

ia

interactions
talking with customers

**If it's about
performance...**
then it's about managing
our agents smarter!

Craig Gibson talks about a
strategic approach to recruitment
and training needs.

Summary

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It started as a simple contact centre location assessment back in 2003. Today, barely five years later, the relationship between payment services giant TSYS and Dimension Data's contact centre division, Merchants, has turned into a burgeoning joint venture that is delivering a comprehensive range of managed services to a growing list of financial institutions across the globe. What makes this partnership work and what lessons can you learn that may apply to your organisation?

05 If it's performance... then it's about managing our agents smarter

Employees who see a career path – both within the contact centre, and also in the wider enterprise – are far more likely to stay with a company. Additionally, experienced contact centre agents bring a valuable perspective to the rest of the organisation. How do you retain your agents? We have some cutting edge insights to offer on a strategic approach to recruitment and training needs.

08 Is security your major issue? Then you need to proactively manage your contact centre

When it comes to defending the integrity of the contact centre, life was a lot simpler before the advent of IP telephony and all the great technology that offers cutting edge customer service features and applications to the for defending your information rich contact centre.

This Quarter:
We lead with **Innovation**

In a competitive service oriented environment like contact centres, constant review and innovation are the tools that build a successful customer interaction. But for innovation to be influential in your organisation you need to focus on more than just the latest technology trend.

In over 27 years of designing, building and managing dynamic and effective contact centres for clients globally, we have learnt the importance of marrying people and processes to technology to unlock the potential that innovation offers.

When you think innovation you automatically think technology. But innovation can also mean better, more effective use of the resources you already have.

In this issue of Interactions we highlight the groundbreaking ways we use innovation to drive partnerships, people and processes into the organisation and reap real value from emerging trends.

We start off with The Power of Partnerships and examine how the combined individual strengths and competencies of TSYS and Dimension Data have come together to offer a more powerful customer experience. We share the lessons we have learnt in forging this partnership and how to apply these to your own organisation.

Never underestimating the importance of people in the contact centre as your primary point of contact with the customer, we address the critical pain point of many contact centres: agent retention. We have some new insights to offer on fresh ways to keep your star agents engaged, confident and motivated.

To end off we take a closer look at security strategies in the contact centre and provide a comprehensive blueprint for securing your customer sensitive information. If security concerns are top of your agenda, then this article is not to be missed!

We hope you find value and interest in this issue – please feel free to forward it to any of your colleagues who might find it of interest.

Best wishes,



Andrew Briggs

Managing Director,
Customer Interactive Solutions
and Converged Communications



TSYS and Dimension Data

The power of partnerships

It started as a simple contact centre location assessment back in 2003. Today, barely five years later, the relationship between payment services giant TSYS and Dimension Data's contact centre division, Merchants, has turned into a successful partnership that delivers a comprehensive range of managed services to a growing list of financial institutions across the globe.

The joint venture combines the call centre capabilities of Merchants with the payment processing abilities of TSYS, and specialises in customer-servicing operations, including back-office, cross-selling and up-selling activities for financial institutions engaged in card issuing and merchant acquiring.

Merchants, the wholly-owned subsidiary of Dimension Data, operates contact centres in Milton Keynes, United Kingdom; Barneveld the Netherlands; Johannesburg and Cape Town, South Africa. Merchants is a leading customer-contact solutions company with 27 years' experience in servicing blue-chip clients.

TSYS is a card payment processing specialist based in the United States. Formerly owned by a regional banking organisation called Synovus, it is listed on the New York Stock Exchange and has an annual turnover in the region of \$US1.8 billion. It boasts a client list in the US that includes some of the top names in the financial services arena, and currently has more than 2000 call centre seats in Georgia and Arizona to service its US operations.

