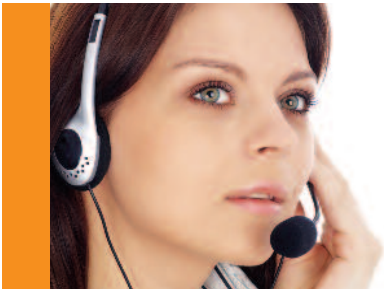


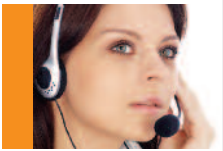
A WEST AT HOME WHITE PAPER



Seizing the Home Field Advantage



A Look at Utilizing Home Agents to Reach Peak Efficiency



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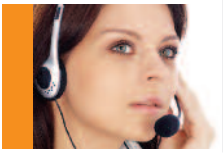
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Executive Summary

Companies have long struggled to achieve the ideal number of contact center agent resources available at any given time. Too many agents means wasted money, and too few agents results in overworked employees, attrition and missed opportunities for additional sales and better customer satisfaction. In fact, contact center managers tend to spend more time and effort dealing with the ups and downs of staffing and scheduling than on any other business challenge.

While call trend analysis and other analytics as well as workforce management software can vastly improve a company's ability to predict staffing requirements, in reality, the unexpected frequently happens: more calls coming in than planned, technology issues or inclement weather impacts agent availability. The ability to deftly maneuver around these day-to-day and even hour-to-hour staffing challenges is key to running today's cost-effective and high-performing contact center.

Incorporating home agents into the staffing mix delivers a plethora of demonstrated advantages: greater scheduling flexibility, higher quality of service, improved productivity, and reduced costs. Today, more and more companies are discovering that home agent solutions enable them to scale up or down more effectively than traditional brick-and-mortar call centers with higher quality, better trained agents. This paper describes how companies are reaching peak efficiency and delivering higher quality to their customers with strategic use of home agents.

Staffing: The Heartbeat and Heartache of Every Contact Center

Make no mistake about it, despite the rise of automation and self-service, the heart and soul of the contact center are still its agents. And while living, breathing humans make the contact center go-round, the burden of staffing and scheduling demand the greatest amount of time, effort, and cost within the contact center.

The ultimate goal is clear: having the right number of agents, with the right skills, available at the right time – no less, no more than the ideal number it takes to hit customer service performance goals. While contact centers use predictive analysis to prepare for call volume spikes, seasonal increases, and event-driven increases in call volume, the fact is that it's still difficult, if not impossible, to turn the brick-and-mortar contact center on a dime when the unexpected happens.

With staffing costs averaging 75% of the operating expenses for the contact center¹, the problem is not a trivial one. Throwing extra agents permanently at the problem to cover inevitable spikes is not an alternative most companies have the luxury of choosing.

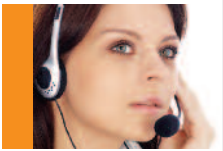
To make matters worse, it's becoming increasingly more difficult to find quality agents with the right level of experience and education to staff brick-and-mortar call centers. And even once these agents are in place, turnover continues to be a thorn in the side of contact managers, costing companies up to 1.5 times the salary of an agent to replace one who leaves.²

The Struggle to Find a Balance

In a typical brick-and-mortar scenario, contact center managers attempt to juggle the scheduling of agents to ensure optimum coverage during contact center hours, and especially during known peak volume times/days. The limitation contact centers face with contact center-based agents, is that due to commute times, agents can only be scheduled in larger blocks of time to make it worth the effort to come to work. This leaves the contact center with limited flexibility to scale up or down as call volumes suddenly change.

¹"The Hidden Costs of Downsizing Call Centers," Penny Reynolds, Customer Inter@ction Solutions, November 5, 2007

²"Calling All Contact-Center Agents," Cindy Waxer, VoIP-News, January 14, 2008



Gaining increased staffing flexibility is imperative to optimizing overall efficiency while meeting performance goals within the contact center. Companies must find more effective methods of cost-effectively staffing to meet fluctuating call demands due to event spikes, volume changes, or seasonality.

Utilizing Home Agents for Greater Flexibility and Efficiency

Companies are beginning to take a more progressive stance towards these perennial staffing problems by considering alternatives such as incorporating home agent solutions into the customer contact mix. Not only can home-based agents help companies scale up or down more effectively than traditional brick-and-mortar call centers, but they deliver a number of distinct advantages, including: improved customer care, greater agent productivity, and reduced costs.

