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Home-Based Agents Gain Momentum In Financial Services

How will your business change over the next few years? Technology advancements continue to compress the timeframes in which change occurs and allow businesses to innovate at an astonishing pace. The impact on the financial services industry today and in the future is difficult to predict. However, to achieve sustainable success executives must implement strategies and forge partnerships that make their organizations flexible and adaptable. For many organizations, outsourcing may be an opportunity to make your company's infrastructure adaptable enough to survive the long haul.

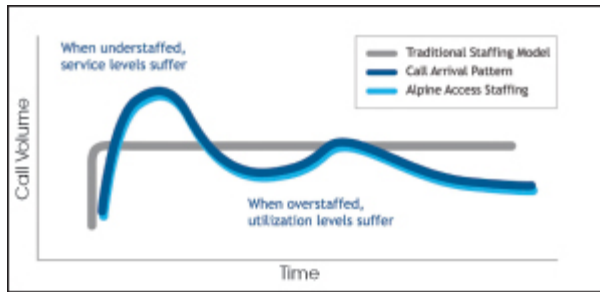
Outsourcing is not foreign to most financial intuitions. In fact, because almost 100 percent of today's financial processes are digitized, there is already a heavy reliance on outside IT vendors. These technology-reliant processes are also fueling the adoption of virtual call centers.

Overview of the Home-Based Agent Model

The premise of the home-based agent model is simple: bring the work to the people rather than the people to the work. Using the latest advancements in IP telephony and data processing, virtual agents connect their home office workstations to an electronic command center with just a telephone and Internet connection. Once logged in to the virtual environment, agents taking customer calls are indistinguishable from a company's in-house staff with access to exactly the same resources and support.

By using people working from home, virtual call centers can hire from across the country. This is a distinct advantage over a typical call center with a hiring radius of about 30 miles. By eliminating geographical boundaries, these call centers can literally hand pick agents with the perfect match of skills and experience. In addition, work-from-home positions are highly desirable, giving these call centers the opportunity to select agents from thousands of applications, rather than a few hundred. The result is knowledgeable agents who provide quality service to each and every customer.

As an example, consider a Manhattan bank looking for agents with financial and customer care backgrounds living in the greater metropolitan New York City area. Home-based agent centers can sort résumés and select qualified candidates for interviews in a matter of minutes. This model is ideal for industries that require agents with strong vertical-industry knowledge to effectively handle high touch conversations and detailed transactions.



Risk versus Reward

The initial reason most financial institutions begin investigating outsourcing options stems from a desire to reduce costs and allow the organization to focus on what it does best. As a starting point, it is helpful to identify both the benefits and the risks in three main areas:

Financial – what is the potential increased profit from projected cost saving and revenue increase?

Performance – can an outsourcing vendor meet existing quality standards?

Strategic – can the activities be outsourced without losing control?

While each of these topics requires in-depth conversations with your prospective outsource partner, there are some typical concerns that can be addressed within each area.

Financial Assessment

Financial institutions must look at the economic impact of outsourcing some or all of its customer service operations. Call centers are expensive to operate. In addition to the costs associated with maintaining the physical environment (i.e. building rent, IT infrastructure and support, security), there is also the agent labor expense. Obviously, using an outsourcing partner can eliminate most of the physical location costs. However, it's the savings on the labor that is most compelling with a home-based agent model.

Virtual call centers have the ability to tightly control staffing levels using electronic scheduling systems. Agents' work schedules are assigned based on a client's forecasted need. When variations are detected, the virtual nature of the workforce allows adjustments to immediately be made. For example, when a client experiences an unexpected surge in call volume, there is a pool of "stand-by" agents who can immediately log on and take calls. On the other hand, if the sales volume is lower than anticipated, it is possible to reduce the workforce instantly by asking agents to log off.

This added operational efficiency is a distinct advantage over traditional centers because understaffing affects the quality of service provided, while over-staffing adds unnecessary expenses.

Performance Assessment

When looking at an outsourcing partnership, many financial institutions are concerned about the performance of an outside team. Can agents working from their homes provide a high level of service? Will they have the industry knowledge necessary to handle detailed transactions? The answer is yes! Remember, home-based agents are hired based on previous financial experience. In addition, every agent completes an extensive, customized training program based on client materials. This results in highly-competent agents who consistently receive the highest scores on

performance metrics including top box customer satisfaction scores, “refer a friend” numbers and problem resolution percentages.

Strategic Assessment

Some managers are cautious about trusting the very heart of their business, customer service, to people they can't see or touch. It's a common, but unfounded concern. To help clients maintain control over their outsourced workforce, home-based call centers provide easy access to real-time information for both agents and managers. Home-based agents are armed with exactly the same information as in-house staff accessed through a secured Internet connection rather than a company Intranet. Examples of this information include communication tools, training modules and client-specific data such as investment return history.

Understanding exactly what an agent is doing and saying at all times is another important piece of maintaining control. Virtual call centers offer monitoring features for clients interested in knowing exactly what is going on at anytime. This is provided in the form of customized reports and the ability to listen to calls in real-time.

Best Total Value

Home-based call centers are expected to grow threefold in the next three years. When assessing whether or not this model can help your organization remain competitive, it is important to analyze each area of impact. Not only can the model improve the challenges your business faces in operations, but it can magnify the revenue and profit you realize through your calls