
The Work-at-Home Agent Model for Improved Customer Loyalty

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The real motivation for deploying and managing the at-home agent is based on one simple principle: improved agent satisfaction leads to increased customer satisfaction which results in improved customer loyalty.

EXECUTIVE SUMMARY

This paper discusses options for deploying and managing a home-based agent model with the ultimate goal being increased customer loyalty. As the key driver in this model, other cumulative benefits result: higher agent productivity, reduced attrition, lower operational costs and stronger business continuity.

INTRODUCTION: A MORE VALUABLE OUTCOME

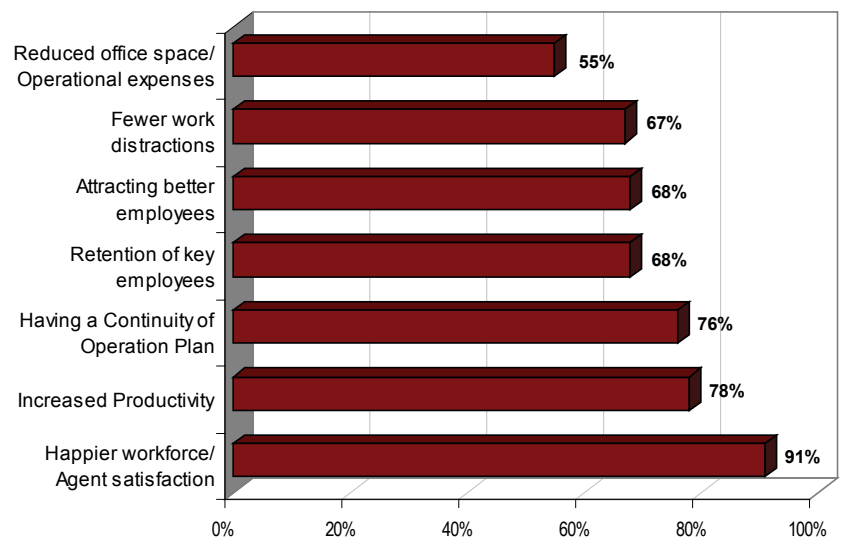
The benefits of the home-based model are compelling. From cost efficiency to disaster recovery to reduced attrition, the established trend of the home-based model resonates with many of us. But why are these benefits so worthwhile? Because within these benefits is an even more valuable outcome.

The real motivation for deploying and managing the at-home agent is based on one simple principle: improved agent satisfaction leads to increased customer satisfaction which results in improved customer loyalty. "In a way, customer care has been the laboratory from which the backbone for the remote workforce has emerged," notes Ken Landoline, Yankee Group Senior Analyst.

With the customer care market continually evolving, the method for increasing loyalty, of both new and current customers, is an ever-present discussion. Measures to stay on top of consumer behavior and market competition are increasingly difficult.

For contact centers, the home-based model has continued to develop as an established trend. The majority of contact centers are already using at-home agents or considering implementing an at-home agent program. According to a national poll conducted by inContact® in 2007, 46% of respondents said they were using at-home agents. Of those who were not, over half planned to implement an at-home program within one year. By 2010, projections show U.S. home-based agents could reach well over 300,000.¹

How effective is each at-home contribution on improving the bottom line?



Source: The Telework Coalition

FLEXIBILITY ON BOTH SIDES

The at-home agent solution provides the flexibility critical to both the customer and the agent. This model attracts the type of experienced people that will offer key benefits not found anywhere else in the market. The need for high-quality agents with specialized expertise is the key component to driving customer satisfaction and therefore customer loyalty.

The predominant reason for implementing a telework model is to increase agent satisfaction and retention. "A nine-to-five job in an office is out of the question.. I don't think I could put a price tag on being available for my kids – working from home is a godsend," comments Amy R., a Frontline Call Center agent. "I save over \$300 per month on not having to buy gas, eat lunch out, purchase work clothes or pay for dry cleaning. Being an at-home agent is like getting a raise and adding hours to my day. It simply makes my life easier."

Part of delivering outstanding customer service is empowering the agents who deliver that customer service to not just do their job well, but to enjoy the job they are doing. Agent satisfaction is dramatically improved when an agent experiences the benefits delivered through the at-home model: flexibility, improved work/life balance, a more comfortable working environment, and a crucial decrease in expenses related to commute time and costs.

Not all agents are good candidates for the at-home model. It is essential to recruit someone who enjoys working alone, can manage their time well and can produce results.²

The good news is that companies employing at-home agents can choose from an expanded labor pool. Without geographic restrictions, a highly-skilled agent can be recruited from anywhere in the country. This is part of the reason the at-home agent model attracts more educated and experienced individuals.

Contact center analyst firm, Frost & Sullivan, reports the typical median age of an at-home worker is 38, while the average age of an on-premises call center agent is 23. Additionally, more than 80% of home agents have some college-level education; this is only true of 35% of agents in brick-and-mortar centers.³

RESPONDING TO THE CUSTOMER

Since the at-home agent has had greater life experience, they are more responsive and empathetic to customer needs. For example, most of us learn a new level of patience once we become a parent.