This alternative is gaining popularity, with more and more companies across a wide range of industries embracing home agents and the myriad of benefits they bring to the contact center. Table 1 represents a sample of some of the industries using home agents today and the types of calls that are being handled by these agents.

<p>Communications</p> <ul style="list-style-type: none"> ■ Customer Acquisition & Care ■ Upsells & Cross-sells ■ Win Back & Loyalty Programs 	<p>Healthcare Plan Providers</p> <ul style="list-style-type: none"> ■ Plan Enrollment & Eligibility ■ PCP Changes ■ Refills, Claims Status & Referrals 	<p>Pharmaceutical</p> <ul style="list-style-type: none"> ■ Patient Assistance Programs ■ Patient Compliance ■ Health & Wellness Guidance
<p>Retail, Catalog & e-Commerce</p> <ul style="list-style-type: none"> ■ Customer Acquisition & Care ■ E-mail & Web-based Support ■ Post-purchase Surveys 	<p>Travel & Hospitality</p> <ul style="list-style-type: none"> ■ Reservations & Information ■ Loyalty & Rewards Programs ■ Web-based Service & Support 	<p>Financial Institutions</p> <ul style="list-style-type: none"> ■ Customer Acquisition & Care ■ E-mail & Web-based Support ■ Loyalty & Rewards Programs

Table 1. A Sample of Industries Deploying Home Agents

Just-In-Time Staffing Flexibility

Home agents offer companies greater scheduling flexibility than traditional brick-and-mortar agents, allowing for rapid response to peaks and valleys that inevitably occur in the contact center world. Should needs spike due to seasonal call volume, a marketing campaign, or even an outage or natural disaster, home agents can be quickly brought online. Home agents can be “on-call” to help out during unexpected spikes in contact volume, and are less affected by inclement weather that would otherwise hinder their ability to get to the contact center for work.

Companies can better prepare for supporting intentional, short-term call volume increases. For instance, a flower and gift retailer may need hundreds of agents one week prior to Mother’s Day, but the following week that demand is significantly less. Home agents can readily fulfill this need as opposed to staffing the call center with hundreds of agents only to let them go shortly after the need has passed.

Figure 1 shows a typical scenario of agent resources required to support call volume and how contact centers can respond to these requirements. The brick and mortar agent scenario shows the discrepancy between need and staffing that can occur with short duration spikes and other call volume fluctuations. In comparison, home-based agents can be deployed rapidly to support increases in call volume, whether planned or unplanned.

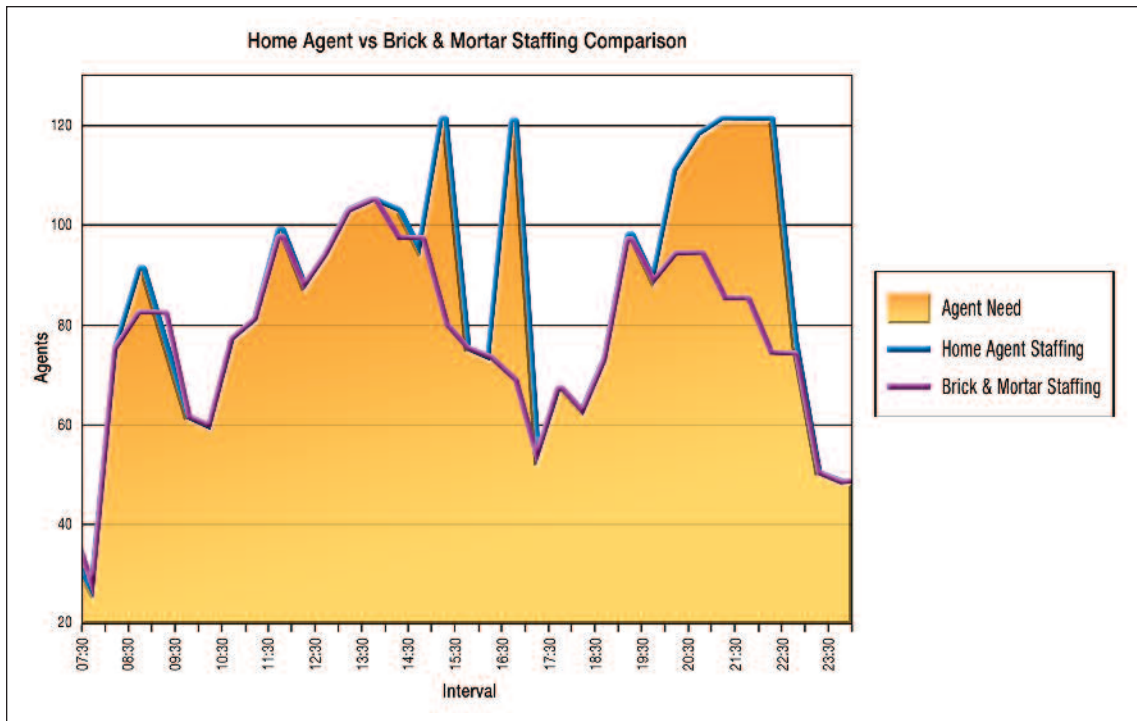
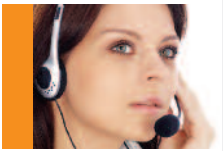