TSYS branched out into Europe in 2000, and has publicly stated that it wants its European operations to provide 30% of its revenues by 2009. This is looking increasingly achievable, thanks in no small part to the joint venture with Dimension Data. Since its incorporation in October 2006, the joint venture – known as TSYS Managed Services EMEA – has enjoyed exceptional success, securing managed service business from a list of blue chip clients that includes the likes of Bank of Ireland, ABN AMRO,



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Rabobank, Lloyds TSB, Norwich Union and The Royal Bank of Scotland.

The past year has seen a couple of significant wins for the young business. In August 2007, TSYS announced a seven and a half year contract with Nationwide, the biggest building society in Europe, incorporating a fully integrated managed service offering. To fulfill this contract, the joint venture will purpose-build a 300-seat contact centre site in England's Midlands that goes live in March 2008. The centre will be designed and constructed around Dimension Data's technology solutions.

And the days of rapid growth are still far from over. Between January and April 2008, the TSYS Managed Services EMEA business will double in size – recruiting more than 500 people in that period – as new operations in Milton Keynes, UK, and Johannesburg, South Africa go live. This upscaling is partly driven by another contract to process disputed card transactions for North American customers of the TSYS business.

The joint venture has ambitious expansion plans. Apart from ongoing rapid expansion in Europe and the Middle East, the business's prime target areas include Asia and the Far East, with China in particular being seen as a fundamental cog in the global strategy for the joint venture and both parent organisations.

This remarkably successful relationship, which is delivering significant benefits to both TSYS and Dimension Data, had its roots in a relatively low-key meeting back in August 2003, where Dimension Data consulted TSYS on the feasibility of building a new contact centre to provide

managed services for clients over and above their standard payment processing services.

"TSYS quickly recognised the benefit of working with Dimension Data,"

recalls Dimension Data's Adam Foster.

"Merchants' reputation in the specialist design and management of contact centres, combined with the broader global network of Dimension Data's contact centre technology expertise, provided TSYS with a one-stop contact centre solution both at a local and global level."

"In addition to their presence in the industry, **Merchants' strong technology background** from their parent Dimension Data was immediately appealing to us. That **combination was not something we had seen regularly in the industry,**"

says David Figgat, Group Executive for TSYS Managed Services.

The spark that provided the initial impetus to the collaboration came in September 2004, when TSYS was engaged by Dutch financial services provider ABN AMRO to migrate its credit card customer base from the incumbent supplier to a full service offering from TSYS. At the time, ABN AMRO didn't have a credit card in the marketplace, and selected TSYS as its card processor.

TSYS turned to Merchants to provide end-to-end contact centre services supporting both business and consumer customers, incorporating activities from front-end card application processing and subsequent customer servicing to debt recovery and fraud activities at the later stage of the life cycle.

The challenge was enormous. The contract, with a value to Merchants of some \$US100 million over seven years, required the technical deployment of a contact centre in the Netherlands by February 2005 – a period of 12 weeks in which to deploy a

working contact centre. For most service providers, this would be well-nigh impossible – but Merchants found premises in Barneveld, recruited and trained 190 agents, organised all data links, had specialists from all over Europe come in to create the contact centre solution, created the operating model and put a management team in place.

In March 2005 the new contact centre went live, handling the migration of approximately a million customers across the Netherlands.

The successful launch of the ABN AMRO centre in Barneveld only served to whet the appetite of TSYS and Merchants.

Realising that the European market offered huge potential for managed services within core card processing contracts, with TSYS providing the data processing expertise and Merchants providing the contact centre expertise, the groundwork was laid for the joint venture. In August 2005, David Figgat was given the role of Group Executive for Managed Services by TSYS, signaling the creation of a specific managed services function in the company.

“It was an ideal match, not only of capabilities, but also of corporate cultures and a people-focused approach to business,”

said Foster. We have excellent relationships between two CEOs, with an ongoing and open dialogue about how our business strategies going forward will support each other.

“We now have a strategy to provide key services from each of Dimension Data’s six lines of business to the TSYS organisation. Executing that strategy will provide further strength

to the relationship beyond the joint venture,”

said Foster.

