RXPerience
The big picture for Call Centres

Introduction

This white paper has been developed by RXP based on our many years of experience of working in contact centres and with different types of outbound dialing solution. With the recent changes in regulation introduced by OFCOM, and the need to demonstrate compliance to these rules or else risk a hefty fine, the time has never been better to review the role that outbound is playing in how you manage your proactive customer contact.

In this document we cover the key aspects of managing an outbound operation:

- the different types of outbound solution available – preview, progressive and predictive dialing;
- the appropriate Key Performance Indicators that you should be using – in particular the need to focus on Right Party Contact;
- the difference that technology can make in how you achieve both effectiveness as well as efficiency;
- and most importantly, the specific OFCOM regulations that you need to ensure compliance with.

This white paper therefore provides you with an understanding of the common challenges and factors that your organisation will need to consider if you want to exploit the benefits of outbound – without falling foul of the latest rules and regulations. Complete the checklist to see where your current operation is right now.

As a result, if you need help in making your outbound operation more effective and efficient then talk to the experts. Contact RXP today on 01753 710421 or by email at solutions@rxp.co.uk.

Why outbound?

In a competitive marketplace successful companies acknowledge that waiting for a customer to contact you can be a risky strategy (and one that is likely, in most cases, to result in a long wait). Generating outbound calls to contact your customers (or potential customers) directly is a sure fire way to drive the effectiveness and efficiency of your business.

There are a number of reasons why you may want to proactively contact your customers. They include:

- **Telemarketing** – contacting existing or potential customers to advise them of your services, current offers, and reasons why they should re-order your products and services. Although the primary function of telemarketing is to generate sales, it is also an excellent way to gather customer insight.
- **Debt collection** – this often-overlooked function is critical for success in business. A timely call to customers who have overlooked their monthly invoice can pay dividends!
- **Customer Surveys** – knowledge is power! Understanding your customer preferences is key. Using customer insight (gained from your customer surveys) is an intelligent way to up and cross sell to your customers. Surveying your customers will not only help you to better understand them, and what they think about you as a supplier, it will keep you in touch with them – and that is vital!

In the good old days these functions would have belonged to specific departments who would have employed people to work through lists of customers, prospects and debtors. The process was laborious and inefficient. Many calls would be made at the wrong time of the day, would reach the wrong person, or would receive an engaged tone. Technology has changed much of this. Many successful companies now use dialing technology that can predict how long each call will take, when the next agent is likely to become available, when busy and quiet times in customer contact are likely to be, and reject calls that encounter an engaged tone – all of which helps to make your customer contact operation much more effective.

Technology solutions

There are several types of dialing technology –

- **Preview dialing**: This type of system allows the agent who is making the call to preview the customer details before initiating the call – this gives the agent much more control over the process. Typically, agents view the customer's details from a desktop application before ‘pushing a dial button’ and are in control of when the call is made. Often used in B2B situations where the likelihood of the call being answered is high, preview dialing typically results in 30-35% productive talk time per hour.

  This solution is therefore used best when agents are managing complex and lengthy calls where the control need to lie with the agents over the call initiation.

- **CTI based - Progressive/power**: With this system the first dialing record from a list is presented to the agent and is dialed immediately. The progress of the call is then monitored by the software and a new call is dialled automatically when the agent has finished their previous call. Maximum contact rates for progressive dialing are higher than preview dialing as the agents do not have to listen to ringing and engaged tones etc. Typically this increases productive talk time to 40-45% per hour.

This solution is therefore used best where agents are making account management or service type calls – where only a short preview of the customer history is required.

- **Predictive**: This type of system allows calls to be dialled when an agent is nearing the end of their previous call, based on various pacing and prediction algorithms of when the current call is likely to end. This eliminates the time agents spend manually dialing calls and listening to information tones and no answers. By only passing answered calls to agents, it allows them to concentrate their time on what they are paid to do which is interacting with customers. It can result in very high levels of productivity with up to 80-90% talk time per agent hour. Some operations can achieve more than 30 contacts per agent per hour which is a 300% increase within the contact centre compared to manual dialing. Of course, this is very dependent on call length. However, a conservative expectation should be 200% productivity gain over manual dialling, resulting in a typical contact rate of 21 contacts per agent per hour.

