MONET | SOFTWARE

# The Benefits of Automated Workforce Management in the Cloud

Contact centers are under constant pressure to deliver better customer service, but often lack the resources that have traditionally been required to achieve this objective.

An experienced contact center manager becomes accustomed to doing more with less, maximizing investment in technology and personnel. And over the years, they have adopted a number of strategies to weather tough times and shrinking budgets. Perhaps some of these ideas sound familiar:

- Implement a Flexible Shift Model: Fixed start/end times and lunch breaks can be tough to accommodate when the number of calls and arrival patterns vary from day to day. A flexible shift model can address this, implemented gradually starting either with your best agents or your new hires. Result – a 1-2% service level improvement.
- Track Shrinkage: In a 30 agent contact center, 20 minutes shrinkage per agent equates to 10 hours per day in shrinkage. If agents are being paid $15 per hour, it results in a $39,000 annual loss. Shrinkage can be reduced by better matching call volume with agent availability, increasing forecast and schedule accuracy, and improving schedule adherence.
- Improved Scheduling: When schedules are developed they should always take into account all agent activities, a ranking of agents based on KPIs such as calls per hour or call completion time, and matching shift teams by personality. Increased schedule visibility that accommodates agent needs when possible will encourage loyalty and consistent productivity.

## The Importance of Forecasting and Scheduling

Forecasting and scheduling are clearly vital components in the success of every contact center. Each plays significant roles in budgeting, customer service and agent satisfaction, so there is no room for miscalculation.

Correct forecasting and (to a lesser extent) scheduling is both an art and a science. The scientific component utilizes specific calculations of specific numbers, to create agent rosters for a shift or time period. But numbers alone cannot quantify the skills of individual agents, varying start times, end times and break times, or the ever-present need to change personnel based on unique circumstances. Thus, creativity is required from the contact center manager as much as cold calculation.

## The Traditional Method: Spreadsheets


According to a recent industry analysis, approximately 20% of contact centers still use spreadsheets for forecasting and scheduling. However, with this method precise calculation is more difficult, if not impossible.

Example: A manager reviews a forecast and finds an overall weekly variance of 4%. This figure is reached after a week in which the Monday forecast was 12% under call volume, Tuesday was 8% under, and Wednesday through Friday were all 8% over projections.

While 4% seems encouraging, it does not account for how customer service may have suffered on Monday and Tuesday by an insufficiently staffed center. In this case, instances of overstaffing and understaffing canceled each other out, resulting in a favorable forecasting picture at an inefficient contact center.

This manager may feel good about a 4% variance, but he or she is overseeing a business that is routinely is missing service levels, likely resulting in dissatisfied customers.

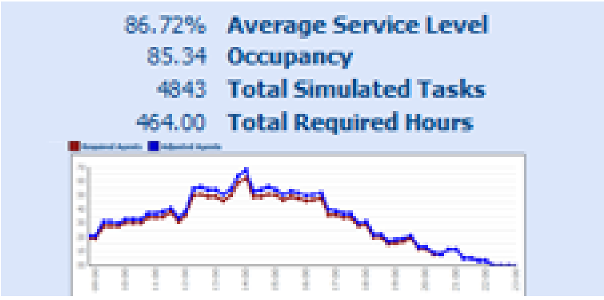
Consider also the impact that inaccurate forecasting has on agents, who may either be sitting idly in a cubicle or stressed to keep up with unanticipated call volume.

Call centers that still use spreadsheets to manage their workforce pay dearly every day due to inefficient schedules, overstaffing or missed service levels. Spreadsheets might work for 5 to 20 agents based on a fixed shift model. However, as soon as you want to realize the benefits of a flexible shift model, reduce shrinkage and improve and track schedule adherence you need a more flexible and accurate call forecasting and scheduling solution.

## A Better Way: Workforce Management

An automated workforce management (WFM) solution can improve forecast accuracy, making sure all the necessary resources are always in place. It can also streamline the scheduling process.

