

Homeworking

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1. Executive Summary

Call centres and the use of mobile phones have become a central part of our daily lives. In the early 2000's, there was a rush by organisations to outsource and offshore many of these call centres because of the significant cost savings that could be achieved. Unfortunately, where offshoring has been used, it has often led to a reduction in customer satisfaction with the result that organisations are increasingly looking at bringing their critical customer service call centre operations back 'onshore'.

At the same time, developments in local communications technology such as the increased availability of high performance broadband has opened up new possibilities when considering where call centre operators should be located. This has led to the introduction of a new approach – homeshoring or homeworking – where agents can work from their own homes. This approach has provided benefits both in cost savings and in customer satisfaction and is becoming more widespread.

This research report was commissioned to review the current status of homeworking in the UK, compare to the status in the US where the practice is much more prevalent and to develop an initial view of the important factors to consider when looking at a homeworking project.

The homeworking review looks at the homeworking market and existing research into the use of homeworkers. The research project then consisted of a series of interviews with key managers in organisations that use homeworkers (Homeworker Project Companies – HPC) and with a number of homeworkers to understand the issues and opportunities from both sides.

This project clearly demonstrates that the use of homeworkers can be beneficial to both the HPC and the homeworker. Cost savings, increased flexibility, reduced absenteeism and improved customer satisfaction are common among the interviewed HPCs. The homeworkers are also very happy with the arrangement in general. There are, however, issues that both the HPC and the homeworker must address to keep the homeworker from, for example, feeling too isolated.

This report presents case studies of the interviewed HPCs and an analysis of the homeworker interviews and then goes on to present a model of a homeworking project to help organisations that are considering the use of homeworkers. The framework presented will help managers to plan their own projects and identifies areas that they need to address. While most of the HPC's interviewed were happy to be named, one or two declined. For that reason, none of the organisations have been specifically identified.

Agent homeworking is used successfully in the US, but less so in the UK. This research included interviews with organisations and agent homeworkers in both geographies to examine differences between them and finds little evidence to change our conclusion that homeworking in the UK will be just as successful as it has been in the US.

2. Homeworking Review

2.1. What is Homeworking

Homeworking refers to the way that organisations are able to make use of people who work from their own homes.

There are a number of different models that have been used to achieve homeworking. They are:-

Remote working.

This is a mixed at work/at home approach where an employee is able to work at home for part of their work time. This is common practise in many UK (and US) organisations and reduces employee travel time without changing existing office dynamics.

Neighbourhood working

This is an alternative to a large centralised call centre where small centres are established in areas where demographics support call centre agent recruitment. This has the benefit of decreasing travel time and costs for the agents and keeping real estate costs under control for the organisation.

Employed Homeworking

This is where an organisation has employees who work permanently from home. It reduces real-estate costs for the organisations and reduces the costs for the employee in a number of ways, for example in the areas of travel, subsistence and clothing costs.

Homeworkers might be recruited directly for the role or existing employees might be offered the opportunity to switch to a home working role.

Self-employed Homeworking

This is where the self-employed homeworker contracts with the organisation, either directly or through a managing agent, to provide call centre agent services. This is similar to Outsourced Homeworking.

Outsourced Homeworking

This is where an organisation outsources its call centres to an outsourcer who engages homeworkers to meet their contractual obligations. This could be either an employed homeworker setup similar to Employed Homeworking, except that the outsourcer might deploy the agent to support more than one contract, or a Self-employed Homeworking setup where the Outsourcer manages the contracts with the homeworkers.

For the purposes of this research, the first two of these models, Remote working and Neighbourhood, have been ignored because they do not result in full-time homeworkers and so represent a partial implementation of full homeworking. Outsourced homeworking is a form of either Employed or Self-employed Homeworking so research has been focused on these two categories.

2.2. The Homeworking Market

In a white paper in 2007, BT identified the drivers that point towards an increase in homemaker agents as (Millard, N.J. 2007)

- The increasing costs of recruiting and retaining appropriate, geographically agnostic contact centre staff.
- The changing nature of contact centre interactions means that advisors are starting to become knowledge workers rather than call processors.
- The backlash against offshoring is forcing companies to rethink their contact centre strategy.
- The falling costs and increasing reliability of broadband connectivity to the home coupled with the cost effective multimedia delivery capabilities of Internet Protocol (IP), Session Initiation Protocol (SIP) and hosted contact centre technologies.
- The issues around location and utilisation of large, centralised contact centres – including the cost of real estate - is forcing centres to relocate and expand out of central locations and into suburban industrial estates.
- The ability to quickly flex resources in order to increase productivity and meet the peaks and troughs of customer demand with appropriately qualified staff.
- The Corporate Social Responsibility (CSR) agenda – including issues such as providing jobs to traditionally disadvantaged communities and people, as well as environmental impact and reduced carbon footprint.
- The ability to provide a resilient service in the face of external disruption.

At that time, around 24% of non-franchised US advisors – about 670,000 workers – were based at home (Booze Allen Hamilton, 2007). BT themselves had around 11,500 people who were home based (Millard, N.J. 2007) and had seen significant benefits in areas such as reduced absenteeism, reduced costs, increases in staff satisfaction and retention and improved recruitment.

However, there was little further penetration in the UK even though Gartner estimated that organisations could save between 8 and 10% of their costs through the use of homeworking agents (Bona, A. and Kolsky, E. 2005).

Homeworking is now widely adopted in the US and the UK is following on. The table below shows a number of well-known US organisations that are already doing work at home.

HSN, Inc.	Choice Hotels International	AIG
Jet Blue Airways Corporation	Best Western Hotels	St. Paul Traveler's Insurance
The Hertz Corporation	Sensee Ltd.	Office Depot
Citigroup, Inc.	Arise Virtual Solutions, Inc.	Virgin Atlantic
1-800 FLOWERS.COM, Inc.	FedEx	Procter and Gamble
Continental Airlines, Inc.	AAA Auto clubs	Finland Post
The Neiman Marcus Group Inc.	Walgreens	Verizon
Staples, Inc.	General Electric	Mastercard
Global Hyatt	Internal Revenue Service	Blue Cross/Blue Shield
Accor	Health Management Corporation	Comcast
Marriott International, Inc.	LL Bean	Direct TV
West Corporation	McKesson Health Care	Best Buy
ACS	Verizon	American Airlines
Alpine Access	J. Crew	Delta Airlines

Source: AT Home Customer Contacts

Table 1: Companies Already Doing Work At-Home – USA

In terms of growth, analysts predict that in 2011, 30% of US contact centres already use home workers and this will grow to 80% of organisations that will use home working and mobile workers by YE 2013 (AT Home Customer Contacts).

In the UK, a Virgin Media report published on 22nd Feb, 2012, estimates that 60% of employees will work from home within the next decade.