Figure 1. Brick and Mortar Versus Home Agent Staffing Comparison

Outsourced home agents bring an additional level of scalability to meet cyclical or unexpected needs. Using outsourced home agents, companies can scale their call center resources significantly in an extremely short period of time – sometimes in a matter of hours.

A Higher Skill Level and Lower Turnover

While gaining the flexibility and scalability needed to reach optimum efficiency, companies also derive additional and significant benefits from home agents. For instance, work-at-home agents typically have higher levels of education, skill and experience than brick-and-mortar agents. Home agent outsourcers, such as West Corporation, report that the vast majority of their home agents have some form of college experience compared to the 30-40% usually found in brick-and-mortar call centers. In addition, the home agents are typically in their 30s to 40s, have spent years in the traditional business world and often times have specialized skills or backgrounds.

According to the *2006 Contact Center Telework Report*, a recent study conducted by ICMI, three in five centers reported that turnover among home agents was lower than that of in-house agents, with a third of the centers indicating *substantially* lower turnover with home agents.³

Cost Benefits

The cost per call for home agents is typically less than that of brick-and-mortar agents. And thanks to better education and skills, home agent productivity is also higher than in-house brick-and-mortar agents. According to the ICMI study, more than half of centers reported that home agents are more productive than their in-house colleagues.⁴ Not having these agents housed in a contact center also saves facilities costs.

³“Staffing and Scheduling for the ‘Free Agent’ Workforce,” Greg Levin, International Customer Management Institute

⁴Ibid.

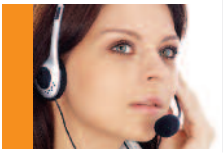


Figure 2 shows a comparison of the return on investment for agents who are home based versus brick-and-mortar based in the U.S., near shore, and offshore. The comparison shows that the average hourly cost for home-based agents is lower than that of U.S. brick-and-mortar agents. Equally compelling though, is the fact that despite lower near shore and offshore agent costs, the return on investment for home-based agents is significantly higher than all of the brick-and-mortar based alternatives due to the quality and productivity increases obtained with home agents who are on average better educated, more experienced, and highly motivated.

	Home-based Agents	US-based B&M Agents	Near-Shore B&M Agents	Offshore B&M Agents
Price	\$ 23.00	\$ 27.00	\$ 18.00	\$ 13.50
Utilization	75%	75%	75%	75%
Calls per Hour	10.8	11.8	12.4	10.8
Average Handle Time (in seconds)	230	210	200	230
Sales Conversions	30%	23%	15%	23%
Revenue per Sale	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Cost per Call	\$ 2.13	\$ 2.29	\$ 1.45	\$ 1.25
Revenue per Hour	\$ 178.20	\$ 149.27	\$ 102.30	\$ 136.62
Return on Investment*	\$ 155.20	\$ 122.27	\$ 84.30	\$ 123.12

*These results are based on 92% agent efficiency.

Figure 2. Return on Investment Comparison of Agents

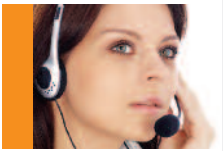
The Advantages of Home Agent Outsourcing

Seasonal increases or unpredictable spikes in call volume typically result in companies carrying excess capacity that is only utilized a very small percentage of the time. Outsourcing allows organizations to shift that burden, instead relying on the significant capacity, infrastructure, and flexibility advantages of their outsourcing partner. Home agent outsourcing takes this a step further – delivering just-in-time resources to enable companies to rapidly and effectively meet the inevitable spikes in demand whenever they come.

