Best Practices for
Home Agents

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What is your mental image of a work-at-home agent? Is it a smiling professional, diligently serving customers? Or do you see a pajama-clad loafer muting the TV to take an occasional call? Are you envisioning a progressive, smooth-flowing, cost-saving contact center strategy? Or does the very idea conjure up fears of personnel problems and management mayhem?

From your customers' perspective, home agents must be as thoroughly professional as your in-office agents. And from a management perspective, the program had better be cost effective.

Fortunately, home agents can be both professional and cost effective. That's why "homeshoring" strategies are riding a wave of popularity that is building momentum.

Michele Rowan, former VP of Hilton Hotels and now President of Customer Contact Strategies, moved more than 1,000 agent positions home for Hilton in 2008-2009. Driven by demands for her assistance, Rowan started her own training and consultancy to help companies develop and implement the at-home-agent model. Rowan says, "The pace and focus around remote agent deployment reminds me of the off-shoring phenomenon of last decade — except there's no downside. Customer satisfaction scores are up, employee satisfaction scores are up, and costs are down. It's really no longer a question of 'if' for most organizations, but rather a question of 'when.'"

HOME AGENTS ON THE RISE

In Forrester's 2010 outlook for contact center plans, analyst Elizabeth Herrell notes considerable growth in support for home agents, with 34 percent of companies indicating investment plans in this area.[1]

Another major information-technology consulting firm, IDC, predicted 309,000 home-based agents will be working in the United States by 2013[2,3] That's about equal to the population of St. Louis, Missouri.[4,5]

Avaya confirms this trend. It has observed a significant surge in the size and number of work-at-home agent programs. Denver-based Alpine Access reports that it has around 5,000 home agents nationwide, and hires about 1,000 per year.

And many more companies are either exploring or actively planning such programs. To discover the driving force behind this trend, Avaya contact center experts interviewed several companies in depth about their programs. Those companies span industries and geography — including Alpine Access, Sitel, UpSource, Reliance Protectron, Visiting Nurse Service of New York, and Jupiter Shop Channel.

In this paper we will share what we learned from these companies. First, we'll look at their motives for using home agents. Then, based on their extensive experience, we will share six best practices for home agents.

WHAT IS A HOME AGENT?

A home agent is a contact center agent who works solely from home, with no office space at a company facility. (Office space expense negates some of the best benefits of home agent programs.) However, the employment model varies: agents may be on payroll, on commission, or work as independent contractors.

Note: The best practices described in this paper do not apply to every telecommuter (e.g., virtual office worker or home-based business) since that is a more general work category than home agents.

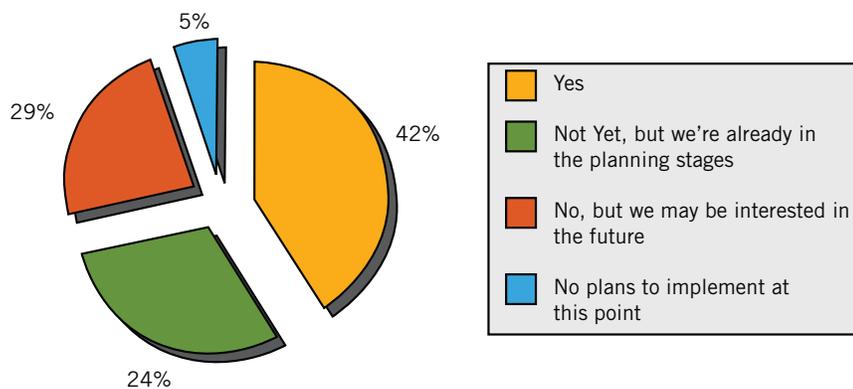[1] Forrester Research "Contact Center Purchase Plans 2010", May 2010.
[2] IDC Market Analysis "U.S. Home-Based Agent 2009-2013 Forecast: The Enigma of Arrival".
[3] IDC, "U.S. Home- based Agent 2007-2011 Forecast: The Irony of Homeshoring's Rising Value Amid a US Housing Bust," Doc # 208501, September 2007.
[4] http://www.census.gov/popest/cities/SUB-EST2004-4.html
[5] Per KG: 2010 pop. data: - 350,000.

