



# CUSTOMER REACH®

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## Revenue Model- Profit from Pain

One of the biggest challenges facing contact centers today is supporting Managements' goal to shift the contact center from a cost center to a profit center. This can often be akin to pushing water uphill for Center managers who are under resourced and lack an understanding of the basics associated with up-sell, cross-sell and 'save' campaign effectiveness.

The following article sets out the parameters, drivers, sequence and value associated with the model hierarchy and its development.

There is a progression and hierarchy associated with the implementation of a revenue generation process within any call or contact center. This progression or process must begin by identifying where the center is, what the drivers for change are, the pre-requisites and sequence in which those activities must be accomplished and what the impact is of those activities have on the success and profitability of the revenue generation initiative.

Broadly stated the drivers would include:

**Staffing:**

- Adequacy of current staff,
- Availability of current staff,

**People:**

- Skills & Competencies related to sales versus customer service,
- Level and type of training received,
- Competence or proficiency level,

**Process:**

- The complexity of the processes required,
- The speed of process completion,
- Replication and error rate of the process,

**Technology:**

- Database access, vision and robustness,
- Scripting and sales support tools,
- Virtual agent,

**Offer:**

- Relevance to customer
- Affinity to customer,
- Perceived value & relationship,

### Inside this Issue

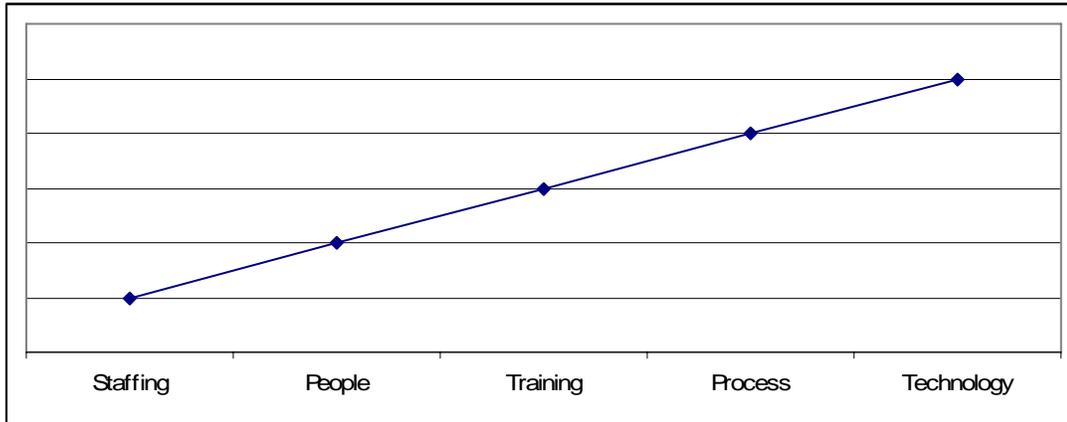


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These broad areas will each perform at differing levels dependant upon the combinations of the above in relation to Offer percentage (the percentage of callers that receive an offer) and conversion percentage (the percentage of callers that agree to an additional transaction). The Offer percentage in most contact center is controlled by the agent or CSR: they determine if it is appropriate to extend and offer to a customer. The latter point will be influenced by the offer the affinity to the customer and the perceived value by the customer.

The following chart illustrates the sequence of activities related to maximizing revenue generation.



Each of these elements builds upon the previous ones. It is possible to operate without following this hierarchy, but the results will suffer.

Against this hierarchy we can classify operations across four bands, which we have categorized as: Base, Level 1, Level 2 and Level 3. These bands represent and categorize the activities and results achieved in the center related to the progress achieved moving up the hierarchy.

