



*Simply, the Most Accurate Workforce
Management Product on the Market*

Building the Case for Best-of-Breed Workforce Management Vendors

Overview

Many arguments have been made regarding the decision to purchase software from best of breed versus end to end vendors. There are valid points on each side of the discussion. Many best of breed companies have been absorbed by larger entities who promise a tightly integrated and seamless solution for all of your software needs. The packaging is attractive and the promises are compelling; however, the drawbacks may be invisible until after the installation is complete. Understanding what your company really needs now, and aligning your purchasing decision with long-term goals, is critical when choosing a software vendor.

According to the PELORUS 2009 Workforce Management Report, workforce management solutions have come a long way since the early iterations which were hard to use and error-prone, particularly with respect to forecasting. Most top vendors have complete product offerings and their models have improved to account for multiple skill sets, locations, time zones, and channels. Schedules can now be built to 30-minute increments, or even 5 minutes, in some cases. Forecasting engines are now more sophisticated and use simulations that take into account a myriad of factors, including known events such as new product releases and special events. Agents are able to manage their own schedules within defined business rules. Reporting is more flexible and pre-built integrations have shortened the implementation cycle from months to weeks. Most importantly, most applications are much easier to use and administer. Many vendors provide Web-based interfaces that allow agents to report last-minute absences, as well as work from home.

While many vendors offer all of these features, they cannot all offer the same quality. Over the past few years, many workforce management systems purchased by call centers have later resulted in dissatisfaction with their choices. In one case, a well-known retailer abandoned three different packages over a six-year period because the programs lacked critical functions, as well as the flexibility, to meet the call center's needs. In another, a catalog company was prompted to switch systems because their legacy platform was unable to maintain sufficient historical call data to generate accurate forecasts.

Workforce management systems should be designed to save money and increase efficiency in your call center. Making the right purchasing decision is important for companies who are looking to upgrade or implement new technology. Today's economy places additional pressure on companies to be more diligent when spending dollars allocated to improve efficiency. Many contact centers are still scheduling agent hours through costly and inefficient manual methods. Investment in a workforce management solution can provide an attractive return on investment as well as positively impact a company's bottom line. However, making the wrong purchasing decision can result in wasted investment dollars and a system that does not meet your needs.

You need to understand what to expect from workforce management software and be aware of issues on each side of the best of breed versus end to end solution debate.

This paper builds the case for best of breed workforce management vendors by exploring:

- The importance of accurate forecasting
- Critical functions of workforce management software
- Four considerations when choosing a workforce management vendor
- The Best of Breed Advantage

The importance of accurate forecasting

The importance of accurate forecasting cannot be overstated. Accurate forecasting is the foundation of call center scheduling, and without it, over- and understaffing will occur and impact the profitability of a contact center.

What determines accurate forecasting? Providing the required accuracy by taking into account all the historic and future dynamics requires a sophisticated forecasting tool. Not all forecasting tools perform the same. Only the most sophisticated systems can perform correlated forecasting — that is, forecasting for specific events such as catalog drops or other marketing events that cause wide fluctuations in the volume of calls that must be processed. No single methodology is optimal for all circumstances; however, four factors should be taken into consideration: the amount of historical data available; the nature of the data; the forecasting period; and any special events or campaigns.

Algorithms should include curve mapping and pattern recognition. In environments where workloads regularly ebb and flow due to marketing activities and other definable variables, Historical Trend Analysis is the only way to ensure proper staffing because it is the only methodology that can incorporate complex historical trends in its calculations. Without pattern matching to predict different customer behavior for different events, the risk of over- or understaffing increases dramatically. Historical Trend Analysis not only accurately predicts the continuation of trends, but the more advanced algorithms also incorporate pattern recognition to fine-tune forecasts for special events like promotional mailings or national holidays. Each time a particular event reoccurs, the forecasted call volume is automatically adjusted to reflect the increase or decline in incoming work caused by comparable occurrences in the past, such as a historical 40 percent drop in volume on the Fourth of July.

An important component of accurate forecasting is having an integrated approach to support multi-skilled issues. It is necessary to have forecasting algorithms that directly calculate requirements in a multi-skilled environment, while avoiding repetitive analytical simulations. A single forecasted set of requirements should be generated for all interwoven skilled activities, regardless of the type of work being offered, such as email and chat. Recognizing secondary skills and accounting for call overflow to available secondarily skilled agents will help eliminate overstaffing. Forecasts that are based solely on primary skills will generally overstaff, since overflow cannot be considered as a factor.

Critical functions of workforce management software

There are nine functions that workforce management (WFM) software should provide. Most importantly, the software needs to integrate and operate at maximum capability. Use the checklist below when evaluating the effectiveness of your WFM software or as a guide for purchasing decisions.

