



WHITE
PAPER

Best Practices for Home Agents

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“Alpine Access has experienced 60-70 percent growth since 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 7,500 home agents in five states.

“In the call center industry, the number of home agents is growing by leaps and bounds.”

— Jack Heacock, senior vice president at The Telework Coalition, quoted in CRM Buyer.

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

From your customers’ perspective, the agent must be so professional as to be indistinguishable from an in-office agent. And from a management perspective, it had better be cost effective.

Fortunately, home agents can be both professional and cost effective.¹ The strategy is working for many companies, and the trend is catching on.

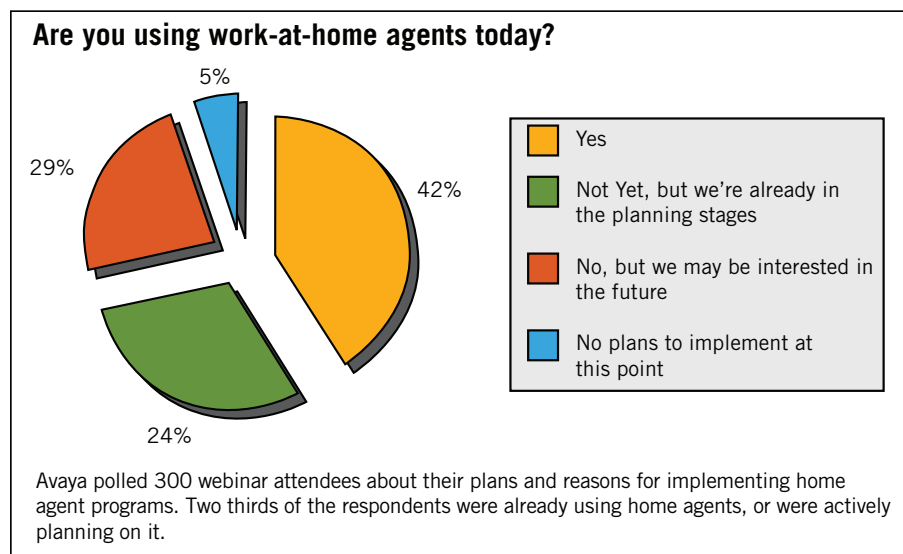
Home Agents On The Rise

Today, an estimated 151,000 home-based agents work in the United States. IDC, an information technology consulting firm, predicts the number will double, to over 330,000 by 2011². That’s about equal to the population of St. Louis, Missouri.

Confirming this trend, Avaya has observed a significant increase in the number of companies employing work-at-home agents. Even more companies are actively planning such programs, or are in the exploration stages.

Avaya contact center experts interviewed several companies in depth about their programs, to learn about the drivers behind this trend. Those companies span industries and geography; they include Alpine Access, Sitel, UpSource, VOXCOM, Visiting Nurse Service of New York, Jupiter Shop Channel and others.

In this paper we will share what we learned. We’ll look at motivations for using home agents, and will share what we learned from companies in the form of best practices for home-based agents.



¹ <http://www.census.gov/popest/cities/SUB-EST2004-4.html>

² 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.

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

1-800-Flowers³

“Now able to lure more seasoned workers into these hard-to-fill positions, U.S.-based contact centers ... are feeling more confident in the face of offshore competition.”⁴

*— Computerworld,
May 15, 2006*

What is a home agent?