The following table illustrates this progress:

| Revenue Model | Process | Process | Staffing People | Staffing People | Training | Training | Technology | Technology | Conversion % | Offer % |
|---------------|---------|---------|-----------------|-----------------|----------|----------|------------|------------|--------------|---------|
| Base          | 3       | 5       | 1               | 3               | 1        | 3        | 2          | 4          | 4%           | 25%     |
| Level 1       | 6       | 8       | 4               | 6               | 4        | 7        | 2          | 4          | 10%          | 45%     |
| Level 2       | 8       | 9       | 7               | 8               | 8        | 9        | 2          | 4          | 15%          | 80%     |
| Level 3       | 9       | 9       | 8               | 9               | 9        | 9        | 5          | 8          | 20%          | 95%     |

As shown above at the Base level the existing staff is generally customer service staff that has been hired to handle customer inquiries. These staff members in service focused centers often were not selected or assessed based upon their sales focus or sales (potential) competencies. The staff will have often received little if any training opposite up-sell cross-sell activities and as a consequence they rate 1-3 on a scale of 1 to 10.

The organizational processes have in most cases been designed to process orders and sales in a one-off fashion removed from the call/contact center. There may be no processes in place to manage add on orders or shipments within the fulfillment operation. In some cases no policy exists for partial shipment rules (ship partials versus hold for complete). The processes are adequate and effective for the business as it has operated but are not optimized, nor necessarily aligned with supporting an up-sell cross-sell environment. The processes at the Base level are generally in 3 – 5 range on the 1 to 10 scale.

Technology in most organizations has not been designed to support up-sell and cross-sell initiatives. Often it is campaign centric and not customer centric. The systems have been designed to support mass selection of names for mailings or other campaigns and not on an individual basis. The result is the database can often not display much detail regarding the actual customer: their history likes/dislikes or affinities. Similarly most inbound customer service support applications feature access to customer records for



billing and account status inquiries, not to offer or support specific scripting for offers etc. As a result technology suitability for up-sell, cross-sell initiatives in the Base band is generally between 2 to 4 on a scale of 1 to 10.

As staff selection improves: skills, competencies and sales ability the base values for staffing and People improve. The addition of specific and detailed sales skills training, role playing and use of the existing technology improves the values for Training. As does refining and aligning the operational processes to support up-sell and cross-sell activities also improves the Process values.

As the elements outlined as Drivers above the overall scores will improve. With the skill/competency improvement the center will see improvements in both the Offer % and the Conversion %.

As outlined on the table the Conversion % in most centers converting from a customer service environment will be in the 3-5% range and suffers from a low Offer % as well. In these centers the decision to offer or not to offer an up-sell/cross-sell is usually left to the discretion of the agent. It is common that their fears, concerns, lack of training, knowledge of the customer and support negatively impacts their perception of up-sell cross-sell programs and leads them to find reasons to rarely offer the up-sell.

A structured, planned and consistent approach can move the center up the effectiveness curve and begin to achieve superior results is required.

The proof is in the results, employing this approach has already helped a number of organizations move from cost focus to revenue success. This is always a challenging journey, but can be the difference between success and failure for the center manager.

Let us know what you think of this article send us an email at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## **Outbound Campaign Design and Management**

In much of the literature and industry newsletters focuses on the inbound portion of the call center trade. TRG was recently asked to provide help to someone who was asked to prepare and execute an outbound campaign. Not having done an outbound campaign before he looked for support and advice and found very little. This is strange since most people in the call center trade have done this at one time or another. And for many outbound campaigns formed the most frequent introduction to the trade.

This article focuses on business to business (B2B) calling because fewer people have done B2B and calling consumers involves predictive dialing and other tools and is worthy of a separate article.

Business to business calling has for the last 75 or 80 years included some form of telephone communication. In the last 25 to 30 years these forms have increasingly taken the form of phone rooms, inside sales, sales representatives, service center and a myriad of other euphuisms for getting on the phone and selling someone something.

On the surface this would seem like a no-brainer but it proves the adage "all that is old is new again".

Outbound campaign management and design is different then inbound. Some might say simpler or less complex. On the surface and from an outside point of view that appears fair. That view does not however reflect the extent of the variables and the probability of success. If it was easy everyone would do it and do it correctly the first time and all campaigns would be successful.

