



## **Virtual Contact Centers and Outsourcer Management** **Unlocking the Potential of Virtual Contact Centers**

**An Exony Business White Paper**  
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# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Interaction Intelligence

#### Introduction

In a business world witnessing rapid globalization and consolidation, Virtual Contact Centers (VCCs) promise compelling financial savings and customer service benefits.

However, achieving these aims is often difficult.

VCCs feature any combination of technologies, systems, products, services, channels, customers, and agents working throughout the world. Faced with such complexities, measuring and managing VCCs is difficult, time-consuming and costly. The result is a VCC that fails to meet the expectations of organizations and customers alike.

Today, with ever-increasing competition and customer expectations, one poor interaction is often all it takes for customers to switch to a competitor. As such, it is essential that all enterprises grasp the opportunity to ensure their VCCs are operating effectively and meeting their initial expectations of enhanced cost efficiencies and improved customer experiences.

This White Paper reviews the market drivers for VCCs, options for outsourcing, and the financial and outsourcer management benefits of integrating a secure and scalable interaction management software solution into a VCC environment.

**“Agility is the heart of all successful organizations and nowhere is that more true than at the customer interaction front line – the contact center.”**

**Laurent Philonenko**  
Vice President and General Manager of the  
Customer Contact Business Unit, Cisco Systems

#### About Exony

Exony is the world's leading provider of interaction management software for virtualized customer contact operations. As the first company to develop technologies that ensure VCCs meet expectations of enhanced efficiency, flexibility, management and service, Exony understands the unique challenges facing operators and managers of Virtual Contact Centers (VCCs).

Exony's offerings, including Exony Virtualized Interaction Manager™ (VIM), provide organizations with the partitioning, security, data gathering, reporting, analytics and resource management solutions they require to save costs, improve working practices and deliver consistently exceptional service.

With offices in Boston, Massachusetts, USA and Newbury near London in the UK, Exony aims to help organizations gain maximum benefits from their VCCs, while lifting their services to new levels of excellence.

### The virtual revolution

#### The market drivers for Virtual Contact Centers

Call centers once embodied simplicity. Situated in one location and featuring comparatively straightforward technologies, organizations were able to measure and manage their traditional call centers quickly and easily.

During the past five years, globalization and industry consolidation has driven sectors throughout the world towards adopting Virtual Contact Centers (VCCs). While enterprises are pursuing cost savings and enhanced customer satisfaction, the following commercial needs, technological advances and cultural developments are also accelerating this trend:

- Advances in IP (Internet Protocol) telephony, call routing and management technologies, including the cross-utilization of voice and data networks.
- The increasing popularity of using outsourced, offshore, skilled back-office and home-worker resources.
- Round-the-clock expectations of customers demanding self-service options.
- The importance of delivering consistently excellent experiences for retaining customers and minimizing switching to competitors.
- Increasing agent productivity.

As with any new technology, the need to measure and manage the underlying systems has left organizations facing significant challenges. Business users managing VCCs struggle to gain a full view and control of their systems and teams. The outcome is a consistently underperforming infrastructure that prevents the enterprise from unlocking the full cost savings and customer satisfaction potential of the VCC.

#### The benefits of outsourcing

Outsourcing can provide organizations with a fast and effective route to establishing and operating a VCC environment. Many outsourcers have the financial scale to ensure their clients avoid large capital investments while offering a wealth of experience from working with other enterprise projects. They can also often provide essential staff and skills not available within their clients' organizations.

In addition, outsourcers are often forecasting experts, allowing enterprises to reduce their staffing operational costs. Among the many benefits outsourcers can bring to organizations is their compelling ability to deliver the same service at a significantly lower cost.

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### The outsourcing environment

The outsource market currently has over 6,000 firms worldwide operating in the contact center sector alone. Industry experts predict that major organizations will purchase smaller firms, creating fewer companies with larger scale.

Traditionally, large enterprises with defined contact center policies and procedures were the major users of outsourced solutions. These enterprises would typically manage their outsourcers to ensure they received consistent results across all their suppliers. This approach proved both beneficial and detrimental. While it encouraged cost reductions and consistency, enterprises did not utilize outsourcers' skills in making processes more efficient.

