



▶ Contact Centre
Cost Reduction in 2009...
A Systematic Approach

May 27, 2009

SWITCHGEAR
180° RESULTS

Purpose & Context for our Discussion

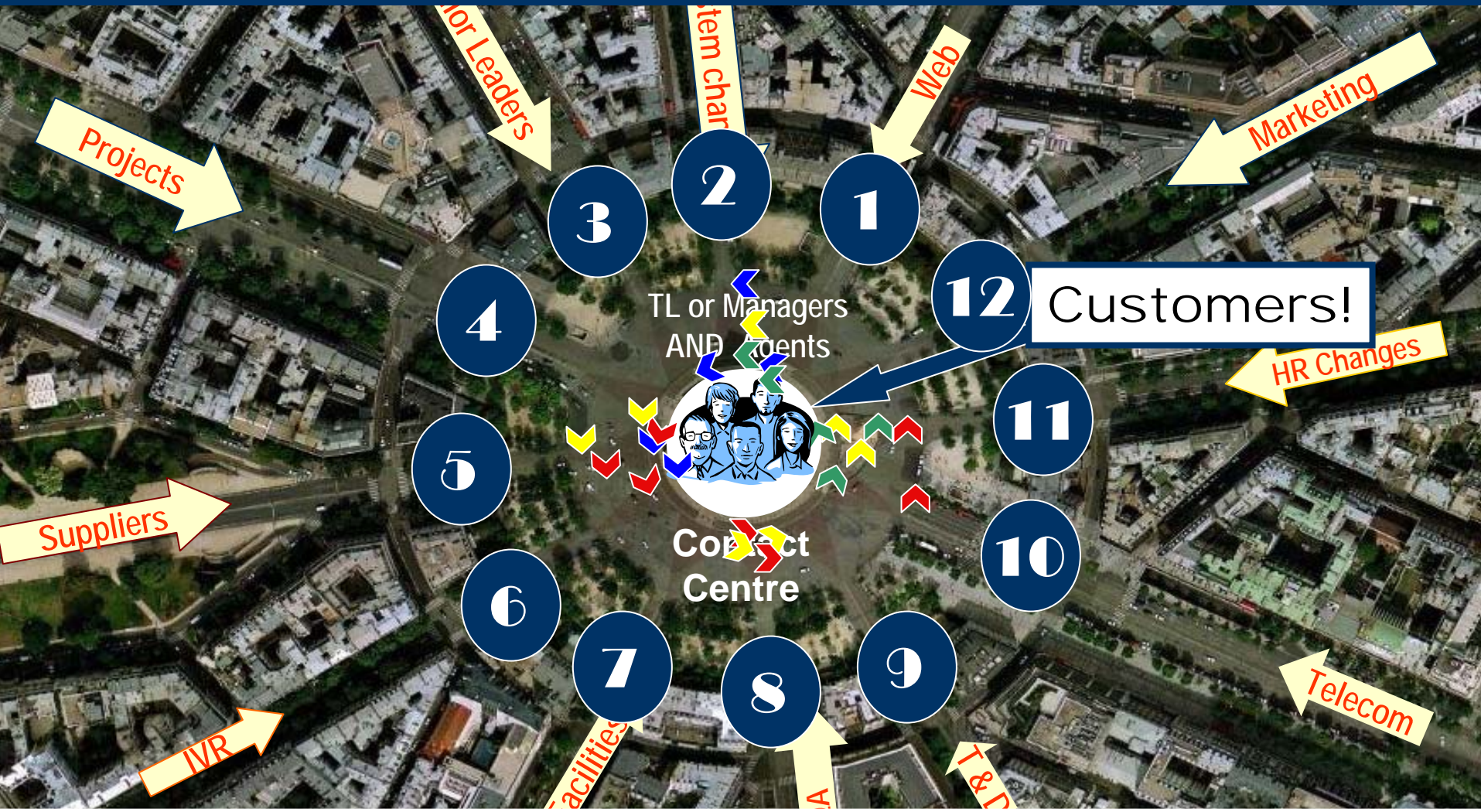
- ▶ 3 + 1 *BHAGs*... What we will get today?
- ▶ Current State... requires a *Realistic & Proactive* plan
- ▶ Cost Reduction System, reducing cost in LAYERS
- ▶ @ Table Teamwork: ONE Best Idea ... Capture & Share
 - | ▶ ORCCA Feedback Survey
 - | **AFTER** ▶ Follow-up Document with Ideas & Solutions
 - | **Today** ▶ YOU! ... Make a Decision, Take an Action!