## Forecasting




Conceptually, creating a forecast is creating a model, and historical data is necessary for an accurate model. Past activity is always the best predictor of future activity, especially when broken down into ever-smaller increments of time. This makes it easier to identify anomalies and prepare accordingly.

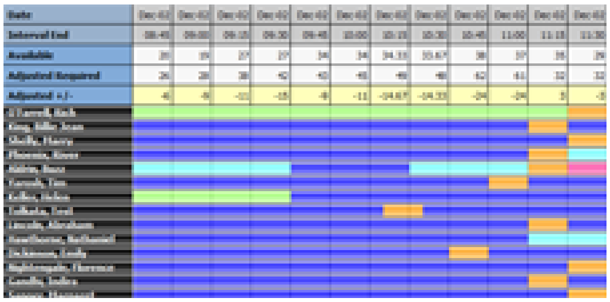
Typically, a manager may start with monthly and weekly stats, and then delve deeper into daily and hourly numbers, perhaps even examining work periods as short as 15 minutes. With WFM, it is much easier to analyze call types, call volume and call patterns, note past variations, determine their cause, and forecast accordingly for that same time period.

Next, the manager will forecast special days or other events that impact call volume. In some cases, such as an annual holiday, the variance is likely to repeat; in others, such as temporary power outage, the same variance is highly unlikely. Additional "special day" provisions should also be made for other factors, including any company marketing campaigns or events, and perhaps even weather patterns.

All of these calculations may be done manually with a spreadsheet, but it's much faster and more accurate to work with real-time and historic call data collected by a WFM system. WFM also allows for more detailed and specific forecast simulations.

Once all of this data has been reviewed, you'll be ready to prepare a forecast, assess staff requirements and create a schedule.

## Scheduling



Spreadsheets are adequate for fixed schedules – but call center schedules rarely stay fixed.

A WFM system provides the flexibility to automatically manage start times, end times and break times. Spreadsheets cannot match this speed and efficiency, which results in unhappy agents and higher shrinkage.

When agents can work the hours that work best for them, service levels improve. While every request may not be accommodated, especially when some agents work part time and others work from home, every time a day off request can be granted or an exception approved without impacting service level, it encourages positive job performance that reflects satisfaction with the company. Employee turnover will be reduced as well.

Once a manager has calculated and planned resources requirements (by reviewing forecasting data and defining acceptable service levels on ASA, AHT and other factors), intra-day adherence tracking is another significant component of a best practices approach.

Tracking adherence following a shift or a day is a missed opportunity to correct any issues more quickly. Such tracking is practically impossible with just a spreadsheet. Spot-checks can be beneficial, but without the real-time tracking provided by WFM there is a much higher risk of over/under staffing, shrinkage and missed service levels. WFM also provides insight, through dashboards and real-time alerts, into which agents are meeting their schedule obligations, and which may require additional guidance or training.

## WFM and Agent Productivity

Workforce Management can also play a prominent role in engendering employee satisfaction, particularly in the areas of schedule flexibility and online collaboration between agents and supervisors.

In addition to more efficient skill-based scheduling, which improves both employee confidence and customer service, the reporting and transparency tools offer more accurate assessments of agent performance.

# Choosing a Workforce Management Solution

When selecting a workforce management solution for a call center you should consider the following criteria:

## 1. Key capabilities

Does it accurately forecast call volumes by supporting the use of historical data and real-time ACD integration? Can you create schedules based on 'what-if" scenarios, different shift patterns, skill levels and other criteria? Can you easily include agent exceptions (e.g. training, time-off) into the schedule? Can you make intra-day changes to forecast and schedule based on changing call volumes 'on the fly' during the work day? Does it give you visibility into agent adherence in real-time? Can you produce performance management reports?

## 2. Time and resources to implement

How long does it take to implement the solution from start to finish? When can you actually begin to get benefits from the solution? (Days, weeks or months?)

Can I use the solution over the web without equipment purchase or do I need to buy and install hardware and software? How many people do I need (vendor and own company) to implement the solution?

## 3. Total cost of purchasing, running and maintaining the solution

Upfront: What are the total upfront costs for software, hardware, integration and implementation?

