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BY LAYNE HOLLEY

for directors, managers,
quality specialists, supervisors
and team leaders

Sales and Analytics Driving Contact Center Compensation



The ever-increasing complexity of the contact center environment is spawning a demand for more specific skill sets for management. Executives with analytical skills and the ability to optimize overall performance based on contact center metrics will command top salaries in upcoming years.

Facing nationwide fear of a looming recession in the United States, call center compensation increases — with a few notable exceptions — are holding steady, with only modest increases. Driving up salaries for some call center executives and directors is the continued focus on combining sales with service and the increasing demand for executives and managers with the analytical skills and capability to increase the call center's value-add profile within an organization.

The focus in recent years on restructuring compensation plans for high-level positions to concentrate more on incentives to increase sales and productivity is becoming more sophisticated and complex. This is creating a trend toward incentive rewards that are more precisely tied to specific performance metrics in both sales and service.

Median total cash compensation for the top-paying call center positions — chief executives to the vice-president level, national sales managers, and group or regional call center executives — increased over 2006, according to data from Mercer Human Resource Consulting. Data from the consulting firm's *2007 U.S. Contact Center Compensation Survey* shows that incentives are, indeed, playing a significant role in compensation packages.

Companies participating in the survey reported that incentives made up nearly one-quarter of the total compensation for top call center executives; for national sales managers, incentives contributed about 6 percent; and incentives

Top-Paying Call Center Management Salaries in 2007

Position	Median Total Cash Compensation (Base/Incentive)
Top Contact Center Executive	\$242,400 (\$186,000/\$56,400)
National Sales Manager	\$170,100 (\$160,000/\$10,100)
Group or Regional Contact Center Manager	\$161,700 (\$139,600/\$22,100)

SOURCE: 2007 U.S. Contact Center Compensation Survey, Mercer Human Resource Consulting

made up almost 14 percent of compensation for group or regional call center executives (see "Top-Paying Call Center Management Salaries in 2007," this page).

SALES AND ANALYTICAL SKILLS IN DEMAND FOR EXECUTIVES

Mercer's data shows an increase in pay for certain jobs, such as outbound selling roles. In these positions, year-over-year increases were as much as 15 percent for total cash compensation, says Mercer consultant Mitch Barnes.

What's driving these top salaries is the impact that customer service and contact center sales groups have on an organization's bottom line, says Barnes. The continuing demand for sales skills and the

increased focus on the contact center as an efficient and valuable sales channel is an influencing factor.

"If you think about the customer service side of it, consumers are highly influenced by their interactions — their experiences — with contact center agents," he says. "On the sales side, just about any company that has inbound or outbound sales agents is putting a lot of emphasis on the type of revenue they can generate in those call centers in an efficient manner."

Such increasing emphasis on sales places increased demands on call center leadership.

"It takes a high level of operational expertise and people management to operate those types of centers efficiently," Barnes explains. "It's a highly skilled role. The key characteristics are being able to run them efficiently, while generating the highest level of revenue that they can per individual. It's a balancing act: having the precise types of measures and operational metrics in place, while, at the same time, creating an environment that's attractive and can keep people in seats."

Chad McDaniel, president of McDaniel Executive Recruiters, which published the *2007 Call Center Salary Report*, agrees that demand for greater, more specific skill sets for call center executives is driving up compensation.

The ability to analyze and interpret the information gathered from

► Trends in Agent Incentives

Shift differentials remain a standard incentive for agents, as well as their shift supervisors.

Seventy-one percent of contact centers that responded to Mercer Human Resource Consultants' 2007 survey said that they use shift differentials, offering them for weekday second shift (differential of \$0.78 per hour), weekday third shift (\$1.03 per hour), weekend second shift (\$1.35 per hour), and weekend third shift (\$1.64 per hour).

Incentives are also increasingly offered, and at a higher rate, for multilingual employees. According to Mercer's survey, 59 percent of the responding contact centers pay a premium for multilingual employees. Of these, 16 percent indicated that the amount of the premium was dependent upon the language spoken. For Spanish, the mean premium is \$0.87 per hour.