  This type of solution is therefore best used in B2C situations where high contact volumes are required, where the contact time is 3 minutes or less, and the process requires little preparatory time.

- **Interactive Messaging i.e. outbound IVR**: This is an automated system which is being increasingly used for outbound activities such as checking abnormal activity on a credit card, to advise of a delivery time or date, as well as some low level debt collection (where immediate payment options are offered). The interaction opens with a Recorded Message which then offers the called party a number of interactive options, exercised through the keypad or by voice recognition, which will often include the choice of being connected to a live operator.

So these types of dialing solution provide a range of methods that drive up the productivity of outbound operations.

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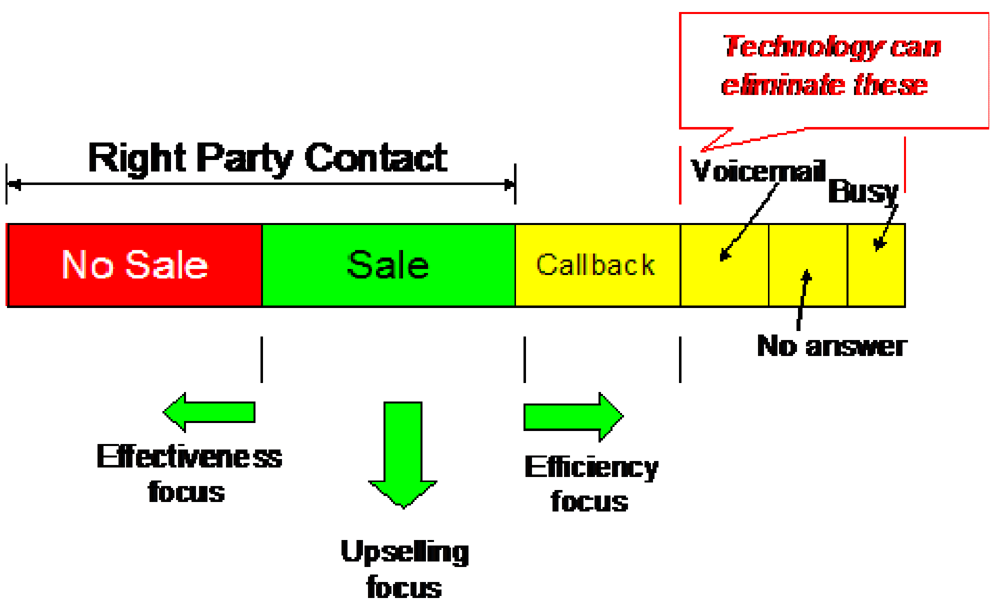
KPIs

Typically the primary measure that most outbound centres use as a Key Performance Indicator is the amount of time an Agent spends on the phone. The conventional wisdom is that a good calling list results in more contacts being made which will increase agent time on the phone. In part it is true that outbound calling is a numbers game, but it is also about timing.

In our experience, a more meaningful measure to focus on is ‘right party contact’ as this really reflects the number of genuine contact opportunities that an outbound Agent actually has to talk to a decision maker. To illustrate this point, think of all the possible outcomes of a call. Firstly, you have all the reasons why you do not get to speak to anyone – the line is busy, there is no reply or you get a voice messaging system where all you can do is leave a message. Secondly, you get to speak to someone, but they are not the person that you are targeting. Whilst you can glean some information from these contacts, for example when it is likely to be a good time to call, they do not represent the true opportunity. It is only when you get to speak to the ‘right party contact’ that you get a real chance to transact.



To make your outbound centre more efficient, you therefore need to consider ways in which you can drive up the proportion of right party contacts. As indicated before, technology can help you to eliminate the non contacts, however these outbound dialing systems do not address the root cause of contacting the right party. Here you need some business intelligence about who the decision maker is and when is the right time to call. The first of these is down to the quality of your marketing information and how up-to-date it is as people change roles, move company etc.

