

Third Party Monitoring: Growing Solution in the Distant Outsourcing Era

James Veilleux, VoiceLog LLC

As contact centers search for less expensive labor to stay competitive, quality monitoring becomes a greater challenge. In particular, new outsourcing models are adding *distance* from their clients, either in the form of offshore contact centers or as remote at-home agents who are not even in a center. Onsite monitoring in offshore contact centers is often conducted by supervisors who are local to the contact center – and whose understanding of US or European culture may be limited. By their very nature, at-home agents cannot be monitored onsite, although culture may be less of a barrier for these agents. Third party monitoring service companies, who have extensive experience in monitoring offsite and who deal with a wide variety of contexts, offer a unique solution to the problem of monitoring and providing feedback to agents in nontraditional settings.

The Growth of the Distant Agent

In this paper, our focus is on the growth in *distance* in the outsourcing world – specifically the move from centralized, domestic call centers to at-home agents and offshore or near shore centers.

The growth of at-home agents is impressive. A 2000 Datamonitor study predicted an annual increase in virtual call centers of 34% in the US and 44% in Europe.¹ A more recent Jupiter Media Metrix report says that almost one-third of call centers were evaluating remote agent workforces, nearly 39% of surveyed executives planned to use remote agents within the next two years and 65% predicted their companies will use them eventually.²

By comparison, a recent Datamonitor report claims that 1 out of every 24 call center agents servicing US customers is outsourced to a near or offshore bureau, a number they claim will grow to 1 in 15 by 2008.³ This is a growth rate of just over 10% per year, less than predicted at-home growth rates, although the trade press seems more focused on offshore sourcing.

It is clear that contact centers are moving way from the model of large, centralized facilities. More and more calls will be handled by agents working out of their homes, away from the eyes of supervisors, or, alternatively, by agents working thousands of miles away, with accents, cultural referents, and sensitivities that are different from the customers they serve. These trends pose special challenges for quality monitoring.

How Distance Affects Monitoring

¹ “Lucent Technologies introduces IP-based phone for remote customer contact agents”, Lucent press release, January 25, 2000, found at www.lucent.com/press/000125.bca.html

² “Remote agents: A new force for the call center”, Tim Houlne, Customer Interaction Solutions, October 2002, p.54

³ “Near – and offshore exodus – Oursourcers to steal 1 in 15 call center agent jobs in the US by 2008...” M2 Presswire, November 7, 2003

For monitoring purposes, the proximity of a traditional central call center is comforting. Managers can do side-by-side monitoring, wander among stations and listen in, or sit at monitoring stations supplied by the agency. Clients increasingly require that agencies provide either live remote monitoring or access to recordings or both.

Distance adds difficulty in all these traditional methods of evaluating and monitoring outsourcer performance. For at-home agents, no comprehensive visit is possible. A client may arrange a token visit with an agent or two, but the awkwardness of visiting a private home may discourage all parties and in any case, the client can only visit a small handful of agents. In the case of offshore outsourcing, a visit is feasible, but the distance and foreignness of the locale will limit the length and frequency of visits.

Time can also impose limitations in monitoring distant agent operations. For at-home agents, the scheduling flexibility that makes at-home work so popular frequently results in short and irregular shifts, making it difficult to get adequate samples. For offshore agents, key management personnel may be unavailable when most calls are taken, as for example, when the client's prime hours of operation are nighttime hours at the outsourcer's location. And systems designed for remote monitoring a domestically-located contact center may fail when used for offshore access.

Distance can also make some aspects of monitoring easier. For example, there is a small, but significant resistance to monitoring among agents.⁴ Both at-home and offshore agents tend to have higher than average job satisfaction and may be more open to monitoring as a condition of employment.

Finally, there are legal issues to consider. In the US, monitoring and recording can be considered illegal wiretapping, unless agents and customers are informed and at least provide tacit consent⁵. Outside the US, privacy rules and concerns may add to the legal issues to be dealt with.

| Characteristics of At-Home and Offshore Agents and Monitoring Requirements | | | |
|--|---|--|---|
| Factor | At-Home Agents | Offshore Agents | Implications for Monitoring |
| Labor costs | Lower costs due to more flexible sourcing from lower cost markets | 15%-25% of US labor rates in many countries ⁶ | Ease of recruiting and replacing workers makes it easier to find agents for whom monitoring is acceptable |
| Education levels | 42% college degree or | Education levels | Monitoring objectives |

⁴ Quality Monitoring for Contact Centers, Prosci and the Call Learning Center, Learning Center Publications, 2003, chapter 2, p.2

⁵ Ibid, chapter 2, pp.12-21

⁶ Ibid

| | | | |
|------------------|--|--|---|
| | higher vs. 17% of traditional agents ⁷ | frequently higher, but dependent on country ⁸ | may be different – e.g. focus on accents or helping agents reach higher performance levels |
| Retention | Turnover reported at 8% or lower ⁹ | Retention typically much higher | See above |
| Productivity | 12% increase in productivity vs. previous ¹⁰ | Significant variability – may be lower or higher | See above. Offshore agents may require significantly more monitoring than traditional centers |
| Job satisfaction | “Marked increase” vs. traditional ¹¹ | Culturally dependent, but working conditions generally higher than agents’ other employment alternatives | Increased willingness to be monitored? Understanding as a requirement of the position |
| Scheduling | Increased flexibility, short, irregular shifts ¹² | Time zone dependent. Traditional shift lengths but peak hours may be local night shift | More difficult to monitor without recording equipment for at-home. Increased need for monitoring offshore |

Third Party Monitoring – A Solution for Distance

Although still in its relative infancy, third-party quality monitoring is real and growing. While few statistics are available¹³ a count of vendors offering such services in their Web pages makes clear that there is a real market for these services¹⁴. These companies provide quality monitoring on an outsourced, third-party basis.