Figgat believes the joint venture has strengthened TSYS’ ability to deliver high quality managed services in Europe and the broader region.

“Because of their excellent reputation and dedication to quality, Merchants is proving to be the ideal partner to join our global strategy of offering ‘best-shoring’ and ‘right-shoring’ choices to our clients.”

The bottom line, says Foster, is that Dimension Data’s capabilities in terms of building, maintaining and operating managed service centres are unparalleled in Europe – a fact recognised early by TSYS.

“There are a lot of good operational businesses in Europe, but none have the technical capability of Dimension Data,”

says Foster.

“What this means for TSYS is a double win, in effect: not only does Dimension Data provide the underlying infrastructure, but it also provides the delivery capability. Dimension Data has also had experience in taking a regional business global, which has proved extremely valuable to TSYS, which is embarking on a similar process.”

In other words, the benefits for customers in having a partner like Dimension Data go well beyond pure technical expertise. As TSYS has found, its collaboration with Dimension Data has actually helped it secure business, with a number of opportunities converted through the joint venture. Likewise, the pipeline of clients being brought to the joint venture through TSYS Europe is extremely exciting, and has provided Dimension Data with a huge amount of insight into the financial services sector, especially relating to the credit card marketplace.

About the author

Adam Foster, Managing Director, TSYS Business Unit, Dimension Data CIS has worked within the BPO division of Dimension Data for nine years, focusing primarily in that time on the design, build and operation of large scale Managed Service contact centres in the UK, Europe, North America, Asia and Australia. Since joining Dimension Data he has operated extensively in both the Financial Service and Telco sectors, primarily in General Management positions, having both P&L and Client Relationship Management responsibility for the Group’s major Managed Service clients. He has extensive experience of migrating BPO operations offshore – a number of these clients have migrated their operations to South Africa over the past five years.

“Many services providers were good operationally, but lacked that **behind-the-scenes muscle** which Dimension Data affords Merchants.”

If it's about performance...

then it's about managing our agents smarter!

The basis of how we recruit and manage our people is going to have major impact on the contact centre of the future, with emotional intelligence – and the measurement thereof – becoming more of an issue as consumers become more demanding.



Research suggests that agents need to stay in the job for at least six to nine months merely to break even on the costs of training and staffing.

This is one of the key trends that emerged from an Executive Forum hosted recently by Dimension Data, which attracted some of the top contact centre gurus from around the world.

In short, say the delegates, the translation of business requirements into resource requirements will have a major effect on people engagement. Importantly, training and career pathing will have to be adjusted to cater for the Generation Y workforce which is rapidly emerging.

Contact centres that take a more strategic approach to

their recruitment and training needs are already seeing major returns, says Craig Gibson, MD of Merchants African Operations, the operational contact centre subsidiary of Dimension Data. Carving out a career path for contact centre agents can help contact centres halve their annual agent attrition rate – and drive productivity to all-time highs.

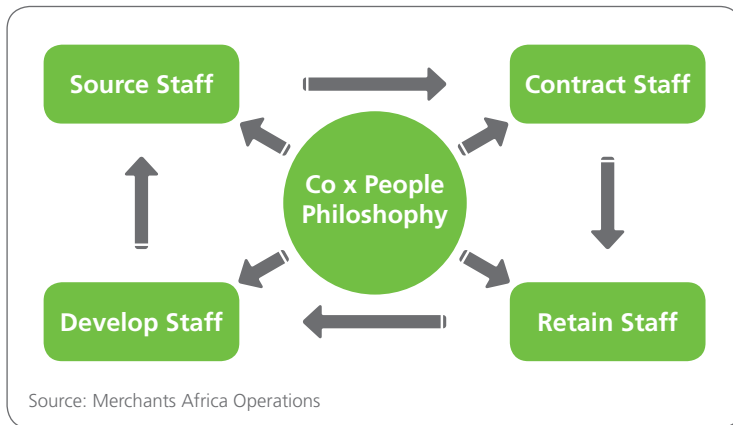
Agent retention has not been a traditional bright spot in the South African contact centre industry. At some centres, the turnover of service staff is a bit like a revolving door, with turnover of up to 120% per annum in some cases.