1. Is your workforce scheduling system scalable?

Many WFM systems require call centers to perform a forklift upgrade once they grow to a certain size. This is not only an added expense but a major administrative headache. A scalable system that can accommodate growth without installing completely new software is a much better way to go.

2. Does your system collect enough data for accurate forecasting?

It is imperative to maintain detailed data for several years in order to produce an accurate forecast. Many workforce scheduling systems store no more than 16 weeks of historical inbound call data to generate a forecast, and most fail to gather information on marketing campaigns, billing cycles or other variables that can affect call volume. Trying to predict future call volume without this information is like trying to balance your checkbook if you haven't recorded all of your transactions. Look for

a workforce management package that will maintain several years worth of very detailed data for maximum forecast accuracy.

3. Can your system generate forecasts and schedules in minutes?

The most efficient scheduling systems should be able to quickly produce forecasts and schedules. Some workforce management systems may require eight to ten hours to forecast call volumes, determine staffing requirements, and produce call center schedules. Others can do the same job in minutes. It depends on how the software is architected and how the call center is set up. Avoid systems that require hours for forecasting call volumes and determining staffing requirements. When shopping for a scheduling system, the vendor should perform a simulation based on your data to demonstrate how quickly the system can produce forecasts and schedules.

4. Do calculating requirements account for busies and abandoned calls?

Overstaffing occurs when busies and abandoned calls are not taken into consideration. Staffing operational costs, which account for 70-80% of your budget, can be severely impacted by overstaffing. For absolute maximum efficiency, your software should have an algorithm that incorporates busies and abandoned calls. Systems that don't understand busies and abandons will always overstaff your call center. This is like the airplane that takes off with empty seats; you will never have another chance to recover that revenue. Ask whether the software you are considering has an algorithm that incorporates busies and abandoned calls in its calculations.

5. Are adjustments made for unexpected daily variables?

In order to keep staffing on target, it is necessary to have intra-day optimization tools which automatically adjust for fluctuations in call volumes, absences, or unplanned meetings. The system should have the capability of recalculating daily staffing needs, modifying work assignments electronically, and automatically notifying agents through email or pop-up messages without having to print and redistribute

new schedules. When unexpected agent absences, meetings and/or call volumes require current-day schedule adjustments, intra-day optimization tools make the job a lot easier.

6. Are special events recognized in call volume forecasting?

Having a correlated forecasting capability that recognizes and incorporates any special events, such as catalog drops or discount offers, can have a significant impact on profit and loss. How these special events affected call volume in the past is critical to accurate forecasting. Proper staffing is essential during these special events. In call centers where workloads fluctuate due to special events, the only way to ensure proper staffing is with a system that can electronically calculate anticipated call volume based on how a given event affected incoming calls in the past. In a sales environment where something like a direct mail campaign or TV advertorial triggers extra calls, this correlated forecasting capability can mean the difference between profit and loss.

7. Can tasks that must be performed repeatedly be automated?

Repetitive tasks such as disseminating call volume forecasting, scheduling, and activity reports can account for 50-60% of supervisory time. These tasks can be performed with one-click execution through shortcut wizards. They can be scheduled to run automatically or linked in self-executing sequences. For example, this latter feature makes it possible to generate a forecast, export it to one group of recipients, e-mail it to another group, and print copies without stopping for user input.

8. Can your system produce a single optimized schedule without edits?

Many workforce management systems generate a basic schedule and then require analysts to spend costly time editing that schedule to accommodate breaks, lunches, meetings, training sessions and vacations. This consumes clerical time, risks input errors, and makes creating every schedule an inefficient multi-step process. It can also adversely affect your service levels by failing to consider these variables in the

optimization process. Look for a system that automatically incorporates breaks, lunches and so on when producing a schedule.

9. Does your system have an integrated vacation planner?

This is a two-fold test. First, the vacation planning module should integrate with the workforce management software to ensure that vacation slots will be accurately calculated and reflected in agents' schedules without manual input. Second, it should be fully configurable to support your policies and staffing structure. Staffing rules particular to your company should be taken into consideration and accounted for in the scheduling. For example, you should be able to allocate vacation time by differentiators such as skill set or shift type across multiple centers. Can your system accommodate a Wednesday to Tuesday work week? Does it allow you to allocate vacation slots by skill set, shift type, given contact center, or across multiple call centers?

Four considerations when choosing a workforce management vendor

- **Integration**

Many vendors promote integration as one of the biggest considerations in a purchasing decision. While integration is important, it should not be placed above your overall business needs. One erroneous assumption is that all vendors are able to integrate with other vendors' applications. This is not true and you should ensure that all tools are available for integration before purchasing a workforce management system. Some vendors claim that you will get better integration from one vendor. This is not necessarily true because if, for example, you purchase or accept a free workforce management system with the purchase of quality monitoring software, the developers of the quality monitoring software may not understand workforce management. This can result in a system that may not be fully functional, and/or does not meet your specific needs. Many best of breed solutions provide

easy integration and more data sharing capabilities with other vertical software products because of database structures and vendor collaboration.