Today, smaller enterprises are increasingly outsourcing. With less defined contact center operations, or indeed no in-house capabilities, such organizations usually employ the services of one outsourcer. As such, outsourcers are differentiating their offerings more effectively based on the following areas:

- **Cost:** as the major competitive industry driver, many outsourcers focus on scale economies or offshoring in their business models.
- **Margins:** outsourcers are reducing margins in response to competitive pressures.
- **Satisfaction:** larger client organizations often benchmark customer satisfaction scores across their multiple outsourcers. Companies scoring highly in this area are usually safe from price competition as organizations are reluctant to surrender these satisfaction benefits.
- **Location:** to allow customers to diversify call traffic across different locations and languages, outsourcers often consider locating in emerging contact center markets. Increasingly, India, the Philippines, the Caribbean and South America are supporting North American markets, while India, Africa, and Eastern Europe are popular within Western European markets.
- **Tools:** outsourcers can offer enterprises CRM, Portal, Quality, Forecasting, Call Routing, Carrier Services, Hosting and other technology tools. While these offerings attract smaller organizations, larger enterprises prefer consistent technology across multiple vendors.

**“Exony’s unique partitioning capability enables Microsoft to securely share relevant operational data throughout our organization and with our vendor partners in order to continue to enhance the customer experience.”**

**Michael Culleton**  
Director, Customer Contact Team,  
Microsoft Corp

**“The sheer flexibility of Virtual Contact Centers is driving tremendous growth in the market. Organizations can now seamlessly integrate multiple resources, including the underutilized skills and experience of home-workers, to improve customer service quality. Key to reaping these benefits will be the ability to manage and control VCCs on a global basis, in real-time so that they deliver against business priorities.”**

**Ken Landoline**  
Contact Center Expert and Senior Analyst,  
Yankee Group

### Empowering organizations, enhancing interactions

#### How Exony is responding to the challenges

The inherent complexities of VCCs conspire to make measuring and managing these interaction environments complicated, time consuming and costly. The result is a VCC that fails to meet the financial efficiency and service expectations of organizations and customers alike.

As an organization specializing in interaction management software for virtualized customer contact operations, Exony has designed and created Exony Virtualized Interaction Manager™ (VIM): a secure software application that offers a full view and complete control of the VCC and its resources.

A robust and scalable solution, VIM is helping organizations throughout the world finally realize the initially promised cost savings and service enhancements from their VCCs.

#### Bringing everything together

VIM blends the agility of a traditional contact center with the technological, service and economic advantages of a VCC, ensuring it delivers the cost savings and service enhancements organizations require. Working at the heart of organizations' virtualized operations, it embraces the complexities of numerous and often global systems, agents, products, services and businesses, and combines them into a single yet secure application.

By reducing this complexity into one entity, VIM allows business users to measure and manage their VCCs quickly, effortlessly and in real-time, without depending on centralized and remote administration resources.

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Making the complex simple

In any VCC, there are many infrastructure components and resource layers containing vast quantities of data. For organizations, transforming this data into relevant and useful information can often be a considerable challenge. To overcome these difficulties, VIM features the VIM Virtualization Framework.

This powerful framework:

- captures the VCC's complexities and turns the overwhelming level of detail into meaningful, useful insights
- creates secure partitioned areas within the VCC for multiple business users
- harnesses VIM Reporting and Analytics and VIM Resource Management to empower business users with the business-relevant information, management tools and access privilege controls they require

**“To get real advantage from call centers, most organizations of any scale need to organize them in ever more sophisticated ways combining elements of in-house and out-sourced, on-shore and off-shore, etc. But it is also essential for them to operate and be managed seamlessly as a single integrated whole, yet be capable of reconfiguration when required to meet changing business needs.**

**Exony, through their Virtualized Interaction Manager (VIM), are empowering the business to achieve all of this without the need to rely on IT. Exony VIM provides insight across the business.”**

**David Norris**  
Senior Analyst, Bloor Research

### Securing the Contact Center

A typical VCC serves a wide range of business users, departments and staff members with varying roles and responsibilities. Each requires protected areas within the VCC to ensure the security of sensitive commercial information is never compromised. However, while it is essential the VCC is secure, it must also provide the useful information and management controls business users need to enhance the VCC's operation.

