Workforce Management: Third Generation Comes of Age

Author: Paul Stockford,
President and Chief Analyst
Saddletree Research

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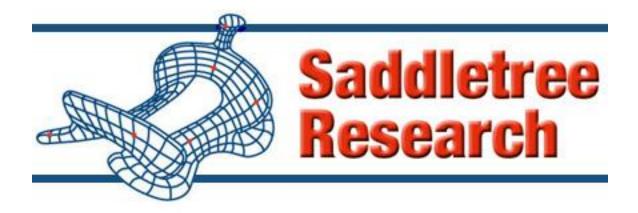
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Workforce Management solutions for contact centers are proven to be well established in the industry, meaning WFM is a mature product and is used for the foundation of other solutions such as Workforce Optimization. Recently, a spike in demand for third generation WFM solutions suggests huge changes are in store. Not only are second generation solutions becoming obsolete because they're not user friendly, but technology is also changing, requiring contact centers to rethink their strategies.

In the following whitepaper, author Paul Stockford, President and Chief Analyst of Saddletree Research explains how problems in second generation WFM solutions are no longer problems in third generation solutions. Second generation solutions are often designed for large contact centers and have been proven costly to integrate and complicated to use. Third generation solutions are browser-based and allow for a time reduction in administration efforts, training and employee effectiveness. This leads to a more optimized contact center team.

As with all of our authored and sponsored papers, we hope that it provides a clear path to a better way of doing business.

~ The Calabrio Team

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Author: Paul Stockford

Telephone: 480-922-5949
Email: pstockford@saddletreeresearch.com

SADDLETREE RESEARCH
34522 North Scottsdale Road, #475
Scottsdale, AZ 85266
Tel: (480) 922-5949
Fax: (480) 922-5977
Email: pstockford@saddletreeresearch.com
Website: www.saddletreeresearch.com

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Introduction

Workforce management (WFM) has been at the foundation of efficient contact center and customer care operations for decades. Today, over 30 years since the first WFM solution found its way to the call center, WFM is experiencing a surge in industry interest and demand. With market penetration rates of over 50 percent and the benefits of precise workforce scheduling well-understood in the market, this renewed interest is not due to any previous lack of information about WFM. Rather, it is likely due to changing market and technology conditions that have once again pushed this stalwart of contact center solutions into the spotlight.

Unlike many contact center solutions that eventually reach end-of-life or are considered obsolete due to longevity, workforce management keeps improving with age. The following pages present a history of WFM in the contact center and support the position that the time has come to review and reconsider your current WFM strategy.

The Origins of Contact Center Workforce Management

Eastern Airlines can claim credit for creating the first workforce management software solution in the early 1970s. In 1974 it was productized by its creators, who founded a company called General Systems Management to bring WFM to the market. From there a small number of WFM companies emerged and the evolution began:

1980 – First enterprise WFM solution brought to market; mainframe based
1981 – First packaged solution introduced
1983 – First PC-based product
1990 – First Windows-based solution

The first generation of contact center WFM software for the masses came with the advent of the PC-based solution. This product had the effect of significantly lowering the cost of entry for those buyers making their first WFM acquisition as the mainframe computer required to support earlier versions of WFM was no longer needed. Although this had a noticeable impact on cost of the solution, administration of the WFM software itself was still a daunting task.

Early WFM solutions typically required lengthy, dedicated classroom training for system analysts and administrators, sometimes lasting for weeks. The complexity of the scheduling software necessitated the extensive training which was accompanied by a large support infrastructure on the part of the vendor supplying the WFM software. While the cost of WFM itself was positively impacted by PC-based solutions in the 1980s and Windows-based solutions in the 1990s, the cost of system administration and management kept WFM software out of reach for all but the largest and best-funded of call centers.

Despite the challenges presented by first generation workforce management, the net result of its use in the contact center was a significant return on investment (ROI) that came in the form of immediate savings in areas such as the elimination of over-staffing, reduction in overtime expenses, and the automation of manual scheduling tasks. The ROI for workforce management implementation is as applicable today as it was for these early adopters.

Workforce Management in the Call Center – The Second Generation

The mid-1990s saw a push to simplify WFM for call centers, opening the door to mid-sized call centers that had heretofore been excluded from using this sophisticated software solution. The user interface was the first feature to be addressed by vendors with an eye toward expanding the call center WFM market. The simplified user interface became the hallmark of the second generation of WFM as users embraced the solution's new characteristics.

Despite vendor efforts to simply the user interface, which made WFM accessible to a greater percentage of the market, the requirement for specialized training for analysts and administrators still existed. It was in the 1990s that WFM users began to realize the liability of the specialized training that WFM required. In an industry known for relatively high personnel turnover rates, it was inevitable that WFM system analysts and administrators would leave a call center and have to be replaced. Rather than having another employee undergo the lengthy and sometimes costly training, many call centers decided to "make do" with existing personnel resources.

