



## Why the Contact Center “@Home Model” Has Finally Found a Home

By Mike McMenamin, Associate Partner & Director, TPI

### MARKET SHIFTS TO EMBRACE AGENT @HOME MODEL

In TPI's discussions during the past year with some of the market leaders in the contact center outsourcing segment views of the agent “@Home model” (industry term for the call center agent work-from-home approach) have certainly changed. The various @Home models and pilots have evolved from experiments a few years ago to dedicated services delivery alternatives today. The @Home model is now a committed program and a permanent part of the services offering portfolio for most major players.

For years now, several smaller companies have been focusing exclusively on their @Home delivery models and have made great progress in optimizing (if not perfecting) this approach. As proof of this concept, these firms are winning business from the Tier 1 contact center firms in competitive situations such as those at American Express, Sprint, and Citibank.

### WHAT FACTORS LED TO THIS CHANGE?

TPI has identified five significant factors that have contributed to the growing popularity and acceptance of this new services delivery model.

1. **Highly qualified pool of available workers:** In the United States, high unemployment rates, the sluggish economy and the attractiveness of flexible work schedules have provided a qualified, motivated pool of available agents.
2. **New technology and tools:** Another enabling factor is that the technology and tools required to secure and protect a Fortune 1000 firm's customer information

being accessed by an agent from home have emerged. Not only can the information, applications and phones be locked down, but also online screening, recruiting, training and oversight/supervision tools have evolved to the point where they are more effective than traditional models.

3. **Attractive price points without going offshore:** Perhaps the single biggest driver in the increased use of the @Home model is that it can address customer service executives' No. 1 issue — cost reduction. With lower overhead costs and a more productive staffing model, market leaders can deliver @Home services for US\$22 – \$24/payroll hour. That's a 20 percent savings over the traditional outsourced model and typically a 25 to 35 percent improvement over a client's fully loaded internal operating cost. In many client organizations, this is a much more acceptable option (save 20 – 25 percent with an @Home solution) than taking customers offshore (to save 40 – 50 percent).
4. **Improved customer satisfaction and minimal attrition:** What makes the @Home model buyer look brilliant is that the “best practices” firms can finally address the two long-standing issues that have plagued the U.S. market for years — poor customer satisfaction scores and unacceptable rates of attrition. The @Home agents tend to be better educated, more mature (8 – 10 years older) and more stable, with higher job satisfaction rates (no commute, work at home, flexible scheduling, job security). Coupled with improved screening and training tools, the results are higher customer satisfaction scores and significantly reduced attrition.



5. **Highly optimized and efficient scheduling:** The @Home model can tighten efficiency and productivity even further. By layering agents to match call arrival patterns and/or unexpected surges and lulls in volume, agent productivity and efficiency can be optimized. Because brick and mortar centers require agents to be physically present, they lack this inherent scheduling flexibility of the @Home services delivery model.

### TPI POINT OF VIEW

These factors have combined to make the @Home contact center services delivery model an option worth evaluating for at least part of a client's portfolio. TPI believes that several leading @Home providers have significantly enhanced their capabilities, processes and tools in recent years to make this an attractive alternative for clients seeking cost reductions without sacrificing customer satisfaction and performance.

### LOOKING FOR A STRATEGIC PARTNER?

TPI's Contact Center Services experts can help you achieve your organizational goals through objective advice, knowledge of your industry and experience with arrangements from simple to complex.

Looking for a strategic partner? Contact **Mike McMenamin**, Associate Partner & Director, Contact Center Services, TPI, at +1 303 882 6086 or [mike.mcmenamin@tpi.net](mailto:mike.mcmenamin@tpi.net).



**ABOUT THE AUTHOR:**

Mike McMenamin leads TPI’s Contact Center Services team, bringing extensive knowledge in business process services (BPS) and information technology outsourcing (ITO) to the delivery of outsourced services for the company’s clients. He has subject matter expertise in the global delivery of outsourced contact center services. Mike’s industry experience includes working in healthcare, energy, communications, high tech manufacturing, defense, financial services, transportation and consumer products sectors. He has amassed experience in the delivery of and contracting process for outsourced contact center services, as well as information technology services. He has been instrumental in developing intellectual property for TPI’s contact center services group to use for assessing client operating environments and standardizing the definition of client requirements, service levels and pricing structures for building outsourced services agreements.

Prior to joining TPI, Mike was a client delivery executive with EDS. He oversaw the delivery of contact center services solutions for clients at BAAN, BellSouth, GM, HP, Informix, Maxtor, Mitsubishi, Nestle, Pepsi, Philip Morris and Toshiba. Service offerings included inbound customer support, inbound technical support, emergency roadside services, insides sales support and outbound selling programs. He also held account executive, business development and sales executive positions for EDS Energy, Communications and Defense strategic business units. In these roles, Mike focused on building client relationships, identifying client business needs and matching EDS service offerings with requirements. Prior to that he was a senior consultant at Accenture.

Mike holds a Bachelor of Science degree in Computer Science and a Master of Business Administration degree from Cornell’s Johnson Graduate School of Management.

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