



Your Business at the Crossroads: Preparing for the Age of the Distributed Workforce

By Jan Johnson

Today, virtually all business organizations face fundamental changes in workforce management – do they stay with the 20th century centralized model and related systems or do they begin migrating to a 21st century distributed workforce model that manages and supports employees they can't see? How they respond to this fundamental paradigm shift impacts who will flourish and who will flounder.

No longer just for "road warriors," the distributed workforce reaches far deeper into organizations. While many departments can benefit from this shift, the most immediate beneficiaries are those involved in some aspect of customer service, product support, help desk or inside sales.

Centralized to De-Centralized

The 20th century was an era of centralized workforces, culminating in large portions of a work facility devoted to "cube farms" with numerous employees sharing open-space facilities, separated by five-foot, moveable walls. The 21st century is shaping up as the era of distributed workforces, due to such motivators as rising gas prices, high cost of housing forcing employees to move further away from major work-centers, weather-related challenges, health pandemics such as bird flu, global wage competition and unexpected business interruptions such as power outages or transit strikes.

A kind of "perfect storm" appears to be approaching the business community's shore.

It offers a workable alternative to off-shoring, yet retains the advantage of lower wage workers... a distributed workforce

inContact[®]

Forward thinking executives are re-thinking their workforce model and asking themselves how to get started. Can they afford this transition? More importantly, can they afford not to consider it? Business benefits associated with a distributed workforce are many: lower facilities costs, higher worker productivity, lower wage ranges, greater loyalty, fewer sick days, more flexibility in responding to seasonal fluctuations – all fueled by growing employee demand to ditch the daily commute.

Recent studies show this trend to be especially prevalent among customer service departments. For example, a December 2005 IDC report estimates that over four million people work in call centers in the United States. However, more and more companies are "tuning-in to a new sourcing model", states IDC, "in order to address such challenges as the need for better employee quality, lower turnover and better methods for responding to seasonal fluctuations in their business cycles." Today there are an estimated 112,000 home-based representatives in the United States. By 2010, IDC estimates that number could virtually triple, in the customer care industry alone.

On-Site to Off-Site Leads to Flexibility

If your business depends upon a traditional premises-based, PBX system,

you quickly realize this is not the answer to your distributed workforce. Premises-based systems have traditionally been geographic-bound – meaning they are better at supporting directly connected users. Support gets expensive when remote workers are involved. Worse, you have a single point of failure should your facility be affected by a business interruption. Sure, you can invest in "disaster recovery" facilities, but is that a cost effective answer? What you need is a highly flexible, affordable approach that supports your home, remote office and mobile workers.

Hosted, "all-in-one" contact management software provides a comprehensive set of call center tools including remote monitoring, unified reporting, integrated workforce management and real-time adherence, automated continuous improvement processes measuring and tracking overall operations performance and direct customer-to-agent feedback loops.

Take heart business leaders. This technology shift is not as difficult as you might think. You have more pieces of the puzzle in place today than you might realize. What if you could leverage remote workers today, without adding complexity to your existing IT infrastructure or more headcount to your IT organization? Would that interest you?

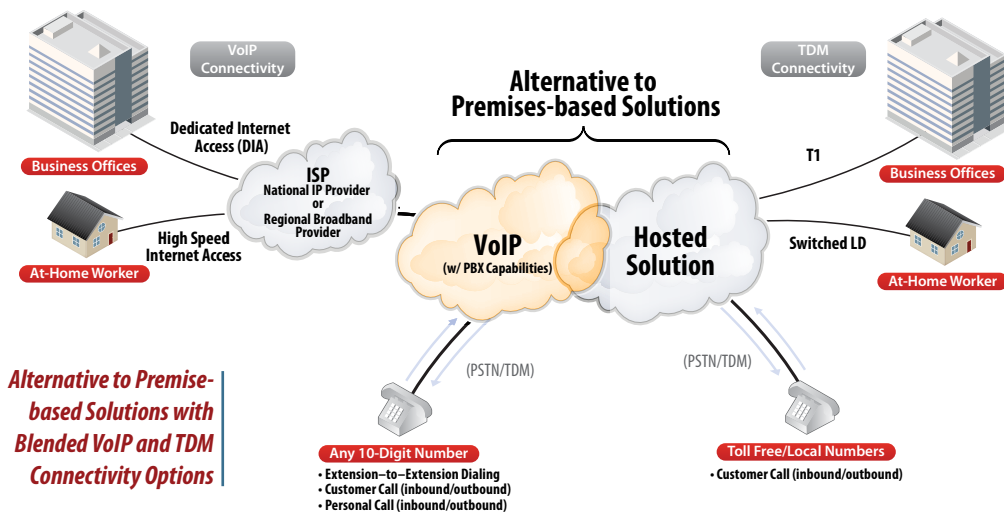
You can. The answer is simple: hosted applications.

"The primary issue is the question of who owns the network," according to Yankee Group Senior Analyst Ken Landoline. "A growing number of firms are saying 'no' based on practical and financial reasons. Often,

the most efficient distributed networks are typified by a hosted service provider, ideally one that can supply both the hosted software solutions and the connectivity options that link you and your people into a network's services."