Home agent outsourcing also helps companies avoid the cost and effort of modifying their processes and infrastructure to accommodate the specific needs of hiring, retaining, and managing a large number of home agents. This is especially critical for companies in heavily-regulated industries where security is a considerable issue. Typically, security measures at the agent, desktop, and system levels need to be put in place for a home agent solution.

Companies should carefully consider the expertise, experience, and infrastructure offered by a home agent outsourcing provider. Critical areas to evaluate before selecting a provider include:

- Proven recruiting, hiring, training, and scheduling procedures
- Integration with IVR, speech, or automated notifications
- Comprehensive security – background checks, screening, data & system security
- Fully redundant communications and data infrastructure to ensure availability
- Ability to direct calls and data anywhere, with performance- and skills-based routing
- Agent management systems for quality monitoring and communications
- Thorough reporting capabilities
- CTI integration
- Employee-based model



West at Home – The Award-Winning Home Agent Solution

West at Home is an award-winning service from West Corporation, the nation's leading provider of outsourced communication solutions. West at Home utilizes thousands of home-based agents located across the country combined with the industry's most robust and advanced infrastructure to deliver superior service to its clients' end customers.

"I love the flexibility of working from home. I can easily schedule around my family's busy lifestyle and get the hours that work best for me. Becoming a West at Home agent was one of the best things I could have done for my family."

Jennifer Zeller,
West Point, NE

Flexible Agent Scheduling

West at Home uses innovative, real-time tools and processes to scale agent resources quickly – delivering the short-notice flexibility companies need to accommodate spikes in volume without impacting customer service and satisfaction. With thousands of agents certified, trained, and ready to take calls, West delivers 40% more staffing flexibility to better support fluctuating call volume and ensure that no opportunity is missed.

Through message boards, instant messaging, automated notifications and chat, West's home-based agents are alerted the moment there is a need. If the agent can fill the hours, they log into Spectrum®, West's workforce management system, to sign up for the schedule. With Spectrum, agents can be scheduled in half-hour increments. This flexibility lets West easily and efficiently staff up or down to meet seasonal or event-based call volume.

With Spectrum, agents create a customized schedule that fits their needs and lifestyle – ensuring a more satisfied worker, which in turn leads to lower attrition rates. This flexibility creates more empowered agents, ones who are engaged and focused when they are working.

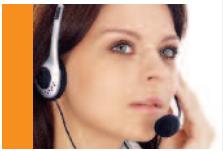
Contributing to Peak Efficiency

West's cutting-edge call routing technology, superior agents, extensive experience, security measures, and proven hiring, training and operational processes help separate West at Home from all other home agent providers. By partnering with West at Home, companies benefit from:

- A virtual call center to handle all customer contact needs, made up of an extensive network of educated and computer-literate people located in homes across the country
- A larger pool of higher quality, better-educated agents who can help increase sales conversions by 15% and provide a 10% increase in quality
- Reduced training times by up to 50% and increased knowledge transfer
- Increased sales volume by 15-20%
- Reduced HR costs by up to 50%
- Unmatched, layered security protection at the agent, desktop, and system level

West at Home was awarded Frost & Sullivan's distinguished Product Differentiation Award, due to the quality, flexibility, technological superiority, and cost-effectiveness of the solution.





The West Five – Five Steps to Reach Peak Efficiency

Companies deploying a West at Home customer contact solution can attain peak efficiency in a rapid amount of time, by leveraging all the advantages of home-based agents without the burden of hiring and managing their own employees and deploying their own infrastructure.