Business to business calling is done for all sorts of purposes. You can: sell beer to pubs, marginal account management, customer satisfaction and other surveys, account or dealer support, service outlying and hard to reach accounts, marketing support, cold call prospecting, lead generation and qualification, data verification, on-going communication (staying in touch), gaining and updating information – aka emails new contacts, multi-step programs etc. If you can think of it, it has likely been done and can be done by phone.

Let's take a brief general look at what is required for an outbound campaign. The demand and the capacity issues and terms are



familiar to anyone in a call center. For an outbound campaign the demand requirements are finite usually known in advance. The demand is the number of records/people/accounts needed to be reached in what time. The capacity is usually flexible to meet whatever demand and campaign requires. This is different from inbound where a precise forecast, educated guess or estimate of the demand is the critical success factor. For outbound you usually know the number of calls required during a limited period. The script is known and can be timed. So the probability of call length varying widely is reduced but not eliminated.

The following estimates provide a high-level capacity requirement.

Size of the list, number of numbers to be called ÷ percentage of list likely to be reached ÷ reaches per hour = number of calling hours required

Number of calling hours required ÷ Campaign duration (usually in weeks) = Staff hours per week ÷ FTE or PTE (Full and or Part time staff) = number of staff required.

Number of calling hours required + (training hours per staff x number of staff required) = total staff hours required.

Key to any outbound campaign success is the list to be called. Good list selection is part science, part art and good judgment. Books have been written on this subject alone. In general the better the list the more success the campaign achieves. For instance calling existing customers capable of buying is better than even good prospects; which are better than suspects; who are in turn better than random selections. For surveys and market research there is an entire science to sample development and selection. In all cases money spent to get the right list and the list right for the purpose is money well spent. List segmentation by and for the purpose of the calling makes the calls more effective and efficient. This is the case regardless of purpose.

It is important to estimate the amount of list penetration required or expected for each campaign. Only a few calls result in reaching the contact the first time. Multiply calls and call backs are needed. For some accounts/people on the list might require a lot of calls to reach them. At some point repeated calling is fruitless. Therefore the following terms will help with setting the expectations:

- 80% penetration means that over campaign the callers reach 80% of the file
- Provide for some percentage of dead or out of service numbers no matter how good the file and excellence of source.
- Reach rate is a function of the number of dials per hour and the number of genuine contacts talked with.
- Qualified contacts are always a subset of those people reached.
- Conversion rate or sometimes called completion rate is the number of qualified contacts who decide to act on whatever caller is calling about.

Telemarketing benefits many direct marketing campaigns and often quickly pays for the added expense by providing greater conversion than just the direct mail by itself. So for instance a mailing to prospects gets an average response of 2%. Following up the mailing with a call to the same prospect base gets a lift of between 3 to 5 times the basic mailing response. This means that instead of just 2% the campaign will generate 6 to 10% response rate. Depending upon the value of the mailing this means that for just a little extra effort a campaign will generate a lot more value and deeper penetration of the market you are going after.

In previous articles about phone selling we have detailed the structure of an outbound sales script and also the variety of forms those scripts and others can take. Script development must conform to the purpose of the call. In market research in order to eliminate bias a word for word script is used and the staff are monitored to ensure they use exactly the wording provided. While in a business to business environment where the purpose is to develop a sales relationship a more free form script performs better. These take the form of script guides and key points to make. The range and difference from the extremely tight script and the open script guide points and all the other forms in between is one area that trips up people new to this trade. Experience with different campaigns results in better judgment of what works in what situation.

The final area for this article is staff. They must be selected with the campaign and its purpose in mind. If all that is required is a read this to them survey then the skills needed are those of attention to detail and adherence to instructions and directions. Provided these people make the number of calls required, follow the script, then not much will go wrong that is not in the campaign design.

For business to business where the calls are designed to generate sales or to gather information the skills required are different. The callers will have to think and respond to a variety of situations that are not always detailed in the script. This can include have to zero out to the operator to find who is in charge of a particular area; or explore with a contact on the phone how to make a sale to



their company. This requires a flexibility and understanding that they have to do more than just follow the script.