2.3. Homeworking Research

Research into the subject of homeworking has covered a number of areas that are of interest to an organisation considering a homeworking project.

The use of the home for work.

This is not a new idea. Before the industrial revolution, it was normal for the home to also be the place of work. It was the introduction of factories and town and city infrastructures that changed the nature of the home and lead to the housing market as we know it today.

The emergence of new forms of homeworking has had an impact on the design of future housing (Louw, E and De Vries, P - 2002) and thought has to be given to how the work environment is introduced into the home so that both can happily coexist.

Cath Sullivan in 2000 found that in most of the homeworker households, "Work is performed in a separate space. Separate space is viewed, by homeworkers and their families, as highly desirable—or even essential. Workspaces are often perceived, by the whole family, as the territory of the worker." However, she also found that "The women homeworkers in these households were less likely to have a separate space for their work." (Sullivan, C – 2000). Without proper planning, Jon Dart in 2006 found that for many home-based workers the sense of the home as being a distinct place, or acting as a barrier against an external world of paid work, is being eroded (Dart, J. - 2006).

Impact on the Homeworker

Redman et al, in 2009, found that “Homeworking is positively associated with employee well-being and a more balanced work–home relationship.” They go on to say “We find that homeworking hours are positively associated with employee well-being, with hours worked in the home being positively associated with job and life satisfaction, psychological empowerment and positive affect, and negatively associated with burnout and stress.” (Redman, T, Snape, E and Ashurst, C - 2009). Our own interviews with homeworkers are consistent with this view.

However, something for the organisation using homeworkers to consider is their finding that “However, improved well-being of homeworkers may come at a price. One of the main concerns of those most pessimistic about homeworking, that it undermines organizations willingness to invest in the training and development of such workers and negatively impacts on their career progress.”

Again, something to consider by the organisation is that “Homeworking, in particular, is expected to be associated with greater discretion” (Green, F – 2008) primarily because of the use of remote supervision.

3. Research Approach

The key objective of this research is to develop an initial view of the important factors to consider when looking at a homeworking project. It also seeks to identify both positive and negative factors from the perspective of the agent and to highlight differences between the US and the UK markets.

To accomplish the above, interviews were conducted with key managers in five companies that utilise homeworkers (homeworker project company – HPC – see Table 1 below). In addition, a number of homeworking agents in both the US and the UK were also interviewed (Table 2).

Company	Business Sector	Model	Location
HPC1	Supermarket Chain	Employed	UK
HPC2	Roadside Assistance	Self-Employed	US
HPC3	Car Rentals	Employed	UK
HPC4	Hotel Group	Employed	UK
HPC5	Online & Home Shopping	Self-Employed	UK

Table 2: Interviews with Homeworking Project Companies

No of Agents	Model	Location
8	Self-Employed	UK
4	Self-Employed	US
4	Employed	UK

Table 3: Interviews with Homeworkers

Appendix 1 includes a synopsis of the topic areas covered in the interviews.

4. Findings

4.1. Case Studies of Homeworking Project Companies

4.1.1. HPC1

Business Background

HPC1 initiated its homeworking project in August 2010 with the main goal of providing an alternative growth strategy to support demand for an increase in contact centre seating capacity. The objectives for the original project can be summed up as:-

- To ensure that we had systems that worked for us.
- To demonstrate that we could recruit the right people.
- To match the performance of any of our agents in the contact centre environment.

Solution

HPC1 chose to have employed homeworkers from the outset. The reason was to ensure that all agents were full members of the HPC1 team and adopted the company culture and values. This was summed up as *“We want anybody who we employ at HPC1 to feel the HPC1 way of working - to understand the ways that we operate as a business - so we always said, right from the word go, that we would employ homeworkers as staff and they would experience exactly the same as any other member of staff would who's employed by HPC1.”*

HPC1 also recognized the importance of providing the right technological support during the setup period and chose to work with third-party organisations to achieve successful setup for homeworkers (systems, hardware, software etc).

Proof of concept trials lasted from August 2010 to February 2011 and allowed HPC1 to evaluate a number of different models for their homeworking operation. These included:-

Call Centre/Remote Home Working - where employees spent a couple of days in the centre and the rest of the week at home. This model was trialed with internal staff and separately with external recruits.

Remote Home Working - the employee is permanently based at home.

and for each of these, different management styles were trialed:-

Travelling Managers - Homeworking team leaders would drive around to visit their staff in their homes.

Remote Managers - The full remote model where homeworkers are permanently based at home and managed remotely.

The most beneficial of these approaches turned out to be the full remote model. For the employee, the reason for wishing to work from home is often about lifestyle issues (e.g. childcare or other caring role) so a part at home, part at centre approach doesn't meet their needs.

In terms of management style, both managers and staff preferred the full remote model.

From the managers perspective - in the half and half model, managers felt they had to repeat themselves 2 or 3 times to different groups so communication was very difficult. Some team members might be in on a Monday - others on a different day. In the full remote context, not having to drive around to different people's homes and face the potential pitfalls of a private space (e.g meet up with pets to which they are allergic!) was much preferred. Also, team leaders have said that they feel closer to team members in the remote management environment than they experienced in the contact centre. The reasons being that *“they probably don't have a queue at their desk and they're not taken away to go to meetings. Their time is dedicated to their staff and they feel that they spend more time with their staff in a homeworking environment than they did in the office. They can still also have face-to-face time using webcams and conferencing facilities.”*

From the agents point of view, they would prefer not to feel the need to 'tidy up' because a manager was visiting. Also, face-to-face could be done in a different way using the web cams and this was felt to be a better solution.

Results were strongest for the full remote model as well - particularly in the area of Customer Satisfaction – *“that's where the homeworkers have really stepped up and that's where the results are very strong.”*

For these reasons, the full remote version of the Employed Homeworkers model was chosen by HPC1 as their Homeworking Operating Model at the end of the proof of concept period and was deployed effective from February 2011.

Results

The original objectives for the project were met. It is still early days in terms of results but HPC1 has made some preliminary conclusions.

- In terms of average call-handling times and things like that, results are very much in line with the results achieved in the centre.
- We still have some work to do to optimise our Telephony and IT set-ups to ensure we achieve our target cost model and have access to the full set of MI we need to deliver our long term customer service goals.
- We have been able to employ a number of homeworkers who we would not have been able to attract to our centres. A number of homeworkers suffering from disabilities or who have 'carer' responsibilities have been recruited so we feel that we have opened up a different avenue for people who want to work for HPC1.
- We regularly conduct staff viewpoint reviews and homeworkers have responded positively. We're not shouting from the rooftops about it because it needs time to settle, but homeworking has outperformed our other customer service operations - the staff love it - we have the highest viewpoint results.

