

2010 Contact Center Workforce Management Market Report

DMG Consulting's third annual **Contact Center Workforce Management Market Report** gives contact center and IT managers the vendor, product, functional, technical and pricing information to help them make the right workforce management (WFM) technology selection for their contact center. This 360-page report arms contact center managers with the best practices to realize the greatest continuing return on their technology investments.

While WFM solutions have been used in contact centers for more than 30 years, 2009 was one of the strongest years ever for this sector, despite the economic recession. This counter-cyclical growth is testament to WFM's recognized importance as a key productivity tool for managing contact centers' most costly and essential asset – live agents – in both good and challenging economic times. With a myriad of purchased, hosted and managed service WFM solutions available, competition in this market is fierce. A number of smaller WFM vendors demonstrated strong momentum during 2009, a trend that is expected to continue, giving end users more choices than ever before.

Despite healthy competition, growth and innovation, critical challenges exist in the WFM market. Specifically, erlang-based (or modified erlang) forecasting algorithms, which are used by most of the WFM solutions to forecast call volumes, are proving inadequate. Their inability to produce accurate forecasts is costing companies money due to unnecessary overstaffing. This report serves as a call to action for current and new vendors: The industry needs a better, more accurate mathematical approach to forecasting contact center interactions.

The 2010 Contact Center Workforce Management Market Report is the most comprehensive, fact-based and timely analysis of this technology sector. It covers 32 contact center WFM vendors in total and features detailed reviews of the top eight leaders and contenders including: Aspect, Calabrio, Genesys, GMT, InVision Software, NICE/IEX, Pipkins, and Verint Systems, Inc. Three additional companies, Bay Bridge Decision Technologies, Envision, and Interactive Intelligence, are profiled at a high level.

This Report presents the contact center workforce management trends and challenges that shape the market today, and looks at what is to come over the next 12 months in terms of technology innovation and changes in the industry landscape. It provides contact center managers with best practices and actionable recommendations to improve the benefits realized from WFM solutions. The report also offers a unique, independent inside look at what customers have to say about WFM vendors and their products.

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Key Reasons to Buy This Report:

- ⇒ Competitive overview and market share analysis: High-level review of the 32-vendor contact center WFM competitive landscape, along with comprehensive corporate, technical, financial and functional side-by-side comparisons of eight leading vendors and their solutions, pricing, market share analysis, adoption rates and projections.
- ⇒ Product comparisons: Company reports examining all aspects of generally available (GA) and upcoming WFM solutions including differentiators, challenges and future R&D plans.
- ⇒ Analysis of expanding contact center WFM service delivery options: Exploration of multi-channel/blended solutions, Web-based solutions, hosted/SaaS and managed service offerings, and small/mid-sized solutions, along with detailed pricing comparisons and ROI analysis by delivery method.

- ⇒ Insights into new and emerging functionality: A look at product innovation recently introduced into the market and new releases that are planned for the next 12 months.
- ⇒ Best practices for end users and vendors: Review of operational best practices for contact center managers and agents, insight into what end users should expect from a successful WFM implementation, and vendor best practices for implementing WFM solutions.
- ⇒ Cost analysis of forecasting with erlang: A critical review of the erlang/modified erlang forecasting algorithm and what it is costing contact centers to continue to work with inadequate forecasting tools.
- ⇒ End-user commentary: Comprehensive independent vendor satisfaction analysis, addressing end users' opinions of each vendor's products, implementation, training, professional services, support, innovation, responsiveness and pricing.
- ⇒ Complete WFM vendor directory.

Report Highlights:

- **The contact center WFM market showed significant growth in 2009, for the second consecutive year:** WFM seats increased by 30.3% in 2009, following 2008's growth rate of 7.4%. This counter-cyclical growth in a down economy demonstrates enterprises' recognition of WFM solutions as the number one agent productivity tool for contact centers.
- **Solid growth will continue over the next three years:** DMG expects to see continued growth over the next three years, predicting that the contact center WFM market will expand by 8% in 2010 and 10% in both 2011 and 2012. This will be primarily due to upgrade cycles, growing need for Web-based applications for decentralized workforces, availability of new functionality as a result of enhanced R&D investments, and increasing adoption of hosted WFM solutions.
- **The market is ripe with opportunity for vendors to introduce new forecasting algorithms to market:** The acknowledged inadequacy of erlang-based and modified erlang forecasting algorithms presents an opportunity for existing and new vendors to develop alternative solutions that can deliver superior mathematical functionality along with speed and ease of use.
- **Hosted/SaaS WFM solutions are seeing serious adoption:** Contact center managers are showing strong interest in feature-rich hosted/SaaS-based WFM solutions. Some of the contact center WFM vendors have responded by delivering multi-tenant-based WFM solutions, and others are working to deliver a hosted offering.
- **There is growing interest in WFM outside the contact center:** The Report notes the increasing interest in and adoption of WFM solutions in back-office, retail store and branch operations. DMG estimates that this market potential is at least three to seven times that of the contact center WFM market.

Sample Figure: WFM Building Blocks

Source: DMG Consulting LLC, March 2010



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