Outbound campaigns have similar elements to inbound: people, process, purpose and tools. While these appear similar they are used differently and can, in the hands of experienced management, produce remarkable results. Today more than ever outbound calling is an important part of modern sales and marketing. This old tool is as new today as it was when we all got into this trade.

Let us know what you think of this article send us an email at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Survey of the Month

This month we begin working with Contact Management magazine on cooperative research surveys. The first research study focuses on trends impacting contact centers today. This coincides with our most recent survey which asked “Which of the following industry trends is of most interest to your company?”

More than 200 votes were cast and the top trend was the Home (based) agents with this trend appealing to 29% of all respondents. Outsourcing continues to generate significant interest with more than 57% of respondents examining some aspect of outsourcing: 21% or more than 1 in 5 respondents citing Full BPO Outsourcing as an area of interest for their company.

15% of companies were interested in the outsourcing of voice calls,

12% expressed interest in Third Party Quality Monitoring or 3PQM,

9% were interested in outsourcing workforce management,

Agent desktop integration appealed to 12% of respondents and 3% were interested in deploying agent analytics.

This month’s survey asks “What are your biggest challenges in generating revenue in your contact center?” To participate in this survey go to the TRG home and cast your vote.

Let us know what topics you would like us to feature in future surveys by emailing us at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Research Studies

### Recent TRG research studies

In “Outsourced Quality Monitoring: *Emerging Market or Outsourcing Core Competency?*” TRG studied more than 160 organizations and their views regarding the outsourcing of quality monitoring. Every Contact Center senior manager knows that agents require coaching, training and guidance to become more effective and more efficient, unfortunately in most organizations Supervisors spend a significant portion of their time completing non-agent related activities. The question becomes how can we improve the supervisors’ efficiency in completing all of their tasks and still ensure we coach and develop our agents.

In “Assessing Outsource, Offshore and Domestic contact center operations”, TRG examines the opportunities and challenges associated with processing live agent voice calls, email and whitemail processing internally and outsourced. In addition the study examines advantages and disadvantages of Domestic near shore and offshore locations.

If you would like to receive a complimentary copy of either of these reports please email your request to

[info@thetaylorreachgroup.com](mailto:info@thetaylorreachgroup.com) . 

### New Research studies

TRG has partnered with Contact Management magazine and will be offering on-line surveys regularly on topics relevant and of interest to contact center managers and senior staff.

The first Contact Management survey focuses on trends impacting upon contact centres. To participate in this survey please click on or cut and paste this link into your browser

<http://www.surveymonkey.com/s.asp?A=192412237E91178>

Watch in future issues of Contact Management magazine for more information on the surveys. For more information on Contact



Management Magazine please follow this link <http://www.contactmanagement.ca>

## Newsworthy

In this regular column we review the latest news, predictions and trends impacting on the Call Center / Customer Interaction Industry.

### New Study by Ventana Research Shows Customer Contact Centers Leaving Cash on the Table

Research quantifies major opportunity for contact centers to improve effectiveness through the use of technology and information

SAN MATEO, Calif.—(BUSINESS WIRE)—May 10, 2007 — Ventana Research rolls out new research that indicates big opportunities for cost savings, improved effectiveness and enhanced customer service are within reach for contact centers. But the study, “Customer Interaction Technologies,” also reveals that unless centers make better use of innovative technologies and implement new customer-focused measures, it will be difficult to understand and improve performance.

“The handling of customer interactions has always come under severe pressure as companies seek to reduce the overall cost of dealing with customers,” said Richard Snow, VP & Research Director – Contact Center Performance Management at Ventana Research. “New tools that provide access to vital business and customer information will revolutionize how contact centers handle customers and allow these organizations to make better, more informed business decisions.”

Among the key findings, Ventana Research reveals:

Major Trends will Impact Bottom Line:

- IP Contact Centers on the rise. 36% of respondents have implemented a VoIP-based contact center system (up from 30 percent in 2006 study).
- Virtualization gathering speed. VoIP and other technologies assist cost-effective and smart routing. 21% of the respondents now route to employees in business units outside the contact center, 17% to mobile workers and 10% to home-based workers.
- Cost center to profit center. 35% of centers have trained agents specifically to sell, and 29% say advanced profiling and thorough customer data will increase sales.

