THE NEW MANTRA: “THE AGENT IS KING”
# TABLE OF CONTENTS

Section 1: Introduction and Purpose 3

Section 2: Industry Trends and Market Insights: An Analyst’s Perspective 3

Section 3: Multi-site Centers and Home-based Agents 4

Section 4: UCN’s Unique Value: The Ultimate Agent Development Toolset 5

**inContact® SaaS Suite Overview**

**Contact Handling:** 5
- inContact On-Demand ACD Platform 5
- inContact Intelligent T – the network designed for agents 6

**Agent Empowerment:** 7
- inContact Hiring 7
- inContact eLearning: Right Training to the Right Agent 8
- inContact Survey: Customer Satisfaction Drilled Down to the Agent 8
- inContact Workforce Management (WFM): An Agent Enabler 9

Section 5: Conclusion 9

About Frost & Sullivan 11

About UCN 11
SECTION 1: INTRODUCTION AND PURPOSE

Frost & Sullivan defines a Hosted Contact Center as a network-based service in which a service provider owns and operates a contact center technology platform and leases its functionalities and features to end-users for a monthly or usage-based fee. On-demand software-as-a-service (SaaS), in slight contrast, offers high levels of configurability over administrative features such as user roles and permissions, reports, dashboards, call flows and user alerts – all delivered over a high-speed Internet connection via a browser-based interface. Centralized updating obviates the need for individual SaaS subscribers to download patches and upgrades and makes the on-demand provider responsible for data back-up and security. As a software delivery model, SaaS is moving to a sophisticated and integrated business services platform that is quickly accelerating into mainstream adoption.

This paper is written for contact center executives, managers and decision makers who are evaluating or have chosen the on-demand platform as a viable replacement for premise-based infrastructure. This white paper takes a detailed look at the industry trends, the value proposition for on-demand contact center technology, linkages between functions, key tools, technologies and current agent optimization practices.

The process of developing loyal, high-performing agents is critical to customer satisfaction and efficient business operations within the call center. Lowering attrition, improving agent-to-customer communication, and bringing effective tools to the desktop is key to healthy customer interaction management (CIM). Battling agent turnover and improving the overall customer experience continue to be top priorities in contact centers across the globe. No one can deny the importance of agent retention as a key benchmark for best-in-class contact center performance.

SECTION 2: INDUSTRY TRENDS AND MARKET INSIGHTS: AN ANALYST’S PERSPECTIVE

The call center industry is undergoing significant technological, economic and social changes. Low-cost communications networks are here with IP telephony, software applications can now be delivered as a service through the Internet, and a customer care representative can be an outsourcer in the Philippines or a work-at-home agent in Utah. The hosted contact center market has been energized by new product offerings from leading contact center technology vendors. In addition to basic automatic call distributor functionality, solutions now encompass advanced contact center functionality such as speech self-service, outbound dialing, workforce management, quality monitoring, and more. On-demand contact center solutions are being deployed in the marketplace to meet the need for help desk support, general account servicing and product sales. Reductions in upfront capital expenditures and associated lower total cost of ownership (TCO) are key drivers in this market.
The pay-as-you-go model continues to attract new market users looking to reduce IT costs, manage a distributed workforce and move from a capital expenditures (CapEx) to operational expenditures (OpEx) model. Enterprises continue to move to a nimble contact center posture: one requiring flexibility, scalability and ease of provisioning.

Contact centers continue to face pressure to reduce cost and maximize operational efficiency. Key challenges for the hosted model include the perceived lack of control over operations and the security of critical customer data. These issues continue to frame end-user concerns. However, true multi-tenant self-administration capabilities in newer releases of the technology along with process methodologies with enhanced security options have played a critical role in overcoming these reservations.

SECTION 3: MULTI-SITE CENTERS AND HOME-BASED AGENTS

A combination of market and technology factors—the rise in acceptance of the work-at-home agent model, right shoring, and the adoption of VoIP and Web services is creating a real opportunity for organizations to optimize contact center operations. As companies diversify and grow their contact centers and add remote agents and outsourcers, they transform their contact center from a single-sourced environment to one that is multi-sourced and multi-site in nature. Multi-sourcing enterprises leverage a combination of sourcing approaches, including captive or outsourced agents located onshore, offshore, at home or at remote offices. This model takes advantage of multiple sites, teams and agent environments as well as technology solutions and third party applications.

If current economic trends continue, Frost & Sullivan believes that the work-at-home agent (WAHA) model could become the industry norm in the coming years. Remote and at-home agents provide numerous benefits for contact centers, including reduced seat costs, a considerable rise in employee morale and an accompanying elevation in employee retention rates. This model also greatly expands the prospective labor pool to include more qualified and more highly educated agents; many with advanced degrees, certifications and specialized skill sets. But the benefits are not limited to just greater numbers—those agents are often located in remoter areas with fewer employment opportunities, tend to have a higher appreciation of their job and a greater commitment to a customer-focused outcome at the end of the call. Other noteworthy advantages include flexible scheduling, reduced absenteeism, and a significant reduction in overall work-related personal costs: gasoline, clothing and auto wear and tear. It is clear that the WAHA model can be an excellent tool to mitigate risks associated with pandemics, outages and natural disasters.