- **Ease of use**

One feature that some vendors emphasize when promoting their workforce management solution is ease of use. If you consider this to be an important factor, remember that ease of use does not always translate to quality and functionality. Purchasing a solution that your users will adopt and learn is important; however, if the system is not functional or does not meet your specific needs, ease of use becomes secondary.

- **Do not allow a vendor to hold you captive**

Before purchasing workforce management technology, consider whether you can afford to buy features now that you may not need for years. Look for a system that allows you to grow and add features on an as-needed basis. While it may be tempting to accept vendor offers that promote “one solution fits all” or offers free software, quality and functionality should be your primary considerations. Beware of companies offering free workforce management solutions. A staggering 78% of Pipkins’ install base is replacement systems. Choose a system that will deliver a return on investment now and support your company’s more challenging and sophisticated needs for the future.

- **Return on Investment**

If you do not select a best-of-breed system, whether you’re buying a standalone package or a so-called end-to-end solution, it may have too many limitations to deliver the results you’re looking for. If the forecasting or scheduling is not sophisticated enough or if you’re doing too many processes manually, you are essentially leaving money on the table by failing to staff your center properly. Some vendors claim that return on investment (ROI) can be achieved in less than a year, or even within the first six months of purchase. ROI is subject to many variables,

including how it is calculated. Workforce management is a wise investment that provides a strong ROI while increasing efficiency in the call center.

The Best of Breed Advantage

No single vendor can offer a complete quality solution, regardless of their claims. Most companies are built on the reputation of doing one thing well. Quality suffers when vendors acquire other software that is not their area of expertise. Using one vendor for all your software purchases limits your options for competitive pricing, locks you in to one technology system, and many times restricts your ability to pay as you grow.

When you choose a best of breed workforce management vendor, you are choosing:

- Solutions created and implemented by scientists and software engineers who understand workforce management software and work to continuously improve its effectiveness
- Buy features as you need them
- Customize solutions to fit your business needs

Consider your overall business strategy and do not allow a solution to put you at the mercy of one vendor. The best decision is to choose a vendor that specializes in workforce management and understands the business needs of your company.

The Pipkins Advantage

Pipkins, Inc. is a leading supplier of workforce management software and services to the call center industry. For the past twenty-seven years, Pipkins has consistently created and delivered superior workforce management products for call centers of all sizes. Pipkins maintains its reputation as an industry leader with thirteen industry-first applications that are three to five years ahead of the industry curve. Only Pipkins offers two dynamic workforce management solutions: *Rules-Based Scheduling and Policies and Advanced Directives*.

Rules-Based Scheduling

Only Pipkins has a rules intensive scheduling engine that allows flexibility for scheduling agents based on variables such as:

- Union rules
- labor laws for each state in multiple locations
- shift preferences
- variable length breaks and lunches
- combining breaks with lunch schedules

Pipkins can handle scheduling deviations to accommodate an agent who needs to combine a late break with lunch because of a disability, for example. Union rules differ from state to state; only Pipkins gives you the ability to take into account variations in labor laws for centers in multiple locations. Pipkins can schedule according to any variable or rule to fit your needs.

Policies and Directives is a dynamic solution for making minor or major adjustments to any part of the workforce process. The *Advanced Directive* commands allow you to include custom scripts or policies when generating a forecast or schedule that ensures your company's unique, customized needs are included. *Policies* use *Advanced Directive* commands in addition to the forecast algorithm and schedule rules so your

company's forecast and scheduling requirements are included in the adjusted forecast and schedule. This enables you to define and configure policies that can be easily included when generating forecasts, schedules, rosters and exception requests. When using *Directives* for forecasting, you can develop endless combinations in a simple "drop down and select" action without reconfiguring the software.

Pipkins' premier product, Vantage Point, is the most accurate forecasting and scheduling tool on the market. Pipkins' systems forecast and schedule more than 300,000 agents in over 500 locations across all industries worldwide. For more information, visit www.Pipkins.com.

Experience the Pipkins advantage with:

- Advanced forecasting with Merlang™ algorithms
- Scheduling in Skill-Based environments
- Easy to use point-and-click graphical Schedule Management tools
- Comprehensive Analysis and Reporting capability
- Complete Multi-site Management
- Attendance Preferences
- Support for Multi-media environments
- Live Real-Time Adherence monitoring
- Scenarios (Perform "What-If" operations)
- Filters (data can be filtered to many levels for easier management)
- Linked shortcuts (perform repetitive operations with a single click)
- Scheduling Reoptimization
- E-Mail Integration
- Automated Data Exports
- WYSIWYG (What you see is what you get) Report Distribution
- At-home agent suite
- Agent Productivity/Statistics Reporting
- Automated Spread Sheet Reporting
- Smart phone interface