Key Learning Points

1. Ensure that you understand the complexities around system setup. (HPC1 use partners to manage the setup) *“Our biggest challenge was getting the technical setup right and making sure that our homeworking agents have the systems and capabilities that they need. Addressed by support from our technology partner, support from our own operation that feeds through to the contact centre and the development of more guidelines created specifically for homeworkers for them e.g. FAQs on what setup should look like. A lot of handholding actually through the early stages to make sure that the systems setup was correct.”*
2. Have a strategy for recruitment. *“If we compare homeworkers to in-house staff, the demographics are different (e.g. 40+ age group vs 30+) and recruiting the right person is crucial. You need to look for an independent thinker, somebody who is a problem solver and who won't panic but be able to sit back and think ‘OK - I have a problem here - what do I need to do to get that problem resolved’ - and probably that is different from recruiting somebody into our centre environment.”*
3. It is important that Managers are given the right level of support. *“We think it is easier to manage staff in a centre operation. For remote teams, demographics are different so a team leader may be managing an older, more experienced and better educated person and will need to adapt and perhaps change management style so it's really important who you employ to manage staff as well.”*
4. *“Also we have had to think about how we provide opportunities for homeworkers in the same way that we do for our other employees”.* So far, HPC1 has promoted a homeworking agent to a support role and supported a successful application by a homeworker for a position in one of the centres.

4.1.2. HPC2

Business Background

HPC2, like the RAC in the UK, provides mercy road services, membership services and Insurance services. In 2007, HPC2 decided to move to a homeworking solution for the majority of Emergency Roadside Services (ERS) calls. This was to build on an existing homeworker capability using both employed and self-employed homeworkers that serviced some 30% of calls.

The project was set up to deliver real cost savings and to address a major disaster recovery issue. HPC2 relied on 2 large contact centres in California at the time and this position carried risk. If one centre went down, the other would not be able to pick up the additional volume of calls (HPC2 service a total of 5 million ERS calls per year) and a major disaster in California might affect both centres. A homeworking approach using agents geographically dispersed throughout the USA was expected to significantly reduce the risks.

Specific objectives for the project were to:-

- Give more flexibility and manage peaks and troughs more effectively.
- Outsource incoming roadside calls and follow ups.
- Relocate contact centres out of California and leverage homebased agents across multiple states.

Solution

HPC2 chose the Self-employed homeworking model. Because of previous good experience they chose to partner with Arise Virtual Solutions who provide a managed service including recruitment, training and management of self-employed homeworkers.

This solution now handles about 98% of ERS calls leaving the contact centres to handle different transactions. (HPC2 handles about 12 million calls in total of which 5 million are ERS)

The strategy of using a partner to manage homeworkers arose from the fact that HPC2 had found it relatively challenging to manage their own home based agents and had brought them back into the contact centres. They decided to use a vendor that had access to home based agents and let them manage the agents giving a far simpler and more effective approach for HPC2. - *“Managing a home based person, making sure that they are on the phones when you need them to be on and that their quality is good; that you build enough of a connection with them so that they feel like they're part of your centre is very hard to do. But with our partner, this is their entire model, this is what they do, this is why people sign up as contractors for them.”* Also, *“Using a third party vendor makes things very simple for us. If we have an issue with a home based agent, we just ask for them not to get any more calls and it's done.”*

HPC2 had to overcome internal resistance as people saw co-workers exit because they were no longer needed. *“A lot of work was done with the internal teams to show them how well the approach was working.”*

On the homeworker side, HPC2 has learned that good communications is essential. The solution provides internal chat rooms for homeworkers and there are is a support and management structure providing a supervisory capability.

In using self-employed homeworkers, one of the initial areas of concern for HPC2 was how to get the agents to identify with HPC2 brand values and thus to represent them appropriately. This is addressed through training, regular call-monitoring and supervision and through contractual arrangements. For example, if a self-employed agent contracts with two similar organisations, they may have difficulty in remembering which one they are representing on a particular call. For that reason, the contract prohibits the homeworker from also contracting with a direct competitor.

HPC2 is very comfortable with homeworkers and states that *“no competitive, data management or security issues or problems in the last several years have originated with the vendor.”*

Results

The original objectives for the project were met.

HPC2 equates the work that homeworkers perform to 300-350 FTE's so they believe that they have made significant savings on real-estate costs. *“We thought we would have to build 3 new contact centres but we are running with 2 - so have effectively cancelled a 300-400 people facility”!*

In 1987, ERS cost per call was about \$12 (end-to-end; call to dispatch), this is now running in the \$5 range with most of the savings being attributed to the homeworking approach. *“I tell you, just the fact that we don't have to deal with workers compensation and disability and employee relations issues, there's a pretty significant saving right there.”*

To address the flexibility issue, *“Our partner company has far more people trained to perform work for us than we need on a normal basis so if we have an event like a snowstorm in California that drives additional volume, they have the ability to pull the people in to meet the demand with no change to the cost per call. - Service levels are excellent.”*

From a Business Continuity perspective there is significantly reduced risk. Calls are handled across the USA with some homeworkers located in the majority of states so that there is minimal disruption when an event occurs.

HPC2 uses a number of performance measures:-

- %ge of calls answered within 45 seconds – the contract calls for 80% of the calls in 45 seconds, and performance normally runs in the mid-90's.
- Service levels monitored in 30 minute intervals and HPC2 have built quality measures and spot-check calls.
- HPC2 use NPS that they measure and an HPC2 national survey and results are shared with the homeworkers.
- Agents are ranked as to who has the best quality of calls, best NPS etc - and starting this year, calls are routed to agents so that the highest ranked are first to be used. This has dramatically improved performance.

From an overall quality perspective, *“The quality of some of our homeworkers is fantastic - they own customer problems just like an employee. We may well look at homeworkers to take on some of our wider policy administration and claims functions but the complexity of the calls makes this more of a challenge.”*

Key Learning Points

1. *“Make sure that your processes and the work you are going to send to homeworkers is clearly identified and that your technology is stable. Be really clear on what you require and what you want them to do - so have good scripts and good documentation about the processes and how you want them to handle calls.” - “One thing I learned was to make sure our processes and the way we handle the work is clean and clear and we fix any issues with that before sending it to an outsourcing group.”*
2. *“If you are using the services of an outsourcer, make sure that the management teams are connected and aligned and that you have similar cultures. Look for a strategic partner, someone who is as invested in your business as you are in theirs to make things work.” - “We went into this with 'Vendor Management' thinking but the most effective approach is to develop a strategic partnership.”*

4.1.3. HPC3

Business Background

Early in 2010, HPC3 was aware that it was running out of space in the current contact centre. Also, it was a struggle to manage the recruitment pool – being open at unsociable hours (6am to midnight, 7 days a week with peaks after 6pm in the week and on Saturday afternoons) made it a challenge to staff cost effectively.