Are you using work-at-home agents today?

5%

29%

42%

24%

Legend:
- Yes
- Not Yet, but we're already in the planning stages
- No, but we may be interested in the future
- No plans to implement at this point

Avaya polled 300 webinar attendees about their plans and reasons for implementing home agent programs. Two thirds of the respondents were already using home agents, or were actively planning on it.

WHY USE HOME AGENTS?

During conversations with companies that use home agents, we learned the top four motives for initiating these programs. We further confirmed these findings by asking 300 webinar attendees to rank those motives.

The first two motives are not surprising, but their priority order seems to be a product of global competition. For example, the top-ranked motive for home agents is attracting and keeping great employees. The third and fourth are indicators of a changed 21st-century business climate.

Home Agent Motive #1: Finding and retaining the best agents

Using home agents lets contact centers dip into a larger pool to find the right agents since geography is no longer a barrier to recruiting talented people.

Choose the best agents from a larger pool of candidates

Alpine Access, a large outsourcer, says all of their U.S. agents work from their homes. Alpine gets 1,000 job applications per day, and plans to hire 1,000 agents this year.[6] Those numbers suggest that their work-at-home criteria are not obstructing Alpine's expansive recruiting efforts.

"By choosing from this much larger pool of candidates, we're better able to match people to their passion," an Alpine representative told us. "For example, when hiring an agent to answer calls for a clothing company, we can find someone who already shops there, someone who's enthusiastic and knowledgeable about their clothing lines. Their enthusiasm reflects in their work."

Also, personal mobility is no longer a recruitment issue. Because of that, your potential pool of candidates can cover more territory when you add the home bound, physically disabled, stay-at-home parents, and senior workers.

Overcome agent scarcity in high-employment sectors

Reliance Protectron is a home security systems company based in Alberta Canada. Several years ago, when unemployment was at four percent, the company embarked on a home agent program for non-emergency call center employees. This was a time, says a company representative, when many of the

"Alpine Access has experienced 60-70 percent growth since its inception. We expect that trend to continue over the next three to five years, as broad adoption of the home-based model occurs in industries such as financial services, travel, retail, and government."

— Christopher Carrington, President and CEO, Alpine Access, Inc., which has home agents in over 1,700 U.S. cities.*

* http://www.alpineaccess.com/en/alpine-advantage/business-continuity/
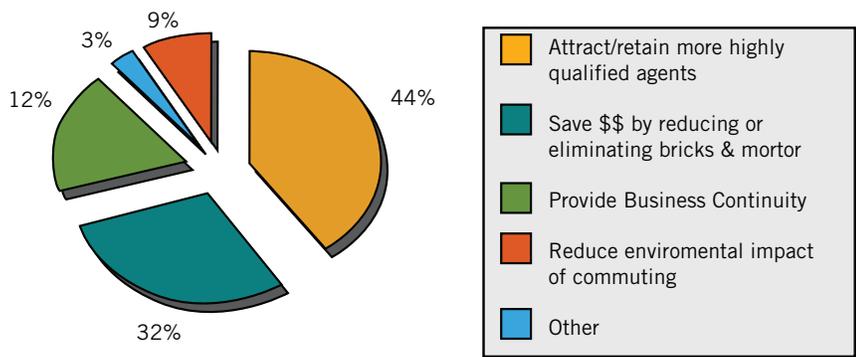
call centers in their province were searching for new ways to find people — and to retain the ones they had. Today, the unemployment rate is still low — at 5.6 percent.[7] Since it remains "an employee market," the representative says, "The technology we've implemented allows us to be flexible when recruiting new employees and allows us to provide options for existing ones."

For West Corporation, a large call center provider with several thousand agents, recruiting home agents provided an added bonus. The company states that 89 percent of their home agents have some college education, compared to only

[6] TMC.net, "More Companies Using At-Home Agents for Customer Service Tasks", October 15, 2010; and "Convergys Expands its Seasonal Home Agent Program", November 10, 2010.
[7] http://www40.statcan.gc.ca/l01/cst01/lfss01c-eng.htm

If you are using (or planning to use) home agents, what is your primary motivation?