The VIM Virtualization Framework's run-time environment allows operational managers to access essential information and management features in complete safety. Its robust partitioning technology means managers can configure VIM to provide services based on such factors as roles, organizations, business units and access privileges. As such, business users are able to operate in a safe environment without accessing inappropriate and confidential areas of the VCC.

Exony Virtualized Interaction Manager™ allows organizations to:

- measure and manage the VCC effortlessly, according to business roles and accountability
- identify issues, improve efficiency and enhance customer experience through VIM Reporting and Analytics and VIM Resource Management
- perform immediate tactical improvements or plan strategic change programs
- deliver consistently excellent customer operations through a seamless VCC
- measure and manage real-time performance and quality of third-party service providers, for example, outsourcers
- increase customer and agent satisfaction through improved first call resolution
- enhance business responsiveness and agility, free from dependency on centralized and remote administration resources
- reduce costs through efficient use of agents and contact channels, and better matching of resource to demand
- implement disaster management and business continuity through skilled agents working in different locations

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Taking control of Virtual Contact Centers

#### How organizations can benefit

Before implementing a VCC measurement and management solution, organizations must first establish the financial and operational benefits it provides. In this section, using very prudent assumptions, we examine the outsourcer management advantages and potential cost savings VIM can deliver.

As our experience from working with both enterprises and outsourcers and the following examples illustrate, VIM working within a VCC can conservatively offer annual savings of between 4% and 5% of outsource contract value, or over US\$230,000 for a small enterprise; over US\$900,000 for a medium-sized organization; and US\$4,400,000 for a large enterprise.

#### Scenario 1: Traditional client to outsourcer conductivity

Within enterprises, there are many solutions for routing voice traffic, including:

- **Direct Toll Free/Direct Inward Dial:** simple distribution of traffic to the outsourcer's Automated Call Distributor (ACD), in which the outsourcer is responsible for messaging and call flow.
- **Carrier Advanced Services:** enterprises and outsourcers use carriers to route calls to multiple ACDs.
- **Enterprise Routing Systems:** such systems connect disparate technologies. While these systems usually configure queues by site, they do not consider individual agents across multiple sites.

VIM overcomes the inefficiencies and risks of these traditional approaches by:

- providing instant access to site and agent data without depending on expensive and time-consuming reports from third parties. VIM allows business users to generate the data they need to make informed business decisions
- allowing the enterprise to migrate to IPCC while retaining a clear view of the contact center's operations
- organizing data into simple report formats to verify carrier services billing. Again, this frees the enterprise from requesting the information from third parties. In addition, VIM greatly simplifies outsourcer billing ratification and dispute resolution

For this analysis, in order to be conservative, no monetary value has been attributed to these considerable business benefits.

**“The integrated Resource Management features in Exony Virtualized Interaction Manager provide the ability to act on this information and make rapid changes in the use of contact center resources, effectively closing the loop and enabling greater control of our overall performance. VIM is therefore of great interest to our future plans given our desire to continually enhance our business agility and associated customer experience.”**

**Craig Simpson**  
Head of Channel Systems and Change Management, National Australia Group Europe

#### Scenario 2: Extending client networks

To centralize their operations, enterprises may extend their networks to outsourced environments. This often leaves the enterprise paying the full cost of administering system resource moves, additions, changes and deletions (MAC-Ds). For every 400 agent seats, the cost of administering the system typically equates to a full-time position.

With VIM, enterprises extend their networks using the software's unique partitioning and security features. This can save the organization the cost of the administrative resource that would otherwise be required.

Through VIM's partitioning and reporting features, the solution also provides many workforce efficiencies. VCCs dynamically route calls to the next available agent, regardless of location or outsourcer. This contributes to documented efficiency gains directly attributable to the VCC of 2.5% to 5% in the staffing hours required to support given call volumes. The key business benefit that VIM delivers is that it enables much more effective measurement and management of the VCC, and hence enables the enterprise to extract the full cost savings promised by the VCC.

Enterprise size	Annual savings in US\$
Small (250 seats)	\$65,625
Medium (1000 seats)	\$262,500
Large (5000 seats)	\$1,312,500

See Appendix I for details of the calculations.

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Scenario 3:

#### Terms of contractual relationships with outsourcers

To help protect enterprises, outsourcer contract terms typically last from one to three years, although some cover longer periods. Organizations usually have a method of reducing volumes sent to an outsourcer over a number of months.

