

Customer Value Enhancement, Hiring Resources & Assessment Services in Contact Centers North America, 2009

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Frost & Sullivan is entering its 48th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360 Degree Perspective,* which in turn serves as the foundation of its TEAM Research** methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Our research team is proud to present the 2009 North America Customer Value Enhancement Award in Contact Centers to FurstPerson.



Significance of the Customer Value Enhancement Award

Key Industry Challenges

The most persistent challenge for contact centers has always been trying to better manage the resources devoted to labor and hiring. Labor accounts for between 65% and 75% of the ongoing costs of running a contact center. But turnover is so appallingly high that much of that money spent is wasted on repeated efforts to find and train people who aren't right in the first place. Estimates of overall turnover are somewhere around 35% industry-wide. In some segments, like collections and outbound telemarketing, the rate is much higher, even over 100% annually. Despite this, systematic professional hiring and assessment tools are often overlooked – the on-boarding process is rarely automated.

In addition to the core structural problem of turnover and hiring itself, the industry is challenged by a lack of awareness of the existence of viable automated solutions. There is a tendency to see agent hiring as a separate competency, mainly the domain of human resources departments that is uncontrollable by contact center professionals. Until very recently, the relationship between more effective hiring and overall performance has not been adequately expressed to end users. Finally, the industry is challenged in its need to find ways to link hiring tools with existing contact center technologies to provide feedback on critical KPIs that centers use to measure effectiveness.

These challenges are all addressed by the idea of enhancing the value of the tools and processes that already exist in most contact centers.

Best Practice Award Analysis for FurstPerson

The Frost & Sullivan Award for Customer Value Enhancement is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that customers make in its services or products. This award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

FurstPerson's Performance in Contact Center Pre-Hire Assessment Sector

FurstPerson is a Chicago-based provider of hiring resources and assessment services aimed at contact centers. The company was founded in 1997 and remains private. Frost & Sullivan estimates FurstPerson's 2008 revenues at approximately \$20 million. The company has indicated that its cumulative growth between 2002 and 2008 was 562%; published reports in 2001 put the company's revenues at approximately \$3-4 million in the years just prior to that. The market for contact center pre-employment hiring services is potentially \$200 million per year, with most of that presently unclaimed by any vendor or service provider. FurstPerson's potential competitors fall into three groups:

- HR recruitment companies looking to expand into contact center services.
- Boutique contact center-related consulting and assessment firms.
- Vendors of contact center agent performance optimization suites.

Key Performance Drivers for FurstPerson

FurstPerson has stood out among its competitors for several reasons, including its higher visibility in the industry and its aggressive global efforts to automate the hiring process. It has made significant strides in educating the marketplace about the need for – and solid benefits of – pre-hire candidate assessment.

Factor 1: Solutions Targeted to Contact Centers

Recruiting and hiring agents for contact center work has mainly been done through traditional HR channels, creating a silo-ed environment that makes the process less efficient than it should be. Oddly, contact centers have been slow to see the relationship between good hiring practices and their main cost problem, which has always been high turnover. Instead of trying to revamp hiring, centers usually try to maximize the efficiency of the established workers, which, paradoxically, drives many to leave their jobs. What FurstPerson has been doing since 1997 is create a method for discerning whether the people who are being hired are, in fact, the best ones for the job in the first place – assessing their mix of skills and personal traits to assure a better match between the culture of contact center work and the workers themselves.

FurstPerson, which is oriented squarely towards contact center workers, was nurtured inside a more general family-run recruitment services company. That allowed it to absorb the broad-based contours of the overall hiring industry, but also to apply those techniques to the very specialized needs of the contact center business. This has given it an inside edge over more traditional HR-based firms in making the case to contact center executives that their hiring needs to be more tightly integrated into their ongoing job training and performance evaluation practices.

The company has also successfully melded products based on new technology with a rigorous professional services practice. This has provided FurstPerson's clients with a sense that they are automating a process that is, within each client, unique.

Factor 2: Adding Value to APO Suites

Inside contact centers, labor management is usually viewed through the prism of productivity. Consequently, there are many tools available for evaluating agent performance and improving it. These tools, including established systems like workforce management software, quality monitoring, and performance management software, would all work better if there was a connection between them and the baseline criteria for agents who come into the system via the hiring process.

Oddly, most of the major vendors in the agent performance optimization (APO) space have shown little interest in extending their offerings to include the hiring process. FurstPerson's success, however, has the potential to make those APO systems even more valuable to contact centers by giving those tools better data and better candidates to score and track. The information gleaned from the upfront assessment of the labor pool allows the traditional APO tools to better fine tune the overall performance of the center. And it allows for a broader range of labor sourcing options: a center that knows what its skill base is can seek labor from a wider variety of sources, including a mix of outsourcers, in-house agents, and remote agents. FurstPerson's Hire@Home product, for example, tests not just the agent's skills, but his home-based technology environment, to ensure that it is capable of handling a contact center's technical requirements.

FurstPerson's assessment tools overall have shown a reduction in first-90-day attrition rates of 15-50%, along with a 5-20% improvement in new hire performance. FurstPerson has been working with APO vendors to knit the pre-hire assessment systems into the ongoing training, evaluation and performance management tools to create a system for overall agent lifecycle management. That way, contact centers can create a workforce that's more motivated to stay, to acquire new skills, to adapt to change as conditions warrant.

Factor 3: Courting Outsourcers

The majority of FurstPerson's clients are outsourcers. These are companies that have the most urgent, ongoing need for a continuous supply of new labor. They typically have the largest centers, including the most advanced technology.

FurstPerson's strategy has been to work with the outsourcers to show them how to correlate the assessment data they get from 1stHIRE (FurstPerson's signature assessment offering) with the existing performance tools they have already under contract.

The outsourcers can then go back to their clients with the news that they are investing in better hiring to create a higher-skilled, more motivated workforce – and they can demonstrate the correlation through improved KPIs at all levels. This becomes a selling point and a client-services differentiator for the outsourcer, who does not have to make a heavy investment in new technologies. It adds value to the existing APO suite and call handling infrastructure that exists.

This successful formula resonates with the operational leaders of the outsourcers' own contact centers, as well as at their clients' customer service operations. It transforms the hiring process from something that's just the province of HR into a real metric-based benefit for service organizations.

And although this has been true, and available, for some years now, it has taken time for the message to get out to operational professionals that they can boost the value of the resources they already have. FurstPerson's technology, persistence and message have begun to percolate out and make a significant difference for its clients.

About FurstPerson

FurstPerson operates a Software-as-a-Service (SaaS) [contact center hiring system](#) that is used in over 600 locations across North America, Europe, Latin America, and Asia. FurstPerson's contact center solution includes [contact center simulations](#), [problem solving tests](#), [personality tests](#), and [analytics](#) that are all integrated into a hiring solution that enables contact center hiring managers to reduce contact center turnover and hire individuals that perform better on the job.

For more information, visit <http://www.furstperson.com>.

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