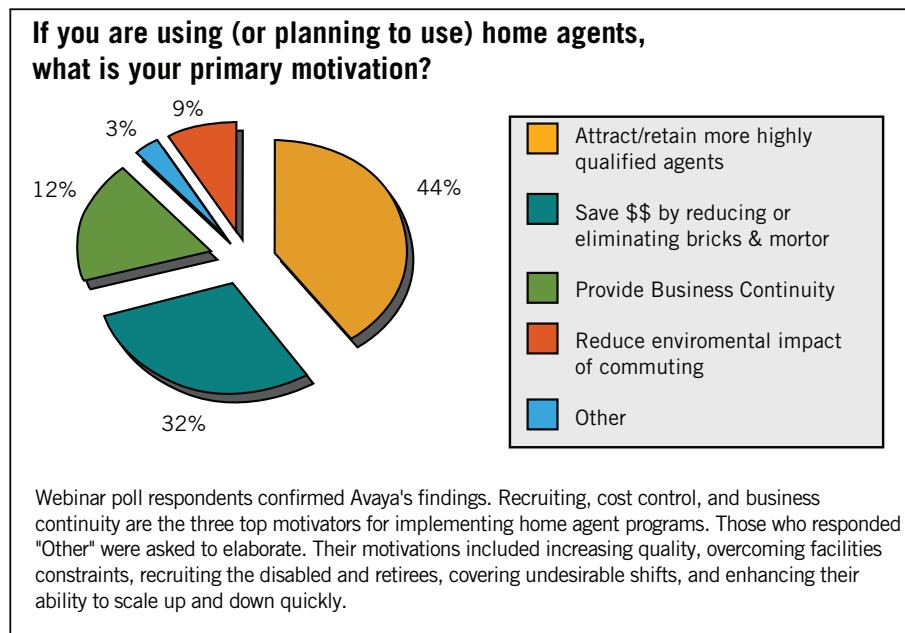
A home agent is a contact center agent who works solely from home. The best practices described in this paper do not necessarily apply to every telecommuter, virtual office worker, or home-based business — those are more general topics than that of home agents.

A home agent does not have office space at a company facility. This expense would negate some of the important benefits of home agent programs. The employment model varies: agents may be on payroll, on commission, or work as independent contractors.

Why use home agents?

During our conversations with several companies using 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 are not surprising, but their priority order seems to be a product of global competition. The third and fourth are indicators of a changed 21st-century business climate. We begin with the top-ranked motive for home agents: attracting and keeping great employees.



Motive #1: Finding And Retaining The Best Agents

Using home agents allows contact centers to tap into a large pool of agents. Geography need not be 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 7,500 agents work from their homes. Alpine gets between 1,000 and 1,500 job applications per week. Those numbers suggest that the work-at-home criteria are far from hampering Alpine's recruiting efforts.

³ NBC Nightly News, Jan. 28, 2008, <http://www.msnbc.msn.com/id/3032619/vp/22882487#22882487>

⁴ <http://www.computerworld.com/action/article.do?command=viewArticleTOC&articleId=111243>

Arise (formerly Willow CSN) has 5,200 agents in 49 states, and has almost doubled in size in the last 18 months. It was founded 10 years ago as a partnership with the state of Florida and BellSouth Corp. 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,”

— Mary Bartlett,
Vice President
of personnel for
Arise, quoted in the
Charleston Gazette
on Nov. 6, 2007.⁵

“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.”

Personal mobility restrictions are no longer an issue when recruiting. The candidate pool continues to expand by adding the home bound, physically disabled, stay-at-home parents, and senior workers.

Overcome agent scarcity in high-employment sectors

VOXCOM, a Canadian company, told us, “Our unemployment rate in Alberta is around four percent, which means many of the call centres in our province are searching for new ways to find people, and to retain the ones we have.” The company is launching a home agent program for non-emergency call center employees because “it’s an employee market right now — the technology we’ve implemented allows us to be flexible when recruiting new employees and allows us to provide options for existing ones.”

West Corporation, a large call center provider with several thousand agents, states that 89% of their home agents have some college education, compared to only 34% in other call centers. They say these higher quality agents help increase sales conversions by 15% and provide a 10% increase in agent productivity.⁶

Handle peak periods and provide 24x7 service

Contact centers gain flexibility in staffing by providing more flexibility to employees through a home agent program.

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, offers a work-at-home option to attract agents to work shifts that are otherwise hard to staff, such as the 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 happy agents, contact centers have less to worry about from competitors luring away their best agents.

“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.” He 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.”⁷

⁵ <http://www.willowcsn.com/Content/11-06-07.asp>

⁶ http://www.westathome.com/pdfs/BR_WAH_west_at_home.pdf

⁷ <http://www.destination-crm.com/articles/default.asp?ArticleID=7259&KeyWords=home++AND+agents>, Sept 27, 2007.

Motive #2: Reduce Costs And Increase Efficiencies

It is simply cheaper to move bits than bodies. Consulting firm IDC finds the typical costs for an agent in a brick-and-mortar facility are US \$31 per hour, compared to \$21 per hour for home agents.⁸

At one technology company we spoke with, their 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.

