

Tech Line



Technology for Outsourcing Agents

By Lori Bocklund, Strategic Contact

A new era of outsourcing has dawned. Today's VoIP solutions change the way contact centers integrate with third-party providers.

Any contact center with outsourcing partners in place today or in their future plans should consider the best way to optimize use of those high value, high cost resources. The traditional business and technology model — where the outsourcing partner handles certain types or percentages of calls using their technology — remains a viable option. However, today's Voice over IP solutions offer more tightly integrated options that can deliver operational, customer experience and cost/benefit improvements that are compelling for many centers. Defining the right approach and finding the right partner are strategic imperatives for centers that rely on outside resources to play a critical role in caring for their customers.

Traditional Solutions Are Loosely Integrated

In the traditional outsourcing model, centers allocate certain inbound call types and/or percentages of calls to third-party service partners. Inbound contacts can be routed to the outsourcer directly using the network provider's percent allocation, time of day, or dialed number (DNIS) routing features. Alternatively, centers may receive all calls

and use the network provider's transfer-connect/take-back-and-transfer features to reroute a portion of calls to the offsite partners, or even route some calls back out using their own switching platform. For outbound contacts — such as collections and telemarketing — contacts can begin and end at the partner's site using data and parameters supplied by the center. Figure 1, on page 13, shows the configurations for traditional models.

In all such cases, the outsourcer supplies people *and technology* to handle their clients' contacts. The outsourcer handles contact routing, management and reporting. A successful relationship depends on good planning, service level agreements and account management with timely provision of management reports for monitoring and tracking. While this model offers ease of implementation with simple, proven technology, centers have little visibility into, or control over, service levels and other performance parameters for the calls routed to the outsourcer. Further, it can result in an imbalance of contact handling between the outsourcer location and the internal center — leaving agents potentially over- or under-worked at any given time, and cus-

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tomers in queue in one place when perhaps there is a resource available at the other location. That result is not good for anyone.

This model works when the agents are dedicated to handling contacts for a specific company, and for centers that do not need dedicated agents or positions at the outsourcer's site. It's also a strong candidate for business continuity and resiliency plans where the outsourcer has the capacity and ability to handle additional call types and volume. So while it offers some advantages in overall flexibility and agility, those advantages come at the cost of suboptimized operations and performance on the call and agent level.

The New Model Offers Tight Integration

Voice over IP changes the way companies integrate with their outsourcing partners. Centers are no longer tied to broad-brushed call allocations or negotiated "hand-offs" between their in-house call handling technology and their partners' systems. Rather, VoIP makes it cost effective and easily manageable to support outsourced positions — near or far — off the company's technology. In this business model, the outsourcer focuses on service quality and "butts in seats" while the company controls the technology, including routing and reporting.

As shown in Figure 2, the new service model treats outsourced agents as remote positions off the company's VoIP platform, typically using dedicated agent positions. For voice, these positions use softphones or a remote gateway with hard phones. Connectivity is provided through public or private networking using TDM or VoIP with cost and voice

quality being key considerations. Often, centers will connect to their outsourcer as they would to their own remote sites, using a private MPLS network connection with voice compression. For additional resiliency, some companies will terminate a portion of their toll free trunks at the outsourcer site.

Placing in-house and outsourced agents on the same platform offers economies of scale for labor while increasing flexibility and visibility in labor management and at the same time ensuring that customers get routed to the best available agent, regardless of where they are, at any time. The more complex and rich the technology environment (e.g., including CTI screen pops, quality monitoring and workforce management) the greater the benefit in resource utilization and service quality and consistency. The main caution is the need for business continuity and resiliency planning in the architecture as the outsourced agents are supported by the same platform as the in-house agents. VoIP architectures offer ample options for such resiliency through redundant and survivable options and data center diversity.

The VoIP-based solution has a significant effect on the business relationship between the client company and the outsourcer. Because the contact center client controls forecasting, scheduling, call routing, management and reporting, it bears responsibility for the planning and delivery of service level for all contacts. The outsourcer is primarily responsible for staffing according to the prescribed schedules, schedule adherence, and service quality. Account management remains a key success factor to ensure effective communication and coordination between the center's

