VIRTUAL CALL CENTERS
Making Work-at-Home Work

The virtual call center model can create a win-win situation for businesses, employees and customers. To fully realize the potential benefits, companies must manage the model differently than brick-and-mortar call centers.

Introduction

In most organizations, contact centers are typically viewed as high cost operations, mainly due to high attrition coupled with costly hiring and training. Attempts to minimize costs by moving much of the work offshore have, in turn, brought about a myriad of new challenges. Managing the quality of offshore interactions and the overall outsourcing relationship can be extremely challenging. And moving call center operations to other countries adds language and cultural barriers, and sometimes, makes businesses the targets of political backlash. All of these factors can have a significant impact on profit margins, customer satisfaction, and ultimately, customer retention.

To reduce the complexity that accompanies offshoring, many companies have opted to expand with new operating models that utilize telework, or virtual agents, who can take calls while working from home. The virtual model addresses many of today's call center needs and is often an effective solution that delivers a better customer experience than offshore models at a lower cost than traditional North American contact centers.

Additionally, under the virtual contact center model, contact center leaders can be more selective when hiring agents, leading to a higher quality employee. The typical work-at-home agent tends to be more mature, and because there is far less attrition under the virtual model, becomes much more proficient at his or her job, increasing both efficiency and quality of customer interactions. Over the past few years, many major U.S. companies such as Discover Card, Neiman Marcus, Cardinal Health, HSBC and even the U.S. Internal Revenue Service (IRS) have moved to a virtual model for at least a portion of their call center needs – and the results speak for themselves.

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But is Teleworking Too Good to Be True?

"Teleworking," also known as "telecommuting," is not a new concept; the phrase was coined in 1973 by Jack Nilles, a physicist, engineer and researcher, while analyzing the impact of technology on the U.S. workforce. Back in the 1970s, technology did not exist to support well-managed, distributed call centers that could serve customers and tightly secure personal information at an affordable price. Now that such technology does exist, more organizations have decided to transform some or all of their call center operations into teleworking, or virtual call center, environments.

Over the past two decades, early adopters of the virtual call center model paved the way for the rest of the business community to enjoy the benefits of teleworking. Research indicates that the shift to teleworking will only continue. This is good news, not only because it presents a low-cost option to traditional models, but also because teleworking addresses the cultural and political issues many businesses have experienced by sending calls overseas. Offshoring, although economical, has caused many organizations to experience a decline in customer satisfaction results, usually due to language barriers that can further exacerbate cultural disconnects. Both factors result in a poor customer experience, often with service requests not meeting expectations. This is why the virtual call center model has become so attractive for those moving operations back onshore.

People: The Key to the Virtual Call Center Model

In most traditional call centers, telephony costs do not significantly impact the bottom line. Instead, the people who answer the phone represent the most important cost driver for any contact center operation. Attrition rates, which are typically high in contact centers, mandate the need for a steady flow of new hires and training sessions, which, in turn, tie-up experienced agents who are expected to perform on-the-job coaching for their inexperienced colleagues. All of these factors contribute to increased expenses. This vicious, never-ending cycle is at the root of the high costs plaguing traditional contact centers.

By contrast, the virtual model appeals to a new class of worker. Applicant pools are much larger, as they are not bound by geography, and more broadly experienced compared to traditional call center workers (e.g., retirees are becoming a great source of agents). Larger applicant pools mean companies can be more selective in determining hiring qualifications. As a result, most agents working in this model are more mature, with an average age of just under 40 years, and are more educated and experienced, on average, than traditional applicant pools.

Additionally, agents working under this model tend to have better attendance and stay with their employer longer, reducing turnover and absenteeism by an average of 10 and 25 percent, respectively, as compared to traditional models. All of this amounts to a more experienced and competent agent and an operation requiring less hiring and training while maintaining the same or, in most cases, improved customer service, better sales, and in some cases increased collections! Many businesses have even reported an increase in productivity and higher up-sell and cross-sell rates within virtual contact center models.

It's Easy to Be Green

In today's environmentally conscious marketplace, the concept of "going green" is among many important corporate initiatives. The virtual call center model's home-based workforce eliminates the need for brick-and-mortar facilities, significant use of energy and wasted time commuting to-and-from the office. In addition, teleworking enables businesses to provide continual service during times of crisis or inclement weather Traditionally, snow storms, heavy rains, natural disasters or transit strikes impede call center agents from going to work, wreaking havoc on staffing needs – sometimes for days. In the flexible home-based model, there is no need for agents to travel to work, creating a more stable workforce.

Flexibility to Create Efficiency, Capacity and Growth

The virtual workforce also enables more accurate matching of staff to call volumes. Traditional models typically rely on full time shifts of eight hours with a smattering of part time schedules. The eight-hour shift model ensures that there will be times when the agent is at best underutilized and at worst, not really needed at all. In the virtual call center model, schedules are not constrained to shifts that run over a consecutive eight hour period, but instead may consist of several shorter shifts to match forecasted demand arrival patterns (e.g., phone calls, chat sessions, and/or outbound demand like welcome calls). Improved schedule efficiency means businesses can reduce non-productive time for agents and maximize paid hours when they are needed. In addition, the flexibility of telework scheduling allows agents to arrange their schedules around other commitments like picking up children from school or taking an elderly loved one to the doctor, for example.

Surge capacity is also improved. Under the virtual call center model, businesses can better manage costs to hire, train, and house extra agents or to pay significant overtime to existing agents when business demands the handling of additional calls. Lastly, the virtual call center model significant reduces the cost of growth by removing expenses associated with standing up new physical call center locations.

Making Work-at-Home Work

As with any operational change, moving a traditional call center to a telework model requires careful planning, preparation and reorganization of processes and support systems. Simply put, teleworking is not a plug-and-play solution.

In our work with clients, we have found that in order to reap the benefits of moving to a virtual call center model, organizations must leverage the right tools (see "Tools of the Trade" to the left). Furthermore, they must be prepared to manage their virtual workforce differently than a traditional workforce. Unlike in a physical call center, a manager cannot simply walk the floor to monitor his or her agents' performance and assist on more complex calls, but with the right technology and processes, organizations can experience the gains the virtual contact center model offers.

Consider these best practices for effectively managing the virtual workforce:

1. Leverage workforce management utilities to ensure you take full advantage of the flexibility a virtual model provides.

2. Use an internal chat application to allow virtual agents to connect quickly with their peers or supervisors with questions.

3. Monitor voice and data to "spot check" virtual agents' performance. The latter will supplement traditional call evaluation techniques with information about whether virtual agents are 100 percent focused on customers or are browsing the web during working hours.

4. Create a virtual community among agents by employing video chat and meeting capabilities – seeing each other face-to-face (even across the internet) will go a long way to creating a team atmosphere.

5. Invest in leaders who have led virtual teams before. Ensure at least one supervisor/manager for every team has a background in virtual team management and can serve as a resource to his or her peers.

Where to Go from Here

As today's global businesses face the complexity of balancing the demands of providing exceptional customer service with managing corporate costs, outsourcing, off-shoring and near-shoring often rise to the top of solution lists. What executives may not realize is that the virtual call center model provides an option that allows companies to achieve the optimal balance between cost and quality, improving the overall experience of both customers and employees.

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