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Workforce Optimization (WFO) Product and Market Report Reprint

Reprinted for:

inContact ®

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1.   Contact Center Trends and Challenges

The workforce optimization market is maturing; some of the front-office capabilities are increasingly being viewed as commodities, and back-office applications are emerging. This Report primarily addresses the contact center (front-office) WFO suites, although it takes into account what is happening in the back office, as this is a trending area that is influencing the development of WFO solutions in general and how they are being used by organizations.

Generally, contact center market trends and challenges greatly impact WFO suites, and versa visa. When organizations purchase a new ACD, they often buy a new recording solution and other WFO modules. DMG has included an analysis of contact center trends and challenges in this Report to assist companies in gaining an appreciation of what is happening in the overall market as they make decisions about which WFO suites and applications to purchase.

The contact center market is very active and is being driven by the trends reflected in Figure 1 below. These trends address technology, operations and people. The contact center infrastructure market is on fire and in the midst of a major replacement cycle. The actual number of contact center seats is slowly increasing; the growth is being fueled by the adoption of cloud-based solutions and penetration into more non-traditional areas of organizations. Senior management is starting to pay attention to the back office, which is driving investments in these important operating areas. As part of this transition, back-office departments are starting to be included in contact center groups to provide support during busy times and so they can handle some activities that would have been addressed by contact centers in the past; this includes activities such as claims processing, emails and the handling of social media interactions. The separation between the front and back office is breaking down as companies look for ways to improve overall enterprise productivity.

The cloud-based contact center infrastructure market has helped to wake up the ACD and dialer sectors. End users have more technology choices than at any time in the history of the market. Because the cloud-based contact center infrastructure sector is so new, there is great variability in the depth, quality and dependability of the offerings, and there is no clear leader. Vendors are investing and trying to figure out how to rapidly capture more market share. More premise-based vendors have formally entered the cloud-based contact center infrastructure market with their own offerings in the past year, including Genesys and Aspect. To date, a majority of users are small and mid-sized organizations, but this is changing as the solutions improve. Companies with more than 500 agents are exploring this deployment model, and a growing number of large organizations are moving in this direction.

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Social media is an increasingly popular way for consumers to communicate with organizations, yet the adoption of servicing capabilities for this channel remains frustratingly slow. However, there is finally some movement toward the adoption of multi-channel contact centers, mostly tied to the overall replacement cycle. As long as companies are buying new contact center infrastructure anyway, they are adding in some multi-channel capabilities, including email and chat. (Organizations have been using some of these alternative channels for a few years, but they have typically been decentralized and did not come through a universal queue.) This is not to say that companies that have separate channels for email or chat, for example, are going to fully migrate to a single solution, but they are starting to think more seriously about it.

Session initiated protocol (SIP) has replaced time-division multiplexing (TDM) as the primary telephony signaling protocol in organizations, although there are many organizations that have not made this transition. Virtualization technology is reducing the size, cost and complexity of data centers and processing platforms, while data connectivity tools such as multiprotocol label switching (MPLS) and virtual private networks (VPNs) have allowed enterprises to extend their services to almost anywhere on the globe. Although the contact center infrastructure market is slow to adopt and take advantage of new underlying technologies, it ultimately gets there. Next-generation contact center infrastructure environments are now taking advantage of SIP and virtualization as solutions.

Changing government regulations in the US and around the world have stirred up the outbound dialing market. The Telephone Consumer Protection Act (TCPA) in the US, and similar legislation in other countries, are limiting how enterprises can contact center customers and prospects. Legislation to limit robo-calling to mobile phones is driving investments in dialing solutions.

Analytics is playing an increasingly important role in contact centers. Contact centers are among the largest producers of "big data" within an enterprise. Organizations are striving to capture, analyze and use this "big data" to increase first contact resolution rates, productivity and the customer journey. Contact center vendors are continuing to build out analytical tools and capabilities to help end users process data and produce actionable results.