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Table 1: Today's options to use the company's technology or the outsourcer's technology provide tradeoffs in technology and operations

| Option | Traditional Model: Their People, Their Technology | New Model: Their People, Our Technology |
|-------------|--|--|
| Description | <ul style="list-style-type: none"> Route percent or type of contacts to outsourcer locations, systems Outsourcer manages the contacts on their systems (routing, reporting, etc.) and manage the people handling them and all associated performance | <ul style="list-style-type: none"> Outsourcer staff are remote positions off of company's systems Outsourcer manages their people but not the queues, overall performance and technology |
| Pros | <ul style="list-style-type: none"> From an outsourcer perspective, their agents can support multiple clients More typical model for outsourcers and generally preferred by them — they control and manage people, processes and technology to meet performance commitments Outsourcer can handle calls when in-house center can't due to technology outage (assuming routing, training, agreement in place) | <ul style="list-style-type: none"> Common routing engine to find the best available agent, regardless of location, maximizes economies of scale, agent utilization and customer experience Common reporting across queues and agents at all sites Easier to drill down and report on outsourcer performance Easier to transfer to internal SMEs Outsourced agents can leverage company's CTI, WFM, QM, etc. |
| Cons | <ul style="list-style-type: none"> Loose economies of scale across entire pool (internal and outsourcer agents) Potential imbalance of staff use Potential to strand a caller in queue at one location while resources are available at another Requires additional integration or manual processes to support reporting, screen pop, call recording and quality monitoring Limited visibility (if they provide it) to what is really happening real-time in their center Potential higher costs to transport call (network prompting surcharges, call transfers, trombone trunking) | <ul style="list-style-type: none"> Additional licensing costs for applications used (CTI client, CRM, QM, etc.) — mitigated by negotiating a lower cost of service from the outsourcer and/or volume purchase breaks on your investments Places greater burden on company to manage, ensure uptime/availability Greater vulnerability in major outage |

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support staff and the outsourcer's management team. Table 1 on page 12 summarizes the main options and tradeoffs between traditional models and new models for outsourcer integration.

Today's Outsourcing Trends Deserve Special Consideration

Over the past decade, many companies used offshore outsourcers in India, the Philippines and other locations. Now, many are reconsidering the total cost and impact of that decision. Further, many outsourcers have proven models using home agents. And today's technology, including VoIP, can be delivered via a variety of sourcing models, including hosted or Software

as a Service (SaaS) approaches. These trends deserve special consideration as you plan for outsourcing integration.

CONSIDERATIONS FOR OFFSHORING

When the outsourcer positions are offshore, communications costs play a significant role in the economics of outsourcing. VoIP with voice compression can render offshore solutions cost competitive, and many such outsourcers provide access points in the United States to their private networks. However, these networks may require multiple "hops" to connect callers with their distant agents. This routing could introduce delays that impact the customer experi-

ence.

Before you sign on the dotted line, make sure you understand how your end-to-end connectivity will be managed to ensure performance with tolerable delays. Find out the path your calls will take, the consistency in voice compression across that path, and the owners of the various "legs." Work with your technical team and theirs to map out a "delay budget" to ensure that the end-to-end delay will meet expectations. Write service level agreements that include voice quality testing, monitoring, reporting and assurance to maintain adequate performance against key indicators (delay, jitter,

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Figure 1: Traditional Outsourcer Connectivity Model

