

# Contact Center Pipeline

## Safely Continuing Customer Contact

Brendan Read / Sep 2022



### **How contact centers can lower disaster risks in the new normal.**

Customers require, and demand, excellent service, support, and sales assistance. But when disasters threaten and strike, they may not be able to receive them by contact centers in a timely manner, or not at all. Hence the need for a sound business continuity strategy.

While work-from-home (WFH) has long been a key element of business continuity - one that also appears to have become permanent to varying degrees as a result of the COVID-19 pandemic - not a few companies prefer to have at least some of their agents work at brick-and-mortar facilities.

So what are the best ways for centers to minimize the risks and impacts from disasters in their site and facilities strategies? To find out we turned to two leading site selection experts, **John H. Boyd, Founder and Principal, The Boyd Company** and **King White, CEO, Site Selection Group**.

**Q. Are you seeing changes in the priority given to avoiding/minimizing disaster risks for contact center site selection decisions?**



**John H. Boyd:**

Absolutely. Continuity of operations is a growing site selection consideration for all our contact center clients.

The COVID-19 pandemic, government-imposed lockdowns, unusual weather occurrences, supply chain bottlenecks, and the Great Resignation have all served to heighten the concern over disaster risks – both natural and man-made.

We are also seeing a growing concern about climate change in coastal areas – especially in high-growth South Florida where there have been several highly publicized infrastructure failures like coastal and street flooding and water main failures in recent years.

Hurricanes like Hurricane Harvey just a few years ago disrupted not only contact center operations but virtually shut down many cities like Houston, Galveston, and other Gulf Coast markets for days.

Also, our site selection due diligence includes heightened concerns about wildfires and subsequent electrical grid issues in California: a state that is having many business climate, labor law, and tax challenges for the contact center industry.

These challenges are focusing a great deal of site selection attention to Western U.S. locales that share the same Pacific Time Zone.

An especially popular option is Northern Nevada – particularly for San Francisco Bay Area companies wishing to relocate to the state for its positive business climate, which features both the lack of a personal and corporate income tax and more favorable labor laws, including right-to-work legislation.

Look for cities in the greater Reno area like Minden and Gardnerville to be popular landing spots for contact centers leaving the Bay Area.

Eastern Washington State with low cost and green-friendly hydro power is another market poised to benefit from the Bay Area exodus. This includes small market Washington cities like Othello, Quincy, Moses Lake, and Ritzville.



**King White:**

Business continuity has grown into much more than “natural disaster” events since COVID. The biggest trend now is geographic diversification due to COVID and labor market conditions.

Companies are really trying to balance their exposure to any single geography that might get impacted by COVID and shut down.

Companies were too concentrated into the Philippines which caused the rapid growth in the LACA (Latin America-Caribbean region). It is very similar for labor.

Companies are diversifying their geographic footprint through WFH. It has really changed the dynamics of business continuity strategies.

## **PREVENTING WORKPLACE VIOLENCE**

Workplace violence is now unfortunately a growing reality in the U.S.

A study released in July 2022, “Indicators of Workplace Violence, 2019,” revealed nearly 18,000 persons were killed at work, on duty, or in violence that was work-related from 1992 to 2019.

Disturbingly, the report, published by the Bureau of Justice Statistics (BJS), the Bureau of Labor Statistics (BLS), and the National Institute for Occupational Safety and Health (NIOSH), revealed while workplace homicides declined by 58% between 1992 and 2019, they increased recently by 11% from 2014 to 2019.

Moreover, an annual average of 1.3 million nonfatal workplace violent victimizations (rape/sexual assault, robbery, simple and aggravated assault) occurred during the combined five years from 2015 to 2019, resulting in a rate of eight nonfatal violent crimes per 1,000 workers ages 16 or older.

What steps can contact centers take to prevent workplace violence and to act when they occur in designing and managing their facilities?

John H. Boyd, The Boyd Company reports that enhanced background checks on new employees are being carried out by many of his clients, along with implementing a variety of office security and safety procedures.

He notes that Amazon, for example, recently enacted a new policy that forbids employees to enter its facilities when they are not on their assigned shifts.

Employee safety and also data security in contact centers is a growing concern, Boyd says, like it is in other high-stress work environments and where proprietary data is used and housed.

Investments in security cameras, monitoring devices, and sophisticated electronic passkeys are also being made at record levels by the contact center industry.

“Given the 24/7 schedules of many contact centers, it is important to ensure the safety of the parking lots used by night shift employees,” says Boyd. “Providing plenty of lighting and monitoring the area via surveillance cameras are essential today as are on-site guards, whenever possible.”

But there are also complicated legal issues to navigate when establishing and enforcing employee safety and security policies.

“With the U.S. Second Amendment gun rights, mass shootings, and overall workplace violence in the 24-hour news cycle almost daily, contact centers must now navigate a bevy of state laws regulating the presence of guns in the workplace,” says Boyd.

He notes that some 20 states, including Florida, Georgia, Minnesota, Oklahoma, Texas, Tennessee, Utah, and Wisconsin have passed so-called “bring your guns to work laws”, which allow licensed employees to bring firearms to work.

Contact centers with multi-state operations are faced with a balancing act of assuring worker safety and at the same time complying with a myriad of state laws.

