models. The green pressure to move away from high-density, unhealthy environments and reduce carbon footprint, dovetails with the drive to reduce expenditure. The AA cites its green credentials when promoting its HBA model, with claims of 212.5 tonnes of CO₂ saved per year¹.

There is also a more fundamental shift based on the increasing deployment of multi-channel self service for low value transactional activity and the recognition that truly skilled 'value add' customer service staff – with the flexibility that today's contact centres require – are hard to recruit and retain. The contact centre proposition therefore, has to work as much for staff as it does for the business and its customers.

Organisations considering the HBA option cite common challenges that are not easily resolved through traditional bricks and mortar models:

- ▶ Retaining expertise and countering attrition in highly skilled workers
- ▶ Accessing new employment segments which would not otherwise be attracted to working in a contact centre environment
- ▶ Creating short-shift/short-notice/split-shift flexibility in the workforce at an acceptable cost

Figure 1 – Operational capabilities for Home Based Agent models



Source: Ernst & Young



- ▶ Overcoming estate capacity constraints or the pursuit of estate cost reduction opportunities
- ▶ Creating scalability whilst avoiding significant capital investment
- ▶ Overcoming challenges imposed by geographically restrictive recruitment catchment areas
- ▶ Overcoming transport challenges that create real staffing issues for specific shifts
- ▶ Providing business continuity capability

The more for less agenda is sparking new interest in the HBA model

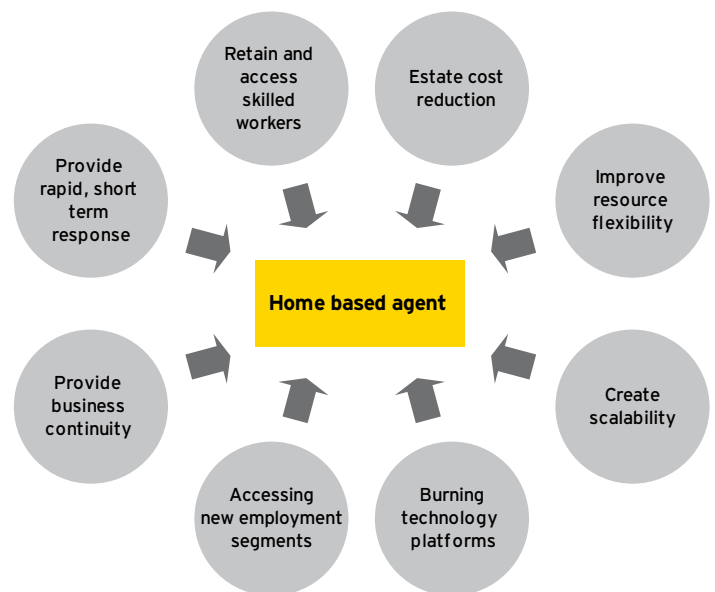
It will come as no surprise to anyone operating in the service arena that contact centres often face the brunt of the drive to reduce costs whilst increasing sales, quality and customer satisfaction. In recent years we have seen increased channel integration and widespread deployment of self-service techniques as a means of driving out waste, yet there is still common acceptance that for some transactions – particularly those of high value or risk to the organisation – only a human interaction will do.

When this is coupled with the increasing service expectations of today's savvy customers – who want to make contact on their terms and with complex queries that are resolved at the first point of contact – it's clear that contact centres must be more dynamic in the way in which they serve if they want to generate real value, especially if that is measured in customer loyalty. The HBA model offers a response providing longer opening hours; better matching of skilled resources to customer requirements; retention of multi-channel skills and knowledge; increased agent engagement and satisfaction; and better utilisation of human assets.

The business case

Often uninformed management assumptions about set-up costs, data security, performance management, cultural integration and the challenges of ongoing staff engagement result in a lack of appetite to explore the benefits. Without doubt, HBA models aren't right for everyone, so organisations must be clear about the forces driving its motives (Figure 2 highlights some of the more common drivers) and explore a range of potential solutions to both short and long term goals before rushing to implement a solution simply because it is in vogue.