Figure 1: Contact Center Infrastructure Trends

The number of contact center seats is growing, and contact center technology is penetrating deeper into more non-traditional areas of organizations.

The contact center technology sector is in the midst of a major replacement cycle where prospects are open to alternative vendors and deployment options.

Adoption of cloud-based contact center infrastructure and other applications is very strong, and expected to continue to be robust during the next 5 years.

Cloud-based solutions are penetrating small and mid-sized contact centers, as well as going upscale into environments with more than 500 agents.

Regulatory and compliance requirements are driving investments in outbound contact centers and speech analytics solutions; new regulations are forcing companies to replace outdated and inflexible dialers.

The separation between the front and back office is increasingly breaking down as companies look for ways to improve enterprise productivity.

Organizations are starting to capture and analyze all aspects of the customer journey in order to improve first contact resolution, productivity and the customer experience.

Emerging call/transaction flow analysis applications are coming to market to help organizations perform cradle-to-grave call flow analytics.

The market has seen significant innovation in contact center performance management solutions, making them more actionable and easier to integrate with third-party applications and internal systems.

Real-time speech analytics is emerging and will play an essential role in the future of speech analytics; it is currently being deployed as a method for complying with the Fair Debt Collections Practices Act (FDCPA) and other consumer protection rules in the United States.

Historical speech analytics is expected to become a mainstream application within 3 to 5 years.

First-generation social media customer care applications are slowly emerging to facilitate the handling of interactions in this new communication channel.

Within 5-8 years, the number of social media interactions will equal the number of phone calls.

Mobile and video are increasingly being used by enterprises to enhance the customer experience and reduce costs.

Healthcare reform is driving major investments in contact center technology for healthcare and insurance organizations.

Enterprises are finally starting to build multi-channel contact centers that handle calls, emails, and SMS; social media is expected to be added in the next 3 - 5 years.

Organizations are looking to "rightshore" their service organizations, instead of offshoring.

Organizations are building self-service strategies that include Web, voice and mobile, to improve service and reduce operating costs.

Figure 1: Contact Center Infrastructure Trends

Adoption of voice biometrics is increasing around the world as organizations look for more effective methods to verify customers and reduce risk.

As more enterprises adopt SIP-based telephony, they are increasingly also building their own data centers and taking on more of the traditional carrier responsibilities.

In SIP-based environments, contact center applications and services reside in the enterprise data network, making it easier to roll them out as a "service" anywhere in the organization.

End-user organizations are looking for more consolidated and integrated contact center solutions to reduce the number of vendors to manage and to mitigate integration costs and headaches.

Contact center infrastructure and application providers are starting to deliver suites that are crossing boundaries and making inroads into one another's markets.

Contact center infrastructure and application providers are offering new and enhanced solutions that are geared to the mid-market.

More carriers are offering cloud-based public branch exchange (PBX) and contact center services.

The market is seeing a major wave of investments in WFM solutions; these include new offerings and investments to improve ease of use and intra-day management, agent self-service environments, and improved accuracy.

Workforce optimization solutions will continue to deliver innovation to the market.

The entrance of Millennials into the workforce is driving overdue changes in how people are managed, including innovations in workforce management solutions.

Analytics, particularly predictive analytics, will play an increasingly important role in the future of contact centers.