The timeliness of a contact is however something that you can directly measure and therefore influence.

A simple test is to get an Agent to indicate on a call log when they got to speak to the decision maker and the time of the call. You can then look at each hour of the day for a particular Agent and plot the number of right party contacts for that hour. You may be surprised at the results – and often there are some simple home truths like don't call catering managers at lunchtime, and don't call mums between 3pm and 4pm when they are on the school run! These indicators will, of course, be different depending on whether you are contacting businesses or consumers.

Right party contact can be measured in a number of ways, however if you want to ensure that you measure the effectiveness of your campaign and the accuracy of the database from which you extracted the contact, then best practice indicates that you should measure the net contact figure (where a negative result is only when the contact was not established, and a positive result is where contact was established regardless of the outcome of the call).

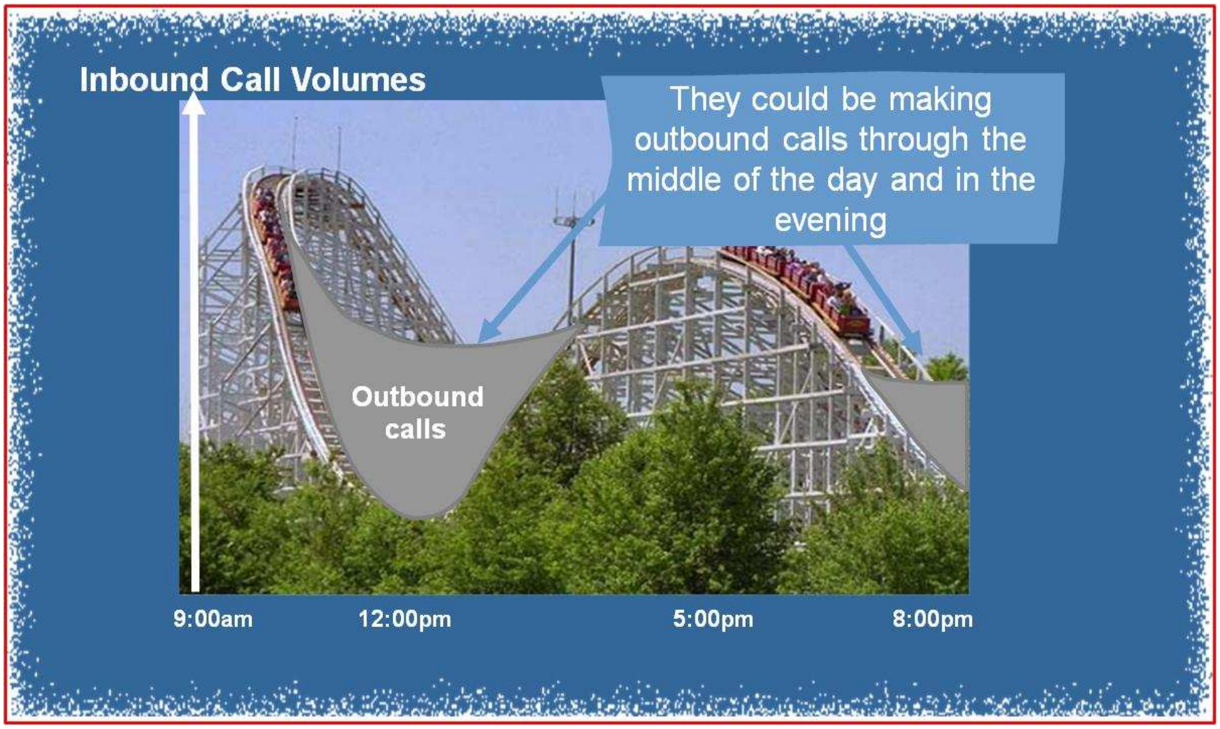
As mentioned above, historically the only measure in an outbound operation was the amount of time each agent spent on the phone. As operations and systems have become more sophisticated, so have the measures that are able to be deployed. Key Performance Indicators for a successful outbound campaign can now include:

- Net contact score
- Adherence to dialer schedule
- Conversion rate
- Added value rating