Legend:
- Attract/retain more highly qualified agents
- Save $$ by reducing or eliminating bricks & mortor
- Provide Business Continuity
- Reduce enviromental impact of commuting
- Other

Pie chart values: 44%, 32%, 12%, 3%, 9%

Webinar poll respondents confirmed Avaya's findings. Recruiting, cost control, and business continuity are the three top motivators for implementing home agent programs. Those who responded "Other" were asked to elaborate. Their motivations included increasing quality, overcoming facilities constraints, recruiting the disabled and retirees, covering undesirable shifts, and enhancing their ability to scale up and down quickly.

"1-800-Flowers uses home agents to handle seasonal ups and downs. We get highly skilled, highly trained, highly caring people...."

*1-800-Flowers**

In 2008, Arise (formerly Willow CSN) had just doubled its size within the previous 18 months to 5,200 agents in the U.S. It now boasts 10,000 "entrepreneurial, self-incorporated, home-based" agents throughout the United States. Arise was founded in 1997 as a partnership with the state of Florida and BellSouth to create jobs for people with disabilities who were unable to work in traditional workplaces. "Employers have latched onto Arise's service as an alternative to shipping customer-service work overseas," says Mary Bartlett, Vice President of personnel for Arise.*

34 percent in other call centers. They say these higher quality agents help increase sales conversions by 15 percent and provide a 10 percent surge in agent productivity.[8]

Handle peak periods and provide 24x7 service

Another benefit of home agent programs is staffing flexibility.

Visiting Nurse Service of New York found it difficult to hire nurses to work the night shift, since many good candidates were unwilling to commute into midtown Manhattan late at night. They are solving that problem with home agents.

Jupiter Shop Channel, Japan's largest home shopping channel, had a similar problem. But their work-at-home option now attracts agents that want to work the previously hard-to-staff overnight shift.

Still other companies are handling peak demand by having agents log in from home on an as-needed basis.

Make good agents want to stay

Can home agent programs increase employee loyalty and reduce turnover? The numbers speak for themselves. At Alpine Access, almost every agent — 96 percent — says they would recommend it as a good company to work for. On employee satisfaction surveys, 91 percent are either satisfied or very satisfied. With approval ratings like that, contact centers can worry less about competitors luring away their best agents.

The employee turnover issue hits traditional call center models more than the home-agent model. "Unquestionably, rising costs are causing contact center outsourcers in Western locations more headaches than ever," says Peter Ryan, a senior analyst at Datamonitor. "To a large degree, this inflation is based around employee churn, which is a phenomenon that the home-agent model does not seem to have encountered to date." Ryan goes on to note that "the reduction in overhead by using home agents has also served to lower overall prices of labor, which

can be passed directly back to the client." The payoff, he says, may transcend mere dollars and cents: "If this can be tied to higher rates of end-user satisfaction, it translates into a winning investment for the outsourcing client."[9]

Home Agent Motive #2: Reduce Costs and Raise Efficiencies

Regardless of geographic distances, it is cheaper to move bits than bodies. Consulting firm IDC calculated the typical costs for an agent in a brick-and-mortar facility to be US $31 per hour, compared to $21 per hour for home agents.[10]

Plus, efficiencies can rise even as costs go down. For example, at one technology company, engineers have become more efficient by playing dual roles. When service engineers are not on customer sites, they log in as agents from their homes to provide call-in assistance. It helps them take advantage of otherwise lost time, and helps the company stay competitive.

For over a decade, the previous two motives have been "classic" reasons for using home agents. In recent years, however, newsworthy events have stimulated a fresh wave of interest in home agents. The following two motives reflect these new trends.

Home Agent Motive #3: Ensure Business Continuity

One vertical market that has thoroughly investigated the value of business continuity is the finance sector. With that in mind, we interviewed eleven financial companies to learn all we could from them. Almost every company we talked with has a plan — or was making a plan — to use home agents to maintain business continuity. They explained three broad scenarios where their business continuity would depend on home agents.