Contact Centres are like the *Arc de Triomphe* !



- *Place Charles de Gaulle, Paris*
- 12 major roadways converge at this famous roundabout
- 10 lanes of concentric traffic
- Not covered by French insurance companies

World's *Biggest* Roundabout



➤ Calls & SL ➤ Cx Issues ➤ People stuff ➤ Technology Issues = ***Ecosystem!***

Current State Summary

- ① Current Economic Conditions
- ② Call Centres represent “Easy Money” for CFO’s plan
- ③ This time is VERY different...
 - Complexity of what contact centers do
 - Importance of the Customer Experience
 - Knowledge Worker engagement
- ④ Let’s focus on *Proactive trimming vs Reactive cutting*

SwitchGear Cost Reduction System

① Identifies WHAT costs & predicts savings at three levels:

Strategic Service Delivery LAYER (Channel Strategy, Self Service)

Operational Design LAYER (Agents@Home, Outsourcing, Org. Design)

Execution LAYER (Payroll Leakage, Rework Costs)

② Standardizes HOW Planning & Initiatives occur:

Targeted Solutions with clear ROI and Payback timelines

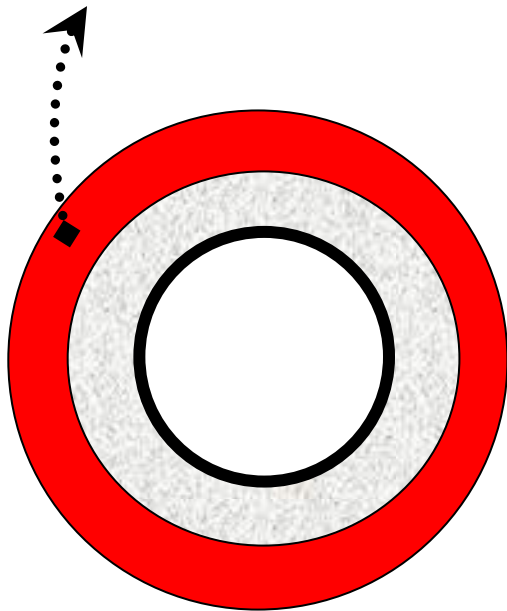
Phased approach... what 1st, 2nd, 3rd ... and a DRP

Risk assessment (Customer Sat., Employee Engagement, Financial)

③ Tier 1 Principles of SwitchGear's Cost Reduction System

Service Delivery Strategy Layer

Service Delivery Strategy Layer



Channel Strategy

- Create or augment Self Service Strategy
- Channel Migration and Containment

Contact Strategy

- Centralized vs. Decentralized - # of sites
- Contact Structure – Q Function and Skills Required.
- Continuum from Universal to Specialty
- In-house versus Outsource, In-house VS Home Agents
- Disaster Recovery strategy

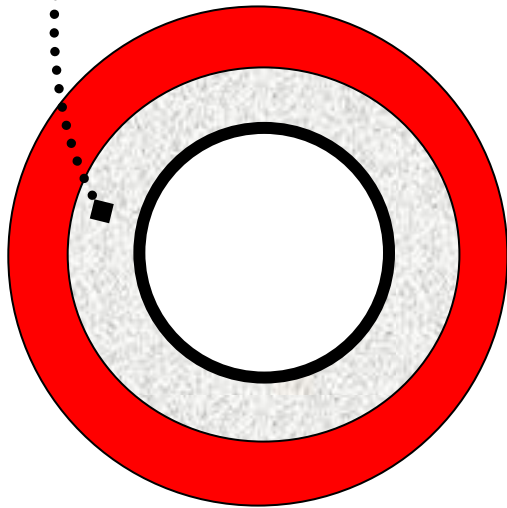
Optimizing Customer Preferred Channel

- Enterprise Call Reduction
- Streamline process
- Grow Revenue

Alignment of E : R to Business & Performance Drivers

Operational Design Layer

Operational Design Layer



Organizational Design

- Location Plan
- Organizational Structure: Reporting ratios (i.e. TL:Agent),
- Support and Shared Services,
- HR role & reporting clarity & (compensation / benefits)