The strategy of making do with existing personnel rather than having another employee undergo weeks of WFM software training led to a problem that was pervasive in the contact center from the mid-1990s and into the following decade. That problem was under-utilization of the company's WFM software. Because many call centers were and are still viewed as cost centers, training dollars are limited, thus the reluctance to continue to invest in training WFM analysts. With each analyst turnover, system knowledge was lost often to the point of only basic WFM functions being used and the value of the investment lost to management.

The second generation of call center WFM ushered in the era of workforce optimization (WFO) as well as the gradual migration from the voice-oriented call center to the multi-channel communications contact center. The term "workforce optimization" first appeared to the industry in 2003 and WFM took on the role of one of the foundations of a WFO strategy. The technology solutions generally accepted as the foundation of a WFO solution in 2003 were:

- Workforce Management
- Quality Monitoring
- Performance Management/Analytics
- E-Learning

Although WFM was closely linked to WFO, standalone WFM solutions continued to be purchased in numbers much greater than sales of WFO solutions. One of the reasons for this was the fact that even though it was positioned as a collection, or suite, of solutions, WFO did not integrate the various WFO component technologies to the point of offering users a single administrator interface nor did it offer a single, integrated database of users. System administrators had to maintain separate databases for each component of a WFO solution and had to log off of one component solution in order to access a different component solution.

As the decade progressed, solutions providers worked in earnest on the challenge of making disparate WFO technologies function together seamlessly in a suite configuration. A small number of solutions providers were able to improve integration between the different technologies while others simply turned to a "best of breed" marketing strategy in order to

downplay the lack of integration between technologies. The major hurdle facing solutions providers working on the integration issue was fact that the technologies underlying the separate WFO solutions were not designed to work together.

Workforce Management in the Contact Center Today – The Third Generation

The third generation of workforce management software continues to focus on user friendliness and usability as the contact center infrastructure continues its shift from standalone solutions and thick clients to browser-based products with a look and feel that is familiar to users regardless of their level of product training. The key to third generation workforce management is simplicity.

Creating browser-based workforce management solutions has pushed some contact center technology suppliers to the leading edge of user friendliness as well as to the leading edge of functionality and interoperability. Providing a workforce management software solution that is compatible with Internet browsers such as Internet Explorer and Firefox allows workers to function in a familiar environment that immediately removes the intimidation factor that often accompanied previous generations of workforce management.

While similar in functionality to second generation workforce management solutions, third generation workforce management adds a degree of interoperability with complementary solutions such as those in a WFO suite that finally allow the different WFO solutions to present as a single interface to the user. Intuitive drop-down menus replace complicated commands and the cumbersome task of toggling between open applications. Any user familiar with such common software as Windows and Microsoft Office will find third generation workforce management software familiar and accessible.

As the second generation of workforce management opened the market to more users due to simplification of complex tasks, the third generation of workforce management continues to expand the market due to operational efficiencies that work to enhance user friendliness. The combined effect of the attributes of third generation workforce management as described in this section will continue to open doors for more users who were previously excluded from the use of this productivity enhancing software.

An Analysis of the Current Demand for Workforce Management Software

As a well-established contact center solution with over 30 years of history in the industry, it should not be a surprise to learn that workforce management has a relatively high market penetration rate. Second only to quality monitoring in terms of market penetration, workforce management has had a great deal of success in the high end of the market, defined as contact centers with 400 or more seats, and has seen duplication of that success in the mid-market over the past decade as prices declined and ease of use improved. Workforce management software today does not enjoy the high industry profile of newer solutions such as analytics, which makes the current surge in demand for workforce management that much more intriguing.

Each year Saddletree Research conducts a major survey of end-users in conjunction with the National Association of Call Centers, a 503(c)(6) not-for-profit industry membership organization based at The University of Southern Mississippi. In this extensive survey we ask respondents their intentions toward technology acquisition during the next year. From this we are able to forecast product demand with high degree of confidence, per university research standards.

Not surprisingly, emerging analytics solutions head the list of the contact center technology solutions that will be evaluated for purchase in 2012 but rounding out the top five products that will be in demand in 2012 is workforce management. It is somewhat surprising to find such a mature product in among the leading edge technologies in the top five but closer examination may help to explain this phenomenon.

While workforce management isn't the only solution with an aging installed market base, it is among the only solutions that can boast capability improvements so significant that new generation products offer markedly superior performance over old generation products. While contact centers in general have a tendency to hold on to products well beyond the time when the products are fully depreciated, workforce management software is defying that strategy.

As users seek to simplify the operation, administration and applications for their contact center solutions, the benefits of upgrading to the new generation of workforce management software become glaringly obvious. As menus and administration are simplified and, as previously mentioned, present a familiar user-friendly appearance, another problem is being eliminated.