Contact centers will continue to be asked to take on more responsibility, including revenue generation. Providing customer service cost effectively will be an important differentiator for enterprises.
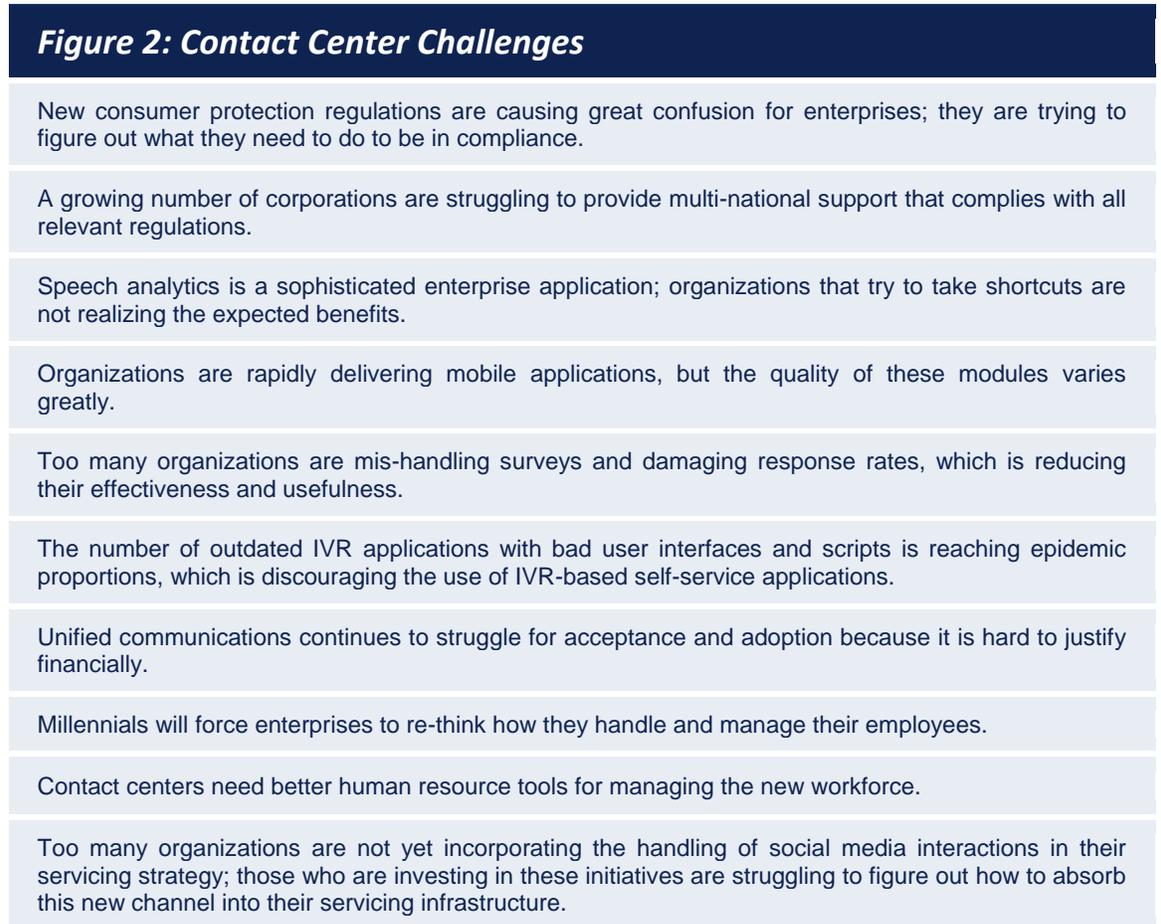
Source: DMG Consulting LLC, January 2014

Contact center technology and operating environments have made great progress during the past few years, but are still confronting significant challenges, some of which are old and others that are new. Government legislation is driving investments in new systems and best practices. New consumer protection regulations are intended to reduce inappropriate interactions with consumers. However, the new laws and legislation are often very hard to understand, making it difficult for companies to know what they need to do. Outbound vendors who would like to comply are also finding it difficult to figure out what steps to take.

The market is demanding mobile applications. Mobility is an essential element of today's society, and vendors are striving to deliver new functionality to satisfy the

needs of their enterprise customers. Unfortunately, the quality of these solutions varies widely, as it currently seems more important to release a mobile application quickly than deliver a feature-rich mobile solution.

The interactive voice response (IVR) market still presents great opportunity for vendors and enterprises. The quality of IVR and speech recognition technology is excellent. Unfortunately, too many of the IVRs in the market are using scripts and voice user interfaces (VUIs) that are outdated. However, CIOs are reluctant to spend money on their IVR applications because they are not broken and there are typically more pressing issues to address. This overlooks the fact that a relatively small investment in a new IVR application – from $50k to $250k – could save millions of dollars by increasing automation rates.

