PURCHASE ORDER

INPUT

1881 Landings Drive
Mountain View, CA 94043-0848
(415) 961-3300 Fax (415) 961-3967

9170

This Purchase Order Number must appear on all invoices, shipping papers, packages and correspondence.

To: Bradford Adams

Ship To:

Date: 1-7-97

Date Required:

Charge Code	Quantity Ordered	Description	Price	Amount
1 EERB	250	Call Centers: Hidden Opportunities		
2		for Service Vendors		$94.34
3				
4				
5				
6				
7				
8				
9			TAX/ RESALE	
			TOTAL ➤	$94.34

ATTACHED: ☐ Contract ☐ Specifications Doc.

Auth. Sig. ________ Auth. Sig. ________

☐ Request for check with order ☐ Deliver to: ________ ☐ Mail with docs provided ☐ To be invoiced

ADM 201/01 10/93

Attn: Leslie -

Post-it® Fax Note 7671

Date 1-10-97	# of pages ▸ 7		
To Linda Parcells		From Leslie Robbins	
Co./Dept.		Co. INPUT	
Phone #		Phone # 528-6312	
Fax # (415) 855-9700		Fax #	

22424

PROOF

BACO: Date 1/9 Initial Ce 26

BACO: Date / Initial

Customer: ☑ O.K. AS IS

☐ O.K. W/CHANGES

☐ NEED NEW PROOF

Date 1-10-97 Initial LR

Vol. II, No. 9 December 1996

Call Centers: Hidden Opportunities for Services Vendors

Call centers have become more complex and sophisticated in the last ten years. The "telephone" aspect is still a key. However, call center activities have become increasingly integrated with other parts of a corporation.

Often, both inbound and outbound telephone service representatives (TSRs) will be working with (or driven by) corporate databases and operational systems (such as order entry systems).

Service TSRs may refer service queries through internal work flow or information systems to subject matter experts who will then deal directly with a customer.

Increasingly, a call center inquiry may be resolved by either a human or an automated system. Some banks report that over 75% of their telephone queries are now handled by automated systems — with decreased costs and equal or greater customer satisfaction.

The Internet and electronic commerce generally allows new types of customer-corporate communications, e.g.

- "Mediated" communications where a customer may initially interact via E-Mail or an electronic bulletin board. Corporate personnel will interact with these queries, although often not in real time.
- Other interactions are "unmediated", that is, a customer may initiate an order or obtain information without any human interaction (e.g., with Fed Ex's automated tracking system).

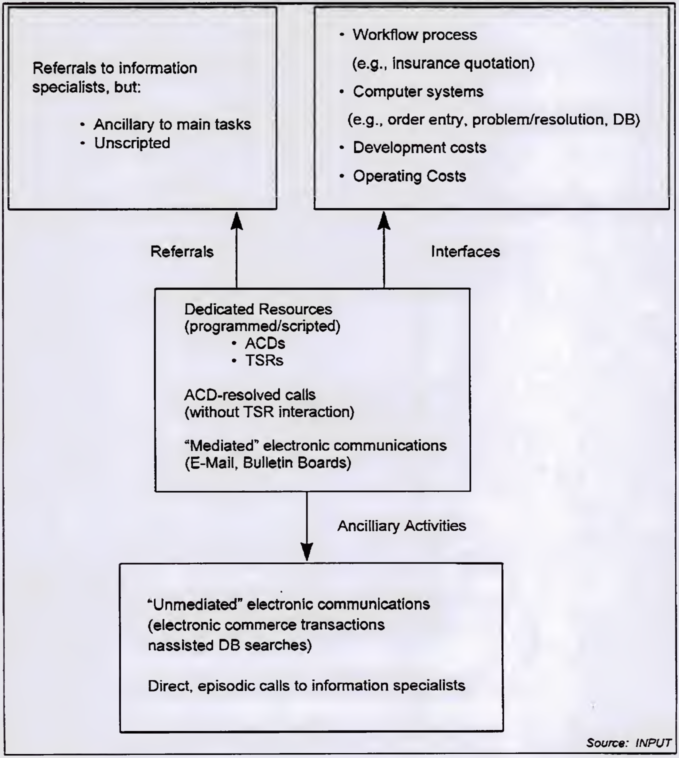
Definitions are needed as otherwise, in a few years, "everything" will be part of a call center. The major points involved are:

- Interfaced computer systems are not considered part of the call center activity. However, from a consulting and implementation standpoint, these non-call center activities may drive the part of the work that is call center-related.
- Call center resources are primarily dedicated resources. That is, both the equipment and the people are "programmed" or "scripted" for focused activities. However, when another department assists in the response to a call then the boundary of the call center activity becomes blurred.

Exhibits 1 and 2 illustrates INPUT's definitions on what activities are and are not call center-related. In these exhibits the shaded areas are *not* included in INPUT's call center definition.