The Ownership Quandary

The dramatically less-expensive, hosted, "all-in-one" contact distribution system can offer the following, now, today – with



Alternative to Premises-based Solutions with Blended VoIP and TDM Connectivity Options

remote monitoring, unified reporting, integrated workforce management and real-time adherence, automated continuous improvement processes measuring and tracking overall operations performance and direct customer-to-agent feedback loops.

One form of implementing this model, you “outsource” the technology and keep the knowledge worker – working from home – on the payroll. Your immediate cost benefits come in terms of lower facility overhead and less technology to manage and maintain. Moving to a distributed workforce model often enables businesses to trim real estate spending, inspiring the sale of excess property and creating an infusion of cash to add to the up-front savings of migrating to a hosted model.

The hosted provider is responsible for upgrades and maintenance of the hardware and software. A well-architected hosted solution does not impact your existing on-site infrastructure and produces unlimited options of where your employees can work – Alabama, western Virginia, rural Oregon.

“In a way,” notes Landoline with Yankee Group, “customer care has been the laboratory from which the backbone for the distributed workforce has emerged; to the point of virtually universal appeal today, especially to nimble SMB’s that cannot own their own.”

States Managing a Remote Work Strategy, a report from the Tanner Group: “Today’s at-home/remote work strategy is about disaster avoidance, not simply trying to

recover after an event. The best strategy an organization can adopt is to decentralize its workforce and enlist geography to limit disruptions brought on by nature and humankind.”

Equipment Vendors Are Right! Or Are They...

Some executives choose to ponder the VoIP as their path to flexibility. For large corporations with lots of available cash and the budget to support a technical staff, converting over to VoIP technology at one or more locations probably makes sense. For smaller organizations or any business unit that wants to reduce complexity but gain flexibility – there is an alternative. Go with a hosted contact distribution system that leverages existing, traditional TDM phone systems. In short, configure a solution that puts the VoIP in the network: not at your premises.

States Gartner analyst Darryl Plummer: “Companies realize they now don’t need to buy (onsite) applications when they can subscribe to service-based solutions.”

Distributed Workforce, Affordable Solution – VoIP in the Network

The State of Washington’s “211 Project” is one such example. It required a flexible, distributed contact handling system for its eight geographically dispersed offices and at-home workers. The Washington

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211 team discovered that going hosted, but keeping the IP technology in the network, not on site, was not only the right technology solution for their needs, but the most affordable.

The upfront costs to buy a leading vendor's IP-PBX system would have been about \$640,000. Projected operational costs were \$20,000 a month. Compounding the situation, none of the remote offices wanted the disruption of upgrading a perfectly functional phone system.

The bid that won the business was a hosted solution from UCN, called inContact®. The IP technology is in the network, not on-site. All call distribution processing is done in the network, with the actual voice being transported over traditional, existing phone lines. Initial cost for the inContact hosted solution with VoIP in the network was \$10,000 – a one time fee that was less than two-percent of the IP-PBX solution.

The monthly operating cost for the hosted solution, including the estimated monthly long-distance charges based on a high-end estimate of 720,000 calls per year at five minutes per call, was essentially the same as the monthly maintenance fees and operational costs of the IP/PBX – about \$20,000. So where's the ballyhooed advantage of "free" calling in this scenario?

Since monthly fees were virtually equal, the glaring difference was the up-front costs. The State of Washington saved \$630,000, and gained the added benefits

of not disrupting its dispersed offices, nor having to hire expensive IP technology talent to manage a new VoIP system. The interesting aspect of inContact, through, is that it supports both voice transport methods – VoIP from the premises and traditional TDM voice service from the premises. This vendor doesn't care. It's all about what is best for the customer's situation.

Why Own What You Don't Need?

What Washington State learned (and many enterprises are discovering) is that if you keep the VoIP technology in the network, hosted solutions are even more affordable. If there's a need to add capacity, even for a short period, some vendors, such as UCN, will support daily or weekly changes to capacity. Scaling up and scaling back down takes just a phone call. The customer only pays for capacity used and isn't saddled with idle equipment.

The key is a solution which - like a workforce - is based on a distributed, not centralized, architecture.

Though some organizations remain uncomfortable with migrating toward a distributed workforce, more and more business leaders are pushing their organizations to investigate hosted contact distribution providers and get pilots underway. They consistently report many dividends including the ability to retain an employee who has to relocate to another part of the

country, heightened business continuity in response to natural or man-made disasters, lower employee turnover, greater productivity and increased access to qualified applicants.

Along with determining corporate guidelines on how to manage a distributed workforce, and making sure you have the solid set of management tools, such as scheduling and forecasting, tracking, monitoring and recording tools at your finger tips, your choice of a hosted contact distribution provider will impact your firm's success in the 21st century.

With the growth of "all-in-one" (hosted), contact distribution systems," according to Landoline, "the only obstacle is the will of business organizations to embrace the certainty that is the distributed worker, because the very effective and efficient network to support them now exists."

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