Scenarios for business continuity

First, any company anywhere in the world can temporarily lose a contact center due to damage from a natural disaster, an accident, or a deliberate act. During repairs, agents can work from temporary locations, which could be a standby facility (if the company has invested in one). Even if a facility can be arranged on short notice, physical workspace might still be limited. Trained and equipped home agents, meanwhile, can continue serving customers, providing an uninterrupted service flow.

Even localized events, such as power outages, can affect continuity. It's true that a power outage can affect any building, even an agent's home. But when one home agent's neighborhood is affected for a day, the impact is relatively small when compared to losing an entire contact center for even an hour.

Second, a contact center facility might be rendered unreachable or unusable due to events such as a quarantine, contamination, or threat. Even transit strikes, blizzards, or gas shortages can make it impossible to fully staff a facility. But with a well-thought-out backup plan, the shift to home agents can flow smoothly.

The third reason to plan home agents into a business continuity strategy is to circumvent the long-term effects of a natural disaster or large-scale infrastructure failure. One well-known example is hurricane Katrina. This disaster required huge numbers of workers to relocate — even those who had already been working at home. Waiting until emergencies like these overwhelm you is not the time to start a home agent program. If a contact center already has a home agent program in operation, it can significantly reduce the negative impact of these unexpected scenarios.

According to Computerworld, a leading magazine for senior IT leaders, "U.S.-based contact centers … are feeling more confident in the face of offshore competition" now that they are "able to lure more seasoned workers into hard-to-fill positions." *

* http://www.computerworld.com/action/article.do?command=viewArticleTOC&articleId=111243

Home Agent Motive #4: Respond to Transportation and Environmental Concerns

Concerns about fuel prices, commute times, and the environment are causing a surge in home agent programs.

Fuel prices become a recruiting asset

In terms of transportation costs, centrally-located contact centers are an economical model — as long as worker transportation is inexpensive. But gasoline prices continue to rise and high fuel prices are drying up commuters' hard-earned income. Employers can position transportation savings as a real windfall for agents working from home.

[9] http://www.destinationcrm.com/articles/default.asp?ArticleID=7259, Sept 27, 2007.
[10] IDC, US Home-Based Agent 2005-2010 Forecast and Analysis, Doc. #34514, December, 2005.

Tax advantages—

There may be tax advantages for home agents, due to variations in state and local taxes. For example, an employee who works for a New York company but lives in Nevada (which has no state income tax) might be able to work from home and thereby avoid paying state income taxes. Employers and employees should obtain advice on applicable tax regulations when considering such arrangements.

How was your commute?

Commute time is another concern of agents considering a new job offer. Using popular technologies, such as IP telephony, contact centers can eliminate commute time as a job-search factor.

A survey of over 200 companies, conducted by Customer Contact Strategies in August 2010, showed that 81 percent required agents to come on site only a few times a year (and then only when absolutely necessary), 14 percent required in-office visits once a month and 5 percent required in-office visits once a week. So, within the virtual contact center model, organizations are getting rid of commutes by becoming extremely virtual with performance management and training. [11]

Breathing easier with home agents

We would be remiss to discuss home agent programs without mentioning the climate benefits. When Alpine Access measured the environmental impact of their home agent program for a twelve-month period, they found:

○ 2.5 million pounds of air pollutants eliminated

○ 900,000 gallons of gas saved

Avaya offers a white paper about the environmental benefits of home agents. Download "Go Green with Home Agents" from the Resource Library on avaya.com.

SUCCESS WITH HOME AGENTS: SIX BEST PRACTICES

Whether you are planning to deploy home agents, or are already doing so, learning from others' experience can enhance the success of your programs. The following six recommendations emerged from our interviews with companies who use home agents extensively.

Best Practice #1 — Establish Home Agent Policies

Each company we interviewed has a set of standards for successful "alternative work" arrangements. If your company already has a policy for telecommuting, it may need to create some additional criteria for home agents.

Document work-at-home policies and procedures

A written policy should govern home agents with clear and uniform rules. This policy should also make clear that all company policies apply — not just those specifically for home agents. Common examples are e-mail use and customer privacy. For example, Sitel provides a paper shredder to home agents and requires that they shred any confidential information, such as customer credit card numbers.

