



2007
2008

**Contact Center Quality Management/
Liability Recording Trends and
Vendor Satisfaction Survey**

Reprinted for



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Contact Center Quality Management/Liability Recording Trends and Vendor Satisfaction Survey Reprint

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Introduction

DMG Consulting produces this Report anew each year to ensure that our customers have the most current information available to understand and analyze all aspects of this dynamic and constantly evolving market, including its solutions and trends. Each year, we have been pleasantly surprised by ongoing industry innovation and vendor ingenuity that deliver new, enhanced and increasingly beneficial solutions to the market. In general, the QM/Recording vendors listen to their customers and work hard to deliver better solutions to meet their changing needs. This is clearly good for the vendors, as it gives them the opportunity to sell new and increasingly profitable applications to their customers, but enterprises also benefit greatly from the availability of value-added solutions that improve their performance, operations and the customer experience.

Contact Center Trends

- **Businesses are entering the era of customer service in North America; management is finally appreciating that service is an essential contributor to the enterprise bottom line.**
- **Management is asking contact centers to generate revenue.**
- **Investments are being made to strengthen the inside sales function to increase revenue.**
- **Contact center analytics is evolving to facilitate revenue generation. This will continue to be a substantial growth area for next three to five years.**
- **Adoption of IP contact center and recording solutions is increasing. Enterprises are swapping out their entire voice infrastructure and replacing it with new IP-based technology to reduce operating expenses. Contact centers are increasingly viewed as applications on the enterprise data network.**
- **Contact center platforms are being extended to include servicing and management (WFO) solutions (significant interest in verticalized servicing applications).**
- **Offshore contact center outsourcing is an accepted business practice for enterprises; while best practices are emerging, implementations still need to improve.**
- **Contact center virtualization is expanding, facilitating use of at-home agents.**
- **Adoption of hosted contact center infrastructure is increasing.**
- **Vendor-provided contact center professional services are growing rapidly.**
- **Contact center vendors continue to consolidate.**

Source: DMG Consulting LLC, November 2007

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QM/Liability Recording Trends for 2008

- VoIP recording is experiencing rapid adoption. The inflection point between TDM and IP recording will be reached by end of 2007. Sales of TDM recording will continue to decrease.
- QA is viewed as a mission-critical function in large contact centers. Adoption in small and mid-sized contact centers is increasing, facilitated by new targeted offerings.
- Leading suite vendors will add analytic functionality to increase enterprise value and benefits. Emphasis will be placed on functionality to increase revenue and decrease fraud.
- Enterprises are investing in coaching, speech analytics, surveying and WFM.
- Vendors are enhancing architecture with investments in SOA, centralized data hubs, portal-based frameworks, improvements in user interfaces and overall ease of use.
- Vendors are delivering new security features and functionality, including end-to-end data encryption, PCI and adherence to enterprise security protocols.
- Speech analytics and workforce management are now considered standard applications in leading QM/recording solutions.
- Vendors are continuing to enhance their professional services offerings.
- Demand for hosted recording is increasing.
- Market consolidation will continue; expect to see acquisitions to build scale as well as offering complementary solutions.

Source: DMG Consulting LLC, November 2007

Vendor Satisfaction Survey

An important component of the vendor selection process, albeit one that is often left out, is obtaining vendor references. When considering a purchase or even a substantial upgrade of a Quality Management/Liability Recording (WFO) solution, references are one of the best indicators of a vendor's experience, the application's ease of integration, product performance, and the vendor's ongoing service and support, training and professional services. DMG Consulting recommends that requests for proposals (RFPs) always ask for the names of at least five references, ideally from customers with similar operating environments. It's essential to call and hear what the references have to say about the vendor, its products, services and implementation process. Typically, references are pleased to share their experiences and lessons learned, and they often provide invaluable insights.

Methodology

DMG Consulting conducted an independent customer satisfaction survey for eight of the vendors highlighted in the *2007 – 2008 Quality Management/Liability Recording Product and Market Report* – Autonomy etak, CallCopy, NICE, OnviSource, TeleDirect, Verint, VPI, Verint and Witness. (Verint has acquired Witness, but as they are currently selling the two product portfolios, DMG Consulting checked references for both.) The vendors were asked to provide the names of eight customers who had agreed in advance to participate in this satisfaction survey. Of the eight

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contacts provided, DMG Consulting completed five reference surveys for each vendor. Because confidentiality was important to the participants and respected throughout the process, their names are not released in this Report.