With a deeper understanding of the customer comes a higher-quality employee.

Often the at-home agent can draw from their own experience with the product or situation to more effectively address a customer's needs. Companies can match an agent's background to their knowledge of a product or industry to more effectively meet the interests of the customers.

Since the at-home worker often seeks out this kind of position for personal reasons; the inherent benefit to the company is a strongly committed, more loyal agent. Many companies have reported a sharp increase in retention rates, above 80% or more with their at-home agents, while traditional call centers agents' retention is dramatically lower, less than 25%.⁴

Once the decision is made to work from home, the employee wants to do whatever they can to keep the position. The enhanced flexibility can end up being a better match for their lifestyle.

On the employer side, there is now an immediate ability to respond to unpredictable call volume peaks with an at-home worker who can take calls on an as-needed basis. Customers reach a live agent instead of being placed in an obligatory queue to listen to a pre-recorded message. Call abandonment rates decline and companies can offer a greater range of open hours to receive inbound calls across all time zones.

LOWER OPERATIONAL COSTS

At-home agents tend to be more productive than their office-based equivalents. According to a Gartner Group survey,⁵ teleworkers measured 40% more productive. Not only are they gaining time everyday by doing away with a commute, they are able to stay more focused with less distractions when working from home.

IDC consulting firm compares the typical costs for an agent in a brick-and-mortar facility at \$31 per hour, including overhead and training, while a home agent costs \$21 per hour on average.⁶

A big chunk of the savings can be attributed to the decreased need to maintain a brick-and-mortar center. The real estate savings from space alone can easily reach \$12,000 per employee per year.⁷ Then factor in other building and maintenance costs for an overall office space. Industry statistics have calculated a decreased cost of \$25,000 per at-home employee compared to a traditional call-center agent.⁸

These cost savings don't just add up, the bottom line impact is invaluable. Companies receive a greater opportunity for increased revenue from the up-turn in agent satisfaction for less than it was costing with a contact center.

BUSINESS CONTINUITY

A home-based workforce ensures operational stability. An executable recovery plan in the instance of disaster at an office-based facility will greatly increase the value and reliability of the company. Distributing agents in different locations will not only ensure execution of a disaster recovery plan, but will also more directly ensure disaster avoidance.

Whether recovering from a temporary outage or a more long-term natural disaster, at-home agent flexibility gives a peace of mind that company functions can continue to move forward and customer's needs will be met.

Having agents at-home will also result in reduced absenteeism. During the high-risk flu season, for example, cubed employees are more likely to get sick and increase the spread of contagious illness. At-home workers, on the other hand, greatly decrease this potential problem.

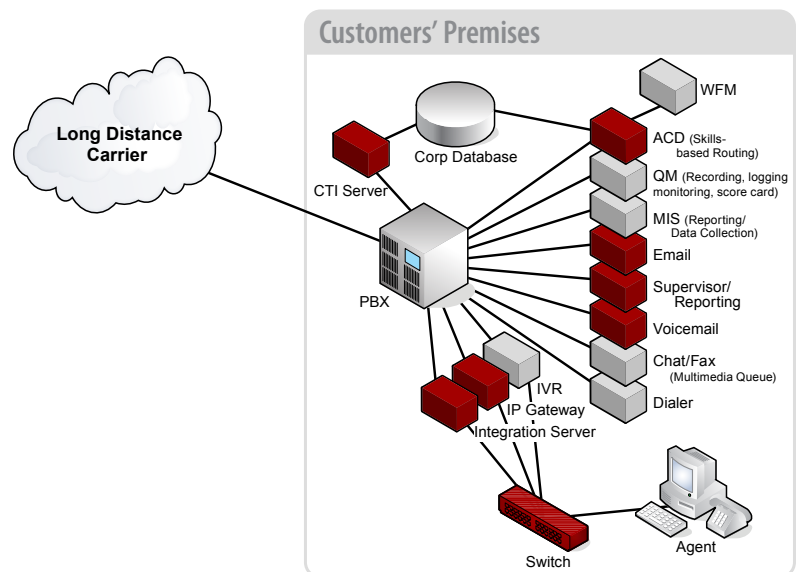
METHODS FOR UTILIZING AN AT-HOME MODEL

Traditionally, there are two options available when utilizing the at-home agent model: a Traditional Carrier Solution or Premises-based, and the On-demand or Network-based solution. Which option is really best suited for an at-home agent model?

While the premises-based solution has traditionally been the most practiced solution, it is often an overwhelmingly expensive option for most contact centers. Each contact center site must have PBX hardware, along with dialer, chat/fax, ACD and recording capabilities. These up-front hardware costs add up quickly with additional costs and challenges to ramp up a home-based agent.