Technical Infrastructure Design

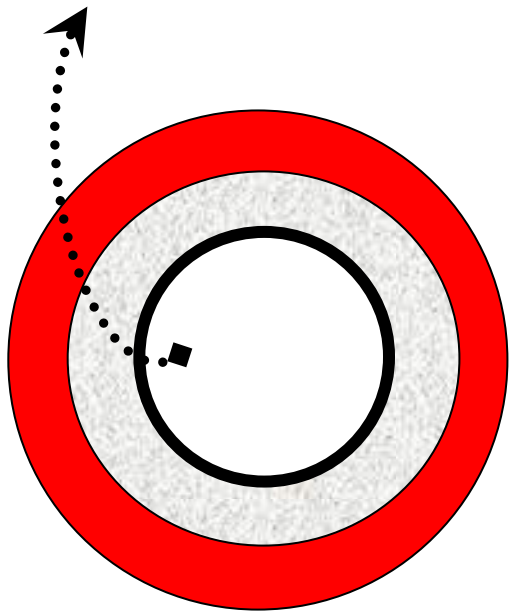
- Telecom & IT design & Infrastructure
- CRM, Knowledge Base, Online Learning Tools
- WFM Management Software
- QA Application, Integrated Reporting between Systems

Workforce Design

- Forecasting and Scheduling Process and Procedures
- Mix of In-House vs. Outsource,
- Establishing Cost Effective Service Levels, Mgmt Ratios
- Hours of Operation, Queue and Skills Routing Strategy,
- Creating Flexible Workforce (Home VS Onsite PT/FT)

Execution Layer

Execution
Layer



Today we will focus...
**Inside the
Execution Layer**

Channel Efficiency

- Workflow & process adherence (broken? Is it being followed?)
- Reduce Rework: FCR, Error Rates & Service Recovery, Transfer rates
- Time to resolve
- Forced channel mandate
- WFM execution (intraday workforce optimization)

Workforce Efficiency

1) Payroll Leakage

- Agent time (% Manned / Paid)
- System / productive time (talk, AHT, ACW)
- Internal outbound calls, transfer rates & hold time
- Offline time (absence, adherence, etc.)

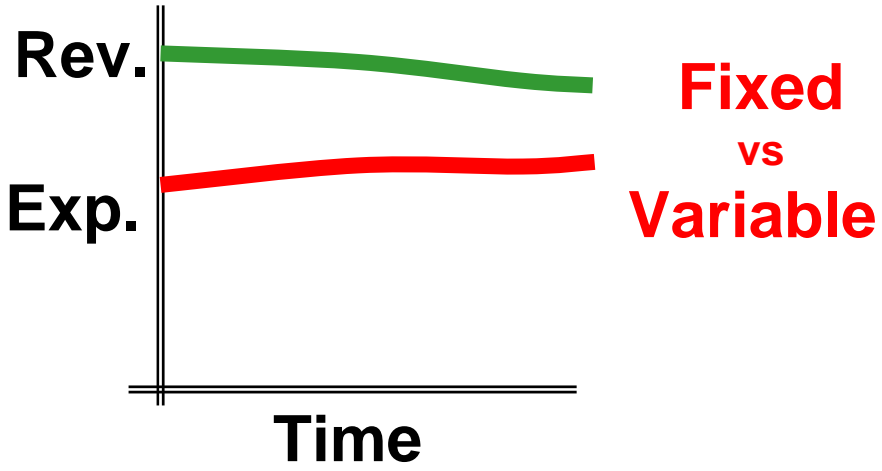
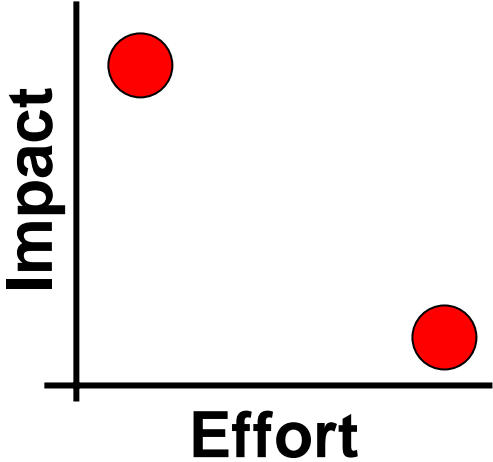
2) Agent Speed to Proficiency