The US parent of HPC3 had used homeworkers for about 6 years very successfully and knowledge of other UK companies using the approach to good effect led to a project beginning in July 2010 to conduct a pilot / proof of concept. The pilot was set up in April 2011 with 12 homeworking reservation agents - 6 new hires and 6 current staff – in order to assess the productivity and flexibility that homeworking could deliver.

Solution

HPC3 chose to have employed homeworkers. It was felt that the possibility of agents working for other companies as well would not be a good idea and they wanted to maintain a culture and felt that would best be achieved through the employee model.

To support the homeworkers, more data bandwidth was needed - stateside servers were used. *“The IT team was based in the states and didn't want to invest in new hardware for a 'proof of concept' so we moved to 'thin-client' for homeworkers which was new to the admin offices although we already do it in branches.”*

The company provides the telephone line, DSL and all equipment for homeworkeer. They also promoted somebody into the homeworkeer supervisor role – *“she gate keeps all applications, maintains the technology and is the link between IT and the homeworkers.”*

Because the normal work environment is 8am-6pm, and there is a focus on performance and visibility, having to trust homeworking agents to work reliably from home was a cultural shift. The company also had to address internal culture and lead people through 'how to manage a homeworkeer' and to focus on the quality aspect of calls.

In summary, *“It all worked incredibly well - senior management were bought in to moving this programme forward which made it easier. Because of parent company experience it was like 'knocking on an open door' and approval was gained with little effort.”*

Results

In the initial pilot, HPC3 was not successful in getting existing employees to work from home. However, now that the program has been up and running for a while and is being expanded there is a lot more interest and people are now moving to homeworking. This seems to be helped by people not liking having to go home late at night when it's getting darker and colder so they are more inclined to consider homeworking.

Productivity and flexibility in the homeworking team have both proved to be as good or better than in-house. The project also demonstrated that the recruitment pool could be successfully widened.

Homeworking employees have proved to be much more flexible. *“If we know that we are going to be short of resources and we offer overtime, they do very quickly react and take us up on that – much more so than our in-house employees would.”*

There was also a benefit in the context of Disaster Recovery by having employees widely dispersed.

Homeworker recruits are typically of a higher calibre (because of different backgrounds and experience levels) than applicants for in-house roles. The current homeworker role is slightly scaled down from the in-house role but the company is looking to utilise homeworker skills more effectively in the future. There are a couple of system rewrites in process and once they are completed there will be more scope to add variety and a more challenging workload to homeworkers.

The pilot concluded by October 2011 and the project is now being expanded. HPC3 expects to have 50 home-based employees by next July (2012). The current recruitment focus is on recruiting for retention, recruiting for growth and primarily recruiting for at-home rather than in-house. The overall goal is to move 50% of the call centre team to homeworking (HPC3 currently has about 170 FTE's).

Key Learning Points

1. *“Get your policies established quickly to define how things will work in a homeworking environment.”*
2. *“Consider the procurement and systems deployment processes and how they will be managed. We have a 'homeworker in a box' process that is supported by our vendors. Using it, the time it takes our homeworkers to become effective is comparable to that for in-house staff.”*
3. *“Always allow a lot of extra time for testing. - Our proof of concept testing took probably twice as long as we expected it to. You need to invest in more support and new-hire training for homeworkers. We've set up a 'super-duper' hot line for homeworkers who are on a call and struggling so they can escalate to a supervisor level. We also give them instant messenger and homeworkers log all of their questions and issues - this gets analysed and used in new-hire training.”*

4.1.4. HPC4

Business Background

In 2007 HPC4 launched a homeworking project in Glasgow to support relocation of services from Estonia to Glasgow.

There was a need to access appropriate language speakers because the services were for about 12-15 different language areas. The original short term plan was to recruit in Scotland with a longer term countrywide approach because there were few candidates in the traditional catchment area around the Glasgow offices.

HPC4 could have gone for a very expensive approach to attract the skills to Glasgow but the homeworking approach had the potential to give cost effective access to a bigger pool of high calibre candidates.

Solution

HPC4 looked at outsourcing and managed service approaches but settled on the employed homeworker model because, at the time, it was felt that approval for an outsourced solution would not be gained from the parent company in the US. (This is still deemed to be the case because HPC4 currently has approximately 2000 homeworkers in the US).

The project went through three phases, a proof of concept, then a pilot with about 1 dozen homeworkers and then the full implementation project after the pilot had proved that skills could be found in a very cost effective way.

HPC4 homeworkers are asked to install broadband into their home and to provide room and furniture for their work environment. HPC4 then deploys a thin client solution, keyboard and monitor etc. To support homeworkers an IT help desk was setup to provide initial support – the need for this service reduces after the initial take up phase.

An important part of the project was getting people to buy into the process - especially in the call centres – to overcome the "you can't control what you can't see" attitude. Middle managers were also worried about their roles disappearing. There was a need for good communications with the current advisers to explain what was happening and that it was not a threat because those staying "in the office" might well feel left out in a way. For the initial project, HPC4 recruited homeworkers directly because of the need for additional language skills but have recognized that further down the line, there would be opportunities to offer the option for in-house employees to take up a homeworking position.

For the homeworkers, HPC4 ran many focus groups to keep homeworkers team orientation. In practice, it was found that the homeworkers set up their own communication networks to support each other – through the use of Facebook or similar facilities.

Results

During the pilot phase, stringent checks were carried out. There was also a control group of new recruits to the call centre, the homeworker groups and the normal office statistics to compare metrics across. All 3 groups were tracked on all normal contact centre KPI's and also on connect time. After the first few weeks of learning and acclimatisation, the homeworker group equaled or outperformed the others across all of the main metrics.

In particular, HPC4 saw improved customer service results and improved conversion results. Much of the improvement is attributed to the fact that the homeworker pool consists of generally higher calibre, more mature staff.

To date, HPC4 has achieved a 50/50 in homeworking/office balance in the UK and is still expanding - in the US the ratio is about 60/40.

Key Learning Points

1. *“Have a clear strategy of why you are doing it. You will have to build flexibility in for homeworkers - even though they are employees – after all, that's why they want to be homeworkers.”*
2. *“Don't assume that you can give someone a computer and send them home and that means they are homeworking. Recruit to your strategy and take advantage of the quality of your recruits. It is important to recruit and train well for homeworking.” - “In my experience you attract such a different type of person for homeworking (more mature and generally to a higher educational standard) that they just get it and you have to do less 'values' training than you would have to do for the traditional office based approach.”*
3. *“Don't think that it's not working in the first month or so (during the initial phase when everyone is getting up to speed) - improvement will follow.”*

4.1.5. HPC5

Business Background

In 2008, HPC5 was aware that it had an older demographic of customers and wasn't attracting the right types of people into the Contact Centre locations. So, the company took a step back and said *"If we look at where our customers are dispersed – and recognise that people like to deal with people like themselves, who understand their lifestyle issues - we want to bring in people who were like minded with the customers."* However, the company realised that there was a mismatch of location and demographics between contact centres and areas of higher customer density so decided to open up the question of outsourcing/homeworking.

