



# The US Contact Center Operational Review

SINGLE CHAPTER EXTRACT

1<sup>st</sup> edition – 2007



The US Contact Center Operational Review (1st edition - 2007) is a study of the performance, operations, technology and HR aspects of 204 US contact center operations. Taking a random sample of the industry, a detailed structured questionnaire was asked to contact center managers and directors between March and May 2007. Analysis of the results was carried out May to July 2007. The result is the 1st edition of the largest and most comprehensive study of all aspects of the US contact center industry.

ContactBabel is very grateful to the support which it has received from all of the sponsors of the report. However, complete editorial independence has been insisted upon and given at all stages, and readers can be confident about the objectivity of the report's findings.

#### How to use the report

The body of the overall US Contact Center Operational Review is divided into seventeen separate chapters, each dealing with an aspect of the contact center industry. A small extract from each chapter is contained in this Executive Summary:

- Recruitment and Salaries
- Attrition and Absence
- Training
- Flexible Working
- Outsourcing
- Security and Disaster Recovery
- Headsets
- CRM
- Contact Center Performance
- IP and Call Handling
- Quality and Customer Satisfaction
- Hosted and On-Demand Solutions
- Information and Planning
- Outbound and Call Blending
- Speech Technology
- Multimedia
- Contact Center Strategy

Each section contains analysis of the data, including a comprehensive statistical analysis in graphical and tabular form. The report also contains a Supplier Directory, of organizations which provide services, products and solutions to the US contact center industry, divided by discrete category.

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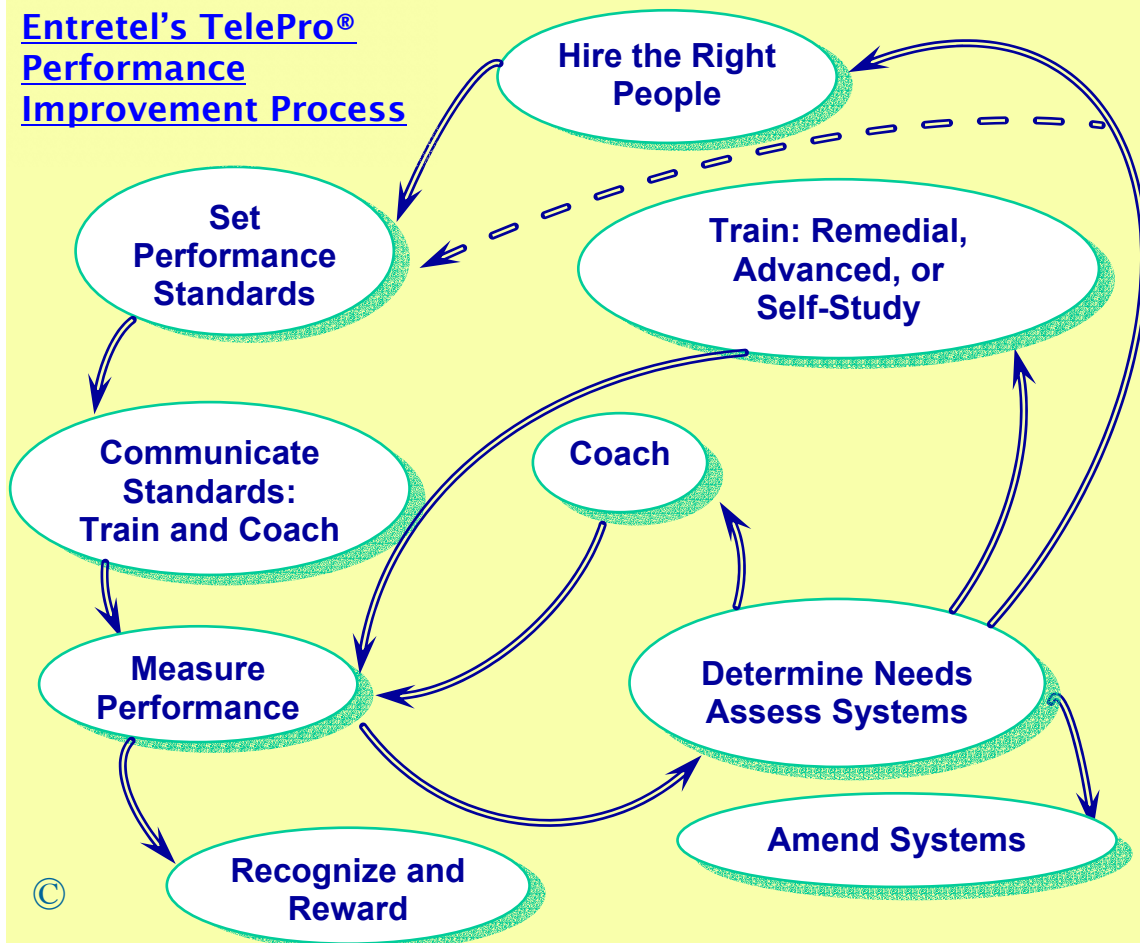
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## Training