Putting the technology in place to support home agents is the easy part. The hard part is having the right tools for the management of people and processes. In moving to a home-based model, many companies underestimate the changes in management practices that accompany this evolution. Consider the fact that most organizations do not have custom
job models that allow them to define the skills, personality traits and cognitive abilities required for a home-agent position. Nor have they developed sophisticated methods for candidate screening, testing and evaluation. After all, they never see these prospective agents. It’s worth noting that training home agents is vastly different than herding representatives into a classroom with an instructor for weeks on end. In the majority of cases, the training must be re-purposed into eLearning modules and delivered to the desktop via eDelivery or by way of virtual conference calls with live trainers.

Award Winner

To illustrate how a large enterprise can begin to take full advantage of this important remote/home agent deployment trend, Frost & Sullivan examines the robust service capabilities of award-winning service provider UCN. UCN was the recipient of the 2007 Frost & Sullivan Award for Customer Service Innovation in the North American Hosted Contact Center Markets. UCN was selected for the award based on its unique real-time customer survey capability.

For 2008, UCN was presented with the North American Frost & Sullivan Award for Growth Excellence in the hosted contact center services market for its exceptional year-over-year (Y.O.Y) revenue growth, effective market penetration strategies and product expansion to serve clients in this important market.

SECTION 4: UCN’S UNIQUE VALUE: THE ULTIMATE AGENT DEVELOPMENT TOOLSET

Contact Handling: Connecting the customer with the right agent at the right time

InContact® On-Demand ACD Platform

InContact® supplements existing PBX functionality with advanced contact handling and management tools. With InContact on-demand automatic contact distribution (ACD) software, clients can support a single location, multiple locations or at-home workers with ease. Skills can be assigned to an individual or a group of agents and can be viewed and managed as a single entity with InContact’s reporting tools – routing the customer to the agent with the appropriate skill set to best handle the interaction the first time. Moreover, skills can be monitored historically or in real-time and contacts can originate via voice, email, chat or fax.

The InContact ACD platform has CTI and IVR capabilities built-in, with speech recognition options as well, allowing the customer to serve themselves as much as possible, freeing up agents to focus on the areas where they can add significant value. InContact’s ability to integrate with the most powerful CRM systems on the market further enhance agent efficiency by “popping” customer information up on the agent’s workstation simultaneously as the call is routed to them.
further enhance agent efficiency by “popping” customer information up on the agent’s workstation simultaneously as the call is routed to them.

inContact empowers agents with freedom and flexibility, allowing them to service customers from any location, using email, fax, chat, and traditional, mobile, or VoIP phones. This flexibility not only allows contact centers to extend their service hours in a cost-effective way, it puts agents in a position to deliver exceptional customer experiences from any environment.

**inContact Intelligent T – the network designed for agents**

In 2001 the company acquired the national VoIP network of iLink, a move transforming UCN from a reseller to an on-demand solutions provider. UCN also acquired the VoIP network assets of C2 Global Technologies in 2003. Today, UCN operates a nationwide intelligent application processing platform with software tightly integrated into the switching fabric of the inContact VoIP network. The dynamic nature of the inContact application allows end-users to change and configure contact management functions, skills routing, reporting, tracking, call monitoring and recording tools via a thin-client web browser – all in real-time over the IP network. All three levels of the UCN technology solution – the national IP network, the servers that run the various aspects of the network, and the application software itself – have been designed and configured for ultimate failover and redundancy. UCN offers a wide range of connectivity options – such as toll free and local inbound numbers, and T1s, switched and carrier connect options.

Figure 1.0 shows the Intelligent Network Server Centers (INSC), which have multiple links to each other. Each server center is housed in a carrier-grade facility run by one of UCN’s carrier partners. Each secure facility has 24x7 access-control, redundant power and fire suppression systems.

Frost & Sullivan
The inContact network and data center infrastructure is not something an individual contact center could easily or affordably create on their own. Its multi-tenant architecture gives contact centers the ability to modify the system to fit their specific needs. This network infrastructure, unique to UCN, empowers agents with the mobility and flexibility to service their customers from any location with the latest tools and most up-to-date information.