In addition, it was recognised that additional flexibility was needed to meet surges in customer demand. More and more customers (~70%) were placing orders online and then needing to ask questions and the company was seeing a huge surge of queries coming in at 8,9,10 o'clock at night and couldn't tap into the traditional recruitment methods.

The project started in July 2008 with the objective of providing more flexibility to meet customer demand but with no downside on existing metrics.

Solution

HPC5 chose the self-employed homeworking model and decided to partner with Arise Virtual Solutions. They jointly developed the business case and got a small pilot up and running within 6 weeks with 50 home workers to test the model.

HPC5 had some concerns about self-employed agents representing them but on a visit to the states representatives saw homeworkers who worked for more than one company. The homeworkers loved the variety and it worked because the companies were in different business sectors and had different peak and trough times.

After the successful pilot the project went to full implementation with about 300 homeworkers and has since been extended across more and most complicated areas of business.

When implementing a homeworking approach, HPC5 experienced a steeper learning curve than anticipated. People can be hesitant about adopting homeworking because they feel it includes a loss of control. So it was difficult at the start of the project having to sell the benefits internally to key stake holders.

Constant reinforcing communication with the homeworkers is also essential to provide reminders of values. An unexpected outcome was that some of the learning gained from providing virtual classroom training and coaching has been brought back into the contact centre.

Results

The homeworking approach allowed HPC5 to go for the right demographics (working mum) and to have the most flexibility both for the organisation and for the homeworker. During the three month pilot - customer experience, IT, service levels, fraud, security,

handling time, FCR and a whole range of metrics were tested. Without exception, the metrics showed results for homeworkers that were all an improvement or on a par with the traditional contact centre.

Flexibility was clearly enhanced. Typically the company would have recruited around 1500-2000 temporary workers to cope with Christmas peak. This was much reduced. Also, *“Homeworkers typically did 15 hours per week but at peak period we asked if they would increase to 20 hours and that worked great.”*

Through homeworking, HPC5 was able to tap into different groups of people and skill sets. For example, *“A number of recruits were from the IFO population who wanted an extra 20 hours a week so we got fully skilled financial services workers and were able to farm out more complex queries – we would never have had that in a traditional call centre environment.”*

An additional benefit of the homeworking approach was that it also delivered significant cost savings. The self-employed homeworkers work in 30 minute slots to a schedule agreed in advance and are only paid for talk-time and wrap. *“Productivity is very high and contributes to a saving of some 30% compared to internal costs.”*

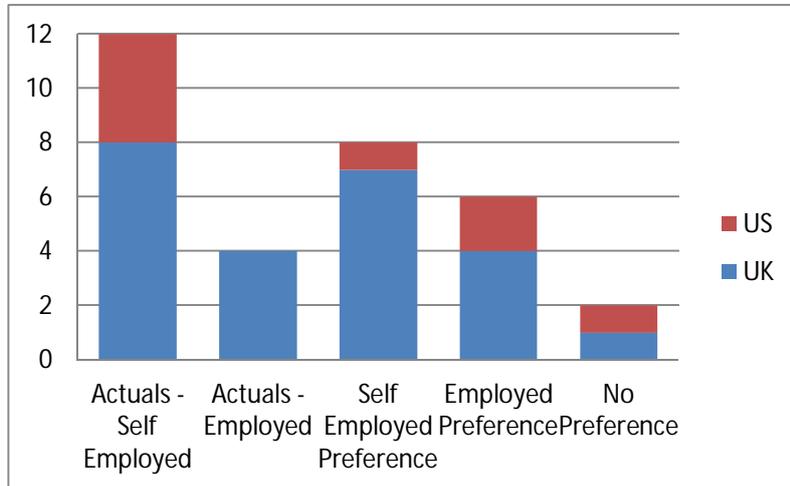
Key Learning Points

1. *“Stakeholder management – You need to look at a balanced view not just as a cost saver - think about the longer term - will gen X and Y want to work in a contact centre? Might there be problems recruiting in the future - this approach might help particularly if variety can be achieved as well.”*
2. *“Get your own contact centre advisors to buy into it – we should have done it better and earlier to offset the fear of losing a job. HPC5 has seen a reduction in size of contact centre's but that is mainly due to more online buying, not homeworker initiatives. After 6 months found that some of our homeworkers were also existing employees.”*
3. *“Need to focus on communication - even to the extent of over-communication so that almost on a daily basis you're reinforcing the messages about what the company is doing, any promotions, its values, its principles around customer service etc. It is really important who you employ to manage staff as well.”*

4.2. Homeworker Interviews

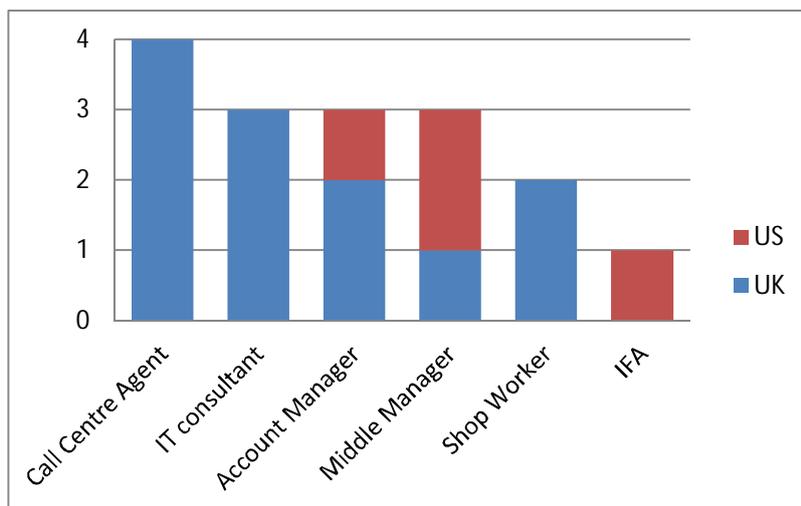
The interviews were conducted over a six week period. All interviews were recorded and the content was analysed to identify common comments and themes.