Ongoing: What are the ongoing monthly or annual costs such as subscription, maintenance, support, upgrade fees?

Hidden costs: Many solutions have hidden costs that many vendors don't mention but occur within your company such as: your IT people installing and operating the server, your people helping to implement the solution, integration costs, yearly upgrade costs, etc.

## 4. Usability

Is the solution easy and intuitive for non-IT people to use, making sure that you get the most out of it? Does the solution focus on your call center needs? Many solutions have feature overload that are often contra-productive, especially for small and medium size call centers.

## 5. Risk

Every solution carries a success risk within a given work environment, and you should evaluate that risk. If for whatever reason, the solution doesn't work for you, can you "return it" or "turn it off" with no or limited financial risk?

## 6. ROI and payback

You purchase a WFM solution to either enhance your ability to grow business or reduce operational costs, or both. So it's important to clearly understand how long added business or cost savings actually take to recoup the system costs. The sooner the solution begins working for you and the lower the upfront costs, the sooner you realize cost and business operational benefits.

# Why Choose Monet WFM Live as Your Workforce Management Solution?

The Monet workforce management solution will produce measurable improvements in the following areas:

1. More efficient scheduling and agent usage: The savings associated with more efficient scheduling includes reducing overall staff hours and need for overtime and identification of overstaffing. Call centers using WFM systems generally experience a minimum reduction of 2% for staff hours with an average potential savings in the 5 – 10% range.
2. Automation of scheduling tasks: Manual or Excel-based spreadsheet forecasting and scheduling consumes much of a supervisor's time in many call centers. With WFM it is generally expected that at least 25% of the time currently devoted to manual input can be saved.
3. Reduction in workforce shrinkage: Many hours of work time are wasted due to excessive non-productive interruptions. A WFM system can provide historical and real-time information on agent schedule adherence and exceptions, for better management and control of staff, reducing workforce shrinkage by 10 to 20 minutes per agent per day.

This table shows you potential savings based on the above-mentioned information and assumptions when using Monet WFM Live to manage forecasting and scheduling. Find the column that represents the # of agents you have to see the savings potential, the cost of the annual Monet subscription and the total net savings per year.

| Saving potential | | # of Supervisors and Agents | | | |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 |
| | | 25 | 50 | 100 | 200 |
| 1. Reduced Shrinkage per agent per day (minutes) | 15 | $ 23,250 | $ 46,500 | $ 93,000 | $ 186,000 |
| 2. Reduced schedule work (%) | 25% | $ 1,800 | $ 3,600 | $ 5,400 | $ 7,200 |
| 3. More accurate staffing (%) | 2% | $ 14,880 | $ 29,760 | $ 59,520 | $ 119,040 |
| | **SAVINGS pear year'** | **$ 39,930** | **$ 79,860** | **$ 157,920** | **$ 312,240** |
| | Monet subscription per year (incl. set up) | $8,708 | $ 16,916 | $ 31,484 | $ 57,332 |
| | **NET SAVINGS per year'** | **$ 31,222** | **$ 62,944** | **$ 126,436** | **$ 254,908** |

Please note that savings and ROI are estimates and could vary based on product use and agent payroll wages. The above calculations are based on the following assumptions:

Hours per agent per month: 160 hours (Full-time and part-time, focus on inbound calls)
Hourly cost per agent: $15.50
Monthly cost of supervisor: $4000
Time spent by supervisor on forecasting and scheduling: 15% of total work time

In addition to these measurable cost savings, there are many more intangible benefits. Perhaps the most important of these is the addition of a sophisticated "what-if" planning tool. This will allow management to forecast and plan staffing needs for the short-term, to respond to unexpected changes, as well as long-term budgeting and planning. In addition, for call centers that realize revenue by answering calls (catalogues, reservation centers, etc.), workforce management automation can help reduce queue times and improve service, thereby reducing the number of abandoned calls and increasing revenue calls completed. These call centers can easily increase revenues by tens of thousands of dollars per year in addition to the cost savings.