With agent attrition rising, and the need to improve customer satisfaction coming even more to the fore, agent training has become a high profile issue within the industry. As the types of role that contact center agents perform continue to grow in complexity, ongoing training will be required that goes beyond simple call handling and top-line product information. There is an increasing trend towards cross-selling and up-selling, which requires agents to switch between very different skill-sets at a moment's notice.

Contact center training has been dominated by that received on induction courses, periods of two to four weeks that prepare an agent for life in the contact center. After this, the coaching provided by team leaders and senior agents is invaluable, but the agent must continue to receive support throughout their career, and to be able to gain the skills and experience they need in order to move on in the contact center, if that is what they so wish. To this end, a mix of internal and external training is often used, and there are a growing number of external qualifications in and around the contact center industry for contact center employees at all levels.

Training requirements can be roughly divided into hard and soft skills. Hard skills are those which are specific to the job in hand, and/or that can be measured. Examples include:

- Data entry speeds
- System navigation
- Product knowledge
- Application usage
- Understanding of relevant business processes.

Soft skills are more about influencing the agent's behavior and character, as well as looking at the non-measurable elements. They include:

- Empathy and listening skills
- Cross-selling and up-selling
- Managing intra-team dynamics
- Developing self-motivation
- Dealing with abusive customers.



## Induction courses

The typical contact center induction course lasts for around 3-4 weeks on average, with large contact centers tending to have longer induction courses. There is a large difference shown across vertical markets, based on the type of work that the agents are expected to do.

The outsourcing sector seems to be focused upon getting agents onto the phone as quickly as possible. While this is understandable in a chargeable environment, the fact that only 22% of outsourcing respondents' new agents had worked in a contact center before (the average is 42%) was somewhat worrying. This may well be connected to the fact that outbound respondents had shorter induction courses than the average, as selling a small number of specific products requires less training than dealing with a large variety of inbound requests, and of course, many outsourcers carry out these outbound campaigns on behalf of their clients.

*Table 29: Induction training by vertical market*

Vertical market	Induction course length (days)
Retail & Distribution	25
Insurance	24
Transport & Travel	23
Finance	20
Healthcare	20
Services	16
TMT	11
Outsourcing	6
<b>Average</b>	<b>18</b>

*Table 30: Induction training by contact center size*

Contact center size	Induction course length (days)
Small	15
Medium	18
Large	20
<b>Average</b>	<b>18</b>

The Training chapter is sponsored by



*Table 31: Induction training by contact center activity type*

Contact center activity type	Induction course length (days)
Inbound	18
Mixed	19
Outbound	13
<b>Average</b>	<b>18</b>



## Ongoing training and coaching

Once an agent comes out of the induction course, their team leader or supervisor should take over the day-to-day development of the agent, supported by regular and targeted formal training courses (whether internal or external), and possibly computer-based training sessions as well.

The types of training that agents receive can be broadly split into hard skills (product knowledge, IT systems training, etc.) and soft skills (listening and conversational skills, cross-selling and up-selling, etc.)

Hard skills (product and IT systems) training is more focused upon than soft skills across most industries, with only transport & travel bucking the trend.

However, ContactBabel believes that the ideal hard/soft skills ratio needs to change significantly if the industry is to move forward. Rather than teaching agents how to navigate between multiple archaic legacy systems, desktop integration applications should be put in place to ease the flow of the interaction, allowing the agent to focus upon the customer. Through this, the use of dynamic, intelligent scripting or prompting can be promoted, providing the agent with the right information at the right part of the conversation, without them having to learn first about every product and service that might be relevant.

Once this major barrier to quick, successful interactions is removed, agents will have more time to listen to customers, and to use some of the softer skills, such as negotiation, cross-selling and up-selling and consultative selling rather than having to wrestle their way through multiple complex and arcane systems.

*Table 32: Training type by vertical market*

Vertical market	Hard skills	Soft skills
Finance	73%	27%
Retail & Distribution	72%	28%
Insurance	67%	33%
TMT	66%	34%
Services	56%	44%
Outsourcing	51%	49%
Healthcare	50%	50%
Transport & Travel	42%	58%
<b>Average</b>	<b>63%</b>	<b>37%</b>



Table 33: Training type by contact center size

Contact center size	Hard skills	Soft skills
Small	66%	34%
Medium	65%	35%
Large	57%	43%
<b>Average</b>	<b>63%</b>	<b>37%</b>

Agents will tend to receive around two weeks of training each year (excluding the induction course). Those in the outsourcing and TMT sectors get the most, as the latter often have complex new products and services to understand, and the outsourcers will have to train agents separately for each campaign or client.