Preference



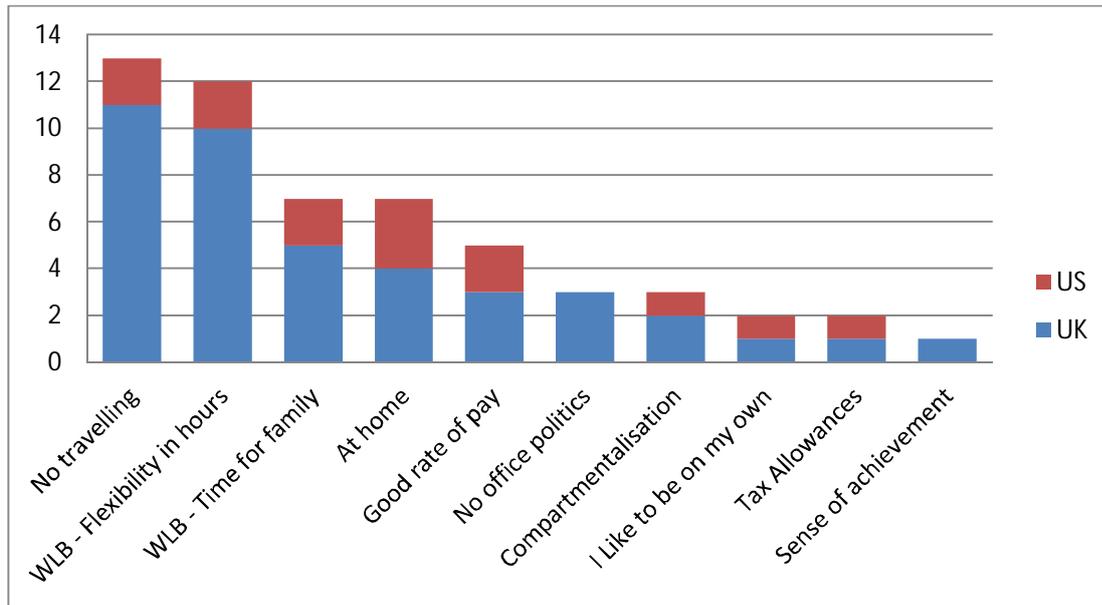
We asked the homeworkers whether their preference was to work in an employed or a self-employed context. In the UK, the homeworkers saw no reason to change their current arrangement, whether that was as an employed or as a self-employed agent. In the US, there was some interest in switching to the employed model that was driven by the desire to have employment benefits, particularly medical insurance. The different health plans of the UK and the US clearly explain this view.

Previous Role



One of the most striking findings was of the diversity of roles that homeworkers came from. There were a number that came from call centre agent roles and most of these changed from in-house to homeworking when the company they worked for established a homeworking team. The majority came from other roles, from IT consultants to office managers to IFA's, bringing with them a breadth of experience that is unusual in the call centre agent environment.

Best Things

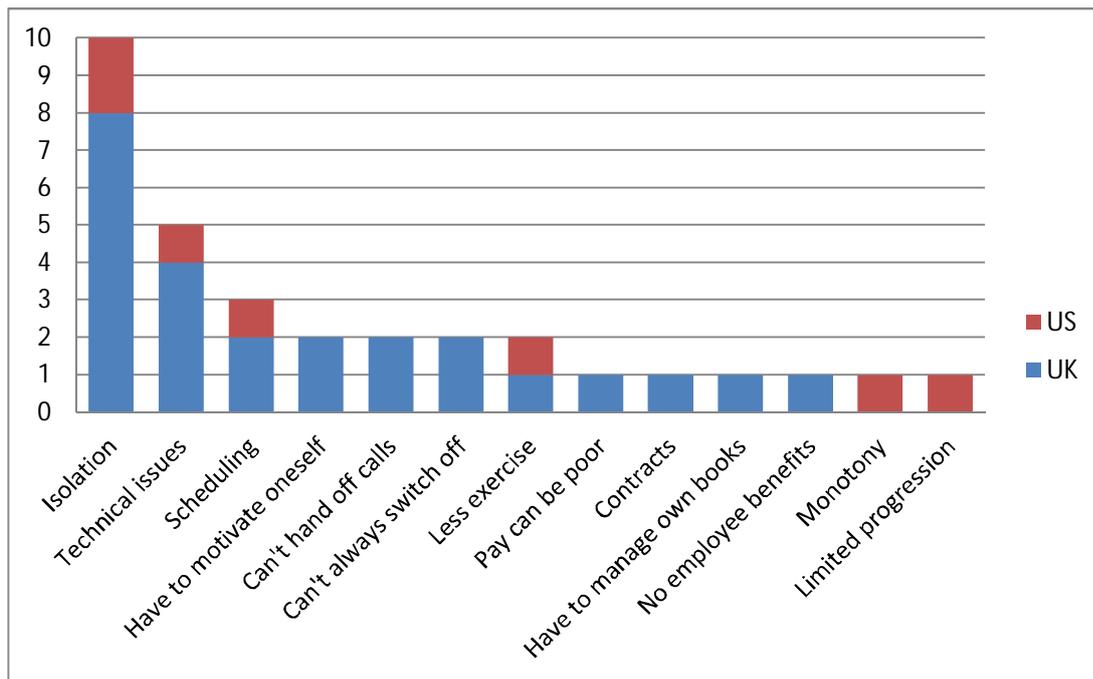


When asked what the best things about being a homeworker were, by far the most popular were concerned with lifestyle choice. The removal of travel time and costs, flexibility in hours worked to suit the homeworker and family needs, and lower costs because working at home removed the cost for business attire and reduced food and beverage costs were by far the most frequently mentioned.

Others worthy of note are compartmentalisation (the homeworker thought it was easier to separate work – home time slots) and the perceived reduction in office politics.

There was no particular difference noted in views between the US and the UK.