# How is Monet WFM Live different from other WFM solutions?

Three delivery methods are available for contact center technology: an on-premise solution, a hosted solution, and the cloud.

## Premise

An on-premise system is one in which hardware and software must be installed, deployed and maintained at the contact center. All equipment is purchased up front. It is traditionally associated with large enterprises that have the budget to acquire the capabilities deemed necessary, and the full-time staff available to configure and modify systems as needed for optimal control.

## Hosted

A hosted system relies on an outside service provider. The contact center purchases the necessary software, which is installed in a data center on either physical or virtual servers that may be owned or leased by the business. Implementation is similar to an on-premise solution, but the cost is lower because the hardware need not be purchased. However, the contact center must still pay an initial provisioning fee as well as a monthly fee for the rental or usage of the hosting center's equipment and personnel.

## Cloud

Cloud computing converts such physical resources as processors and storage into Internet resources. By developing applications in a virtual environment, a contact center's computing infrastructure is treated as a utility service. Since there is no need to install software on the company's IT system, such concerns as computing capacity, physical space, bandwidth and storage are no longer issues. The contact center pays only for the time and capacity that it needs.

Since hosted and cloud solutions both require some form of outsourcing, the terms have sometimes been taken as synonymous. But this is inaccurate. Cloud solutions are distinguished from hosted client-server products by a distributed delivery model. This is a multi-tenant solution that provides guaranteed service levels and up times, full scalability, and easily allows for frequent updates. With a hosted solution, the vendor controls the product from a hosted facility, where such virtualization and scalability are not possible.

Monet WFM Live is delivered as a cloud solution, unlike many other WFM solutions whose software and hardware are purchased and installed onsite.

## The Ascension of the Cloud

Cloud computing is one of the key drivers of today's IT services market, particularly in the contact center industry.

According to Juniper Research, the cloud computing market is on course to reach $90.7 billion by 2018, with both Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS) showing tremendous growth. Cloud solutions are set to grow six times faster than all software (according to IDC), at a compound annual growth rate of 26%.

Even traditional and enterprise hardware firms have explored the cloud option. Hewlett-Packard will spend $1 billion to develop and offer cloud-computing services. The company's most prominent competitors, IBM and Cisco, have also accelerated their cloud initiatives.

## Why is this happening?

## Cost

For contact centers regardless of size, cost is perhaps the most significant factor in technology purchases. The savings accrued from avoiding investment in expensive servers (whether purchasing or leasing) is the most obvious advantage the cloud provides. When a hardware infrastructure is built from scratch, it is not just the server cost – other items that may need to be purchased include a rack, a firewall, a load balancer and a cooling system. To these must be added the costs of software licensing and storage.

It may also be necessary to build a development environment, a test environment and a production environment for a premise solution, which could further increase the total cost of the project.

In addition, when making comparisons one should also consider electricity costs, equipment replacement costs, personnel costs, downtime costs and the Total Cost of Ownership (TCO).

## Electricity Costs

Servers run on electricity, and if they are running on the premises of a contact center, it's another bill to pay. Even today's energy-efficient hardware solutions may require hundreds of thousands of dollars in annual energy usage, comprising both direct power and cooling. Enterprise companies calculate these costs as power usage effectiveness (PUE), which takes the total energy of a facility and divides it by the direct energy consumed by IT equipment.

## Equipment Replacement Costs

How many years can one expect an on-premise server to last? For many organizations, five years is a typical assessment. It may be possible to retain the same equipment longer than that, but that entails a greater risk of technical issues that could result in downtime, or a more costly migration to a new system (if software is long past obsolescence).

A contact center may be able to justify an on-premise solution in the short-term, if the recurring cost of a cloud service is comparable or higher. But when hardware and software require replacement, a second significant investment is necessary, rendering the cloud a more favorable long-term option. There's more to consider than the initial capital outlay.
When cloud services upgrade or replace their servers, which they do consistently, it will happen without the contact center's knowledge and will not add another bill to the mailbox.