These first two motives are practical reasons for using home agents, reasons that have been talked about for over a decade. In recent years, noteworthy events and trends have generated much more interest lately in using home agents.

Motive #3: Ensure Business Continuity

In the finance sector, companies have thought through the value of business continuity. We interviewed eleven financial companies to learn how they view it. Almost every company we talked with has a plan — or is 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 could lose a contact center temporarily due to damage from a natural disaster, an accident, or a deliberate act. Having agents trained and equipped to work at home removes the contact center from the company's worry list. During repairs, agents would work from temporary locations. This could be a standby facility, if the company has invested in one. Even if a facility could be arranged on short notice, physical workspace might still be limited. Home agents, meanwhile, continue serving customers.

Secondly, a contact center facility might be rendered unreachable or unusable, even though it is not physically damaged. Agents could be forced to stay away by such events as quarantine, contamination, or threat. Transit strikes, blizzards, or gas shortages could make it impossible to fully staff a facility. But a call center could implement a backup plan using home agents, if they are prepared.

Finally, contact centers might face the long-term effects of a natural disaster or large-scale infrastructure failure. Events such as hurricanes Rita and Katrina would require workers — even those who work at home — to relocate. Situations such as these are not the time to start a home agent program; if a contact center already has a program in operation, then it has significantly reduced the negative impact of this scenario.

Localized events such as power outages can affect any building, even an agent's home. But when one home agent's neighborhood is affected for a day, the impact is insignificant compared to losing an entire contact center for an hour.

⁸ IDC, US Home-Based Agent 2005-2010 Forecast and Analysis, Doc. #34514, December, 2005.

Motive #4: Respond To Transportation And Environmental Concerns

Concerns about fuel prices, commute times, and the environment are driving up interest in home agent programs.

Fuel prices become a recruiting asset

Centrally located contact centers are an economical model, as long as worker transportation is inexpensive. We may have seen the end of cheap gasoline, and current prices are hitting many commuting wage earners hard. Employers can position fuel savings as a real benefit for agents working from home.

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 distance as a factor in recruiting. IP telephony lets enterprises extend their contact centers. In the case of home agents, technology is putting agents to work not in far-flung geographies, but closer to home.

Breathing easier with home agents

We would be remiss to discuss home agent programs without mentioning the climate benefits. Alpine Access has measured the environmental impact of their 7,500 home agents for a twelve-month period:

- 2.5 million pounds of air pollutants eliminated
- 900,000 gallons of gas saved

Success With Home Agents: Six Best Practices

Once a contact center has decided to deploy home agents, learning from others can enhance the success of these programs. The following six tips emerged from our interviews with companies who are using home agents.

Best Practice #1 — Establish Home Agent Policies

Each company has a set of criteria for successful alternative work arrangements. If a company already has a policy for telecommuting, it may need to create a few additional criteria for home agents.

Document the 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. Sitel provides a paper shredder to home agents and requires that they shred any confidential information, such as customer credit card numbers.

Home agents need to know how the company's administrative process works in their situation. They need access to some form of the corporate directory, to contact various support departments within the company. 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

Here are some of the questions that should be answered in a clear policy for home agents.

- Who is eligible? Make it clear whether home work is an option for every employee. Some agent positions need to have a presence in the office.
- Where do they work? Specify workspace arrangements for a dedicated, quiet, secure workspace (for more detail, see Best Practice #4). Make it clear that they 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, explain the schedule, as well as how schedule changes will be managed and communicated.
- Are there any tax implications for the agent? The typical agent will have no experience with this arrangement, whereas most employers have accounting staff qualified to answer 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."*

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 arrangements such as these.

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. Sitel makes it a part of their selection process to do background checks.

Select the right job for each person

In addition to making sure the person is right for the situation, verify that the 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.

Establish the manner and frequency of communication between the agent and the manager to ensure expectations are being met.

Independent contractors

Some companies use independent contractors for home agents, while others use regular employees. Correctly classifying employees and independent contractors is important. 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 on-line.