Median Call Center Pay by Function*

Call Center Function	Median Total Cash Compensation — Intermediate-level Rep	Median Total Cash Compensation — Team/Group Manager
Inbound order entry	\$13.99/hr.	\$61,400
Inbound with selling	\$12.69/hr.	\$65,500
Customer service	\$12.98/hr.	\$69,200
Internet	\$12.86/hr.	\$63,700
Collections	\$14.09/hr.	\$69,900
Outbound with selling	\$17.31/hr.	\$71,900
Full account management	\$14.56/hr.	\$73,700
Technical support	\$14.37/hr.	\$63,100

* For select positions. Median total cash compensation includes base pay and annual bonus/incentive. SOURCE: 2007 U.S. Contact Center Compensation Survey, Mercer Human Resource Consulting

Corporate Inbound Call Center Management Salaries

Position	Low	Average	High
Vice President, Inbound			
Consumer	\$109,800	\$126,300	\$147,400
B-to-B	\$98,200	\$110,300	\$118,600
Director, Inbound			
Consumer	\$85,800	\$101,600	\$108,400
B-to-B	\$84,100	\$92,300	\$98,200
Manager, Inbound			
Consumer	\$58,100	\$69,000	\$77,300
B-to-B	\$56,200	\$66,900	\$71,200
Supervisor, Inbound			
Consumer	\$33,000	\$35,100	\$37,200
B-to-B	\$34,800	\$35,600	\$39,700

SOURCE: 2007 Call Center TeleSales & Customer Service National Salary Guide, TeleManagement Search

call center metrics, says McDaniel, is what sets some call center executives apart from others and allows them to command higher compensation.

“The individuals who are going to be highly sought out or compensated differently to some degree are those with the proven ability to develop a sales or service strategy — or both — and who have strong analytical competence to measure

and manage metrics — not just look at the numbers, but interpret that data and either develop a successful customer segmentation strategy or a cross-sell or upsell component to get more value out of each call,” he says.

SERVICE AND SALES ROLES ARE BLENDING FOR AGENTS

For people with the right skills, it is

more of a job candidate’s market now than in previous years, according to Connie Caroli, president of TeleManagement Search, publisher of the *2007 Call Center TeleSales & Customer Service National Salary Guide*, a survey that the company has conducted for more than 20 years.

With sales and service becoming more intertwined for more companies, Caroli says, the trend at the frontline level is moving toward a universal agent who can perform both roles.

“A decade ago, sales and service were very separate departments. You had inbound sales people who could handle a cross-sell or upsell, and you had your customer service staff who really wanted nothing to do with sales.”

Now, Caroli says, the two functions are commingling at a greater rate for a broader variety of companies.

“There’s more of a meshing between service and sales,” she says. “It hasn’t been fully integrated yet — nor will it ever be in a lot of companies — but more organizations are moving toward a universal agent role.”

According to the survey results, there is a noticeable jump in cash compensation for call center agents with selling functions, especially outbound selling (see “Median Call Center Pay by Function,” this page).

SALES-BASED INCREASES VARY BY BUSINESS TYPE

While the TeleManagement Search and Mercer surveys project salary increases for frontline agents in the range of 2 percent to 4 percent (Mercer’s figures are the more conservative), Caroli says that she, like Barnes and McDaniel, is seeing slightly larger increases at the management level where cross-selling

Call Center Operations Salaries*

Position	Compensation — Low	Compensation — High
Supervisor In-house	\$38,600	\$49,200
Supervisor Outsourced	\$26,400	\$39,600
Manager In-house	\$52,500	\$69,800
Manager Outsourced	\$41,200	\$58,700
Director In-house	\$82,500	\$99,100
Director Outsourced	\$72,300	\$92,700
VP Call Center Operations	\$90,400	\$135,000

* Base salaries, U.S. positions only.

SOURCE: 2007 Call Center Salary Report, McDaniel Executive Recruiters

and upselling are involved.

“There certainly is an incremental incentive at the agent level, and at the supervisor, manager and director level, it increases for incremental sales,” says Caroli. But those numbers are more fluid and hard to track, she adds.