Figure 2 – Forces driving HBA operating models



In order to build a credible business case, the time and cost associated with making the necessary changes, together with the organisation's capability to absorb them have to be considered.

The often reported benefits – NHS Direct for example, estimates financial saving in the order of £4,500 per whole time home worker – must be explored at an appropriate level of detail relative to the organisation's customer service strategy and its known cost/quality drivers.

When scalability, increased productivity and higher quality are combined, they make a compelling case

Scalability

A significant advantage of HBA models is that they can enable relatively quick service scalability without the usual capital investment in bricks and mortar infrastructure. On demand, license driven technical solutions, together with relatively cheap and quick to install broadband services, both deployed in a physical environment provided by the home worker significantly enhances service scalability funded through operational rather than capital expenditure. There is often a wider resource pool when unconstrained by location, which also allows the organisation to more quickly recruit and connect subject matter experts (who may exist outside of the contact centre operation), with its customers.

Productivity

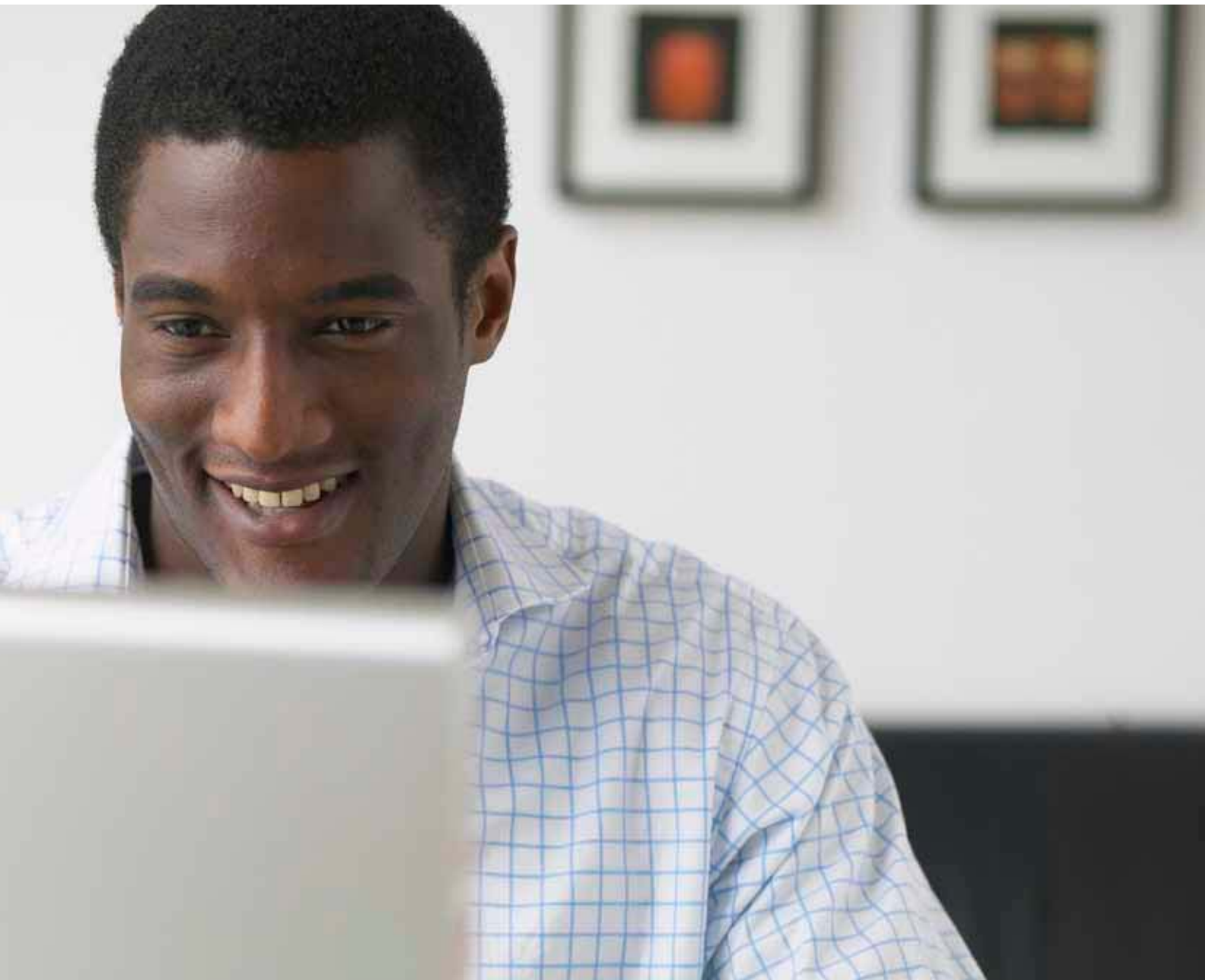
Despite concerns of supposed lack of visibility, advocates of HBAs often cite increased productivity as the main reason to take the leap. Being able to schedule resources to meet spikes in demand significantly increases utilisation. Shift flexibility is dramatically enhanced as schedules can be flexed to accommodate short-term or unexpected peaks without the usual dip in utilisation. When adopted by NHS Direct, it saw a significant improvement in calls per hour, on line availability, utilisation and after call work. Against many of its core performance measures, early indicators suggested that NHS Direct's HBAs outperformed a like-for-like control group in the bricks and mortar environment.