The research for DMG Consulting's customer satisfaction survey was conducted in two phases:

Phase I: DMG Consulting sent all of the participating customers an email survey with eleven questions. Five questions addressed when the product was implemented, reasons for purchase, whether or not the product met expectations, whether or not the customer would recommend the product to others, and the return on investment. Six questions asked customers to rate their satisfaction with the product, implementation, service and support, training, professional services and overall level of satisfaction. Satisfaction ratings for each of these areas were based on the following scale: completely satisfied (5), highly satisfied (4), satisfied (3), somewhat satisfied (2), and not satisfied (1). See Figure 26. The survey also included an open-ended comments box where participants were able to express general thoughts about their experiences with the vendor. Survey participants were given the option to complete the written survey and/or provide their responses in a telephone interview.

Figure 1: Customer Survey Rating Categories

Satisfaction Rating	Points Assigned
Completely satisfied	5
Highly Satisfied	4
Satisfied	3
Somewhat satisfied	2
Not satisfied	1

Phase II: The written survey was followed up with a telephone interview in which participants were asked to respond to the survey questions, clarify responses and provide any additional information regarding their vendor experience.

A total of 40 customer responses (five from each vendor) were received. The vendor satisfaction ratings reported below were calculated by averaging the satisfaction scores provided by customers for each individual vendor and category. Customer insights, which are a compilation of responses from customers of all vendors, are provided in each category section.

Survey Findings and Analysis

Figure 27 shows the average customer satisfaction ratings by category for each of the vendors. The overall satisfaction level for all participating vendors ranged from 3.6 (satisfied) to 4.6 (highly satisfied), with an average of 4.2. No vendor received a perfect score, but two vendors, NICE and Verint, had the highest average, 4.6, for overall vendor satisfaction. This category is NOT the average of the other categories; it is a separate category where users were asked to rate their overall satisfaction with all aspects of their vendor relationship.

The Product Satisfaction category had the highest average ratings of all of the individual categories, coming in at 4.4. It also had the lowest range, 0.8, with 4.0 (highly satisfied) as the low score and 4.8 as the high score. This means that in general, customers are satisfied with the

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quality of the solutions. The highest average in the Product Satisfaction category, 4.8, is shared by NICE and VPI.

The Professional Services category received an average rating of 4.1 (highly satisfied), with Verint and VPI receiving the highest average scores of 4.5.

Service and Maintenance satisfaction came in with an average of 3.9. It was the third-highest ranked of the five categories. Service and Maintenance had the widest range, spanning from a low of 3.2 to a high of 4.8.

Implementation was the category in fourth place, with an average satisfaction rating of 3.7. The high scores for this category, 4.2, were shared by CallCopy and VPI.

The training category reflected the lowest level of satisfaction among the surveyed customers. It had an average satisfaction level of 3.4, with a low of 2.8 and a high of only 4.2 (which was shared by Verint and VPI).

Figure 2: Average Satisfaction Rating by Category

Vendor	Product	Implementation	Service/ Maintenance	Training	Professional Services	Overall Vendor
Autonomy etalk	4.4	3.4	4.2	2.8	4.0	4.2
CallCopy	4.4	4.2	4.4	3.4	4.25	4.4
NICE	4.8	3.8	3.6	4.0	4.4	4.6
OnviSource	4.0	3.2	3.8	3.0	4.25	3.8
TeleDirect	4.2	3.8	3.4	3.0	4.0	4.2
Verint	4.4	3.8	3.8	4.2	4.5	4.6
VPI	4.8	4.2	4.8	4.2	4.5	4.4
Witness (Verint)	4.0	3.0	3.2	2.8	3.2	3.6
Category Average	4.4	3.7	3.9	3.4	4.1	4.2
Range	.8	1.2	1.6	1.4	1.3	1.0

VPI (Voice Print International)

Company Overview

VPI (Voice Print International), incorporated in 1998, is a privately held company headquartered in Camarillo, CA. From their inception, VPI has focused on selling call recording and quality management software solutions. VPI is active in the contact center, first responder/public safety, air traffic control, government intercept and defense, and financial trading sectors of the quality assurance/recording market. VPI's mission is to provide integrated call recording and workforce optimization solutions that capture real-time intelligence – delivering real-time results.