- Performance management & Alignment
- Agent proficiency rate (New Hire and Tenured)
- Agent attrition rate, Quartile distribution

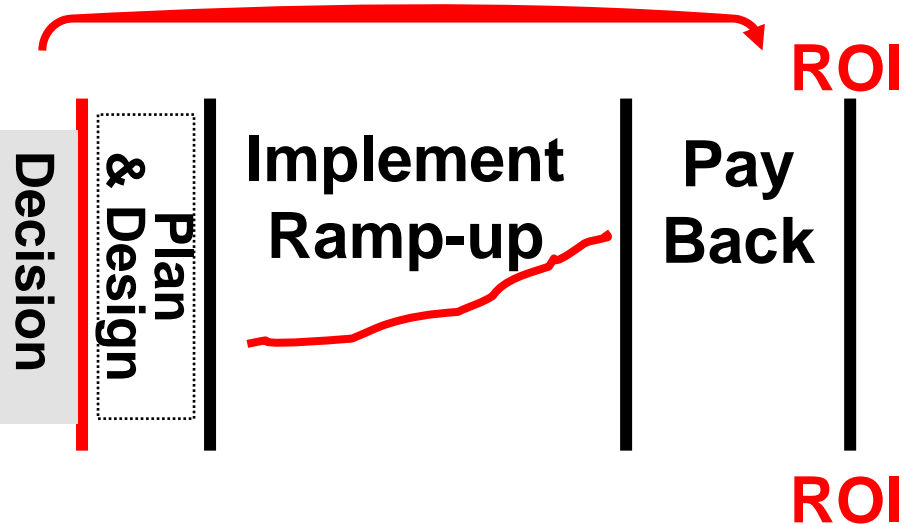
3) Support Team Efficiency

- Direct Mgmt (ratios, effectiveness, leverage rate)
- Support team (QA, Training, Reporting, ROI)
- Workforce Scheduling and Process Efficiency

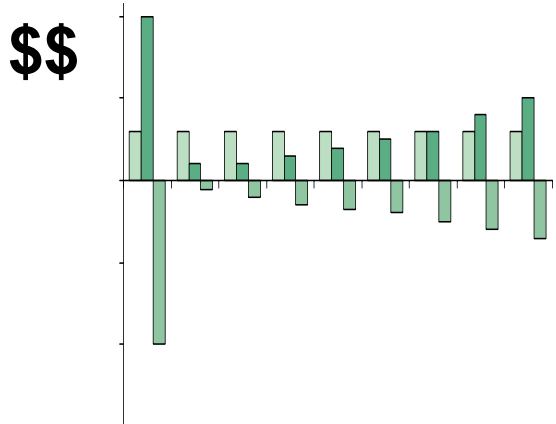
Solution Development Principles



Time Horizon



The Longer you Wait
The Deeper you Cut





▶ Share-Back ... Value!

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Key Insights: All Three Layers

- ① Complexity!... Real & Artificial
- ② Culture is a BIG hidden driver of unnecessary cost
- ③ Unfinished Projects: *IT, M&A, Workarounds, "Self-Service"*
- ④ Cost, Value & Disturbance Factor of "Support" Groups
- ⑤ Role Confusion:
 - a) Shared Services
 - b) Matrix Org
 - c) Vendor

Key Takeaways and Actions

Key Takeaways:

Proactively Trim vs Reactively cut / hack

Have a plan, validate the plan, have a DRP

Execution is Key (includes Risk management)

Culture is a key hidden driver of unnecessary cost

Key Questions to Ask Yourself:

Do I understand my costs today? Accelerants?

Do I understand my budget? Template? Allocation?

What is Best Practice?

What are you really trying to solve? ... root cause?



- ▶ Thank You!
- ▶ Value!
- ▶ Action!

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