Availability

In addition, the level of control and flexibility offered to employees is often found to increase agent availability, lower absenteeism and facilitating a speedier return from sick leave. Unsociable hours coverage is also usually less challenging if agents do not have to physically travel to and from the office. Salford City Council recorded a 75% drop in sickness levels when it moved a bricks and mortar agent group to the home environment. Similar benefits were claimed by the Co-op Travel Group and The AA who reported calmer working environments resulting in reduced churn in their home-based agents^{2,3}. VIP Desk, a home based contact centre provider, quoted an 85% percent retention rate for its home based agents against the 10-20% that is usually seen in traditional contact centre models⁴. Whilst increased availability is a significant benefit in its own right, the cost saving associated with reducing attrition can be significant. In its *2011 UK Contact Centre Decision Maker's Guide*, Contact Babel suggested the average cost of agent recruitment was £1,831. With the average time and cost associated with induction training and achieving optimum performance also factored in, the bottom line impacts of reducing attrition can become very compelling. Contact Babel reports that attrition is halved in contact centres offering home working.

Quality

Although it requires a shift in performance management style, a key advantage of HBAs is being able to access or retain people with skills and experience that would not usually be attracted to working in a contact centre environment or for whom it would be impractical, including returning mums, those with other commitments, mobility or transport challenges. The average age of the HBA is 38, with 15 or more year's experience, which demonstrates the extent to which many organisations have deployed it as a means of retaining subject matter experts that might otherwise be lost to its customers. Whilst home agent models can generate a competitive recruitment and retention advantage, evidence also suggests that they contribute to better quality outcomes. The benefits of being able to resource the service operation with skilled, experienced, satisfied workers, is cited by many who have gone down this route as a major factor contributing to better quality of outcomes – NHS Direct for example, saw superior results against many of its quality measures from its Home Agent group, including better patient outcomes.



Implementation challenges remain, but they are largely surmountable

It would be unrealistic to suggest that implementation challenges no longer exist, they do, but to realise maximum benefits they need to be exposed and tackled head on with practical and innovative solutions.

Cost effective voice and data connection is often posed as one of the main barriers to implementing a successful HBA model, yet when asked, few organisations cite it as their main reason for not going ahead. This is probably reflective of where the technology is right now – the choice is between inexpensive VOIP and high-quality PSTN. Bandwidth is improving but can be an issue with most organisations requiring at least 3Mb download and 1Mb upload for business applications to sustain like-for-like bricks and mortar performance.