Compensation levels for executives and management positions in centers with selling varies between inbound and outbound centers, and between sales to consumers and business-to-business sales (see “Corporate Inbound Call Center Management Salaries,” on the previous page).

The highest salary spikes in a mostly flat landscape can be found in financial services contact centers, especially insurance-related organizations, says Caroli.

“There is a lot of stability in the insurance business,” she says. “Insurance is a product that is required and deemed necessary for most people, no matter what their financial circumstances or level of income. These companies have been able to capitalize on upselling their products by offer-

ing a better level of service, then, also, during a service call, cross-selling additional products.”

COMPLEX ENVIRONMENT REQUIRES DIVERSE SKILLS

The overall service-to-sales shift is at the heart of a sweeping change within the call center, says Barnes — a trend toward a more complex and diverse environment. This is where the skill to manage people becomes critical.

Contact center managers are running operations that focus on a variety of activities being carried

out by multiple-skilled agents.

“The managerial aspects of today’s contact center are quite diverse,” says Barnes. “It demands somebody who not only understands the operational perspective, but who also understands the people side of it,” says Barnes.

Skill-set requirements driving salary increases for regional or group directors, such as a director of workforce management, says Caroli, include multicenter experience with the capability to lead staffing, forecasting, scheduling, real-plan adherence and reporting functions.

“Right now, that is definitely a hot area and an in-demand skill set,” Caroli says, “which usually creates an upward pressure on salaries.”

Emerging skills at all levels in the contact center also include dual- or multilanguage skills.

Caroli says that she has conducted numerous call center executive searches in which bilingual capability is required. Many companies are beginning to explore the traditionally underserved Hispanic market, which is gaining in buying

► Call Center Salary Survey Sources

2007 US CONTACT CENTER COMPENSATION SURVEY, Mercer Human Resource Consulting, \$1,000 for survey participants, \$3,000 for non-participants, available online at www.imercer.com or by calling 800-333-3070.

2007 CALL CENTER SALARY REPORT, McDaniel Executive Recruiters, available at www.justcareers.com or by calling 866-991-3555.

2007 CALL CENTER TELESales & CUSTOMER SERVICE NATIONAL SALARY GUIDE, TeleManagement Search, \$45, send a business card to TeleManagement Search, 44 South Bayles Ave., Suite 316, Port Washington, NY 11050 or order online at www.tmrecruiters.com.

What types of performance incentives does your call center offer to agents?

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power, and they have begun using near-shore bilingual agent resources to serve that market.

Outsourcing, too, has created a need for bilingual agents and management. But whereas companies have typically gone overseas for outsourcing contact center services, now they are focusing more on near-shore vendors, Caroli says.

“There is still international outsourcing,” she explains, “but the trend is moving toward near-shore than overseas, such as sites in the Caribbean, South America, Central America, Mexico and Canada.”

BALANCING PRODUCTIVITY AND QUALITY

While cutting costs in the call center and increasing sales are key elements of the executive, director or manager’s job, balancing the productivity and the quality of customer contact remains an important focus.

“At one point in time, when we talked about productivity enhance-

ments, we were talking about shaving seconds off of average talk time to reduce costs,” says Caroli. “Recently, there has been more focus on trying to improve the customer service experience.”

Barnes also says that he sees his clients trying to strike a balance between productivity and quality.

“Contact center executives are trying to make sure that the productivity measures don’t lead to service quality issues that, in the long run, will hurt them,” he says. “So executives are being compensated on revenue-generating, as well as customer service metrics.”

According to McDaniel, strategies for improving call productivity and quality, while more sophisticated today, are regarded by many companies as entry-level executive skills. The optimization of analytics, he says, is what sets apart those executives and directors who earn top compensation.

“The people who command top dollar at the executive level are

those who have proven strategies and who can step in, optimize the center’s processes, implement a complete sales and service translation — these are the people who are going to excel. It’s just a matter of time before industry says, ‘We’re looking for [this skill], and if you don’t have it, you won’t exist.’

“I honestly believe that, in five to seven years, this will be the standard call center manager function. Those who don’t apply themselves and get onboard are going to go the way of the dinosaur.” ●



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