One of the issues surrounding the use of older generation workforce management solutions focuses on training. As trained personnel leave a contact center in the course of normal turnover, system expertise often leaves with them. Replacements often don't have the same level of system training but are able to "get by." Over time, contact centers lose the value of their workforce management software because the software is under-utilized. Third generation workforce management requires minimal training and is intuitive for users so personnel turnover does not necessarily lead to diminished returns on the workforce management investment.

Future Ready Workforce Management Solutions

Web 2.0 applications such as social media channels have captured the imagination of the contact center industry as a whole and will be influential, if not instrumental, in contact center applications of the future. It is important to understand, however, that Web 2.0 is not a new product nor is it a technological innovation. Rather it is a means of using Internet attributes in new ways, including as a framework upon which to build solutions such as workforce management.

Saddletree Research believes that workforce management built upon the Web 2.0 framework will be the open platform phenomenon that ushers in the future of contact center workforce management software. Because Web 2.0 provides such a high degree of flexibility, customization, personalization, and integration, it is the ideal platform for solution suites such as workforce optimization, which require a high degree of interoperability and integration.

The ease of use and flexibility provided by the Web 2.0 framework will dramatically shift performance expectations for contact center software solutions in general, and for such formerly complex solutions as workforce management in particular. This is consistent with evolving user expectations of many other technologies, including such commonly used personal communications devices as smartphones and tablet computers.

One of the distinguishing features of Web 2.0-based workforce management is the use of widgets, which are standalone applications that can be embedded by a user on any page where they have control, such as a web page, a blog, or a browser-based page in a workforce management application. Whether the user is an agent, analyst, supervisor, or in upper management, the use of widgets in a workforce management solution enables the creation of personalized dashboards populated with applications that are directly relevant to the user. This ability to personalize the user interface to the user's preference enables the centralization of, and easy access to, information typically required to support decision making.

Similarly, Web 2.0-based workforce management offers enhanced productivity through its ability to get to any application within the solution in just a few mouse clicks. The detail behind dashboard data can be retrieved by simply drilling down directly into the on-screen data. No screen changes or additional applications are necessary in order to examine the information underlying the dashboard statistics.

Saddletree Research believes that Web 2.0 will be a defining factor in the future readiness of contact center workforce management. As social media applications continue to find acceptance in business settings it is inevitable that the Web 2.0 framework will dominate the architectural structure of business applications in the future.

The View from the Saddle

Over the past 30 years, contact center workforce management has evolved from a highly complex, relatively expensive and somewhat cumbersome product to today's browser-based solution that offers a user-friendly interface and interoperability with complementary technologies in a workforce optimization suite configuration. The future of workforce management software holds the promise of continually improving performance and usability.

Like many business applications, contact center workforce management today finds itself at the intersection of business and personal software. Users increasingly expect business applications to mirror personal communications applications in terms of user friendliness and interoperability with other applications. The Web 2.0 framework has the attributes necessary to make that happen, and the contact center will continue to gravitate toward Web 2.0 as the standard applications platform in the future.

The time has arrived for current WFM users to embrace the third generation WFM. Beyond the arguments presented in this paper, the following list summarizes the top reasons why now is the time to move to third generation WFM:

- Provides a solid foundation for a future-ready WFO strategy;
- Browser-based eliminates fat/thin client issues;
- Cost effective for contact centers of all sizes;
- Open platform able to support future innovations;
- Simplified user interface eliminates risk of WFM under-utilization due to normal personnel turnover;
- Simplified training eliminates reliance on internal "experts";
- Future-ready in support of emerging demand for contact center mobility solutions.

Workforce management software will continue to evolve to meet user experience expectations while streamlining workflows in the contact center. Third generation workforce management is more than ready to meet the challenges of the future.

About Calabrio, Inc.

Calabrio, Inc. develops and markets Calabrio ONE®, a comprehensive suite of contact center workforce optimization software that's easy to implement, use and maintain. Calabrio ONE includes call recording, quality assurance, workforce management, speech analytics and performance-based dashboards and reporting. Calabrio ONE is built on a modern Web 2.0-based architecture that allows the contact center to integrate new applications easily, as well as personalize and optimize the desktop toolset for each user – agents, supervisors, managers, knowledge workers, and executives. News and information at www.calabrio.com.

About Saddletree Research

Founded in 1999 and based in Scottsdale, Arizona, Saddletree Research provides communications industry research including analysis of market trends, issues, technologies, companies, and end-user demand in the contact center industry with a focus on high-growth market segments such as workforce optimization (WFO), customer service mobility, social media, analytics, and Voice of the Customer (VoC) strategies. In order to conduct its research, Saddletree Research works in close conjunction with the National Association of Call Centers (NACC), a 503(c)(6) not-for-profit industry membership organization and end-user research function based at The University of Southern Mississippi.

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