Efficiency and effectiveness

Many centres now 'blend' outbound calling with traditional inbound activity – thereby maximising the efficiency of the Agent and the potential availability of prospects – for example, if historic inbound call volumes plummet after lunchtime, a blended operation could move to a campaign weighted towards outbound calling at this point in the day (whilst still allowing agents to accept a lower level of inbound calls, if required). Some centres have also moved fulfillment activities into the contact centre operation – i.e. those activities that naturally follow-on from a call, such as sending out a form or a brochure, sending a confirmation e-mail etc. The blending of these activities into the operation not only gives variety to the Agent, it also helps to maximize otherwise unproductive time.

You can think of call blending as being like smoothing out the rise and falls of a roller coaster:



In particularly sophisticated operations, outbound calling is linked to a workforce planning tool. This can perform a variety of tasks including:

- Setting a cyclical reminder for follow up calls that can either be handled by the same Agent or not
- Call rescheduling to enable an unsuccessful call to be placed at an alternative time and day
- Linking to GIS functions to enable real-time monitoring of field-based staff

Workforce planning will also ensure that you have the correct number of staff available for each and every hour of the day.

In both inbound and outbound operations using some kind of script is common although (except for instances where compliance with regulatory information is required) it is now best practice for the script to act as a framework rather than a straightjacket. Agents will be more productive if they are allowed, where possible, to add their own personality to a calling script. It will make the call feel much more natural and help the Agent to overcome objections in a realistic way.

Telephony features

Many contact centre operations now have technology that enables them to:

- Record and play back recordings of incoming and outgoing calls (including the bits of the call when the customer was on-hold or navigating through an IVR)
- Silent monitoring (where calls can be 'observed' by a Supervisor or Team Leader without the knowledge of the Agent)
- Silent whisper – where the Agent can get real-time advice on handling a customer enquiry without the customer being aware – The Supervisor or Team Leader can speak to the Agent without the customer hearing
- Barge-in or take control – where a Supervisor or Team Leader can, after silently monitoring the call, take control of the call and release the Agent to handle another call (for example, where a customer has asked for the call to be escalated).
- Management reporting tools that enable supervisors and Team Leaders to see – at a glance – who is engaged in each activity (and who is currently not!)

There are a variety of options available to contact centre operations around how and where the technology elements are located and managed, and indeed a variety of options around the type of technology deployed.

Many systems can now be 'hosted' i.e. all of the technology is located away from the site where the customer contact is delivered (often the host site is also the location of the technology vendor). There can be benefits to having your technology hosted away from the operational site – in particular related to business continuity and disaster recovery. There also may be financial advantages to using hosted solutions – particularly if the vendor offers an operating revenue model where you just pay for the service on a monthly per seat basis. There may also be benefits from hosting if your operation needs to have its technology upgraded on a regular basis as the vendor remains responsible for this (rather than your IT department supporting a local install).

There are a number of technology options available too – all of which have their advantages and disadvantages. For example the use of VOIP (Voice Over Internet Protocol) versus traditional PSTN (Public Switched Telephone Network) lines. On one hand VOIP provides a low cost option eliminating the need for separate telephone lines – running over the broadband network instead – however the sound quality can be relatively poor. On the other hand you have PSTN lines which are relatively expensive to rent and maintain but do guarantee excellent sound quality.

The difference that technology can make

To further improve outbound calls, technology vendor specialists such as IT Campus can provide some value adding features. Their latest product Vocal Coach uses keyword spotting and emotion detection to monitor calls live. For example, if an agent fails to mention that a mobile phone contract must run for 18 months then the system will flag this up on either the team leader or agents screen so that they can tell the customer the key terms and conditions. This avoids the potential problem of mis-selling and supports better call quality. Similarly when customers become angry this can be flagged up in real time and the call transferred to an more experienced agent.

The IT Campus dialer also augments the audio 'signature' of the call with speaker detection which analyses the data patterns which is embedded within the voice. This means that the dialer can more accurately detect whether a voice is real or recorded, thereby increasing the accuracy of answer machine detection. This is becoming more important as the rules and regulations regarding the use of outbound automation are becoming more tightly controlled.