Worst Things

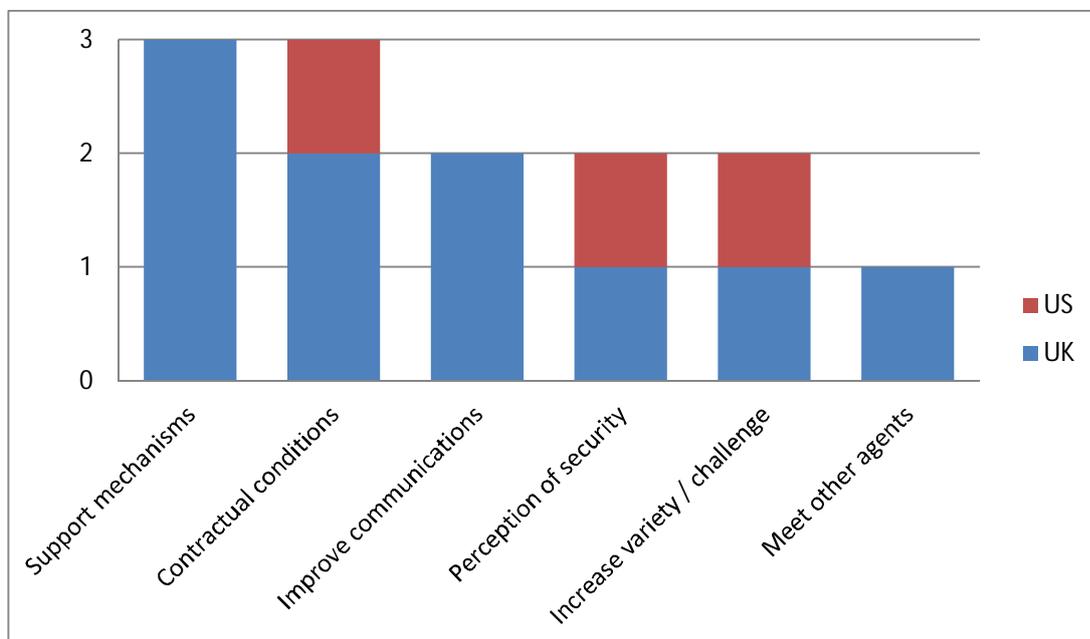


When talking about the worst things about being a homeworker, isolation was the most frequently mentioned on both sides of the Atlantic. This came from a lack of face-to-face contact (human interaction). In many cases, the homeworkers address this issue themselves by creating networks to enhance co-worker interactions through, for example, Facebook groups. Technical issues are also high on the agenda along with scheduling. These are connected and are particularly important for self-employed agents who are only paid for the time they are actually handling calls. Any technical issue or scheduling problem that affects their ability to handle calls in their allocated timeslots directly affects earnings.

Other factors worth mentioning are:-

- Can't always switch off – the converse of the Compartmentalisation point made in the context of best things. For these agents, having the workplace always at hand in their home made it difficult to 'leave it alone'.
- Can't hand off calls – this was relevant in the UK and refers to the time it takes to have someone in a supervisory role take up an issue on behalf of the agent. This is probably a reflection on the relative newness of homeworking in the UK and shows that there is still work to do to get the processes and procedures right.
- Pay can be poor – this comment was made to reflect the outcome of metrics not being met and is another issue connected to technical and scheduling problems.
- Contracts – the specific comment here was concerned with the limited choice of contractual conditions seen by the homeworkers.

What would you change?



In the discussions around this question, the homeworkers were asked what they would change if they had the ability to do so. Their comments were generally consistent with their 'worst things' comments and covered:

- Support mechanisms – these comments were about technical support and this subject is clearly one that organisations should take to heart when considering homeworking projects.

“There’s no support if you lose the connection.”

“Very good support is very important.”

“I would probably change the technical support aspect. It can take a long time to resolve technical problems because you have to log on to the support forum, let someone take control etc and it is time consuming. Quicker responses to problems would help.”

- Contractual conditions – apart from the limited choice of conditions when it comes to contracts already mentioned, the comments were about the way that contracts for self-employed agents work. It seems to be recognised that it is necessary to restrict agents from working for two competitors in the same line of business but occasionally the conditions appear over-restrictive to the possible detriment of recruitment activities for the organisation involved.

“There are vast differences between the two wireless companies that I worked for which is why I gave up one of them. Their different ways of measuring performance made it really difficult. I think that if you worked for two different kinds of company it wouldn't be a problem and I understand that the latest contracts won't allow me to work for two wireless companies.”

“I do 40 hours a week (or occasionally less) for xxx and the requirement for yyy was for 15 hours so I wanted to contract with them and just do that extra 15 hours of work. Sounded like something extra that would be fun and exciting but unfortunately, if you are contracted with any other company for 20 hours or more, you weren't able to sign up for yyy.”

- Improve Communications – just illustrate the importance of keeping homeworkers informed and involved.

“I would like to see better communication with homeworkers.”

- Perception of security – a different communication issue, this time with customers. Occasionally, they ring off when they realise they are talking to a homeworker because of security fears.

“Customers think it is less secure – they are more worried about access to personal details and credit card information even though the same protection exists as in a call centre environment.”

- Increase variety / challenge – This is related to the ‘previous role’ comments and the need to recognise the skills that homeworkers have and to make better use of them.

“Would like to see more variety in the work and for the client company to make more use of my skills. For example, why can't we have a break from phone contact and do email responses occasionally?”

“Make it more challenging - maybe as well as calls we could do some kind of email customer service response. This would give variety even if only working with one client.”

- Meet other agents – relates to the need to overcome the isolation issues felt by some homeworkers. Again, organisations should consider how to help here.

“Would be nice to meet some of the other agents - I know some who have set up a Facebook page but I don't use it.”

5. Conclusions and Recommendations

The interview process that captured the case studies and analysis in section 5 above was intended to extract advice and guidelines for organisations considering a homeworking project. Interpreting the results leads to a model for homeworking projects that is illustrated in Figure 1 below.

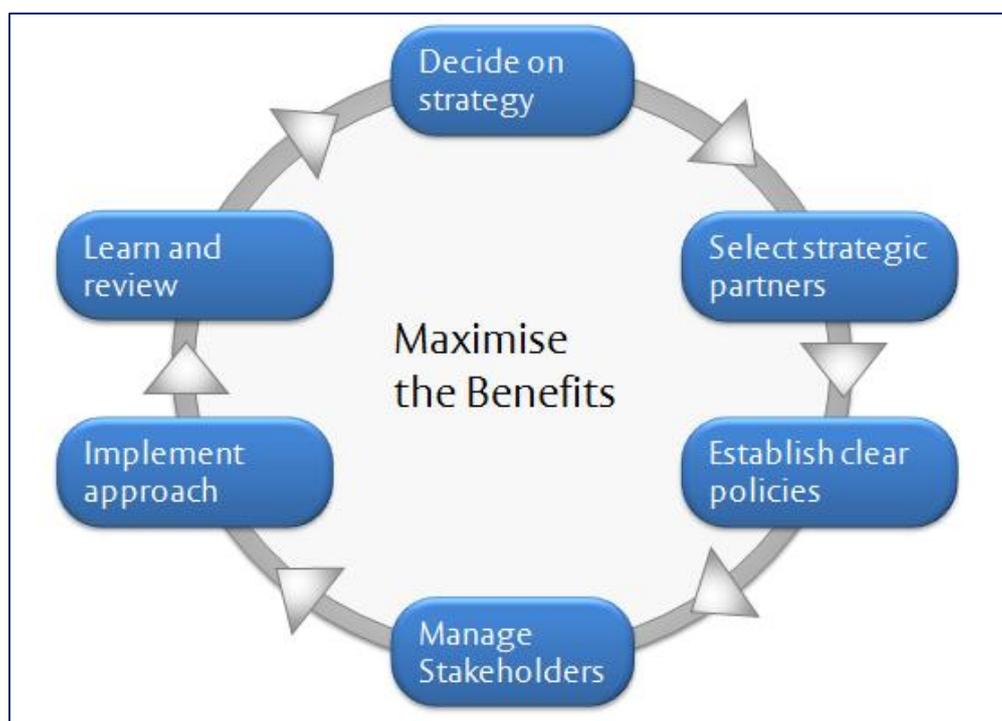


Figure 1: A model for Homeworking Projects

The stages that a project should go through are as follows:-

5.1. Decide on Strategy

“Have a clear strategy of why you are doing it”.