Lastly, unified communications (UC) is still struggling to find its way into companies. While there is no doubt that UC is the future for telephony and PBXs, it's a very difficult technology to cost-justify. See Figure 2 for some of the top challenges confronting the contact center market.

Figure 2: Contact Center Challenges
New consumer protection regulations are causing great confusion for enterprises; they are trying to figure out what they need to do to be in compliance.
A growing number of corporations are struggling to provide multi-national support that complies with all relevant regulations.
Speech analytics is a sophisticated enterprise application; organizations that try to take shortcuts are not realizing the expected benefits.
Organizations are rapidly delivering mobile applications, but the quality of these modules varies greatly.
Too many organizations are mis-handling surveys and damaging response rates, which is reducing their effectiveness and usefulness.
The number of outdated IVR applications with bad user interfaces and scripts is reaching epidemic proportions, which is discouraging the use of IVR-based self-service applications.
Unified communications continues to struggle for acceptance and adoption because it is hard to justify financially.
Millennials will force enterprises to re-think how they handle and manage their employees.
Contact centers need better human resource tools for managing the new workforce.
Too many organizations are not yet incorporating the handling of social media interactions in their servicing strategy; those who are investing in these initiatives are struggling to figure out how to absorb this new channel into their servicing infrastructure.

Figure 2: Contact Center Challenges

Too many senior executives talk about the importance of the customer experience but are not making the investments necessary to deliver excellent service.

Consumers expect enterprises to support them in their channel of choice, and enterprises are not yet able to meet those demands.

As SIP becomes more ubiquitous, organizations are struggling to rebuild their voice and data networks, which they must do in order to realize its benefits.

Source: DMG Consulting LLC, January 2014

2.   inContact

inContact is a public company (NASDAQ: SAAS) headquartered in Salt Lake City, UT, with approximately 525 employees. inContact is a provider of cloud-based contact center infrastructure solutions and carrier services. inContact's workforce optimization strategy is to "provide a unified, cloud-based solution comprised of best-of-breed components that can capture and analyze the voice of the customer and enable organizations to achieve operational excellence in delivering a superior customer experience." inContact completed two acquisitions in 2013. They bought San Francisco-based Sierra 360 LLC in April to enhance their real-time mobile and social customer engagement capabilities. In June, they acquired Transcend Products in order to be able to offer their own outbound dialing capability.

inContact is sold primarily on a direct basis, but it is also offered by two partners, Verizon and Unify (formerly Siemens), who white-label and resell the contact center solution. Key verticals include healthcare, financial, insurance, business process outsourcers (BPOs), travel, and government.

Product Profile

inContact offers cloud-based workforce optimization capabilities that are integrated with their contact center infrastructure solution. The inContact contact center suite consists of an automatic call distributor (ACD), interactive voice response (IVR), and computer telephony integration (CTI). inContact leverages Verint's Impact 360 workforce optimization (WFO) suite to provide quality assurance (QA), coaching, eLearning, workforce management (WFM), speech analytics and performance management. Voice of the Customer (VoC) capabilities are provided by inContact's post-call surveying offering, ECHO (Every Customer Has an Opinion), which is a managed service. inContact supports recording and QA for inbound, outbound and blended calls, chat, email, SMS, social media and non-phone activities, including back-office and branches.

Functional Overview

Recording

inContact offers two recording solutions: a home-grown voice-only recording solution that is a standard component of their contact center infrastructure offering, and an optional simultaneous voice and screen recording capability that is offered via a partnership with Verint. inContact

supports full-time, random, agent-initiated, and event-driven call/screen recording. The recording solutions support time-division multiplexing (TDM), session-initiated protocol (SIP) and hybrid environments. Call recordings are secured with AES-256-compliant encryption. Recordings can be retrieved for playback and evaluation through the QA module, or via the ad hoc search environment. inContact offers two methods to comply with the Payment Card Industry – Data Security Standard (PCI-DSS). Sensitive customer data can be protected using an automated masking function provided by CallMiner, a third-party speech analytics vendor. Alternatively, Verint's speech analytics capabilities can automatically pause and resume audio and screen recording when sensitive data is being accessed.