Make sure your home agents know how your company's administrative process works for their situation. For example, agents should know how to access a corporate directory so they can contact various support departments. They also need advice on:

○ How to file an expense report

○ Where to get office supplies

○ How to mail a contract or ship a package

○ Where to order computer equipment

○ How to report problems

Guidelines in creating policy

To create a clear policy for home agents, here are some of the questions you should answer for yourself — and be prepared to discuss and clarify with your home agents:

○ Who is eligible? Decide whether or not every employee has the option to work from home. Some agent

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[11] Customer Contact Strategies study-Michele Rowan, August 2010.

positions need to have a presence in the office.

○ Where do they work? Specify what's needed to create a dedicated, quiet, secure, home-based workspace (for more detail, see Best Practice #4). Make it clear that the agent will not have a desk at the company's offices.

○ Who is responsible for what costs? Spell out who will pay for the computer, high-speed Internet access, additional phone line, furniture, and other office needs.

○ What are the schedule policies? If home agents are required to adhere to a specified schedule, define the schedule. Also identify how schedule changes will be managed and communicated. Let them know whether they can bid for scheduled time off and/or schedule changes. In addition, establish ongoing times for communication between the agent and their manager to ensure that both sides will meet agreed-upon expectations. Be sure to specify the manner (via phone or in person) as well as the frequency of contact.

○ Are there any tax implications for the agent? How do they pay their state and federal taxes? What expenses should they track? What receipts should they keep? Make sure your accounting staff is available to answer agents' tax-related questions.

○ Are there any unwritten rules? One company's policy includes this proviso: "This document is intended to provide general guidelines for managers. Managers are expected to use appropriate discretion; therefore, these guidelines may not be followed in every situation... (company) reserves the right to change or discontinue these guidelines at any time and without notice."

Best Practice #2 — Select the right people for the job

Some employees are terrific people and good workers, but may not be suited to work at home. Personality is only one aspect of this. Most home agents will have access to customer-sensitive information, such as credit card numbers. For those reasons and more, make it a part of your selection process to do background checks.

Select the right person for the right job

Of course you want to make sure that the person is right for the job. But you also want to make sure the job's unique situation is right for the person.

With each candidate — whether a new hire or an existing agent — the manager and employee should walk through the policies and procedures together. Focus on job responsibilities, organizational and departmental goals and objectives, customer impact, and employee's work performance.

Some companies use independent contractors for home agents, while others use regular employees. It is important to correctly classify employees and independent contractors. Misclassification could subject an employer to back taxes and penalties. An employer may also face consequences for failure to extend the coverage of its employee benefits plans to independent contractors later deemed to be employees.

Make a plan for training

How will new agents be trained if they work at home? Some companies avoid this question by placing only tenured agents in work-at-home arrangements.

For those who must come into the office for initial training or continuing education, distance may become an issue that the company must accommodate. One approach is to provide all training online.

Give it a try

Screening cannot catch every potential problem. That's why companies we interviewed specify a formal trial period when employees must meet pre-defined performance criteria in order to continue working at home. If an agent's performance wavers during the trial period — for example, their AUX work time is excessive – the company has the flexibility to end the home arrangement for that agent.

"This option," says Kay Phelps, a Senior Manager for Avaya, "will let managers and agents save face." How does a trial period work? "Have an agent work at home for a week or two," explains Phelps, "then have them return to the office for a few weeks. That way, everyone has a natural opportunity to choose whether to make it permanent, or to retreat from the arrangement without shame."

Reward good performance

According to the Avaya Customer Contact Council (a select group of senior executives from 28 market-leading companies committed to improving performance and profitability in customer contact) at-home arrangements are often used as a perk for top performers.

Best Practice #3 - Ensure a Good Working Environment

Prospective home agents may not accurately picture themselves working at home. Based on your own experience, the written policy should tell them what works, and spell out what you expect of their workspace. These guidelines should be carefully discussed with every home agent candidate.

Dedicated and secure work area

Almost any room can serve as an office, but selecting the right space is essential to success. A dedicated office maximizes the agent's efficiency and comfort.

Explain how the agent's workspace protects privacy and security. Privacy applies to the company and its customers. Agents are responsible for protecting information, including customer data and proprietary company information, such as pricing.

