



DON'T PANIC! PLAN FOR GROWTH THROUGH THE MELT DOWN.
By Michael Meredith

Over the past three editions, I have explored several large issues that impact on our industry, on our agents and on the customers that contact centres serve. One of the themes considered in May was the impact of stress in the contact centre especially in light of the credit crunch that was only then starting to emerge.

The subsequent melt down in the global financial markets is now reverberating strongly. The level of pressure being felt by businesses, agents and consumers is perhaps at its greatest levels in history, even in Australia where our economy so far appears to remain relatively sheltered from the worst of the fall out.

Although the Government remains confident Australia will weather the storm because of our closely regulated banking system, Treasurer Wayne Swan continues to say 'we are not immune' so it seems prudent to consider where the opportunity and threats may lie for our industry.

Recently, one of my international colleagues, Mr. David Butler of the National Association of Call Centres in the USA made a number of highly astute observations within which he predicted contact centres would sit at the very heart of negotiating the maze of consumer and business issues involved in the Wall Street bail out.

He notes that because so many of the mortgages involved are bundled up on the books of financial firms, it is hard to discern between the good and bad and the downright ugly in the mess of debt. One of the central tenants of the bail out plan is for the Government to buy the bundled mortgage products, clean up the bad debt, leave the good debt behind and free lenders to carry on with making loans to the market.

As David notes, in order to determine between the good, bad and the ugly each mortgage will have to be examined so the Government can determine which ones are bad and then go through a process of contacting the mortgage holder to make new arrangements.

He writes "these loan "workouts" will take one-on-one interaction with many of the mortgage holders. What would be the most efficient means to contacting millions of customers with these mortgages and working with them on their loans? Hmm, let's see, maybe a centralized location with a bunch of agents who are trained and educated on these workout programs? Maybe a few large call centers around the country? Yep, that is my best guess."

There are parallels in here in Australia. Recent announcements have confirmed Governments' intention to provide a \$4billion bail out for non-bank mortgage lenders. This may provide an injection of confidence and is likely to mean that the customers of those institutions may need to be communicated with effectively and proactively to ensure they understand what it means for them.

Financial Institutions and brokers dealing at this end of the market may find themselves with a need to rapidly ramp up the number of agents that are trained to respond to sophisticated inquiries. Outsource providers with sound industry knowledge and a firm grasp of the issues may be well positioned to secure new contracts.

Across the country evidence is emerging that local councils have been exposed to hundreds of millions of dollars worth of investment losses as a result of the collapse of Lehman Brothers. This means a massive disappearance of ratepayer funds invested into collateralised debt obligation (CDO) products.

The extent of the issue and the number of local councils affected is still emerging. That there is likely to be a fair level of community concern may understate the matter and local councils may need to have a clearly defined strategy for responding and being able to effectively tackle any increase in call volumes from ratepayers.

Additionally, affected councils will be under immense pressure to collect rates on time and where possible early.

The emphasis on early intervention collection is likely to play out right across the commercial landscape. Collecting quickly on late payments will be essential for businesses in order to steady themselves against what may be a grim 12-month economic outlook.

This means outsource providers who specialise in cash flow management and early intervention collection services could benefit from highlighting these services.

Also to be faced is the possibility that affected sectors will be considering their options for restructuring and optimising their existing workforce. This may mean that the business cases for offshoring are again reviewed and local centre managers will need to ensure they have facts and figures at the ready in order to counter this potential should it arise.

One of the obvious mechanisms that can be utilised to counter a need to take jobs offshore is the use of remote agents. This is a model that is gaining popularity but has yet to reach maturation in the Australian market, compared to the UK and USA.

The geography and demography of Australia make the use of remotely based agents an ideal scenario. It provides for contact centres to access wider pools of available talent, including people with disabilities, mothers with children, mature aged or semi-retired candidates and skilled regional resources that are simply unwilling to commute into metropolitan areas.

There is little doubt the technology is mature enough and there are a wide number of providers and integrators that can deliver the necessary systems to allow for remote based agents. Broadband availability and costing seems to have settled down and there is wider reach of networks into outlying areas than there was even 24 months ago.

Those organisations that are winning on the offer of a remote agent model are those that have really tackled and addressed the process and management complexities involved. Whilst it may seem as simple as providing an agent with a computer, broadband Internet access and the appropriate web based applications, there remains a sense that remote models simply don't offer the level of management control needed to inspire real confidence in the market.

The latest raft of management applications hitting the market this month can be used to bring together all the stakeholders to a home working environment.

Companies and contact centre managers interested in what this kind of technology can offer them should look for comprehensive portals that at a bare minimum allows managers to:

- Accommodate scheduling and shift preferences for home based agents
- Allow the managers to monitor schedule adherence
- Provide real time reporting and has the option to view agent activity
- See KPI's
- Engage in call listening
- Run score interactions

It is also important to consider whether the technology provider understands that the 'HR last mile' is often the provision of enough qualified, professional agents to do the work. At a time when there is already a well-documented scarcity of talent, it may prove prudent to determine whether your technology provider has a shared services model with other organisations that can provide the remote people power needed.

About the Author

Michael Meredith is the CEO of the Australian Teleservices Association, the peak industry body for call intensive, service centric organisations and teleprofessionals.