



Strategic Contact Publishes New Findings on the Cost Structure in Today's Contact Center

Analysis delivers meaningful cost breakdown and cost per contact numbers for practitioners

BEAVERTON, OR – March 12, 2008 – Strategic Contact, Inc., a leading independent contact center consulting firm, today announced the availability of a white paper that includes new analysis and insights about the cost structure of the contact center. The paper, *Cost Structure and Distribution in Today's Contact Centers*, uses a process-based analysis approach to drive out clear, consistent cost breakdown numbers, as well as cost per contact numbers that represent best practices for today's centers.

The white paper is available free to download on the firm's website www.strategiccontact.com.

"While it's self evident that labor is the highest cost in call centers, the range of cost that is typically stated – anywhere from 55-80% – makes it a virtually useless number for most centers to base decisions on," said Brian Hinton, Senior Consultant, Strategic Contact and co-author of the paper. "Our unique modeling analysis enables us to identify all the costs, which reduces the variability and therefore provides more meaningful data."

The analysis breaks down the budget categories, as well as variables for small, medium and large centers, into call center labor (including front-line CSRs and supervisors, and management and analysts), technology (including both the technology depreciation and maintenance, and the staff to support it), telecommunications (toll-free numbers and services), and other overhead. The analysis also considers sensitivity to key variables, such as greater self service rates, lower cost areas, and more complex contacts.

Key findings documented in the paper include:

- Front-line labor is two thirds to three quarters of the overall operating budget, while technology costs are a relatively small part of the overall operating budget (2.6-5.9%).
- "Virtualizing" centers (going from several small or medium centers to one larger virtual center) can result in a 20-50% reduction in cost per contact.
- When analyzing alternatives such as outsourcing or hosted solutions, companies should consider the total costs, not just a labor cost reduction impact.

“We’re very pleased to provide analysis that is fresh and relevant to today’s contact center professionals,” said Lori Bocklund, President, Strategic Contact and co-author of the paper. “The industry has long needed a new cost model that extends beyond basic surveys and historical data to address the cost structure of centers of varying sizes and sophistication. This analysis provides the defensible and highly valued information centers rely on to make important strategic decisions. We look forward to working closely with individual centers to drive out more detailed information for their specific environment.”

About Strategic Contact, Inc.

Strategic Contact is an independent consulting firm that provides unbiased, objective perspectives based on its deep experience with operations, organizations, processes and technologies. With experience at contact centers large and small, the firm helps companies plan for change and growth, evaluate new technologies and services, revamp and reorganize their operations and processes, develop outsourcing and virtual call center programs, and conduct business case analysis. For more information, visit www.strategiccontact.com or call 866-791-8560.

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