For example:

- an enterprise submits a three-month contact volume forecast
- if volumes are less than 90% of the forecast, the enterprise pays the difference between the two
- if volumes exceed 110% of the forecast, the outsourcer attempts to satisfy this demand, but if it fails, the enterprise will not consider it in breach of the Service Level Agreement (SLA)
- month to month fixed forecasts shall represent no more than a 20% decrease in volume

Although it may be a three-year agreement, the enterprise can completely reduce volumes in just five months by reducing the fixed forecast by 20% of the original value per month. The contract's full term can then be used to protect pricing for the client, but not protect revenue for the outsourcer.

VIM can assist contract assessments by:

- giving organizations a detailed view of outsourcer performance. This gives the enterprise the contractual right to dismiss a vendor that is detrimental to service and increasing costs
- partitioning VCC data by various categories
- removing the reliance on outsourcers to generate data that may not present a consistent and accurate view of performance

For this analysis, no monetary value has been attributed to these significant business benefits.

**“Working with the Cisco Unified Contact Center solution, Exony’s software is already delivering real benefits to our joint users. Exony Virtualized Interaction Manager is a further step in empowering the business through closed-loop measurement and management of virtual contact center resources.”**

**Laurent Philonenko**  
Vice President and General Manager of the Customer Contact Business Unit, Cisco Systems

### Scenario 4:

#### Outsourcer billing methods

Organizations use various pricing structures for contracting with outsourcers, including:

- **Per Minute:** based on the time an agent spends on the phone and in call-related activity. This includes such categories as Talk Time, Hold Time, and Wrap Time (After Call Work). In some cases, contracts do not include Wrap Time, or limit its duration. For example, a contract may include a clause to limit Wrap Time to 20 seconds per call as billable, regardless of the total time.
- **Per Hour (FTE Sign-On Time):** a calculation based on when agents sign in and out of the system.
- **Per Productive Hour:** a blend of Per Hour and Per Minute billing that adds limitations based on productive use of resources.
- **Per Transaction:** a method in which the client pays a flat rate for each transaction. This can prove costly to clients in periods of high demand.
- **Schedule Adherence:** this approach pays or penalizes the outsourcer depending on their adherence to a pre-defined schedule.

Using VIM, the enterprise can quickly and easily access all the data required to determine the transactional (per call) costs across all the different contractual/billing methods. Furthermore, the enterprise can then determine the model that is best for them, taking into account both pure economic (cost) components plus other issues such as flexibility.

The following example is based on 100 calls in one day and using 5 agents:

Billing Method	Variable	Total Cost	Cost Per Call
Per Min - \$0.23	AHT = 18mins	\$414	\$4.14
Per FTE - \$0.23 per min	Sign On = 2400 mins	\$552	\$5.52
Prod Hour - \$0.23 per min	Idle Time @ 10% = 2,160 mins	\$497	\$4.97
Transaction Flat Rate	Rate = \$4.00 per transaction	\$400	\$4.00
Schedule Adherence	Rate = \$100 per agent	\$500	\$5.00

Even considering the conservative numbers above, different rates can affect the cost per transaction in many ways. For example, if agents are not highly occupied, enterprises should consider contracting on a transactional or scheduled adherence basis. With highly occupied agents, enterprises may bill based on productive hour or billable minutes.

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## Unlocking the Potential of Virtual Contact Centers

Based on our experience, organizations can typically save from 1% to 5% on outsourcer billing (and indeed in one case we have observed savings in excess of 25%) by the use of this type of analysis.

Enterprise size	Annual savings in US\$
Small (250 seats)	\$54,600
Medium (1000 seats)	\$218,400
Large (5000 seats)	\$1,092,000

See Appendix I for details of the calculations.