Drawing from its twenty-plus years of customer contact experience and operational expertise, West follows an implementation methodology that ensures flexibility, quality, security, and cost-effectiveness are maximized for every client. We call this critical path the West Five – and it reflects the superior focus on service, quality, and satisfaction West brings to each and every customer solution:

- 1. Determine the optimal solution** – West uniquely offers the ability to blend home agents with call center agents and automation to deliver the greatest flexibility and value. For instance, West can seamlessly incorporate advanced features such as speech recognition and text-to-speech into the solution.
- 2. Identify the right agents** – West develops a deep understanding of a client's business and then hires agents based on the skills, education, and brand experience required to best serve that client's customers.
- 3. Offer high-quality training** – Key to effective, productive contacts are well-trained agents. West works closely with its clients to create a targeted, high quality Web-based training program. These customized, self-paced courses reduce training times while increasing knowledge transfer.
- 4. Integration with existing system** – West's advanced technology, including CTI integration with Cisco/ICM and Genesys, enables easy integration into a client's systems to provide real-time data to agents – maximizing productivity and effectiveness, while ensuring customer satisfaction.
- 5. Monitor & manage** – Every customer gains the ability to monitor quality and performance through in-depth reporting capabilities. Based on mutually-identified performance metrics, West will review and tune the program for continuous improvement.

A Real World Example: HSN

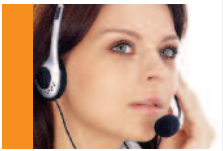
The Challenge

When HSN, one of the world's largest multi-channel retailers, decided it needed help to process sales and inquiry calls for products featured during the retailer's network programs, the company turned to West Corporation. Seeking a cost-effective and flexible contact solution that would allow it to scale up or down quickly with highly qualified agents, HSN needed to have the new solution in place within six weeks to handle an imminent expected increase in call volume.

The West Solution

West's experienced staff worked closely with HSN executives to develop a blended solution of home and call center agents. West's home agent solution, West at Home, enables West to deliver an increased level of scheduling flexibility that cannot be duplicated in a traditional call center environment.

During peak calling periods, HSN's overflow call volume is directed to a state-of-the-art Virtual Automated Call Distribution platform which enables West to quickly and intelligently route callers to the best available agent, regardless of location. West is currently averaging over 1,900 trained home-based agents with an average of over 190 simultaneous agents handling the company's sales calls.



A Web-based remote training program was developed to give home-based agents the skills necessary to provide HSN's customers with an exceptional level of customer service. Through this customized training program, West agents were able to quickly learn and retain more information on HSN's product offerings and processes than with traditional training methods.

West's workforce management system, Spectrum, allows it to quickly schedule the appropriate levels of agent coverage based on half-hour segments, seven days a week. This ability to generate highly flexible schedules is crucial to HSN being able to better handle the extreme volatility in call volume from day to day and week to week.

To ensure the highest quality of service to HSN's customers, West employed Web-based monitoring and communication tools that allows it to record 100% of all calls. HSN management can replay these calls within minutes of call completion to verify accuracy and adherence to quality standards.

"West is a big part of us having achieved all-time high service levels, along with a significantly improved cost structure. We also leveraged the West home agent network more in 2006 than in any of the previous three years that we have been partnered with West."

Rob Solomon,
Senior Vice President
of Customer Care, HSN

The Results

West's comprehensive contact solution gives HSN the ability to easily handle the demands of seasonal or situational call volume. West's exceptional staffing and scheduling flexibility enables the company to make staffing changes quicker and easier than previously possible. In fact, West regularly ramps up from a state of "zero need" to more than 500 agents within a matter of hours, due to tremendous changes in call volume.

By utilizing the West at Home solution, HSN can access an expanded labor pool of highly educated and motivated personnel that provides a level of professionalism and order conversion that is consistent with its in-house call center agents. In fact, West has consistently met or exceeded HSN's goals for total call volume handling and up-sell conversions.

With HSN's greatest need for agents occurring during non-traditional hours, along with its extreme swings in sales and service volume, West at Home's flexibility and higher quality agents are instrumental in helping HSN achieve superior service levels and improved cost savings.

Conclusion

Achieving peak performance in the contact center depends upon consistently delivering just the right number of agents, with the right skills, at the right time – no small feat. Too many agents is not cost-effective, too few means missed opportunities for exceptional customer service and additional sales.

One cost-effective solution that delivers a level of flexibility not possible with brick-and-mortar based agents alone is that of deploying home agents as part of the staffing mix. With home agents, companies gain the ability to cost-effectively scale up or down as call volume changes.

Outsourced home agent solutions, such as West at Home, enable companies to reap the many benefits of using these highly skilled workers without having to invest in the infrastructure, technology, and skills required to manage this virtual work force. Companies across nearly all industries have turned to West at Home to gain peak efficiency in their operations and optimal flexibility for both expected and unexpected business changes and challenges.

For more information about how West at Home can help your contact center reach peak efficiency, contact West at www.westathome.com or call 1-800-841-9000.