Table 34: Ongoing training by vertical market

Vertical market	Annual ongoing training (days)	Total training including induction
Outsourcing	18	23
TMT	14	24
Insurance	9	33
Services	9	25
Finance	7	28
Retail & Distribution	7	32
Healthcare	6	26
<b>Average</b>	<b>10</b>	<b>28</b>



Generally, larger contact centers provide somewhat more ongoing training to their staff, as they usually have a dedicated training department. It is also easier to get phone cover in larger operations for missing agents than it is in small contact centers, where scheduled training is more likely to be postponed due to unexpectedly high call volumes.

*Table 35: Ongoing training by contact center size*

Contact center size	Annual ongoing training (days)	Total training including induction
Small	9	24
Medium	10	28
Large	12	32
<b>Average</b>	<b>10</b>	<b>28</b>

Once again, the sales-focused outbound contact centers are less likely to provide as much ongoing training to their staff, with outbound respondents giving two weeks fewer training days to first-year staff than do inbound respondents.

*Table 36: Ongoing training by contact center activity type*

Contact center activity type	Annual ongoing training (days)	Total training including induction
Inbound	11	29
Mixed	10	29
Outbound	6	19
<b>Average</b>	<b>10</b>	<b>28</b>



Many people say that team leaders are the most important people within the contact center, as they are what makes the difference between good and mediocre agents. Yet many team leaders are promoted out of the agent role at which they were good, without being fully taught the skills of management or coaching.

On average, an agent can expect to receive less than two hours of coaching per week from their supervisor / team leader, equating to around two-thirds of the team leaders' time spent in coaching, which is generally quite good. TMT and finance team leaders are said to spend most of their time in coaching – which we believe should be the main role of team leaders – whereas respondents from the insurance sector state that a team leader will average of 17 minutes coaching per agent each day.

*Table 37: Weekly coaching from team leaders per agent by vertical market*

Vertical market	Weekly coaching from team leaders per agent (hours)
TMT	3.0
Finance	2.1
Healthcare	2.0
Retail & Distribution	1.7
Transport & Travel	1.7
Outsourcing	1.7
Services	1.6
Insurance	1.4
<b>Average</b>	<b>1.8</b>

There is little difference to how much coaching time is given when looking at contact center size.

*Table 38: Weekly coaching from team leaders per agent by contact center size*

Contact center size	Weekly coaching from team leaders per agent (hours)
Small	1.9
Medium	1.7
Large	1.9
<b>Average</b>	<b>2.4</b>



## External training and qualifications

Considering the number and variety of training courses offered by external agencies, it is surprising that only 10% of all training comes from sources outside the contact center, although this is partially explained by the fact that only 43% of respondents use any external trainers at all. (Where a contact center does use external trainers, it uses them for 23% of its training work).

The TMT sector (which includes IT helpdesk work) tends to deal with complex issues and products which may require skills and knowledge to be passed on that are not available within the contact center’s own training team. External trainers are also relied upon more by smaller respondents to this year’s survey, perhaps as they are less likely to have a large enough dedicated training department to cope with specific technical requests. Increasingly, external trainers are being asked to help with soft skills, such as negotiation or consultative selling.

*Table 39: Proportion of training which is given by external trainers, by vertical market*

Vertical market	Proportion of training given by external trainers
TMT	28%
Healthcare	13%
Outsourcing	13%
Transport & Travel	12%
Services	8%
Retail & Distribution	5%
Insurance	4%
Finance	3%
<b>Average</b>	<b>10%</b>

*Table 40: Proportion of training which is given by external trainers, by contact center size*

Contact center size	Proportion of training given by external trainers
Small	16%
Medium	6%
Large	6%
<b>Average</b>	<b>10%</b>



A rather disappointing 40% of respondents offer their staff a chance to gain contact center-related qualifications, whether at agent or managerial level. There are polarized views on this across the industry: some believe that externally-recognized qualifications will just encourage agents to leave sooner, whereas others see it as an investment in the agent, and proof to the agent that the business values them.