Security is a key concern because data is being handled outside of the organisation's direct physical control. Whilst understandable, it isn't insurmountable. Dedicated broadband connections, the prohibition of Wi-Fi routers, increased firewall protection, multiple password layers (including bio-metric voice login), locked-down corporately owned desktops, lockable home offices, and agent activity screening, are all ways of mitigating the data security risk, but they come at a price. JetBlue Airways for example, ensured that every agent was set up with a firewall in their home office that adds to the security they ran back at the support centre⁵. UKVCC, which offers contact centre services through a network of home based agents, provides a dedicated broadband line, a 'locked down' secure PC and charges clients an all inclusive cost per advisor price for this service⁶.

Remote workers can often be expected to undertake a large part of the **selection, induction and ongoing training** activity at a physical contact centre site, often during core business hours if business support functions are involved. This may be completely impractical if they have applied to work from home in the first instance due to availability or mobility restrictions. Not only can it fail to recognise and accommodate the training needs of the HBA, but it can go so far as to exclude suitable home workers from the selection and on-boarding process itself. As VIP Desk have

learned, it is often a fundamentally different type of person that wants to be a home based agent than work in a traditional contact centre, so the way they are recruited, managed and trained must also fit with their motivations and restrictions⁷.

Most significantly, there are many concerns about whether you can truly **performance manage** teams that are not in the physical line of sight. Whilst on demand, 'cloud based' technology provides more than enough functionality to remotely monitor agent performance, managers need to act on the outputs. NHS Direct overcame this concern by implementing regular face to face home visits with the reassurance of email and telephone contact in between, whilst JetBlue Airways deployed performance management tools which gave its supervisors real time access to agent activity data in between monthly performance meetings between supervisors and HBAs⁸.

Organisational and cultural integration is closely linked with selection, induction, ongoing training and performance management – and proves challenging for many organisations, especially those who fail to deploy virtual communication technologies such as on-line messaging, voice/video conferences and webinars. Managers have a key role to play in creating an environment – through processes and tools – in which a sense of belonging to both the organisation and the virtual team is created and sustained for BHAs and brick and mortar workers alike. For The AA's HBAs, the relationships between managers and staff changed as a result of home visits. Personal chat was encouraged and this often allowed managers to provide meaningful counselling, which in turn created a stronger bond and sense of integration for those based at home⁹.

Not only does the organisations' recruitment, selection and training model need to be adapted to properly support HBAs, its other **core support services** – e.g., health and safety, IT support – need to be pushed out to the home office. Quite often manual workarounds – e.g., moving from one physical work station to another if there are hardware issues – that have been accepted in the bricks and mortar environment, break down in the HBA world. The combination of these other 'operational process restrictions' are often cited as the primary reason for not realising the benefits.