Exhibit 1

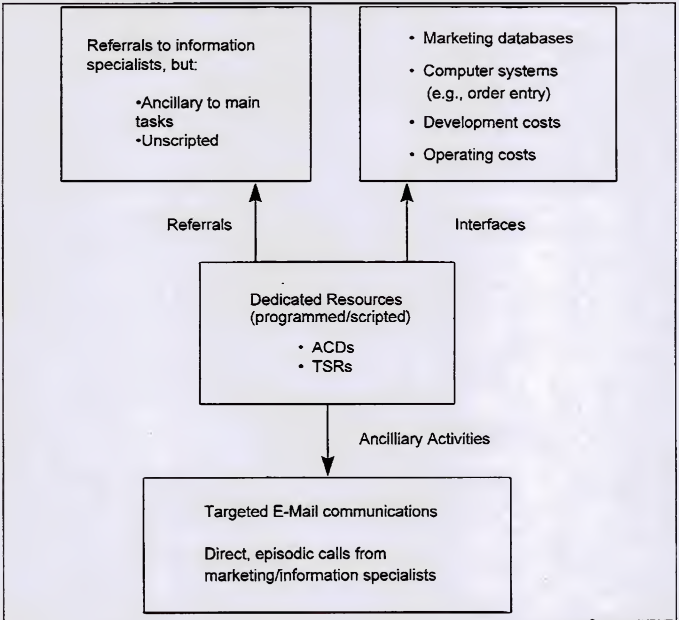
Call Center vs. Non-Call-Center Operations — Inbound



Source: INPUT

Exhibit 2

Call Center vs. Non-Call-Center Operations — Outbound



Source: INPUT

Competition

There is increasing competition for all three call center business areas as call centers are increasingly viewed by both customers and vendors as part of overall "sophisticated customer relationship management" (according to one SI firm). Besides traditional call center management firms, competitors include other categories of firms such as:

- Strategic consultants (e.g., Booz Allen)
- Industry specialist consulting firms (e.g., Broadway & Seymour in banking)
- Major SI firms (e.g. TSC)

- Business function outsourcers (e.g., Andersen Consulting)
- Traditional "platform" outsourcers (e.g., EDS)

The emergence of a varied group of competitors has several implications for call center specialists. For example, sales channels and decision makers may be different. A broader range of skills may be needed (or sold as needed).

Some call center assignments will objectively be part of a larger SI or outsourcing project: A call center-focused firm might never get the call concerning a potential assignment.

Market Sizing

INPUT sees significant growth in consulting and implementation of advanced call centers (as shown in Exhibit 3), while at the same time there is modest growth in call center activities overall.

It should be stressed that the sizing figures for the overall market are driven largely by the in-house and outsourcing parts of the market. Both of these sectors are, in turn, driven by employment (largely TSRs and associated costs).

Also, there will be higher growth, even in "traditional" call center activities in certain sectors (such as health providers and health insurance).

INPUT would not be surprised to find that TSR employment has peaked because:

- Arguably, traditional telesales are reaching a limit:
- Costs are increasing; recruiting is more difficult.
- Direct marketing (which feeds inbound sales) is reaching its own limits.
- The more forward firms in the industry are dissatisfied by the high level of wastage in direct marketing and telemarketing.

Exhibit 3

US Expenditures for Call Centers in Banks and Other Financial Institutions

Sector	Expenditure ($ Billions)		CAGR
	1996	2001	
Consulting	6.0	18.7	25%
Implementation	8.7	21.6	20%
Outsourcing	25.2	32.2	5%
In-house Operation	172.5	207.5	4%
Total	212.4	280.0	6%

Source: INPUT

INPUT believes that, in the future, direct marketing and call centers will be much more likely to take advantage of computer technology, especially data warehouses, to target customers needs more efficiently.

To the extent this occurs, gross call center growth will decrease (or even go into reverse in some market segments).

Call center functionality will, however, be more cost-effective (and create higher margin opportunities for many vendors).

At the same time, to support this new direction, INPUT expects that consulting and implementation activities will grow at high rates (20+% CAGR), similar to those for other consulting and integration activities.

Connectivity World is issued as part of INPUT's Electronic Commerce Program. If you have questions or comments on this edition, please call your local INPUT organization or contact Tom O'Flaherty at (201) 801-0050, tom_oflaherty@input.com, or The Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666.

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For Vendors - Analyze:

- Market strategies and tactics
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- Specific vendor capabilities
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Tel. (415)961-3300 • Fax (415)961-3966 • http://www.input.com • sales@input.com

Fulfillment/Printing for INPUT

Date 1-7-97 By Leslie Robbins
Program Code EEBB Project Code EE RB
INPUT P. O. # 9170 BAC Ref. # ____

Title: Call Centers: Hidden Opportunities for Service Vendors

- ☐ Report
- ☒ Research Bulletin (Connectivity World)
- ☐ Profiles
- ~~☒ Newsletter~~
- ☐ Reprints
- ☐ Other ____

Fulfillment - Please print list to order covers>>

TO: GBC
Covers Order
Date ____
Quantity ____
Color ____
Size ____
P. O. Number ____
GBC Control Number ____

TO BRADFORD ADAMS

>>>

Other Information/Notes

use purple Connectivity World masthead.