The IT Campus solution is a good example of a system that can also be provided as either a premises based or a hosted solution or a combination of the two. This means that a potential client can very quickly and cost effectively get a proof of concept using the hosted option without the need to commit full CAPEX until the benefits of the solutions are proven. In addition a premises based installation can be sized to cope with a regular baseline of calls, with an 'on demand' hosted element then used to handle any additional seasonal peak volumes e.g. at Christmas.

Compliance

In 2006 OFCOM first created guidance in order to regulate the outbound calling industry – specifically around abandoned and silent calls. These types of call arise when the outbound system contacts a customer and there is no agent available to connect to the caller. Silence results and the technology system is forced to disconnect the call. The guidance states that there should be no more than 3% of live calls that are abandoned (i.e. put through to a customer when there is no agent available to handle the call) on any single campaign over a 24 hours period. The guidance also states that in the event of an abandoned call, a recorded message should be played to the caller which contains, as a minimum, the following information:

- the identity of the company on whose behalf the call was made (which will not necessarily be the same company that is making the call) ;
- details of a no charge (0800) or Special Services number the called person can contact so they have the possibility of opting out of receiving further calls from that company;
- no marketing content so that the message is not used as an opportunity to sell to the called person;

The guidance also states that:

- calls which are not answered must ring for a minimum of 15 seconds before being terminated;
- when an 'abandoned call' has been made to a particular number, any repeat calls to that number in the following 72 hours must be made by a live operator;
- for each outbound call, a Calling Line Identity (CLI number) is presented to which a return call may be made - which must not charged at a higher rate than the national call rate;
- any call made by the called person to the contact number provided shall not be used as an opportunity to market to that person, without that person's consent;
- records must be kept for a minimum period of six months that demonstrate compliance with the above procedures.

In September 2008 Ofcom published its' new regulations/policy on the "persistent misuse of an electronic communications network or service" with which all UK companies need to comply. OFCOM also revised the penalties that non-conforming companies can incur. The current penalty for non-conformance is up to £50,000 per incident. Indeed there have been some high profiles brand names that have been fined by OFCOM including 1RT Group (£10,000), Abbey National (£30,000), Carphone Warehouse (£35,000), Toucan Residential Ltd (£32,500) and Barclaycard (£50,000).

The need to demonstrate compliance

As recently as 31st March 2009, Ofcom stated that it now expected all users to be compliant to these regulations. It is therefore important that all contact centres using outbound technologies consider their current dialing strategies and implement operational practices that support not only the latest regulations but also maintain the agent productivity that the technology can offer.

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The good news is that RXP can assist you in reviewing your current operations. We can provide a 'best practice' outbound dialing review that covers all the options that you need to consider to support Ofcom compliance. Topics covered include pacing techniques, telephony integration, campaign sorting, call list generation, recycling rules, 'best time to call' processing and operational management practices.

Checklist

You can use our 10 point checklist to see where your current operation is right now:

Number	**Criteria**	**True/False**
1	We currently make outbound calls. They calls are blended seamlessly with our inbound operations.	
2	Our operation requires fulfillment and this is managed using technology (rather than requiring manual support from staff)	
3	Our operations are as efficient as possible	
4	We fully exploit the technology that is available to us.	
5	We have a well developed disaster recovery and business continuity model that involves hosting key components of our technology away from our operational site.	
6	We use a set of Key Performance Indicators that truly reflect the efficiency and effectiveness of the business.	
7	We have intelligent workforce management tools that ensure we have the correct number of staff at the right time.	
8	We use dialer technology which is appropriate for our needs and integrates fully with our campaign management software.	
9	We are fully compliant to OFCOM regulations and regularly audit our operations to ensure our standards.	
10	There are no significant improvements that we could make to our operations at this time.	

If you have answered mainly 'True' to the questions above – congratulations, you are running a potentially award-winning operation. If you have answered mainly 'False' to the questions above, what are you waiting for? Talk to the experts. Contact RXP on 01753 710421 or by email at solutions@rxp.co.uk