## Personnel Costs

Proprietary research conducted by eLoyalty finds that shifting from a premise-based contact center environment to a hosting or cloud platform results in as much as a 15 percent reduction in IT personnel costs, depending on the number of IT resources dedicated to supporting a premise environment.

## Downtime Costs

How much does one hour of downtime cost a contact center? Depending on the size of the business, it might be anywhere from $500 to $50,000 – or more. A rare power outage is inevitable whether one uses a premise, hosted or cloud service. On average, however, cloud solutions deliver better reliability and uptime than premise or hosted solutions. This is due to the geographically mirrored data sets and other redundancies built into cloud data centers, technology that outside of the cloud would be available only to the largest enterprise corporations.

## Total Cost of Ownership

The total cost of ownership encompasses all of the price considerations previously described, and requires a more holistic approach to technology investment. It's a way to not just compare upfront costs but those that inevitably follow over a five- or ten-year timespan.

## Non-Cost Comparisons

Of course, cost isn't everything. These are some of the other bases for technology comparison.

## Start-Up Time

When assessing time for equipment installation for a premise solution, calculations are usually figured in months. For a hosted solution equipment connection can be achieved in less time. In the cloud model, software applications are already installed and configured. Users provision the server for the cloud and quickly have the application ready for use. With demos, prototyping and agent training, start-up time can be figured in weeks instead of months.

## Upgrades

Cloud vendors that furnish software are responsible for all maintenance and upgrades, which typically occur automatically as they become available. In addition to an assurance of always running the current software version, such incremental upgrades also result in reduced testing and training costs. Premise and hosted solutions are only updated when the company invests in each subsequent software version. Such updates tend to be more sporadic.

## Security

The proximity factor that suggests premise solutions are more secure is changing, given how attacks from hackers seeking customer information can happen from anywhere at anytime. Cloud vendors typically provide redundancies in secure data centers in multiple geographies, plus automatic backups from the vendor. This not only delivers an extra measure of security, it also provides protection of data in areas subject to such natural disasters as earthquakes or hurricanes.

## Integration and Scalability

A cloud service tailored precisely to customer needs can be seamlessly integrated into the existing enterprise IT infrastructure. Changes can be made quickly without business interruption, and overloading is never a concern as long as the system is managed properly. The same capability could not be accomplished through an on-premise or hosted solution without costly changes to existing IT systems. In this scenario, additional staffing would also be required to maintain the ability to scale efficiently.

## Workforce Flexibility

Cloud applications are available from any computer or any device. That allows contact center personnel to be more flexible in and out of the workplace. Data can be accessed through web-enabled devices such as smartphones, laptops and notebooks. The ability to simultaneously share documents and other files over the Internet supports both internal and external collaboration.

## Conclusion

The flexibility, self-service provisioning and cost savings provided by the cloud have revolutionized the way contact centers are able to do business. This is particularly true among smaller and mid-sized facilities that traditionally could not match the IT budgets of enterprise firms. By removing the risk associated with substantial upfront investment in hardware and software, contact centers can now obtain the forecasting, scheduling and adherence resources they need regardless of size, with the same scalability and automated upgrades that larger companies have enjoyed through premise and hosted solutions for years. The more flexible infrastructure provided by the cloud, particularly as the industry evolves toward multiple support tiers, has further expedited industry growth.

## About Monet Live

Monet WFO Live. Monet's WFO platform efficiently and securely delivers web-based applications at the lowest possible cost. It focuses on fast set up, low operating costs, highest security for web-based deployment, and high performance and scalability. With Monet Quality customers get all the benefits of Monet's WFO platform:

- Affordable: Low monthly fee, minimal capital investment, no hidden costs
- Fast set up: Get started within 30 days, easy to learn and use
- Complete functionality: Call recording, live-monitoring, call scoring, tagging, easy retrieve/play, PCI compliance and audit trail
- IT friendly: Secure and cloud-based, minimal IT management
- Proven results: Improved service levels, increased productivity and compliance

Monet Software will get you up and running fast without the costly upfront investment and time-consuming implementation of traditional call center software. For more information please call 1-310-207-6800 or email us at info@monetsoftware.com.

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