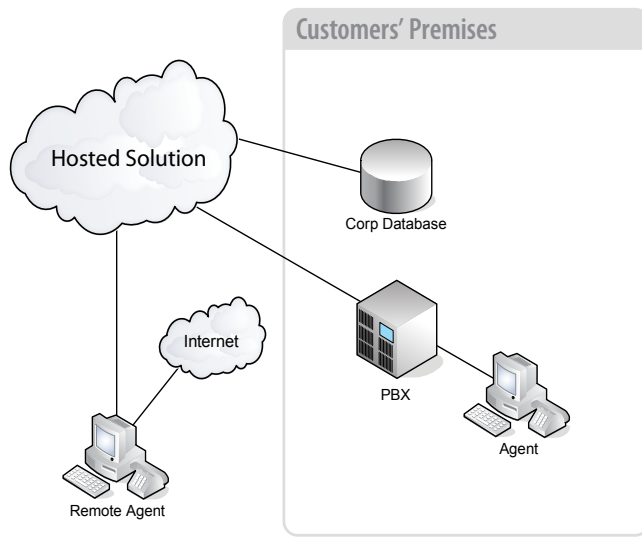
VALUE PROPOSITIONS FOR SAAS:

- Rapid access to state-of-the-art technology
- Aggressively updated with cutting edge development
- Avoidance of technology lock-in, ever-green
- Ability to scale as business needs change from month-to-month
- Flexible/customizable
- Improved security, performance, availability
- Built-in business continuity, disaster recovery, resiliency



When businesses rely upon a traditional premises-based PBX system, deploying at-home agents can quickly become a challenge. Premises-based systems have been made to be geographically-bound – meaning designed to support directly-connected users. Enabling an at-home agent on a premises-based solution is more of a secondary hardware add-on. Supporting remote

workers quickly becomes expensive and difficult. Worse, there is a single point of failure.



The on-demand solution is designed for at-home agent capability, without the need for hardware. The networked-based solution handles the same IVR, CTI, ACD and recording capability functions as the premises-based option, but does so in a less expensive and more efficient manner. With quick on-demand installation, many of the integration challenges are automatically eliminated.

“The primary issue is the question of who owns the network. Often, the most efficient distributed networks are typified by a hosted, on-demand service provider. Ideally one that can supply both the hosted software solutions and the connectivity options that link you and your people together,” states Landline with Yankee Group.

The hosted software-as-a-service (SaaS) provider is responsible for upgrades and maintenance of the hardware and software. A well-architected hosted solution does not impact existing on-site infrastructure and produces unlimited options of where employees can work. Calls are delivered to the next available skilled-agent regardless of their geography.

On-demand technologies offer a wide range of flexible management. Contact center managers and IT departments gain total control over which features and reports each at-home agent can access. These security features allow enterprises to share their contact center technology resources among different business units, locations and customers without compromising data privacy or the unique contact handling needs of call queues.

A PLATFORM OF PRODUCTS

A successful at-home model will utilize an entire platform of products to successfully deploy and manage the at-home agent. The technology is the foundation, but the right tools streamline the entire at-home agent model into the complete package.

Specialized hiring tools ensure candidates are screened properly and adequately. The right hiring platform is essential to help reduce attrition and to identify the candidates with the right skills, personality traits and cognitive abilities for the at-home model.

A variety of training programs give agents the essentials to do their job well. Since the biggest challenge to staffing is onboard training, a combination of options is the most effective solution. Virtual training programs are not just for the agent to receive targeted information, but to certify that the agent is accountable for the prioritized information through testing and certification.

Workforce management guarantees another level of agent satisfaction. The agent gains the ability to take part in their scheduling to flexibly balance their needs. Managers can more effectively track and optimize staffing and analyze call flow demand.

Survey tools are another way to promote customer satisfaction and increase agent performance. A dynamic reporting tool provides immediate customer feedback to agents and managers to effectively pinpoint service improvement opportunities and highlight successful processes.

The dramatically less-expensive SaaS system can offer the following, today: remote monitoring, unified reporting, integrated workforce management and real-time adherence, automated continuous improvement processes measuring and tracking overall operations performance and direct customer-to-agent feedback.

This dynamic platform of products hosted with the inContact solution provides the complete at-home agent experience companies require with the undeniable impact being passed directly along to customers.

CONCLUSION

The options available to customize the work-at-home system are nearly limitless. Customer loyalty and retention give companies a competitive advantage when times are tough. In a down economy, companies need to reduce their capital expenditures, but certainly can't afford to reduce their investment in the quality of service in their contact centers. In

fact, just the opposite is more likely the case. The at-home agent model has shown proven benefits for contact centers, most notably in customer loyalty. inContact believes the at-home worker model will only continue to grow, and that the hosted SaaS platform provides the right solution for growth.

ABOUT INCONTACT

inContact is a state-of-the-art on-demand contact handling and agent optimization platform. Since 1999, we have been providing call centers with the connectivity and agent management tools to be successful. Our SaaS technology includes a full-featured ACD with skills-based routing, IVR with speech recognition and CTI. Our agent optimization solutions include an online hiring application, patented eLearning and communications, a workforce management tool and a dynamic customer feedback and survey application. inContact is the proven technology to help you deliver exceptional customer experiences, while decreasing costs, increasing revenues and giving you a strategic competitive advantage regardless of your size.

REFERENCES

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⁷ Spring 2008, On Target, Society of Workforce Planning Professionals, www.swpp.org

⁸ International Telework Association and Council (ITAC)

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