Now, by applying a more measured and scientific approach to traditional problem areas like recruitment, management and training, and working to better understand the needs and desires of the new-generation workforce, more settled and motivated workforces are delivering the kind of value-added service that delights big corporate clients.

“Within Merchants, we’re working very hard to improve the human resources (HR) operating model, which includes the creation of a career path,”

says Gibson.

“From our perspective, this is critical. The fact is that high attrition kills the bottom line. Much of our leadership and financial resources were previously going towards recruiting and training, with HR expenses typically eating up more than 65% of the budget.”

Comprehensive Employee Lifecycle Management

The diagram on this page is a conceptual model of what Merchants have designed; it is the detail behind each of the major areas of sourcing, selecting, retaining and developing agents that yields the benefit.

Feedback from Dimension Data's Executive Forum bears him out. One group stressed the need for call centres to measure the value of their most valuable assets, their human capital, more thoroughly than ever before. Complete employee lifecycle management will become imperative, and the ability of the organisation to predict and plan around human capital management is becoming priority number one.

Employees who see a career path – both within the contact centre, and also in the wider enterprise, are far more likely to stay with a company, according to Gibson. Additionally, experienced contact centre agents bring a valuable perspective to the rest of the organisation.

"That individual understands your business," says Gibson.

"The contact centre is the focal point for the business. It hears and sees, and gains an understanding of the entire operation. That is a very valuable individual – one who should be kept in the system, if at all possible."

The notion of finding the best possible cultural alignment with the customer – or the ability to empathise and really understand the customer, is also becoming an issue. A contact centre's success in its HR operations starts right at the initial recruitment process, which has been radically relooked and overhauled.

Instead of simply outsourcing the recruitment process blindly, as in the past, the centre is now engaging far more comprehensively with staffing providers and potential agents through newly-established recruitment hubs. The bottom line? Finding a better cultural fit with new agents upfront, before the expense of training is incurred.

Of course, the implications of salary management remain significant. In the area of remuneration, intensive research into employee lifecycle management suggests a move towards a model that clearly links length of service to remuneration, and offers a clear roadmap to agents joining the business. The longer you stay, the more you earn.

Research suggests that agents need to stay in the job for at least six to nine months merely to break even on the costs of training and staffing. Between months nine and 14, the contact centre then attempts to maximise the value it derives from that agent to optimise its profitability. After that, it is important to offer the agent some job variability to retain them, says Gibson.

Many contact centre operations are starting to pilot systems of self-management, in which top-performing agents with good tenure start heading up their own teams. These teams are then further incentivised on their performance.

"If you have a situation where top-performing agents are continually being assessed for leadership qualities that will allow them to take up team-leader positions, you are continually giving the company a pool of experienced leadership talent which can be quite limited today,"

said Gibson.

“We’ve seen centres where this scheme has been wildly successful. Competition for places on these teams is extremely high, and as a result, their performance is surpassing all expectations. We’re also seeing unprecedented levels of interest and motivation from our agents.”

The career path doesn’t need to stop there, though. High-performing agents within the contact centre who are looking for new challenges can be retained by giving them the opportunity to apply for positions within different contact centres.

Merchants has created a central development function to drive the development of middle management skills, and has gone so far as to formalise the process by giving its agents the

opportunity to study towards a tertiary qualification while on the job.

While the contact centre doesn’t solely credit its system of training and promotions for its significant success in retaining agents, it is a major factor, says Gibson.

“We’ve taken a step back, and tried to be a lot more scientific in our approach – and we’ve seen the results in our bottom line,”

says Gibson.

“The benefits of trying to understand the new generation of workers are clear for all to see. It is vital to the relevance and effectiveness of the modern contact centre that we retain our agents for longer, which means we retain our investment in them.”