Typically a third-party quality-monitoring provider will access a call center’s service-observe ports or their audio recordings (with or without screen capture) and listen to sampled calls, scoring them according to the client’s instructions. Some third-party monitors may actually be able to provide the monitoring and recording capability themselves (VoiceLog has this capability.) Reports are created from the scoring process and provided to the customer.

⁷ “Remote agents: A new force for the call center”, p.55

⁸ “Offshore call center outsourcing: international site selection strategies”, Shailen Gupta, Customer Interaction Solutions, July 2003, p.48

⁹ “Remote agents: A new force for the call center”, p.55

¹⁰ Ibid.

¹¹ Ibid

¹² “Distributed customer service call centers”, Allen Sulkin, Business Communications Review, July 1995, p.S28 Our experience at VoiceLog supports this contention. We frequently have reps with 1, 2 and 3 hour shifts or who are on one hour and then resume their shift a few hours later.

¹³ The Prosci study referenced in Quality Monitoring for Contact Centers, above, estimates significantly less than 10% of their respondents using third party monitoring, and their sample is skewed to larger companies more likely to use such services.

¹⁴ We found five such vendors and know of at least two more whose websites we could not find using standard search engines.

Third-party quality monitoring is not specific to distant outsourced call centers. Indeed, third-party monitoring owes its growth to unique advantages that apply to almost all contact center environments. Third-party monitors:

- Specialize in monitoring and staff and schedule to that requirement compared with call centers personnel with competing priorities. In one study almost half of call center respondents say that those conducting the monitoring do not have enough time to provide effective feedback.¹⁵
- Provide both the appearance and reality of objectivity. Although supervisors and other internal personnel may be objective, there is a risk of suspicions about the motives of in-house monitors. Outside monitors are insulated from this suspicion and add to the appearance of objective evaluations.
- Are in a position to provide useful benchmarking perspectives. Because outsourcers service multiple clients, they have a broader range of experience to use in the development of scoring methods.
- May be able to deliver monitoring more cost-effectively. For example, VoiceLog uses at-home QA agents in its monitoring practice. We have found great success in sourcing experienced, high-quality, lower cost personnel for our QA efforts for the same reasons that at-home agents can be less expensive and higher quality than traditional agents.
- May be able to provide higher quality feedback. In many cases, the supervisors who do in-house monitoring are juggling a wide variety of tasks. By specializing in the QA area, a third-party company may be able to provide more useful feedback. While not a substitute for customer satisfaction surveys and similar tools, an experienced monitor may be able to alert clients to signs of customer dissatisfaction that would be missed by an overworked supervisor.
- Finally, third-party monitors have the opportunity to better leverage new technology. The trade press is full of references to exciting new advances in audio mining¹⁶, data analytics¹⁷ and other tools that can enhance monitoring. However, the initial investment required to use any of these tools is frequently \$100,000 or more and many require extensive training. For example, one audio mining tool requires programming the search for key phrases at the appropriate moment in a customer dialogue. Third-party companies can make the initial investments and spread those costs over multiple clients, giving companies access without large cash outlays.

Beyond the more general appeal of third-party monitoring, there are aspects that make this service even more useful in the context of “distant” outsourcing. They include:

- Third-party monitors provide a needed quality check that is independent of the outsourced contact center. Clients who rely on an agency’s internal QA function are “letting the fox guard the chicken coop”. Even in an offshore agency with the best of

¹⁵ A 1999 study by Call Center Management Review, cited by Kinesis on their website.

¹⁶ For example, see “Fast-Talk and VorTecs Enable Call Centers to Perform Enhanced Automated Quality Monitoring”, Fast Talk press release, November 11, 2002

¹⁷ “A System to Simplify Data Analysis”, Ernie Schell, Catalog Age, December 1, 2003

intentions, cultural differences – for example, the inclination for some cultures to avoid confronting clients with bad news – may result in non-communication of issues.

- Outsourcers can schedule their QA sessions to match the agency's hours and staffing. Because monitoring is the third-party's primary responsibility, they can provide the staffing that obtains nighttime access to recordings, for example, or schedules QA sessions that match the pattern of at-home agent shifts.
- Third-party monitors can cost-effectively increase staffing to meet specific needs. For example, lower-level (and therefore, less expensive) monitors can be assigned to listen for accent issues and top-level scripting compliance (greetings, closings, etc.), while higher-level monitors can be assigned to more in-depth qualitative measures. Or the client can use the third-party company exclusively for specific areas of sensitivity, reserving more complex evaluation tasks for its internal management.
- Third-party monitors can take the legal risks associated with wiretap and privacy rules across borders. More importantly, they are more likely to be experts in these areas and insure compliance.
- Outsourcers will have experience with a wide variety of technology and interfaces, making it easier for them to access the needed resources. In the case of VoiceLog the recording and/or monitoring systems can be provided, either because the agency does not have these or because the existing ones are inadequate to the requirements.

Conclusion

Contact center outsourcing is becoming more distant – at least in terms of physical distance. Offshore and at-home agents add a level of difficulty to the quality-monitoring task that can be daunting for clients. Third-party monitoring, which adds value to the monitoring process even for domestic, in-house contact centers, can be especially useful where the challenges of distance, time zones, cultural constraints and legal issues exist.

James Veilleux is President of VoiceLog LLC, the largest provider of third party verification and call center recording services in the world. Mr. Veilleux is a 25-year veteran of direct marketing, telemarketing and market research, among other disciplines and, in addition to co-founding VoiceLog, has worked at MCI, Sprint, and SkyTel.