Before commencing the project there are a number of areas that need to be considered:-

- In-house/ homeworking balance - what is your initial goal for homeworking numbers and how will this affect numbers in existing contact centres.
- What function - will the homeworkers be asked to perform.
- Target demographics - What are you looking for in homeworkers. What should the recruitment process focus on?
- Employed or Self-employed - Will you be employing the homeworkers or are you going to pursue the self-employed model.
- Executive buy-in - Do you have senior management support for the project? If not, what is the plan to involve them?

5.2. Select strategic partners

“We went into this with 'Vendor Management' thinking but the most effective approach is to develop a strategic partnership.”

- Technology support - How is technology going to be provided to homeworkers? In most cases, this involves a technology partner so decide on who you will work with and who will provide support for the technology and for the systems. The homeworker research identified the area of technology support as one that needs careful attention.
- Homeworker recruitment processes - How will recruitment be managed? Are you looking to relocate existing staff to their homes or employ new homeworkers or a mixed approach? Do you know the target demographics for recruitment? If not, how will you define them?
- Homeworker management processes - Will you be using a partner to manage homeworkers or will they be managed within your own organisation? If you are going to work with a partner, how will you align your team with theirs?

5.3. Establish clear policies

“One thing I learned was to make sure our processes and the way we handle the work is clean and clear and we fix any issues with that before sending it to an outsourcing group.”

- Transactions to be managed - Be really clear on what you require and what you want homeworkers to do so have good documentation about the processes and how you want them to handle calls.
- Scripts - Have you prepared scripts or other aids to help homeworkers to manage the transactions for which they are to be responsible?
- Supervisory procedures - How will homeworkers be supervised? Think about the issues raised by the homeworkers about the difficulty of ‘handing off calls. What is the escalation procedure for them to get help with difficult calls?
- Metrics (KPI's and SLA's) - How will you measure the performance of your homeworkers? How does performance link to reward? If you are working with partners, what SLA's will you want to put in place?
- T's & C's for contract and payment - What contractual conditions do you want to put in place? If you are using self-employed homeworkers, are you looking to impose restrictions on homeworkers who wish to offer their services to other companies in addition to yours? Don't forget that you may limit your recruitment potential if contractual conditions become too restrictive.

5.4. Manage Stakeholders

“Stakeholder management - look at a balanced view not just as a cost saver.”

- Engage in-house staff – It is crucial to gain the ‘buy-in’ of in-house staff for the homeworking project. Consider offering opportunities for current staff to become homeworkers. Try to show existing staff that the development is not a threat.

- Train in remote management - The case studies demonstrate that managing a homeworker team is different to managing an in-house team. To be able to remotely supervise homeworkers who have a different skillset and come from different backgrounds to the majority of in-house staff will require a different approach.
- Consider long-term recruitment issues - Where will the future call centre agents come from? Will mobile video become more of a factor? Will homeworkers be a reliable long term source of agents?
- Align management teams - When working with partners, make sure that your management teams have aligned objectives and that both sides are working to achieve improvement for mutual benefit.

5.5. Implement approach

- Pilot if possible - Most successful projects start with a proof-of-concept or pilot trial or both. This allows all the training methods, help procedures and transactional processes to be tried out and their appropriateness evaluated before committing to a full implementation.
- Communicate with homeworkers - Communication with the homeworkers needs to be a continuous process. Providing updates about services, supervisory activity, feedback on performance etc are all necessary parts for the homeworker setup. Also, consideration should be given to providing the homeworker with the opportunity to connect with co-workers.
- Communicate to other parties - It is also important to communicate in-house about the homeworker project so that the internal and homeworker teams can all see the big picture and the necessary part that they play in it. Also communication to customers might be necessary to offset any concerns they may have about dealing with homeworkers – this is particularly relevant in the case of security concerns.
- Develop and improve scheduling - Scheduling work accurately is critical to the success of the homeworking project. Homeworkers are flexible and can quickly accommodate to changes in workload but the organisation needs to be able to predict future workload with a degree of accuracy to best utilise their homeworking teams. This is most critical to the organisation when employed homeworkers are used. If forecasts are too high homeworkers may be idle when they should be being used or, if too low, they may not be able to increase their hours sufficiently. In a self-employed environment there is more scope to cater for fluctuations but the underlying principle still applies. The critical point for self-employed homeworkers is that poor scheduling can reduce their utilisation and hence their earnings.

5.6. Learn and review

- Monitor and improve - There needs to be a continuous process of monitoring and improvement to the homeworking processes. Once the implementation achieves success, further expansion can be considered.
- Assess capabilities of homeworkers - The interviews with homeworkers (see section 5.2) identified that the range of skills that typical homeworkers bring is considerably wider than

is currently utilised. The challenge for the organisation is how to make best use of these skills and to provide sufficient variety to the homeworker to keep them engaged.

- Review processes to manage through homeworkers - As well as better utilising homeworker skills, the organisation should consider what other processes could be managed by homeworkers.

Appendix 1

For the HPC interviews, the areas covered included:-

The Business Background

- The interviewee's role in the homeworking project.
- The challenges/issues that led to a homeworking project.
- The original objectives for the project
- Technical issues that had to be resolved
- How approval was gained.

The Solution

- What solution was chosen and why
- What were the project milestones?
- What were the resource implications?
- What are the main benefits of your solution?
- Were there any particular challenges/difficulties associated with your solution?
- How did you handle the cultural implications?

The Results

- How do you measure the effectiveness of the solution?
- Do you have any plans to extend the use of homeworking?

Key Points

- What are the 3 most important learning points you would make to other practitioners?

For the homeworking agent, the areas covered were:-

Background

- Base demographics
- Method of employment - I.e. employed, self-employed
- Location
- Do you provide services to more than one company?
- What technology support do you have? and who provides it?

The homeworking experience

- Why did you decide to become a homeworker?
- What did you do before?
- How does the HPC ensure that you represent them appropriately?
- How do you receive day to day work instructions from the HPC
- What feedback do you receive to assess your performance?

Key Points

- What are the 5 best things about being a homeworker?
- What are the 5 worst things about being a homeworker

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AT Home Customer Contacts - www.athomecustomercontacts.com is a consultancy with offices in the US and the UK that specialises in helping organisations to prepare for/implement homeworking projects. Email: gbell@athomecustomercontacts.com

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