About the author

Craig Gibson is the Managing Director for Merchants Operations Africa.

Craig joined Dimension Data in 1999, where his role focused on developing and managing Customer Relationship Solutions (CRM) for some of the Group’s largest South African customers.

Craig’s roles within the Group, whilst varied, have consistently focused around customer oriented services and solutions, an area that he continues to be passionate about.

Craig holds a BTEC degree from the University of Natal, majoring in financial management and marketing (1993).

Is security your major issue? Then you need to proactively manage your contact centre

Your contact centre is not only the primary point of contact with your customers and the service interface of your business, but also the gateway to a wealth of personal information about your customers. This makes it a lucrative target for hackers and other security threats. And what about automated attacks? Did you know that there are currently over 53,000 viruses in existence, with a new one detected on enterprise networks and personal computers every 18 seconds?

When it comes to security, this is a war you can't afford to lose! Stay on top of the latest developments in security strategy and ensure you have the appropriate architecture in place to adjust and adapt to new risks and threats. Use new strategies and an innovative and fresh approach to secure the integrity of your contact centre – as quickly as hackers and viruses innovate to penetrate your defences, you need to stay ahead of the game!

When it comes to defending the integrity of the contact centre, life was a lot simpler before the advent of IP telephony and all the great technology that offers cutting edge customer service features and applications in the modern contact centre. Back then, call centres operated out of large warehouse environments, with rows of agents dealing with customer queries by telephone. This type of environment is relatively easy to secure. The agents, systems and information are contained in an enclosed physical location and traditional TDM-based telephony networks are largely proprietary and difficult to compromise.

Enabled by new technologies and greater consumer demand, call centres have since evolved into fully functional, multi-channel contact centres. New channels of communication, like e-mail and the web, have been introduced to supplement the telephone and enrich the customer's experience. However, greater access to information through multiple channels of communication carries tremendous risk. Added to this, financial transactions through the contact centre are subjected to heavy regulation and punitive legislation.

When it comes to security, this is a war you can't afford to lose! **Stay on top** of the latest developments in **security strategy** and ensure you have the appropriate architecture in place to **adjust and adapt** to new risks and threats.



Another sweeping change that's transformed the task of securing the contact centre, is that new technologies have allowed contact centres to become physically more distributed. IP technology frees agents from being chained to a single central location and enables systems and skills from around the organisation to be connected to the customer from any location that has an IP connection.

Compounding the volume and extent of the front to defend, is to identify the range of potential attackers. Your threat can come in many shapes and forms – criminal attack, sabotage or malicious action by disgruntled employees or a myriad of complex malware designed to exploit IP communication systems.

The starting point: A blueprint for contact centre security

The first fundamental in any action plan to defend the contact centre is to recognise that technology alone cannot raise an impenetrable defence. Technology can raise a gate to intruders, but remember that most checkpoints are also manned by human operatives, and these can remove represent potential weaknesses in your defence. Technology and human skills must work together to implement a dense and interactive defence. To create secure contact centre environments, we advise organisations to focus on the following areas: Managing people, managing access, and managing information.

Let's take a closer look at how you can integrate these elements to build a proactive and adaptable security plan for your contact centre.

The people who use IT systems are potentially its greatest risk. User carelessness, ignorance or malice present major threats to IT security.

Here are some useful tips for managing your people risk:

- Screen your employees and run background checks on all new hires
- Management must take responsibility for formulating a clear and unequivocal policy and effective processes for security management
- Ensure your staff have adequate training so they are aware of potential security risks, the consequences of security breaches and what action should be taken if security is compromised. All employees should be familiar with corporate security policies and there should be no "grey areas" to confuse the issue

Create and document a robust security policy, and most importantly communicate it to your employees. Your security policy should define security roles and responsibilities, access privileges, escalation paths and incident response processes.