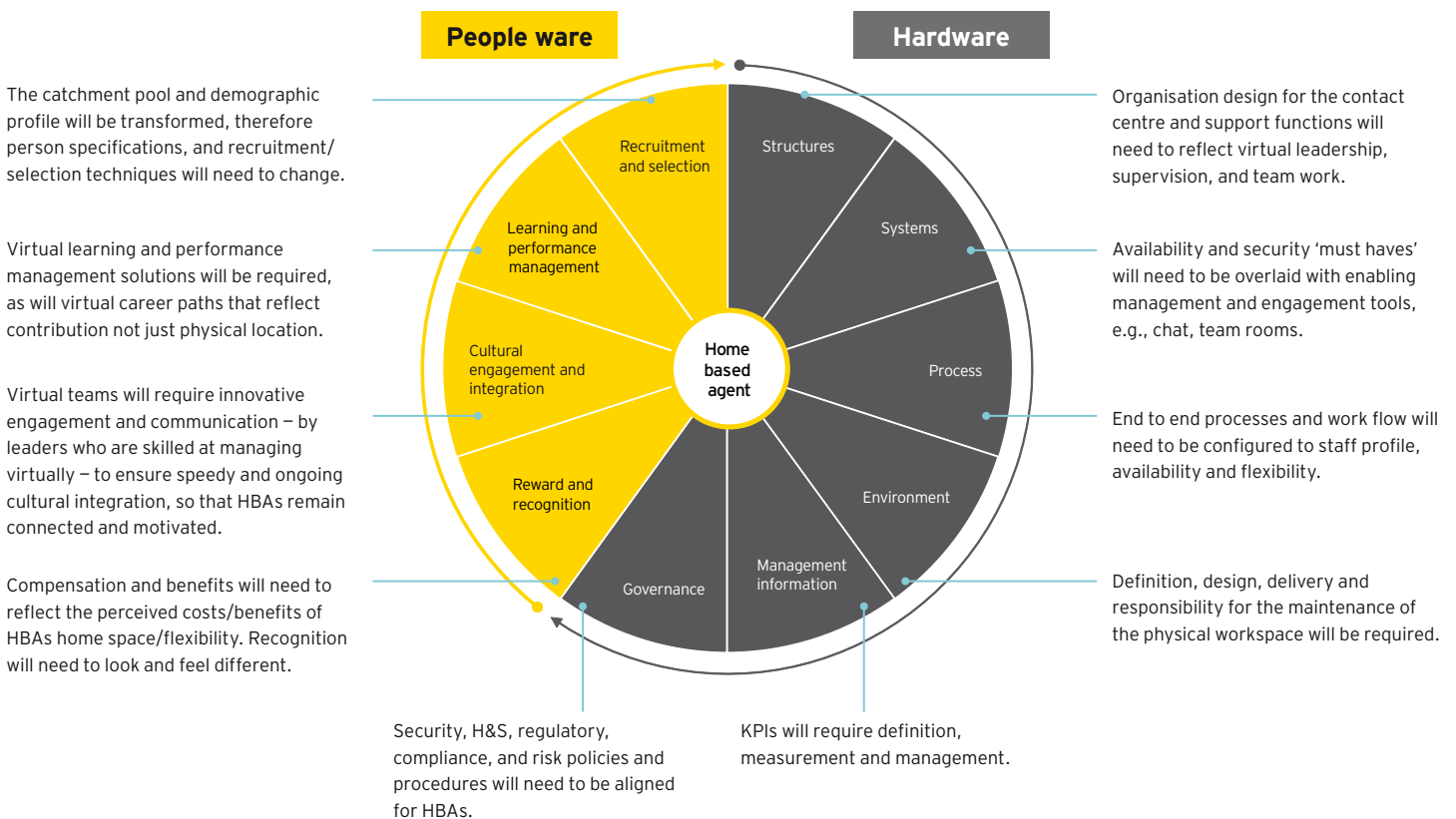
HBA organisational capabilities

Whilst the challenges and options for creating the organisational capabilities (outlined in Figure 1) have been explored so far, it's worth noting that contact centres expecting to reap maximum returns from their HBA programmes, will only do so if they are prepared to develop and maintain the wider cultural changes upon which contact centre capabilities depend. Figure 3 illustrates some of the practical implications for the contact centre, many of which will have far reaching consequences for human resource, technology and corporate governance policies.

Is the Home Agent model right for you?

In order to make it work, organisations need to look beyond their current operating policies and practices to create the right conditions for HBAs. Competition is increasingly fierce and poor customer experiences will be heard across the digital world. Customers will increasingly be loyal to organisations that make it easy to do business with them – ensuring that skilled agents are in place when customers need them is key to success. Processes, systems and management techniques will need to be adapted to get the best from HBA models. To really achieve the benefit requires more than just hiring the resources and setting up the infrastructure; it will demand a fundamental shift in the way you think about your organisation, employees and customers.

Figure 3 – Operational capabilities for Home Based Agent models explored



Source: Ernst & Young

Notes

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