*Table 41: Opportunity to gain external qualifications, by vertical market*

<b>Vertical market</b>	<b>Respondents offering agents the chance to gain external qualifications</b>
Transport & Travel	70%
Healthcare	65%
Insurance	56%
Services	44%
Outsourcing	38%
Finance	35%
TMT	17%
Retail & Distribution	14%
<b>Average</b>	<b>40%</b>

*Table 42: Opportunity to gain external qualifications, by contact center size*

<b>Contact center size</b>	<b>Respondents offering agents the chance to gain external qualifications</b>
Small	40%
Medium	43%
Large	38%
<b>Average</b>	<b>40%</b>



## Agent and team leader ratios

The agent to team leader ratio is around 14:1, with most sectors having around 12-15 agents to a team leader. Finance and transport & travel respondents have higher team leader-to-agent ratios.

*Table 43: Agent to team leader ratios, by vertical market*

Vertical market	Agents to team leader
Transport & Travel	19
Finance	17
Services	15
Outsourcing	14
Healthcare	13
Insurance	13
Retail & Distribution	12
TMT	11
<b>Average</b>	<b>13.7</b>

Smaller contact centers are more likely to have fewer agents for a team leader, although they tend not to offer more coaching. This ratio difference may be because of greater investment in management information systems and other e-training aids in large operations, allowing the business to have fewer direct supervisors. Additionally, a small contact center may still be run along demarcated lines (e.g. sales/service, inbound/outbound or product lines) and although the team may not be of the maximum size possible, it still requires a dedicated supervisor or team leader.

*Table 44: Agent to team leader ratios, by contact center size*

Agent positions	Agents to team leader
Small	13
Medium	13
Large	15
<b>Average</b>	<b>13.7</b>



## Skills gaps

Few respondents admit to having serious skills gaps within the contact center, although many are concerned that those skills are leaking away too quickly as attrition rates are a worry to most.

Although there is no stand-out type of skills gap that concerns respondents more than any other, more than 1 in 5 report issues centered around the knowledge of the company's products or services, or the ability to use multiple applications effectively when on a call.

*Table 45: Skills gaps and their importance*

<b>Skill gap</b>	<b>Average score from 10 (10 is most important)</b>	<b>% of contact centers reporting a major gap</b>
Knowledge of the company's products or services	4.7	22%
Speaking and listening skills	4.6	16%
Being able to use multiple applications effectively while on the call	4.4	20%
Supervisory/management inexperience	4.2	16%
Written communication skills	4.1	8%
IT knowledge and ability	3.5	6%
Literacy/numeracy	3.2	12%
NB: "major gap" defined as score of 8 or over from a possible 10		



Looking at the skills gaps endured by various sizes of contact center, a few interesting points arise. Written communication skills are more of a problem in small contact centers than in large ones (where dedicated email teams are more likely to be found).

Also, the inability to use multiple applications when on a call is more of a problem for large contact centers with complex systems (being rated the biggest skills gap in that segment) with many agents unable to navigate and use multiple applications quickly within the call. This inability to use multiple legacy systems and applications causes higher wrap-up times, inaccurate data keying, longer training times and a poor customer experience, as well as longer call times and frustrated agents. Sorting the agent desktop out without wrecking the underlying functionality will be one of the major tasks facing complex contact center environments in the short-to-medium term.

Large contact centers also have the most problems with inexperience at a supervisory or management level.

*Table 46: Skills gaps by contact center size (scores from 10)*

<b>Skills gap / contact center size</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Average</b>
Supervisory/management inexperience	3.5	4.4	4.9	4.2
IT knowledge and ability	3.1	3.7	3.9	3.5
Written communication skills	4.7	3.7	3.3	4.0
Speaking and listening skills	4.4	4.9	4.4	4.5
Knowledge of the company's products or services	4.9	4.9	4.1	4.6
Literacy/numeracy	2.3	3.5	3.7	3.1
Being able to use multiple applications effectively while on the call	3.3	4.8	5.3	4.3

On a vertical market level, finance respondents report the greatest skills gaps, with product knowledge and inability to navigate multiple, complex applications being the worst concern. The transport & travel sector is the only other vertical market reporting major skills gaps in any significant way, with multi-screen navigation and supervisory / management inexperience standing out the furthest.



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## About ContactBabel

ContactBabel are the contact center industry experts. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact center industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact center strategies and talk to the right prospects. We have shown the UK government how the contact center industry will develop and change. We help contact centers compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact center industry, perhaps we can help you.

### About the Author:

ContactBabel was set up in 2000 by Steve Morrell, a leading expert on the contact center industry. Previously, he was the global head of Datamonitor's contact center and CRM analysis divisions.

Steve has written over 200 reports on the future of technology, people and business processes surrounding the contact center industry, and is widely-quoted in industry journals and the international media as the author of key studies of the UK, US, Irish, South African and Indian contact center markets.

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