- Define procedures to follow for processing and storing customer information
- Formulate an acceptable policy for use of the network
- Proper provisioning and de-provisioning of users is also critical to ensure that the correct levels of system, application and data access are provided for new employees. Access must be revoked immediately once an employee leaves the organisation.

What about the systems and tools your people use in the contact centre? Here are some guidelines to safeguard those entry points:

- Install technology at the internet gateway alongside firewalls and intrusion management devices to filter e-mail and web traffic and prevent malicious code from entering the network
- In addition, install software on the agents' desktops to prevent infection from data that is brought in externally and then loaded on the desktop. Good, secure software to install would include antivirus, personal firewalls, and host-based intrusion detection systems
- The desktop can be further protected by deploying policy enforcement software that resets desktops to a standard configuration or 'gold build' if it is altered in any way, for example, if someone tries to install third party applications or change registry settings

The second tier of your security strategy for the contact centre is managing access.

- Access to the contact centre must be carefully controlled, with clear demarcation lines drawn between internal systems (e.g. customer records) and systems that are available to the public (e.g. the company's website)
- Perimeter security is the cornerstone of access security and ensures that the systems internal to the contact centre are protected from unauthorised access. Firewalls and intrusion detection/prevention technology are essential to control network and

information access for agents – especially in view of the trend to more distributed contact centres

- You should also ensure that your access to systems and information is auditable, so that any security breaches can be fully investigated in line with the relevant legislation
- Remember to keep access conditional on the user/ workstation being compliant with security policy – e.g. denying access to a machine that does not have antivirus running, or providing a limited level of access to employees who work remotely. This conditional access will mitigate the risks associated with infected machines or less secure access methods

The third and final tier in your security strategy deals with protecting your contact centre from information leakages. We recommend an approach that combines Information Leak Prevention (ILP) software and encryption.

ILP software technology is used to control how information is used on the desktop and whether and how it is allowed to be distributed beyond the desktop. In this way, you can guard against sensitive data being copied to portable media devices like CDs, DVDs, memory sticks and PDAs, or reproduced in other ways such as printing, cutting and pasting or screen scraping. ILP technology prevents sensitive information from ending up in the hands of criminals, and reduces the growing incidence of identity theft. Not only does the software provide the necessary controls, it

also monitors user behaviour at the desktop and alerts or takes action against violations of your security policy.

Another layer of security can be added with access management and encryption for stationary data. Access management allows only those authorised to view the data, and encryption renders the information useless to anyone who manages to break into the system. We also recommend that you use encryption on agent desktops in virtual contact centres – for example, where agents periodically use laptops to work remotely.

The never-ending story...

Innovation and new technology is not only your greatest opportunity, but also potentially the greatest threat you face in securing your contact centre. Not only do new threats constantly evolve with ever-greater sophistication and maturity, but the new technologies you introduce to improve your contact centre add another front to wage the security war on. Stay ahead of the game, keep reviewing your security posture, and build a solid foundation to keep one step ahead of predators and secure the integrity of your business. It's an ongoing battle, but one you can't afford to lose!

About the authors

Alastair Broom, UK Security Line of Business Director As UK Security Line of Business Director, Alastair has a complex portfolio of responsibilities that includes providing business development and presales support and resources to our UK sales team, developing and implementing our UK security strategy, and management of our portfolio of security products and services. He also manages our vendor relationships and the development of new products and services, and maintains our security accreditations. Alastair has built a twenty-year career in IT, specialising in security over the latter half of his career, and has various vendor accreditations, including being a certified ISO9001 auditor.

Neville Cousins, Chief Technology Officer for CIS Global Solutions. Neville joined Dimension Data in 1995 as a product specialist and has taken the lead on many of our most complex and prestigious CIS engagements, including the design and sale of the largest Call Centre ever built in South Africa. Since then, he has moved on to become the Chief Technology Officer of the CIS Global team and is responsible for the Group's CIS technology strategy, including our Partner and Alliance strategy.

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