Quality Management (QM)

inContact Quality Management supports the evaluation of calls, chats, emails and social media interactions. Recorded interactions can be delivered to an individual or shared inbox based on user-defined criteria, and matched with the applicable evaluation form to be assessed by QA personnel. Users can conduct searches for specific interactions that meet pre-defined criteria. Search filters include contact types, groups, agents, and date and time ranges. An online evaluation form can be completed while live-monitoring calls.

A form design tool enables users to create customized quality management evaluation forms comprising a variety of question types and scoring/weighting options, which can be designated at the questionnaire and section level. Question types include yes/no/N/A, rank lists, custom-scored lists, text lists, and numeric ranges. Forms also support the use of conditional questions and/or conditional sections that dynamically display based on the logic of the preceding question.

Calls designated for calibration can be automatically assigned to a group of reviewers for evaluation. Once the calls are scored by a number of evaluators, managers can run comparison reports to identify statistically significant scoring variances at the evaluator, question or section level, in order to identify the cause of scoring disparities.

Coaching

inContact Coaching is integrated with quality management and performance management scorecards. User-defined thresholds, based on KPIs, QA evaluations and customer survey scores, can be established for each component of a scorecard. When metrics fall below the threshold, a coaching event is triggered. Several types of information can

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be attached to an online coaching session, including recorded interactions, QA evaluations, agent scorecards, customer satisfaction surveys or external documents. Supervisors can monitor coaching activities and assign them manually or systemically, via integration with the workforce management module.

eLearning

Content Producer is a desktop application used to produce custom eLearning content and courses. Content can include quizzes and simulations or other relevant content, such as best-practice recorded interactions, evaluations, external training documents, etc. Courses are maintained in a library and managed through the Lesson Management application, which enables supervisors to assign, deliver and track training content.

Dashboards/Reporting/Analytics

The inContact WFO suite comes with a library of over 200 user-configurable reports out-of-the-box. Reports can be generated in both tabular and graphical formats, and support drill-down and drill-through capabilities. Reports can be delivered in a number of formats, including hypertext markup language (HTML) and portable document format (PDF). Custom reports can be created through a professional services engagement.

inContact also offers inView, an integrated real-time dashboard application from a third-party vendor, ClearView. InView aggregates ACD and agent-level performance data from disparate systems. Results are displayed in tabular or graphical formats that can be customized using drag-and-drop functionality. Automated alerts can be set based on user-defined thresholds. Alert notifications can be sent to a supervisor via email, or identified by on-screen visual cues when a KPI exceeds its threshold.

Suite Integration and Data Sharing

inContact WFO has a centralized administration environment for user and system set-up and configuration. It leverages a common rules engine and alerts framework across all components. Real-time alerts can be configured to be delivered to designated individuals when user-defined thresholds on KPIs or metrics are exceeded. The performance management scorecards collect data from all of the suite's modules. Role-appropriate scorecards provide daily and intra-day visibility into

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KPIs for individuals, teams and the contact center.

Future

inContact is expected to deliver the following workforce optimization enhancements during the next 12 to 18 months:

- New custom data fields in platform – ability for users to share data captured in the ACD's custom data fields with the recording solution; these customizable data fields can be used to collect account information or other metadata

- Applying speech analytics to verbatim comments on customer surveys – ability for users to apply the Verint Speech Analytics solution to structure verbatim comments in the Echo surveying module

- Enhanced and simplified integration capabilities – introduction of new application programming interfaces (APIs) and a software development kit (SDK) to allow companies to integrate existing premise-based WFO applications (QM or WFM) with the inContact ACD