Remember, security applies to preventing fraud, but also to protecting software and hardware from theft or misuse.

Ergonomic furniture and desktop

An employee's health is, in part, the employer's responsibility. We spoke with a company that provides an ergonomic chair for home agents and provides ergonomics information and diagrams in their employee handbook.

How does this apply to the self-employed? Some outsourcers expect agents to operate as independent contractors who provide their own office equipment. Nonetheless, the company might make ergonomics suggestions, if only for the agent's continued productivity.

It is prudent for employers to maintain ergonomics standards as part of their home policy. In some states, employers must provide an ergonomically-appropriate workspace regardless of whether the employee works at home or in the office. Even in states with no such standard, employers remain generally responsible for the health and safety of their employees and may be responsible for on-the-job injuries under workers' compensation laws.

Noise-free environment

Agents are the voice of their company — whether they speak from a call center or a home office. Therefore, home agents must manage interference from such noises as door bells, children, traffic, pets, and neighbors. This should be assessed when you are selecting candidates. The right people come with a home environment that makes sense.

Balancing life and work

Agents who are fit for work at home sometimes turn out to be workaholics. An overtime policy should be sufficient to manage this and prevent agent burnout.

Best Practice #4 - Equip Agents to Succeed

Even good agents will be only as good as their tools. Here are some aspects to consider about agent equipment.

The basics: PC, telephone, headset

Agents will need a PC, a headset, and either VoIP or a separate telephone line. If your company provides the PC or otherwise enforces system requirements up front, your Help Desk will thank you later.

Unlike commercial desk phones, not all home telephones have handsets that unplug — and that generally is a prerequisite to connecting a corded or Bluetooth headset.

Make sure your policies and procedures tell the home agent:

- How to obtain a computer, or how to determine that their own computer meets the company's minimum system requirements.

- How to get their equipment set up, whether through a Help Desk or third party.

- How to connect to the contact center using a VPN, including the login and password procedures.

- What backup and recovery procedures are in place.

- How to get Help Desk support.

Software and softphone

The company, not the agent, selects the software and softphone. UpSource tells us that when they can control the PC content, implementation and connection problems typically are not an issue.

When that level of control is not possible, consider providing troubleshooting tips and installing a remote-control tool so the Help Desk can troubleshoot problems remotely. Popular remote-control tools include WebEx PCNow, Symantec pcAnywhere, and GoToMyPC (from Citrix), but there are many other options.

In controlling the content on an agent's PC, also consider what should not be on it. For example, Sitel provides a standard disk image for every home agent's PC. Booting from this image also addresses security issues, mitigating the risk of spreading viruses from the agent's PC.

Access to all contact center features

In terms of the technology they use, home agents should never be "second-class citizens." They need the same features and the same access to supervisors as in-office agents.

Connectivity

Using a second analog phone line provides consistent quality without network engineering. There is, however, an up-front activation cost and ongoing monthly expense.

One reason the trend is moving toward VoIP is that it eliminates those costs — as well as toll charges for distant agents. But more importantly, it facilitates setting up the phone as a virtual extension, with full feature transparency.

Be careful, though. VoIP depends on a solid Internet connection, so do not take broadband for granted. Sitel told us that one of their biggest challenges was ensuring that remote agents had dependable Internet access, even in some major metropolitan areas.

Fortunately, IT tools are available to evaluate broadband performance. You can run a network assessment to ensure good voice quality, and address its findings. Unless dealt with beforehand, network access translation (NAT), throughput, and firewall issues can create headaches at the beginning of home agent programs.

"Whatever your IT department tells you about how good their network is, VoIP is going to really test it," advises Bill Jolicoeur, Avaya Product Manager. "Once you press beyond this stage, though, things will settle down."

Best Practice #5 – Make Experts Readily Available

Home agents need access to the same expert pool as those who have supervisors and expert resources just over the cubical wall. With today's technology, home agents need not go it alone.

Contact center solutions provide a range of capabilities — from instant messaging to video that is integrated into the agent softphone. With technology like this, agents can simply click to connect with an available supervisor or expert anywhere in the enterprise.

These types of tools also let home agents meet customer needs without having to transfer calls. Delivering one-call resolution to more of your customers can increase satisfaction while enhancing the cost savings from using home agents.