### Scenario 5: Contractual compliance

Penalties often come as standard in outsourcer contracts. Based on the enterprise's particular goals, the penalties for breaching a particular area may be higher than another. Here are some examples of operational efficiency requirements which can feature in outsource contracts:

- Average Handle Time
- Wrap Time
- Service Level Percentage/Average Speed of Answer
- Hold Time/Number of Times Placed on Hold
- Calls Transferred
- Agent Occupancy Percentage
- Customer Satisfaction Scores (External Surveys)
- Quality Department Scores (Enterprise/Outsourcer Conducted)
- First Call Resolution

Often, the outsourcer themselves provides the information required to confirm compliance with these agreements. However, VIM allows enterprises to:

- gain a 'single version of the truth', free from possible inconsistencies and inaccuracies in outsourcer reports
- identify non-compliance independently of the outsourcer (i.e. avoid any inherent potential conflict of interest for the outsourcer)
- spot trends towards non-compliance prior to the end of a reporting period, allowing for corrective action
- identify and address agent-specific trends

For example, we have observed a major North American media concern obtain an Average Handle Time (AHT) goal of 6 minutes from its outsourcer, but that underlying this performance over 10% of the outsourcer's agents were showing average AHTs in excess of 9 minutes. These outliers increased the enterprise's costs in billing minutes and paid bonuses, and also masked a significant customer dis-satisfaction issue.

However, through VIM, the enterprise can now work with the outsourcer to reduce the impact of performance outliers to the overall costs, and hence improve both operating costs and customer service.

Typically, fees related to contractual compliance in an outsource contract range from 5% to 10% of the annual contract value, therefore managing this area effectively can have a significant economic impact.

Enterprise size	Annual savings in US\$
Small (250 seats)	\$39,375
Medium (1000 seats)	\$157,500
Large (5000 seats)	\$787,500

See Appendix I for details of the calculations.

### Scenario 6: Forecasting

Forecasting is vital to the success of relationships between enterprises and outsourcers. With enterprises facing the risk of paying compensation and losing the ability to enforce contract penalties, inaccurate forecasting can prove costly.

Most large organizations forecast using a workforce management (WFM) system based on historic data and projected call volumes. While this approach is highly effective in a static environment, it is inadequate for the vast majority of Virtual Contact Centers. For example, what if the organization launches a product that increases call volumes? Or sells a division?

VIM provides business users with the historical data and custom reports they require to perform accurate analysis and forecasts. Furthermore, VIM can examine the outsourcer's ability to manage idle time, AHT, service level and outlier performance. This allows the organization to exercise its right to move volume to top-performing outsourcers. We have seen outsourcers reduce their overall costs by in excess of 2% by moving volume.

Enterprise size	Annual savings in US\$
Small (250 seats)	\$27,300
Medium (1000 seats)	\$109,200
Large (5000 seats)	\$546,000

See Appendix I for details of the calculations.

**"We selected Exony because of its leadership and experience in contact center reporting and analytics."**

**Michael Culleton**  
Director, Customer Contact Team, Microsoft Corp

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Scenario 7: Outsourcer agent attrition

Contact centers in many countries and across many industry segments have high agent attrition rates, resulting in higher training costs, longer average handling times and reduced customer satisfaction. Agent attrition also tends to increase with outsourcing. However, most contracts do not consider the impact of attrition on the enterprise's costs.

As per minute contracts are common, even with attrition training included in the cost, enterprises incur other expenses. As such, some organizations cap the AHT on a contract, typically using data from centers already experiencing attrition. This leads to vendors focusing more on controlling AHT and less on quality. In addition, many outsourcers do not provide agent-specific data on attrition, performance and comparisons between experienced and new agents.

With VIM, enterprises can access this information, allowing them to negotiate different rates for new agents or caps in AHT. In our experience, organizations can typically reduce the AHT by 1%, providing the following savings:

Enterprise size	Annual savings in US\$
Small (250 seats)	\$25,116
Medium (1000 seats)	\$100,464
Large (5000 seats)	\$502,320

See Appendix I for details of the calculations

**“We are firm believers in the efficiency and effectiveness opportunities offered by the Virtual Contact Center model. Exony's technology delivers real benefits to our business by providing end user configured reporting and analytics on our VCC performance.”**

**Craig Simpson**  
Head of Channel Systems and Change Management, National Australia Group Europe

### Scenario 8: Outsourcer provided reporting

While outsourcers can supply enterprises with simple summary data, they normally do not provide detailed reports. However, with organizations increasingly demanding more information, some outsourcers now offer the following reports as options:

- **Real-Time:** often web-based, however these reports rarely provide agent details.
- **Historical:** offering access to basic historical data over specified time periods.
- **Data Feeds:** for example, feeds for billing, workforce management, data warehouse, and other systems. These reports are often difficult to manage across multiple outsourcers.