New Opportunities through Technology:

- More data, more knowledge. While unstructured data is growing 15-35%, less than 18% of respondents' companies have deployed business intelligence tools to analyze and use the data.
- New channels of communication. Companies are using instant messaging (26%) and video (12%) to communicate with customers, and many are planning proactive outbound contact using text (22%), voice mail (19%) and automatic response to e-mail (45%).

The research, sponsored by technology providers Genesys, an Alcatel-Lucent Company, and IBM, is based on an analysis of 395 validated respondents from companies of all sizes, from all major market segments and from companies with contact centers ranging from less than 10 seats to more than 2,000. The survey was conducted with the assistance of media partners that included CCF, Contact Professional, ICCM, Intelligent Enterprise, Montgomery Research and TMCnet.

**Ventana Research**

### Increasing Number of Phone Reps Work from Home

The number of home-based telemarketing reps is projected to increase to 330,000 by 2010, according to research compiled by Exony, a management software development firm. That equals about 11% of the total home-based workforce nationwide.

Based on an average 32% reduction in overhead costs, according to Exony, telemarketing companies could save more than \$2.5 billion annually if the percentage of home-base agents was increased to 15%.



Allowing telemarketers to work from home could be expected to increase employee morale, and help companies deal with the present 22% turnover rate of phone agents.

**Direct Newsline**

## Multichannel contacts on the rise in Nth America, according to Aspect Index

While the telephone is still the most common communication channel for American contact centres, email and web chat is fast gaining ground.

North American contact centres have shown slight increase in customer service, but are still failing to meet consumer expectations, according to this year's Aspect Contact Centre Satisfaction Index. The index reflected a slightly upward trend, with an overall satisfaction grade of 72.4%, 2.8% higher than the previous Aspect Index. Aspect attributes this rise to both an increased number of consumers using email and web chat for simple transactions and enquiries, and a modest improvement in contact centre performance relating to these online contact methods.

While the telephone is still the dominant interaction channel, phone usage is down 8.5%, email usage is up 34% and chat usage registers a 22% increase. "Consumers are generally using the communication method with which they have the most familiarity," Aspect said.

**Callcentres.net**

## Contact centre dissatisfaction rises

Consumers are becoming increasingly dissatisfied with contact centre service, but technologies such as VoIP may offer a solution, according to new research.

The Merchants Europe survey found that global customer satisfaction with contact centres has fallen to 68% from 82% last year. The telecommunications and service provider sector - including ISPs and fixed-line and mobile telecommunications companies - has the longest contact centre waiting times (at 65 seconds) and the highest rate of caller hang ups.

IT consultants Dimension Data predicts that VoIP can go a long way to improving customer satisfaction, with 20% of contact centre interactions now taking the form of email and text messages. "What we are likely to see is an increased technology presence to make the customer interaction across all of those channels seamless and less clunky than it is now," said Dimension Data's Paul Scott.

**Callcentres.net**



At TRG, we believe in happy endings.  
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**Colin Taylor at (905) 426-5055 or visit us at [www.thetaylorreachgroup.com](http://www.thetaylorreachgroup.com)**



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## Inside TRG

In this regular column we discuss what is happening with The Taylor Reach Group, Inc. and with our related companies (Telepoll, Teleffective and Scheduling Staff).

### **Teleffective Growth**

Teleffective has grown and prospered in the just over three months since the company was launched. Today we are operating three campaigns running: one is securing appointments for a computer peripherals company, securing appointments and completing direct sales for a waste collection company and up-selling directory listings for a large business to business media company. Our tagline is “The Sell, Phone Company”, and we selected this because it accurately reflects what we do. To see what Teleffective can do to help you improve your sales pipeline and sales performance contact Colin Taylor at [ctaylor@teleffectivinc.com](mailto:ctaylor@teleffectivinc.com) or visit the Teleffective website at [www.teleffectiveinc.com](http://www.teleffectiveinc.com)

### **Teleffective adds to our team**

Teleffective has added to our team with the addition of Nancy Philippou as Project Manager. Nancy with more than 5 years of tele-sales experience brings a track record of success and achievement to Teleffective. Nancy will oversee all program completed by Teleffective and will work with the staff to ensure success of each and every project. Please join me in welcoming Nancy to the Teleffective team. You can reach Nancy at [nphilippou@teleffectiveinc.com](mailto:nphilippou@teleffectiveinc.com).

