

Inbound Telemarketing Services: Which Clients Win and Which Clients Lose

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Overview

Inbound telemarketers share resources, such as talk paths, ports, equipment and operators among numerous client programs. In a busy period for any one client, other clients can find their call handling capabilities reduced, or eliminated. An alternative technology involves isolating each client so each has the needed resources by limiting the portion of the total resources available to any one client.

Inbound telemarketing service providers generally use a common pool of facilities shared by a large number of clients. In promoting their services, they highlight their call handling capacity as manifested by the large number of lines they maintain. The inference is that these lines are available to all their clients. This article will discuss how, in practice, just the opposite is true.

There are two alternative technologies for handling shared equipment ports and lines.

- 1) **Unrestricted Allocation** — All clients share the same lines. Any call for any client can be answered on any line. The service provider links the number called as transmitted by the phone company so the service provider's equipment can recognize the client and answer the call appropriately. With Unrestricted Allocation any client can have access to the entire group of lines. In a situation where a single client uses all the lines, obviously, other clients would have fewer of their calls answered. Unrestricted Allocation benefits larger volume clients at the expense of smaller and intermediate sized clients.
- 2) **Dynamic Allocation** — Each client has a dedicated number of lines and has access to

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additional lines that are not otherwise in use. Each client thus has a guaranteed service level based on its predictable requirements, with expansion according to a protocol to meet unanticipated demands. With Dynamic Allocation, in no event can one client adversely impact the normal operating needs of other clients. On the other hand, no client has the ability to expand to the full capacity of the service provider. As will be explained, Dynamic Allocation benefits smaller and intermediate size accounts at the expense of the larger volume client.

Thus, when selecting a service provider, care should be exercised to determine whether, for that provider, your program is a relatively large volume project, or a small to intermediate project, and whether the provider has Unrestricted or Dynamic Allocation of lines and resources.

Unrestricted Allocation

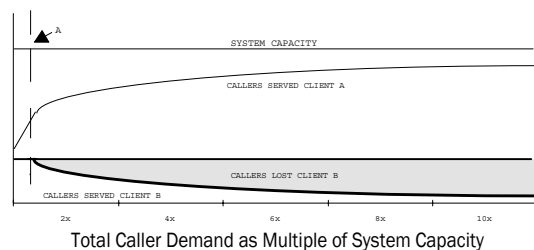
Simplifying the labyrinth of the technical jargon, phone calls come in on a “talk path”, what we are calling a “line.” Each line is connected to an entry port of the equipment used by the teleservices provider. Because of the expense of telephone services and equipment, the teleservices provider will seek to maximize the use of each of the lines connected to its facility. With Unrestricted Allocation, this is done by maximizing the number of clients sharing a minimum number of lines. For example, any of 200 different toll free numbers could be answered on each and every one of 100 lines.

The effect of Unrestricted Allocation is illustrated in Figure 1 where Client A represents one or more larger volume clients and Client B represents one or more smaller volume clients. Maximum line/system capacity is defined as the maximum number of callers able to be serviced (not placed on hold or given busy signals) and is dependent on the capacity of equipment and staffing of the service provider. The “normal” levels are those levels normally required by these two hypothetical clients.

The call volume of Client A can continue to grow to Point A, where system capacity is reached. As Client A’s caller demand continues to increase (while Client B’s remains constant), the Client B callers able to be served will decrease, even though the call processing needs for Client B have remained constant. Client B will not know this is happening.

The reason Unrestricted Allocation is particularly harmful for the smaller to intermediate volume client is that a small proportional increase in the demands of a larger volume client can destroy the smaller client’s call handling capabilities. On the other hand, a similar proportional increase in the smaller volume client

**Fig. 1: Unrestricted Allocation
Number of Callers Served vs. Total Caller Demand**



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will have an insignificant impact on the larger account.

In other words, the smaller volume client provides the overflow capacity for the large account.

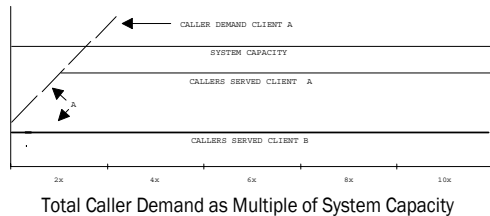
Dynamic Allocation

Dynamic Allocation places intelligent controls on the lines assigned to each client so that the normal operating needs of any client do not impact the needs of any other client. It provides an orderly allocation of lines between clients when multiple clients need additional portions of the entire system capacity.

Under Dynamic Allocation, both Clients A and B have an assigned number of lines always available. Regardless of whether Client A's requirements double, Client B always has the system resources available to meet their normal requirements. Beyond that, assignments of available lines are made according to a protocol.

In Figure 2, Client B's call handling capacity is shown to remain constant to serve its steady demand. As Client A's call demand increases, an increasing number of lines are assigned to Client A until all lines available to the service provider are in use. Client A is limited by available provider resources up to where Client B's program would be impacted by Client A's program.