- Additional options for recording of "hold" time for enhanced analysis – ability for customers to select whether they would like to skip holds or record and track time spent on hold

- Desktop and process analytics – ability for users to trigger recording events (begin, pause, resume) and data capture based on desktop activity

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3. Uptivity (formerly CallCopy)

Founded:
2004

Headquarters:
555 S Front St
Columbus, OH
43215

Website:
www.uptivity.com

Ownership:
Private

WFO Suite:
Uptivity Discover
Suite

Current GA Version:
5.3

Current GA Date:
December 2013

Uptivity is a privately held company with approximately 160 employees headquartered in Columbus, Ohio. Formerly CallCopy, the company and product line were rebranded as Uptivity in September 2013. Uptivity is a provider of unified call recording and contact center workforce optimization (WFO) solutions. Uptivity's market strategy is to "provide a unified WFO suite that is affordable, flexible, scalable, easy to use, and fulfills critical customer needs for increased efficiency, regulatory compliance, liability risk management, and improved customer satisfaction."

Uptivity sells their solution primarily on an indirect basis through channel partners. Uptivity Discover Suite, the company's WFO solution, is available as a premise-based, hosted, or managed service solution. Key verticals include business process outsourcers (BPO), consumer products, financial services, healthcare, insurance, higher education, transportation, travel and hospitality and utilities.

Product Profile

Discover includes modules for voice and screen recording, quality assurance (QA), and coaching. Optional modules include workforce management (Clarity by Uptivity), performance management (Insight by Uptivity), voice of the customer/surveying, speech analytics and desktop analytics. The solution supports multi-channel interactions, including voice, email, short message service (SMS), social media and Web chat. Discover has out-of-the-box integrations to a number of automatic call distributors (ACDs) and private branch exchanges (PBXs), including, Avaya, Cisco, Genesys, Mitel, ShoreTel and Siemens.

Functional Overview

Recording

Discover call recording supports full-time, random, event-driven, on-demand, and time-based recording and quality management for inbound and outbound calls. The application supports time division multiplexing (TDM), session initiated protocol (SIP), Internet protocol (IP) and hybrid recording environments. Call recordings are secured with AES-256-compliant encryption at the point of capture. Uptivity also offers an optional module, Uptivity Compliance, which masks sensitive customer data using desktop analytics, in order to adhere to the Payment Card

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Industry – Data Security Standard (PCI-DSS).

Quality Management

Users can access recorded interactions and perform evaluations within the Web-based supervisor portal. They can also conduct user-defined searches to retrieve specific interactions, using filters and parameters. User-defined evaluation search criteria can be saved and designated for private or public use. Text annotations can be used to bookmark relevant segments of a conversation on the call energy bar. If speech analytics is being used, speech tags and linguistic events are bookmarked in the audio wave form. Live monitoring of voice and screen activity can also be performed. Discover comes with an online appeals workflow for managing agent evaluation scoring disputes.

From the supervisor portal, users can create, customize and manage evaluation forms. The application uses a wizard-based paradigm to guide users through the form-building process. The form builder provides the ability to create sections, add multiple question types, and assign points, weights, percentages at the question and section level. Individual questions can be designated as critical and associated with specific business initiatives such as first contact resolution. An auto-fail option provides the ability to fail a section or the entire QA form if a specified question is missed. Users can save draft/in-progress evaluation forms until they are finalized and published.

QA calibration is performed by selecting and assigning a group of interactions to a team of evaluators for scoring. An Evaluator QA Summary report provides calibration results that identify the scoring differences at the form, section and question level.

Coaching

Supervisors have the ability to assign customized curricula and training materials from an online resource library to individual agents or groups, based on their performance and role. The library supports a variety of formats for training materials, including videos, recordings, documents and slide shows. Supervisors can track the status of courses assigned to agents. When live-monitoring, a supervisor can use the solution's chat feature to coach an agent. An agent achievements (gamification) functionality can be used to track incentive/award programs for agents.