VIM provides the enterprise with:

- **Agent-specific data:** providing real-time, intra-day and historical data, helping the enterprise understand the impact of individual agents and attrition.
- **A single, consistent view:** offering data in a consistent format across the entire enterprise and including all outsourcers.
- **Customized analysis:** business users can use VIM's report builder to create one-off reports themselves without needing to approach outsourcers for the data.
- **Rapid response:** Reports can be created or edited in real-time by the business users themselves – no dependence on centralized or remote administration resources
- **Export functionality:** enterprises can create feeds for adjunct systems quickly and easily through VIM's eCSV, CSV, and XML export feature. This places the entire process under the enterprise's control at no additional cost.

Typically, outsourcers charge organizations \$125 an hour for custom report development, and assuming an averaging processing time of 50 hours per report, VIM could save enterprises the following amounts.

Enterprise size	Annual savings in US\$
Small (250 seats)	\$25,000
Medium (1000 seats)	\$75,000
Large (5000 seats)	\$156,250

See Appendix I for details of the calculations

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Scenario 9: Single version of the truth

Experience shows that outsourcer-supplied metrics can be inconsistent and inaccurate, leading to contractual confusion. The following scenario details a quarterly business review meeting we observed between a global computer hardware enterprise and its main outsourcer:

During the meeting, the enterprise asked the outsourcer to provide Average Handle Time (AHT) metrics for its desktop support service. The senior manager of the outsourcer provided an AHT of 12.50 minutes, based on an aggregation of all desktop support agents, including frontline agents and 'tier 2' support. The service delivery manager supplied an AHT of 10.75 minutes based on the same data, but excluding tier 2 support. The business manager quoted a figure of 9.45 minutes, based on a manual report that excluded all new and inexperienced agents.

With the meeting scheduled for three hours, attendees then spent half the meeting time discussing the data and possible solutions. Initially, the enterprise wanted to review the second and third reports. Since these reports provided agent-specific data, the outsourcer rejected the request. Following further disagreements, the enterprise stated that the first report would apply as the outsourcer's measurement of performance, with compliance payments impacted accordingly.

With VIM, both the enterprise and the outsourcer would have been able to:

- gain a single version of the truth, free from possible inconsistencies and inaccuracies present in outsourcer reports
- share reports with outsourcers, indicating enterprise performance
- ensure both parties shared the same, consistent data in real-time
- avoided conflict that would arise from disagreement about what was 'the truth', with the possible direct impact on financial compensation

For this analysis, no monetary value has been attributed to the above business benefits.

### Scenario 10: Data partitioning

The following scenario occurred between a large North American internet service provider (ISP) enterprise and its main outsourcers:

During a quarterly business review meeting, the enterprise requested that its four outsourcers moved to its internal IP Contact Center (IPCC). This action promised reduced expenses, visible agent-specific data, a dynamic routing model, and increased routing efficiency. The move would also allow each outsourcer to produce real-time, historical and customized reports, and access to data tables for external system feeds.

While they could access the same enterprise-wide information, the reports did not filter data for each outsourcer. As such, the outsourcers began producing reports that benchmarked their own performance against that of the other outsourcing companies rather than focusing on managing their agents. Attempting to stop these practices, the enterprise embarked on a long and costly process to filter the reports, which only served to disrupt system performance. Their efforts proved unsuccessful and the enterprise reverted to its original TDM-based approach.

With VIM, the enterprise could have:

- partitioned the data securely by any category, for example, outsourcer, region, product and agent team
- prevented the outsourcers from benchmarking one another's performance, thereby improving the enterprise's position in contractual negotiations
- filtered the data to outsourcers based on user permissions
- achieved the original goals for cost savings and efficiency without losing the full view of the VCC or degrading system performance
- Pushed ahead with its plans to implement IPCC, and gain all the inherent advantages of so doing

For this analysis, no monetary value has been attributed to these substantial operational and strategic business benefits.

