

THE @HOME MODEL

Why the  
Contact  
Center “@  
Home Model”  
Has Finally  
Found a Home

Mike McMenamin, Director, ISG



## MARKET SHIFTS TO EMBRACE AGENT @HOME MODEL

ISG discussions during the past year with some of the market leaders in the contact center outsourcing segment views of the agent @Home model || (industry term for the call center agent work-from-home approach) have certainly changed. The various @Home models and pilots have evolved from experiments a few years ago to dedicated services delivery alternatives today. The @Home model is now a committed program and a permanent part of the services offering portfolio for most major players.

For years now, several smaller companies have been focusing exclusively on their @Home delivery models and have made great progress in optimizing (if not perfecting) this approach. As proof of this concept, these firms are winning business from the Tier 1 contact center firms in competitive situations such as those at American Express, Sprint, and Citibank.

### WHAT FACTORS LED TO THIS CHANGE?

ISG has identified five significant factors that have contributed to the growing popularity and acceptance of this new services delivery model.

- 1. Highly qualified pool of available workers:** In the United States, high unemployment rates, the sluggish economy and the attractiveness of flexible work schedules have provided a qualified, motivated pool of available agents.
- 2. New technology and tools:** Another enabling factor is that the technology and tools required to secure and protect a Fortune 1000 firm's customer information being accessed by an agent from home have emerged. Not only can the information, applications and phones be locked down, but also online screening, recruiting, training and oversight/ supervision tools have evolved to the point where they are more effective than traditional models.
- 3. Attractive price points without going offshore:** Perhaps the single biggest driver in the increased use of the @Home model is that it can address customer service executives' No. 1 issue — cost reduction. With lower overhead costs and a more productive staffing model, market leaders can deliver @Home services for US\$22 – \$24/payroll hour. That's a 20 percent savings over the traditional outsourced model and typically a 25 to 35 percent improvement over a client's fully loaded internal operating cost. In many client organizations, this is a much more acceptable option (save 20 – 25 percent with an @Home solution) than taking customers offshore (to save 40 – 50 percent).
- 4. Improved customer satisfaction and minimal attrition:** What makes the @Home model buyer look brilliant is that the — best practices || firms can finally address the two long-standing issues that have plagued the U.S. market for years — poor customer satisfaction scores and unacceptable rates of attrition. The @Home agents tend to be



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better educated, more mature (8 – 10 years older) and more stable, with higher job satisfaction rates (no commute, work at home, flexible scheduling, job security). Coupled with improved screening and training tools, the results are higher customer satisfaction scores and significantly reduced attrition.

- 5. Highly optimized and efficient scheduling:** The @Home model can tighten efficiency and productivity even further. By layering agents to match call arrival patterns and/or unexpected surges and lulls in volume, agent productivity and efficiency can be optimized. Because brick and mortar centers require agents to be physically present, they lack this inherent scheduling flexibility of the @Home services delivery model.

#### ISG POINT OF VIEW

These factors have combined to make the @Home contact center services delivery model an option worth evaluating for at least part of a client's portfolio. ISG believes that several leading @Home providers have significantly enhanced their capabilities, processes and tools in recent years to make this an attractive alternative for clients seeking cost reductions without sacrificing customer satisfaction and performance.

## ABOUT THE AUTHOR

### **THE @HOME MODEL** **Why the Contact Center “@Home Model”** **Has Finally Found a Home**

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#### **MIKE MCMENAMIN**

Director

Mike helps companies develop sourcing strategies and then implement them to address their evolving and rapidly changing business requirements. This often means charting the best course to modernize and upgrade their IT services global delivery models. As a Senior Director, with more than 25 years of industry experience, Mike has worked with several of ISG's largest clients. His work has included unwinding and restructuring a global ITO agreement for a Life Sciences firm and developing an IT sourcing strategy for a Healthcare company. He has been instrumental in the development of intellectual property that assesses client operating environments and is active on practice development teams supporting Service Desks, End User Computing (EUC), Service Integration and Management (SIAM) and Contact Center Services (CCS).



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