Best Practice #6 - Monitor and Manage

How do you know that your home agents are meeting your performance standards?

Use technology to observe

Today's contact center systems provide the same monitoring capabilities for home agents as for in-office agents. "Using the same interface as their home agents," says Avaya product manager Mike Harwell, "managers can observe interactions, record agent calls, coach agents, generate reports on the full range of home agent activities, and even use integrated video for face-to-face time."
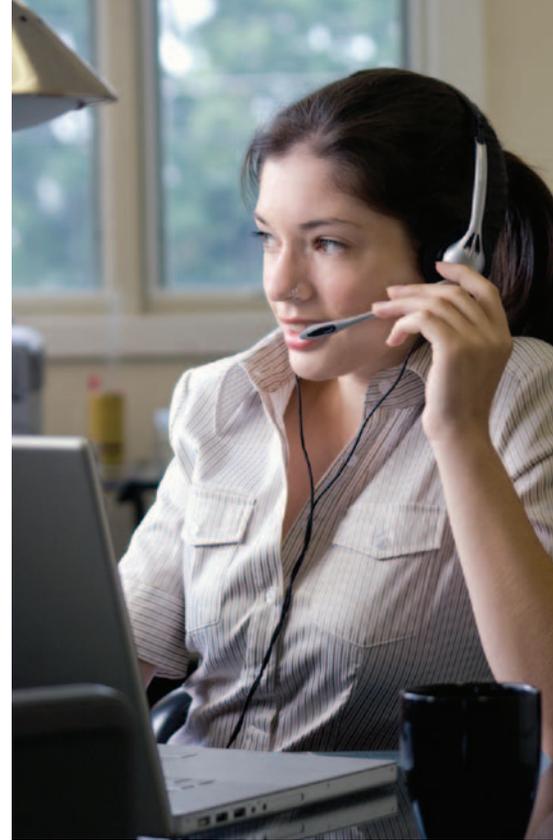
"Presence" is a technology that is familiar to users of instant messaging, where a list of names is accompanied by icons indicating whether each person is logged in. When presence is incorporated into a contact center, finding an expert is just as easy for the remote agent as for the in-office agent.

Hire smart

Alpine Access minimizes their management problem by hiring home agents that require less management oversight. Their home agents tend to be more experienced, educated, and mature — with an average age of 38 compared to the typical range of 18 to 29.

Provide pointers for improvement

Home agents need to meet the same continuous improvement goals that apply to all agents. As you manage a group of home agents, you will learn from their collective experience and gain perspective that you can feed back to the group. You are the repository for their collective experiences, a resource they can turn to.

Predictable management check-in times are reassuring to home agents. And Alpine Access found that sending a hand-written note to a home agent adds an effective, personal touch.

Keep training home agents

Call centers are turning to electronic training for home workers. For example, LiveOps provides agent help and training by a variety of means. According to a call center agent at LiveOps, "All training is readily available by instant messaging and conference calls, and it's built into the available data on my company's Web site."

Helping an agent through a new function is easy with current technology's ability to share desktop screens. A trainer or supervisor can demonstrate a feature, or "look over the agent's shoulder" to see if they are performing a process correctly.

Include agents in team meetings

Home agents need to be included in team meetings and events so they can stay connected socially and culturally. But agents who choose work at home arrangements are sometimes reclusive and do not want to come into the office for meetings. On the other hand, team spirit, professionalism, and a sense of individual value are difficult to communicate over the phone to employees. To stay attuned to employees' needs for acculturation, you may find that it benefits the employee, and the company, to see home agents in the office once in a while.

YOU CAN DO THIS!

To create an effective home agent program, all you need to do is think through the people, policies, and procedures. And remember, you're not alone. Avaya offers the leading systems, applications, and services. Plus, Avaya Professional Services is a team of experts in security, technology, and implementing best practices for home agent programs. Call us for advice that is tailored to your situation.

For more information on how Avaya can make home agent programs work for your enterprise, contact your Avaya Account Manager or a member of the Avaya Connect channel partner program, or access other collaterals by clicking on Resource Library at **www.avaya.com**.