Give it a try

Screening cannot catch every potential problem. Some companies specify a formal trial period, during which the employee must meet the performance criteria to continue working at home. If an agent's performance falters during the trial period — for example, their AUX work time is excessive — you may want the flexibility to end the home arrangement for that agent.

It might be the agent who needs that flexibility. Kay Phelps, a Senior Manager for Avaya, advises companies to build in some slack: *“Trial periods provide a way for manager and agent to save face. Have an agent work at home for a week or two, then come back to the office for a few weeks. Then they have a natural opportunity to choose whether to make it permanent, or to retreat from the arrangement without shame.”*

Reward good performance

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, tells us that at-home arrangements are used as a perk for top performers.

Best Practice #3 - Ensure A Good Working Environment

Prospective home agents may not have accurately pictured themselves working at home. Tell them what works based on experience, and spell out what you expect of their workspace. The written policy should include guidelines for the working environment, and these guidelines should be discussed with home agent candidates.

Home at work

Set up a home agent office in your contact center, for training and to set an example. Be careful, though — your in-office agents might start asking for couches and coffeemakers in their cubicles.

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.

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.

Ergonomics

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

Noise-free environment

Agents are the voice of their company, no matter whether they speak from a call center or a home office. 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 the right space. Their home environment must make sense.

Balancing life and work

Agents who are temperamentally 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 enforces system requirements, your Help Desk will thank you.

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

Document your policies and procedures to tell the home agent:

- How they obtain a computer, or how to determine that their computer meets the company's minimum system requirements.
- How they get their equipment set up, whether through a Help Desk or third party.
- How they 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 content of the PC, 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, Symantec pcAnywhere and Altiris Carbon Copy, but there are many other options.

In controlling what content is on agent's PC, consider what content should not be on PC. Sitel takes this approach: It provides a standard disk image for home agents' PCs. Booting from this image addresses security issues as well, mitigating the risk of introducing viruses from the agent's own PC.

Access to all contact center features

Home agents must not be, in technology terms, second-class citizens. They must be at functional parity — they need the same features, 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. The trend is moving toward VoIP.

VoIP 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.

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. Run a network assessment to ensure good voice quality, and address its findings. Unless addressed beforehand, 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 instant messaging and other capabilities integrated into the agent softphone. These features tell home agents who is available for assistance. An agent simply clicks to connect with an available supervisor or expert anywhere in the enterprise.

With these types of tools, home agents are able to 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 of using home agents.

“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.

Best Practice #6 - Monitor And Manage

How do you know that your home agents are meeting your performance standards? Technology lets you monitor them, just as you would in the office.

Alpine Access told us that they are able to hire a more experienced and educated staff for their home agent program. These more mature agents have an average age of 38, compared to the typical range of 18 to 29, Alpine Access says, and require less management oversight.

Service observing

Today's contact center systems provide the same monitoring capabilities for home agents as for in-office agents. Supervisors can observe interactions, record agent calls, capture screens, and report on the full range of home agent activities.

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.

Schedule times for management feedback. Predictable check-in times are reassuring to home agents. Alpine Access found that sending a hand-written note to a home agent is an effective added touch.

Keep training home agents

Call centers are turning to electronic training for home workers. LiveOps provides agent help and training by a variety of means.

“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,” says David Randall, a call center agent at LiveOps.

Include agents in team meetings

Home agents need to be included in team meetings and events to stay connected socially and culturally. Agents who choose home work arrangements are sometimes reclusive and do not want to come into the office for meetings.

Many companies are attuned to the need for acculturation for every employee. Team spirit, professionalism, and a sense of individual value are difficult to communicate over the phone to employees. You may find that it is good for the employee, and for the company, to see home agents in the office once in a while.

You Can Do This!

Home agents represent an opportunity to expand and improve your call center team. And they can be a form of insurance to keep your business running if disaster strikes.

Go slowly. Think through the people, policies, and procedures that you will need to run an effective program. Avaya offers the leading systems, applications and services to go with them. Our Consulting & Systems Integration team has experts who are experienced in helping with security, technology, and implementing best practices for your home agent program. Call us for more advice, tailored to your situation.

For more information on how Avaya can make home agent programs work for your enterprise, contact your Avaya Client Executive or Authorized Avaya BusinessPartner, or visit us at www.avaya.com

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