### **TRG secures a new agreement to provide Third Party Quality Monitoring**

TRG has recently secured a new agreement to provide Third Party Quality Monitoring (3PQM) services to large financial institution. More than 175 agents will be assessed at least three times per month against the criteria established by TRG and the Client. This agreement was secured following the completion of a six month pilot project. The client characterized the results of the pilot as allowing them to focus more effectively on coaching and developing their agents and helping to improve the overall quality and service delivered to their clients.

### **Telepoll and TRG secure new Customer Satisfaction Survey Program**

Telepoll, a TRG company has secured a new Customer satisfaction research program to assist an established sports equipment manufacturer to assess their customers and channels satisfaction with the company and its sales and services processes. This program will be executed utilizing outbound telephone interviews with assessments and analytics being provided by TRG. For more information about Telepoll and their Customer satisfaction, employee satisfaction and/or 3PQM services please visit our website at [www.telepoll.net](http://www.telepoll.net) or email John Cockerill at [jcockerill@telepoll.net](mailto:jcockerill@telepoll.net).

### **Scheduling Staff Inc. continues to grow**

It has been less than one year but Scheduling Staff Inc. (SSI) has already developed a strong following of organizations that rely on SSI to help them to quickly and easily schedule their staff. Today more than 141 companies, representing more than 3,275 individual users and reflecting scheduled shifts that total more than 87,000 days are using SSI. The companies that use SSI represent a broad range of service organizations from Call centers and market research companies to restaurants, emergency services and governmental services organizations across North America. For more information on Scheduling Staff Inc or to set up your own 30 day free trial please visit our website at [www.schedulingstaff.com](http://www.schedulingstaff.com) or email Mary Jones at [mjones@schedulingstaff.com](mailto:mjones@schedulingstaff.com).

## Case Study

In this regular column we review the successes that TRG has been part of.

*TRG proves concept for marketing firm*



TRG helped an established marketing company dramatically reduce their sales costs through the implementation of a telesales program.

**The Challenge:**

This very successful marketing firm has historically sold participation in their program through the use of a field sales force. Company management wished to improve their sales efforts and asked TRG to suggest how this could be done. TRG assessed the process and recommended the creation of a telesales team to generate and qualify sales leads and even sell the product where this was possible. The client didn't wish to make significant changes to their operating model until the concept was proven and asked TRG to prove the concept.

**The Process:**

TRG worked with the marketing and management group and developed an effective script and support materials and began to contact the prospect database. The majority of prospects had previously been approached by the sales force without success.

**The Solution:**

TRG managed the training, calling and regularly reviewed progress with the telesales staff. The script required a number changes and modifications which were made over the first few weeks. Calling was intentionally kept to a low volume until the kinks were worked out of the script.

**The Result:**

By the end of the 'Proof of Concept' phase more than 30% of the prospects were opting into this program. This conversion rate was far in excess of the level required to consider the program a success and the fact that most of these new enrollees were previously not interested testifies to the power of the approach taken. 

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**The Taylor Reach Group, Inc. provides Strategic and Operational customer interaction consulting services that deliver Operational Innovation breakthroughs in Contact Center operations.**

**The Taylor Reach Group, Inc. includes the call and contact center company (The Taylor Reach Group Inc) as well as:**

**Telepoll, Canada Inc. which provides Data Gathering, Customer and Employee satisfaction surveys and 3PQM services**

**Teffective, Inc. which provides B2B telesales services**

**Scheduling Staff, Inc. which provides hosted staff scheduling and management services**

**Award winning service and more than 100 years of industry experience serving 'Fortune 1000' companies. Extensive North American and International experience with both captive (in-house) and outsource centers.**



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