Fig. 2: Dynamic Allocation
Number of Callers Served vs. Total Caller Demand



The reason Dynamic Allocation is particularly beneficial for the smaller to intermediate volume client is that, regardless of the demands of any large volume client, the large client will have no impact on the normal needs of the smaller to intermediate client. Although this restricts the overflow capabilities of the larger volume client, it isolates the large

client requirements from other clients.

A Comparison

Figures 3 and 4 are examples of how the call handling capacity of a large and small volume client would impact one another under each of the two methods of allocation.

The example shows the same two clients, A and B. In actual practice, the two "clients" could each be groups of clients. Client A might be advertising on Superbowl Sunday while Client B represents all other clients. Client A could be backup phone services for an electric utility in case of power failure in a large metropolitan area and could have excessive calls for weeks.

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In Figure 3, with Unrestricted Allocation, once the system has reached capacity because of any client demand, all clients will have the same proportional share of calls that go unanswered. If the system limits Client A to serving a third of its callers, all clients will have only a third of their callers served. This is true regardless of the actual numbers.

If Client B's call volume dropped 50% during Client A's peak period, still only one third of Client B's reduced caller demand would be served.

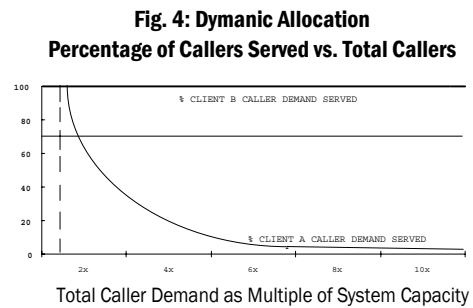
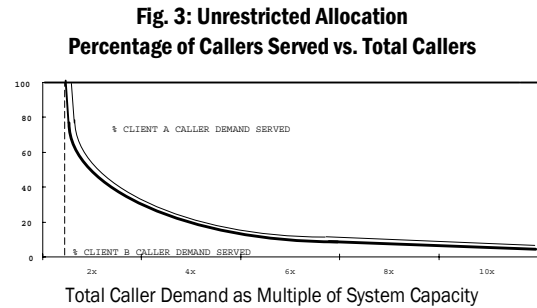
On the other hand, in Figure 4, with Dynamic Allocation, Client B would retain its full capacity, even though its caller demand temporarily decreased. It would always be at 100%. Client A, however, would have a smaller proportion of its calls answered.

The larger the pool of the shared resources, the larger will likely be the providers biggest volume clients. It is the relative disparity between the sizes of the clients served that causes this severe problem for the relatively smaller (although absolute size could still be substantial) client.

Traffic Reports

Users of inbound teleservice providers would like to know if they are being busied out by other clients or because the teleservice provider has insufficient resources to handle the call load. They would also like to know the extent to which they are being impacted. Unfortunately, with teleservice providers using Unrestricted Allocation, these reports are not available. The provider has a self interest in not revealing such information. But it is also because there is no realistic way to obtain it.

- a) There is simply no way to equate blocked attempts (callers who receiving busy signals) with the number of callers. Any figure provided by the phone company on blocked attempts cannot be compared with the calls completed, because it compares calls to callers, and the two are not synonymous.
- b) Because of the technology of the way calls are transported to the teleservices provider, calls may be blocked in the network and never reach the call destination. They can never be accounted for in any central location. Calls in this group include callers who receive a "fast busy".
- c) To have any meaning, any analysis of one client's requirements would have to be coordinated with



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the requirements of every other client at each particular moment of time. Call volume information of each client is most often confidential, usually contractually.

On the other hand, with Dynamic Allocation, obtaining complete information about call loads is part of the process. Because each client has identified lines and system resources, it is possible to know when, how often and the duration when all lines become utilized. In this way, an analysis can be made without relying on a meaningless figure of blocked attempts. Because each client is independent, the analysis need not rely on activities of other clients.

Summary

Although this article has discussed allocation as to lines, the issues are equally appropriate for allocating operators at live teleservice centers. Compounding the problem at live centers, however, is that the more advanced teleservices provider preferentially “gates” calls for certain clients. These clients have preferential access to operators when operators are busy. Although a caller to a smaller sized account, not preferentially gated, may get through, he would be placed on hold and have little chance of talking to an operator before hanging up.

When you select a teleservice provider, you need to determine whether you will win or lose by sharing facilities with the provider’s other clients:

- a) If you are a high volume, high peaking client, you will win using Unrestricted Allocation. If your volume is small to intermediate, you will win with Dynamic Allocation.
- b) If you are a large volume user and concerned only with the total volume of calls answered, you will be better served with Unrestricted Allocation. If you are a smaller volume user, and concerned with the percent of calls answered, you will win with Dynamic Allocation.
- c) If you want reports on calls that were answered, you will be well served with both Dynamic and Unrestricted Allocation. If you want information about periods when calls were blocked, you must have Dynamic Allocation.

ConServIT Integrated Teleservices, a service of Conversational Voice Technologies Corporation, operates an automated call center using Dynamic Allocation for all its clients. For more information, contact ConServIT Integrated Teleservices, 4205 Grove Avenue, Gurnee, IL 60031. Phone 800.343.2882 or e-mail conservit@conservit.com.