**Agent Empowerment Tools**

**inContact Hiring**

Frost & Sullivan believes that the best agents from traditional call centers do not necessarily make good home or remote agents. Successful home agents possess a unique emotional and intellectual quality and the profiles of the two agent groups are also quite different. The screening process is significantly more rigorous for home agents and this is the primary reason why they are so much better qualified than their typical brick-and-mortar peers. The inContact Hiring solution enables companies to select the right agents from the beginning. By assessing low, medium and high producers, inContact Hiring builds a profile to develop custom job models. By way of an online portal, potential candidates...
are informed, assessed and evaluated so that there is a ‘right fit’ for the candidate and the company. Results include:

- Reduced agent attrition
- Shorter time for agent ‘onboarding’ and nesting
- New hire agents who are more competent and satisfied

**inContact eLearning: Right Training to the Right Agent**

During dips in call volume, the inContact patented RightTime™ engine integrates in real-time with the ACD and workforce management (WFM) systems to find the right time to deliver training modules and informative content to the agent. In this way, inContact eLearning sessions are delivered as often as possible with minimal impact to overall service levels. If an eLearning session is preempted, the inContact predictive learning (patent pending) algorithm monitors the ACD and finds the appropriate interval to redeliver important content. The net result is enhanced agent productivity and performance accountability through training, testing and certification. End users can author their own content as well as take advantage of UCN’s twenty-one (21) existing sales optimization courses. Traditionally, middle and top-tier performing agents are often the most under-served, educationally, in the contact center. With the inContact RightTime™ technology, these groups can receive specific training to accelerate agent confidence and productivity. The clear benefits to the organization include:

- Improved agent utilization
- Increased agent productivity
- Reduced agent attrition

**InContact Survey: Customer Satisfaction Drilled down to the Agent**

The primary purpose of the inContact survey tool is to deliver the voice of the customer directly to the agent, to identify gaps in service and processes and allow the agent to make service adjustments accordingly.

One of the unique features of the inContact solution is that the reporting is offered online, right down to the agent level. The contact center’s front-line team is able to self-correct and continuously improve. This is not an interpretation or agent scoring mechanism from an internal QA team, but rather is based on direct real-time customer feedback. Agents can listen to verbatim customer comments at their desktop by simply clicking on a .wav file. UCN offers their customers a radically different customer service tool that is resident in its on-demand arsenal. It is unlike anything offered by its competitors. Agents enjoy and respond positively to timely, regular feedback directly from the clients they serve.
An Agent Enabler: inContact Workforce Management (WFM)

Workforce management has come a long way since volume forecasts and agent schedules were formulated on paper worksheets. With continued emphasis on operations metrics like real-time adherence, occupancy, work time deviations and after call work, some might argue that it is the single most important contact center tool. In addition, skills-based routing and multi-channel interactions have added new levels of complexity to the scheduling regimen. InContact Workforce Management Software (WFM) offers agents a web and a phone interface to review their schedule, report in sick or late, setup their availability and preferred schedule, request time off, and swap shifts with other agents. The simulation module can predict employee occupancy, service levels, abandon rates, and queue times. Integrated messaging includes reminder messages delivered to agents regarding scheduled activities that help them adhere to the published schedule. This translates to:

- Higher agent satisfaction, with flexible scheduling tools that can be accessed anywhere
- Increased customer satisfaction as a result of increased agent satisfaction
- Improved agent loyalty and retention

SECTION 5: CONCLUSION

Frost & Sullivan believes that contact center solutions delivered via the SaaS model continue to offer an attractive and cost-effective alternative to premise-based solutions. Adoption across small, medium and large business organizations has been increasing over the last three years, as end user education grows and acceptance in the market begins to rise. With the robust feature sets embedded within the inContact® solution, Frost & Sullivan recognizes UCN's ability to bring value-added functionality to the market with a special emphasis on agent development, retention and smart management. Stellar customer service begins and ends with having highly motivated, capable and caring agents in the contact center.

The most important benefit of UCN's inContact/VoIP Service is that now, through a single vendor, contact centers of all sizes have access to advanced contact handling services and the ability to deliver the call to agents through VoIP connections with predictable costs.

UCN has incorporated and implemented new customer care systems that set the highest standards for timely response, attention to customer needs and cutting-edge tools to transform agent productivity and performance.
ABOUT FROST & SULLIVAN

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting, and Growth Team Membership™ empower clients to create a growth-focused culture that generates, evaluates, and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from more than 30 offices on six continents. For more information about Frost & Sullivan's Growth Partnership Services, visit http://www.frost.com.

ABOUT UCN

UCN Inc. (NASDAQ: UCNN) began in 1997 as a reseller of telecommunication services. After a series of strategic acquisitions commencing in 1999, UCN emerged in 2004 with a new product approach that combines an innovative national voice over IP (VoIP) network with hosted, proprietary software applications for contact handling/contact management requirements. The inContact® solution is changing the way companies achieve contact center excellence by allowing them to measure, control and improve each step of the customer experience.

The inContact platform delivers core contact handling and agent empowerment functionality on a per seat basis, with the ability to scale capacity up or down as business fluctuates. Because UCN owns the network as well as the applications that run within the network, it is able to service the market with an affordable and flexible solution, empowering contact centers to deliver an exceptional customer experience on time, every time.

For more information, visit www.ucn.net or call 1- 866-943-3456.