Dashboards/Reporting/Analytics

Uptivity Discover comes with approximately 70 reports. Reports can be modified using filters and parameters. Ad hoc reports can be custom built

using the application's Report Builder. All reports enable users to drill down to the underlying transaction. Reports can be saved in a report library for future use. They can also be scheduled, emailed, and/or exported in a number of formats.

Insight by Uptivity is an optional performance management module. It captures data from modules within Discover and presents the information in a unified widget-based dashboard. The dashboard can display historical data (refreshed overnight or in 15-minute intervals) and real-time data (when installed with the Clarity by Uptivity workforce management application). Historical data can include agent quality assurance (QA) scores, customer satisfaction survey results and coaching assignments. Real-time data can include service level, average handle time (AHT), and forecasted vs. actual call volume trends.

Suite Integration and Data Sharing

Discover has a centralized Web-based administration environment for user and system set-up and configuration, as well as a common database. Data is shared between modules for reporting, dashboards and analytics. Widgets from multiple WFO modules can be aggregated on a single dashboard. The speech analytics application can be used to search for key words and phrases in recordings to identify calls that require evaluation. Using desktop analytics, Discover can extract relevant data (customer ID, address, order value) from third-party systems including customer relationship management (CRM), enterprise resource planning (ERP) and human resource management (HRM) applications, to augment metadata associated with the call record.

Future

The next release of Discover, version 5.4, is planned for March 2014. Enhancements expected to be delivered over the next 12 to 18 months include:

- Desktop analytics enhancements – ability to display agent application usage during recording playback; also provides the ability to report on agent application utilization

- WFM shift bidding – ability for the system to prioritize shift bid requests based on agent performance on specific key performance indicators, such as average handle time, quality assurance and customer satisfaction scores, in addition to tenure

- WFM over/under-staffing – ability to display staffing deviations by

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skill, and perform intra-day re-forecasting at the interval level

- Real-time alerts – addition of real-time alerts based on user-defined KPI thresholds

- Speech Analytics enhancements – ability to conduct automated call classification and call evaluation scoring.

About inContact

inContact (NASDAQ: SAAS) is the cloud contact center software leader, helping organizations around the globe create high quality customer experiences. inContact is 100% focused on the cloud and is the only provider to combine cloud software with an enterprise-class telecommunications network for a complete customer interaction solution. Winner of 2014 CRM Magazine Rising Star Award, inContact has deployed over 1,600 cloud contact center instances.

inContact offers a complete workforce optimization portfolio (WFO) that is tightly integrated with the core platform and completely available in the cloud. The comprehensive WFO portfolio includes the WFO Suite powered by Verint (Workforce Management, Quality Monitoring, Audio/Screen Recording, Coaching and eLearning, Performance Management Scorecard, and Analytics-Driven Quality), ECHO Customer Feedback Survey, and inView Performance Dashboard. In May 2014, inContact acquired WFO provider, CallCopy, Inc., which offers its products and services under the name "Uptivity." With the addition of Uptivity's full-featured WFO solution for the midmarket, inContact will now have a solid two-tier offering in a multibillion dollar industry.

To learn more, visit www.inContact.com.

About DMG Consulting LLC

DMG Consulting LLC is a leading independent research, advisory and consulting firm specializing in contact centers, back-office and real-time analytics. DMG provides insight and strategic guidance and tactical advice to end users, vendors and the financial community. Each year, DMG devotes more than 10,000 hours to producing primary research on IT sectors, including workforce optimization (quality management/liability recording), speech analytics, workforce management, performance management, desktop analytics, surveying/voice of the customer, text analytics, cloud-based contact center infrastructure, dialing, interactive voice response systems and proactive customer care. Our actionable solutions are proven to deliver a lasting competitive advantage, and often pay for themselves in as little as three months. This reprint is excerpted from the 2013 – 2014 Workforce Optimization Product and Market, which was released in January 2014 with the permission of DMG Consulting LLC. More information about this Report and DMG Consulting is available at http://www.dmgconsult.com.