**“As a managed service provider providing virtual contact center environments to our business customers, we want to provide the best contact center services available on the market. Exony Reporting & Analytics has given us a cost-effective solution that provides detailed management information for our clients.”**

**John Short**  
BT

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Total cost savings

Annual Savings in US\$	Small (250 seats)	Medium (1000 seats)	Large (5000 seats)
1. Outsourcer Conductivity	N/A	N/A	N/A
2. Extending Networks	\$65,625	\$262,500	\$1,312,500
3. Contract Terms	N/A	N/A	N/A
4. Billing Methods	\$54,600	\$218,400	\$1,092,000
5. Contractual Compliance	\$39,375	\$157,500	\$787,500
6. Vendor Forecasting	\$27,300	\$109,200	\$546,000
7. Outsourcer Attrition	\$25,116	\$100,464	\$502,320
8. Outsourcer Reporting	\$25,000	\$75,000	\$156,250
9. Single Version of the Turth	N/A	N/A	N/A
10. Data Partitioning	N/A	N/A	N/A
<b>Total in US\$</b>	<b>\$237,016</b>	<b>\$923,064</b>	<b>\$4,396,970</b>

The tables above and throughout this section highlight the substantial cost savings an organization may enjoy through having Exony Virtualized Interaction Manager™ working as part of their VCC:

- **Small enterprise:** US\$237,016 per annum
- **Medium enterprise:** US\$923,064 per annum
- **Large enterprise:** US\$4,396,970 per annum

Our experience of working with enterprises and outsourcers alike, combined with the analysis and calculations above, show that by deploying Exony VIM, organizations can typically achieve total cost savings on their outsource contracts in the range of 4-5% per annum.

These savings are based on actual outcomes documented by a senior manager working with different enterprises. While these savings occurred, they are not guaranteed. However, there is a potential for savings that equal or even exceed the figures quoted.

See Appendix I for details of the calculations

**“Exony Virtualized Interaction Manager is a big step forward in addressing how businesses can extract the maximum benefit from Virtual Contact Centers.”**

**Ken Landoline**  
Contact Center Expert and Senior Analyst,  
Yankee Group

**“The Exony VIM is not just a management tool, it is a full framework with the reporting and analytics required to direct that management.**

**Those who are closest to the customers know best how channels need to be directed to meet customer needs. Exony can provide those people with the means to analyze and then direct without requiring any other skills than their understanding of the business problem to be addressed.”**

**David Norris**  
Senior Analyst, Bloor Research

# Virtual Contact Centers and Outsourcer Management

## Unlocking the Potential of Virtual Contact Centers

### Appendix I

#### Details of calculations and key assumptions

For ALL the following calculations:

- Small enterprise = 250 seats
- Large enterprise = 5,000 seats
- Medium enterprise = 1,000 seats
- 1 shift, 5 day per week operation

To be conservative, agent labour costs have been set at those typically achievable from a combination of 'high cost' and 'low-cost' agents.

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#### Scenario 2: Extending client networks

##### Scenario 2A

- One telecom administrator for each 400 seats.
- Administrator base salary cost of \$50,000 per annum.
- Multiplier of 1.3x to allow for payroll taxes, benefits, etc.

##### Scenario 2B

- Annual per agent cost of \$20,000
- 0.5% efficiency gain from VIM due to measure and manage capabilities

#### Scenario 4: Outsourcer billing methods

- 12 transactions per agent per day
- 5 days per week, 52 weeks per year
- 70% overall utilization (holidays, sick, training, etc.)
- Cost per transaction of \$10
- 1% cost savings attributable to VIM

#### Scenario 5: Contractual compliance

- Typical bonus payments of 5% p.a. for KPI compliance
- 15% reduction in bonus payments from use of VIM

#### Scenario 6: Forecasting

- Assumptions as in Scenario 4 above
- 0.5% cost savings attributable to VIM

#### Scenario 7: Outsourcer agent attrition

- 4 hours billable AHT time per agent per day
- \$0.23 per minute cost
- 1% decrease in AHT due to VIM

#### Scenario 8: Outsourcer provided reporting

- 50 hours per report request at \$125 per hour = \$6,250 per report
- 250 seats produces 4 report requests a year
- 1,000 seats produces 12 report requests a year
- 5,000 seats produces 25 report requests a year

## Make contact

To find out more about Exony's approach to measuring and managing Virtual Contact Centers and outsourcer relationships, please contact:

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