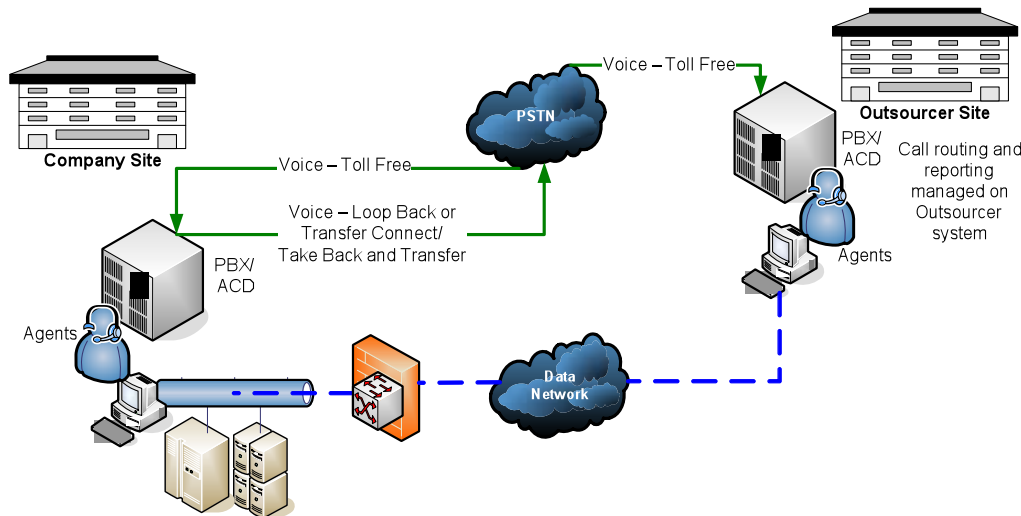
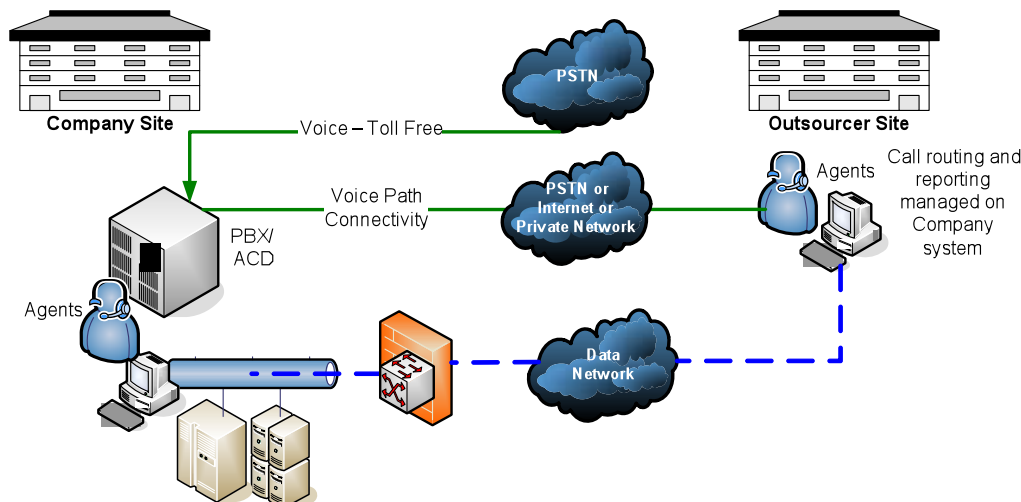


Figure 2: The New Outsourcer Connectivity Model



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packet loss, MOS).

CONSIDERATIONS FOR HOMESHORING OR NEARSHORING

Many companies consider partners nearby or bring their offshore relationships closer to home — to an in-house center, a home country outsourcer or a foreign outsourcer that's not so far away. These business-driven changes are an excellent time to revisit your technology configuration.

If you are selecting a new partner, consider whether or not their agents should connect to your technology. Not all outsourcers will entertain that possibility; you may need to pre-qualify prospective vendors. Also, you'll want to engage your IT department early in the evaluation process to ensure that they are ready, able and willing to support your plans.

CONSIDERATIONS FOR HOME AGENTS

Many outsourcers use home agents. These agents can connect to the outsourcer's technology or yours. In either case, you will need to consider voice and data connectivity. The most likely scenario takes advantage of Citrix solutions for data access and desktop security. Softphone controls on the PC manage the login, workstates and functions such as transfer and conference. The voice path can be analog


for maximum quality or VoIP if it yields acceptable quality at an attractive price point. The key tradeoffs are the cost of analog connectivity versus the quality of the VoIP connectivity. Both outsourcers and in-house centers successfully run home agents in both models for hundreds and even thousands of agents. Consider pilots for home-agent programs, especially when using VoIP. And as discussed for offshore agents, ensure that your agreements include proper requirements for voice quality. (See our article on home agents in the July 2009 issue of *Contact Center Pipeline* to learn more about home-agent technology.)

CONSIDERATIONS WITH HOSTED SOLUTIONS

A final consideration with integrating outsourcers is the potential to use hosted or SaaS approaches (sometimes now referred to as "cloud" services or "Communications as a Service," or CaaS, as well). These technology sourcing solutions place the technology and its management at the technology service provider's location, with the company paying a monthly, quarterly or annual fee per position to use it. Hosted solutions by nature are independent of the location of the contact center agents — agents can be anywhere that has Internet access and a voice path — and thus

are well suited to distributed staffing models, whether the agents are at company sites, outsourcer locations or home agents. Thus, companies considering technology and outsourcer strategy should weigh the pros and cons of hosted solutions for their technology and business needs, including outsourcer integration. (See Brian Hinton's article on sourcing strategies in the February 2010 issue of *Contact Center Pipeline* to learn more about hosted solutions.)

A New Era of Outsourcing

Outsourcing is nothing new. For many years, centers have been able to send contacts to third-party providers using relatively simple technology, regardless of where those agents sit. With Voice over IP, a new era of outsourcing has dawned. The time is ripe to consider alternatives to the traditional technology models. Outsourcers who focus on your needs and interests will work with you to deliver benefits for your company and your customers. 

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