Competitive Market Position

Since restructuring in 2005, VPI has moved aggressively to increase revenue and profitability. They have steadily gained momentum through organic growth. They have built up their sales force, acquired Syntora to add real-time performance management and coaching functionality, and developed strategic partnerships with SER for speech analytics and Pipkins for workforce management. In 2006, VPI increased their R&D investments. The current version of Activ! Performance Suite that was released at the end of July, 2007 is based on a services oriented architecture (SOA) and a Web 2.0 look and feel. It also includes a significant amount of new and enhanced functionality. If VPI continues to execute effectively, this new release can be expected to propel them to a leadership position among the second-tier QM/recording vendors. VPI sells predominantly to the mid-sized segment of the contact center market, but with this new release, they are well positioned to compete in the large enterprise arena.

What's New at VPI

One look at VPI's current product release, Activ! Performance Suite 4.0 that went GA July 2007, reveals that quite a lot is new. But the fresh look and feel of the new UI is only one component of the significant product and platform enhancements that represent a complete overhaul and rearchitecture of the application. A high-level overview of the changes that have been made to the application since the last product release includes:

User Interface: The application's user interface has been completely redesigned and is based on a Web 2.0 look and feel. The system utilizes a portal-like framework to deliver customizable role-based dashboards and views. Users can easily access saved searches (represented as icons), change the format of graph displays, drill down to transactions and access all suite modules directly from their dashboard portlets. The suite's new UI, features and functionality were clearly designed to enhance the end user's ease of use.

Administration: The application has been redesigned with a centralized administration environment for QA, recording, eLearning and system performance management. The system ships with four pre-defined roles – agent, supervisor, call center VP and administrator. These roles can be modified and new ones created, based on the needs of the user organization. The administration environment provides point-and-click or drag-and-drop features to streamline and simplify the assignment of roles, privileges and agents.

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Security: Activ! Performance supports single sign-on with multi-level authentication at both the client and service levels, using encrypted passwords.

Architecture: The entire suite has been completely re-architected in a SOA-based framework supported by Microsoft Communication Manager 3.0. All modules, including administration, are now 100% Web-based. The new SOA framework has reduced product development time by 50%.

Database Restructuring: The suite has been modified so that it now has one central database. This eliminates the need for VPI to maintain a duplicate copy of a call when doing both recording and QA. It also simplifies call search and retrieval.

eLearning/Coaching: VPI has enhanced their application to include a learning management system (LMS) eLearning environment that is SCORM compliant. The eLearning module includes the ability to automatically deploy training courses based on business rules or skill level, and to manage and conduct classroom-based training. This module enables users to track and report on all training courses, regardless of their delivery method.

IP Recording: VPI has built a proprietary hardware and software-based IP recording solution using a purchased network interface card. The solution facilitates voice-only or synchronized voice and screen recording and has expanded the recording capacity from 96 to 192 channels. VPI has developed VoIP recording integrations with the Cisco, Avaya and Nortel VoIP telephony platforms.

Reporting: The application utilizes Microsoft Reporting Server for the reporting environment. The application comes with 60 standard report templates. The ad hoc reporting environment provides baseline reports with extensive modification options and includes a report builder Wizard to assist in creating custom reports via a graphical user interface.

Company Differentiators

VPI's current release, Activ! Performance Suite 4.0 gives VPI architectural and functional advantages and propels them to a leadership position among the smaller, second-tier vendors.

VPI is executing well, as reflected in their growing revenue. They are growing organically and through acquisition, building an effective sales force, and developing strong revenue-sharing partnerships that have enabled them to enhance their product suite.

VPI has improved customer satisfaction during the year. It has made an effort to identify and resolve any outstanding customer issues and are surveying their customers on an ongoing basis, to proactively identify any service and product issues.

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About DMG Consulting LLC

DMG Consulting LLC is a strategic advisor to companies large and small. Our mission is to help companies build effective contact center and service environments that provide an outstanding customer experience. We achieve this goal by helping our clients leverage technology, process and people to optimize operational efficiency, sales and profits. Our actionable strategies and tactics effect change in clients' internal process and technology to maximize the returns from all customer-facing activities - sales, marketing and customer service. Our customers include Global 2000 companies such as Nortel, RealNetworks, Sub-Zero/Wolf, Stride Rite, Sun Microsystems, Carlson, J. Jill Group and HBCS.

DMG Consulting LLC's business strategists have an average of 20 years experience in customer relationship management (CRM), contact centers, building customer-focused businesses and financial analysis. We understand the power of customer data and the contributions that quality management, recording, speech analytics, performance management, surveying, eLearning and coaching systems make to the contact center and the entire enterprise.

Our consulting engagements with more than 2000 end-user organizations and our hands-on operational, technology and financial expertise give us deep insight into what users want and need from enterprises. We will assist you in cost effectively exceeding your customers' expectations.