3 hole drilled

Reports
Fulfillment ____
Stock ____
Total ____

Executive OV
Fulfill. ____
Stock ____
TU Pkg. ____
Total ____

Research Bulletin
Fulfillment ____

Newsletter
Fulfill. 89
Stock 161
Total: 250

Date/ FedX GBC ____
Date Due INPUT ____
Date Rec. INPUT ____

Date ____
PLEASE PRINT ☐ labels ☐ packing slips
To: BAC ____

☒ Folder ☐ Disk ☒ Hard Copy ☒ Blue Form ☐ GBC Cover

Dates
For Set Up/Proof 1-7-97
Proof rtn to INPUT ____
Final proof rtn to BA ____
Scheduled to Ship ____

Instructions:
- ☐ Window Cover
- ☐ Hot Strip
- ☒ 3-Hole Drill
- ☐ Staple
- ☐ Shrink Wrap
- ☐ Other ____

Return to INPUT Ship Date ____
- ☒ Originals/Disk in folder
- ☒ For Stock: ____RP____OV____RB____PR
- ☒ Internals for Distribution
- ☒ International for mailing/DHL
- ☐ Other ____
- ☐ INPUT *add stock quantity to inventory report*

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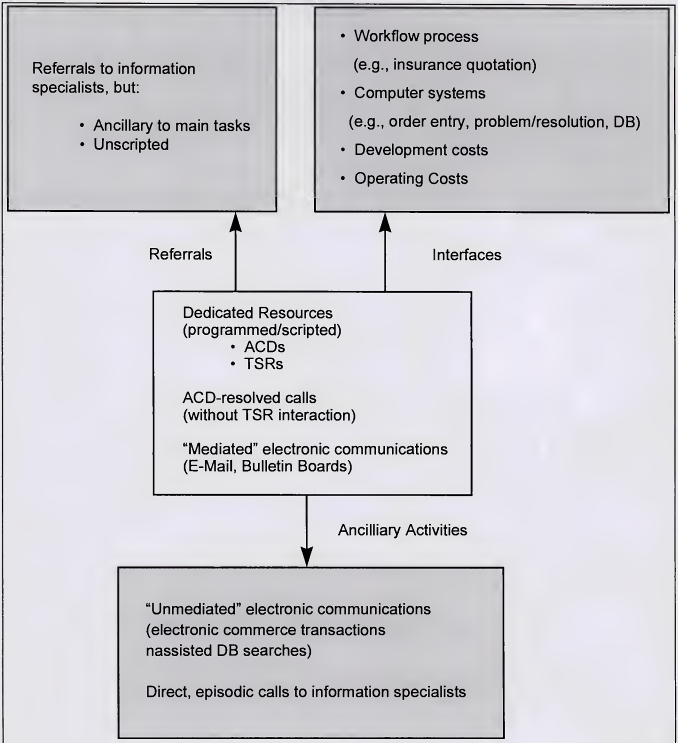

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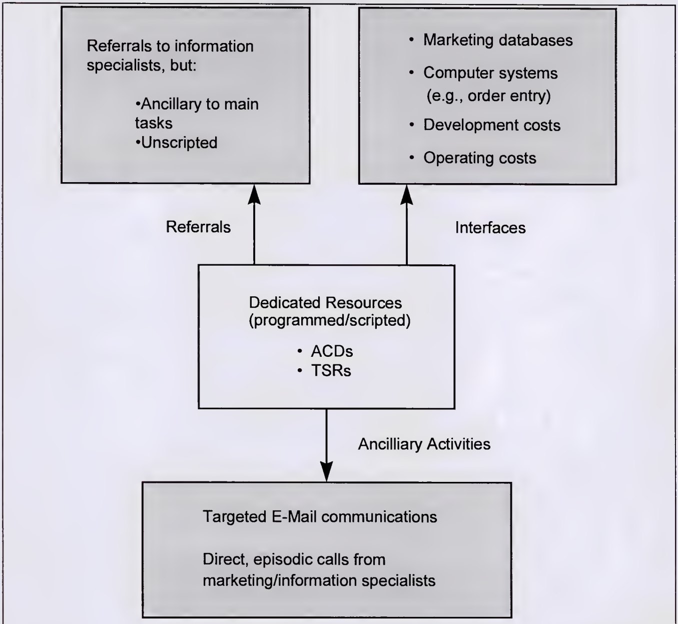

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