“There are many moving parts to this dilemma, including whether the contact center is in a leased space or owned by the company, the presence of childcare facilities, and the presence of special provisions giving employers some flexibility in setting conceal-and-carry policies,” says Boyd.

## **Q. Have the following developments significantly impacted managing contact center disaster risks?**

### **1. WFH coming of age**

#### **John H. Boyd:**

This is a time of unprecedented workforce mobility. In fact, WFH, at least on a hybrid basis, has emerged as a major HR recruiting and retention tool, especially with today's historically low unemployment rates and the impact of the Great Resignation.

Data requests coming into our firm show a strong interest in lower-tax states that are viewed as more desirable for transferred workers wishing to lighten their tax burdens as one means to deal with inflation. States without a personal income tax like Nevada, Texas, Tennessee, and Florida show well on this front.

We are also seeing an uptick in interest in no-income tax South Dakota – particularly from companies looking for a Central Time Zone, mid-continent contact center location, and from companies relocating from the proximate and more costly Minneapolis metro area. South Dakota cities like Sioux Falls and university towns like Brookings and Vermillion are poised to benefit from these trends.

#### **King White:**

WFH is really how companies are dealing with disaster risks. If companies can source workers virtually then it works.

However, many of them are implementing a hub-and-spoke strategy to where the agents live within 60 miles of the site: which is still exposed to major weather and blackout issues.

### **2. The rise of cloud computing/contact center as a service (CCaaS)**

#### **John H. Boyd:**

Today, CCaaS is a booming sector of the contact center industry. Our BizCosts.com unit has CCaaS market offerings reaching \$32.6 billion in 2025, up from only \$17.2 billion in 2020.

CCaaS is being adopted by both well-established contact center clients like JP Morgan Chase, Visa International, Progressive Insurance, and TD Bank, as well as by a number of smaller, start-up clients.

Cost savings, scalability, and cloud access to sophisticated functionalities such as artificial intelligence (AI) make CCaaS an especially attractive avenue for start-up and up-and-coming contact center operations.

## **King White:**

When companies were forced to WFH, it forced companies to upgrade their technology to cloud based platforms. Cloud upgrades enabled WFH which created redundancy by not being reliant on only operating within the facility.

Hosting facilities would be in data centers. Co-located data centers are fully redundant, which enables less dependence on on-premise data centers that are not hardened like a true data center. That also enables WFH.

## **PROTECTING IN THE CLOUD**

Going to the cloud is a proven business continuity strategy. But sometimes it goes down too.

So, what should contact centers look for and ask from their vendors and networks?

John H. Boyd, The Boyd Company, recommends having these items in your cloud service provider (CSP) criteria, in addition to functionality, experience, and flexibility:

- The geographic location of its servers.
- The ease of validating compliance with all requirements through a third-party audit.
- The financial health of the CSP.
- Assurance of periodic performance reports.
- The ability to easily monitor exactly what services you are using in order to prevent unexpected bills.
- Available customer support to deal with issues, including billing-related.
- The ease of adjusting current software as well as upgrading software applications.
- Assurances of redundant power and networking at the server sites.
- Existence of a detailed disaster recovery and business continuity plan.

**Q. Can you rank-order list the events centers are most concerned about? Have these changed since before the COVID-19 pandemic, and if so, why?**

## **John H. Boyd:**

1. Extreme weather is all more significant as site selection determinants than ever before.

Examples include hurricanes that have impacted Gulf Coast and South Atlantic states in recent years, severe snowstorms like we have seen in the Upper Midwest, upstate New York, and New England, and crippling ice storms snarling commuting in Atlanta. Also, unprecedented wildfires that have wreaked havoc in both Northern and Southern California.

2. Pandemic-related shutdowns by state and local jurisdictions are also being studied and factored into continuity of operations algorithms by many of our clients.

The contrast between a more open regulatory posture in states like Florida, Tennessee, and South Dakota versus a more closed, restrictive approach in others like New York, California, and Illinois and by most Canadian provinces, is another element of the site selection equation born out of the pandemic.

3. The housing crisis, including the lack of affordable housing for contact center workers, has emerged as another man-made risk and site selection factor for many of our clients.

Housing affordability is especially being watched in overheated residential real estate markets like Miami, Fort Lauderdale, and Palm Beach County in South Florida as well as in major contact center hubs like Phoenix, Las Vegas, and Nashville.

4. Crime and lawlessness – now documented at record levels – in major U.S. cities like New York, Los Angeles, Philadelphia, Chicago, and St. Louis are another man-made risk.

These risks are often under the radar screen and not talked about publicly by fleeing companies. But nonetheless they are an increasingly pivotal factor in a company's decision whether to expand locally or relocate to a location where its workforce feels more safe and secure.

5. The recent U.S. Supreme Court decision to overturn Roe v. Wade and women's right to an abortion is an emerging factor now playing out in the contact center location equation.

In the battle for labor in the post-pandemic Great Resignation period, look for contact centers to play all their recruiting cards, including more remote work options, offices equipped with all the comforts of home, and even public stances on contentious political issues like abortion.

Contact centers with their heavy reliance on women and with their typically higher rates of turnover, will find themselves very much in the crosshairs with the emergence of abortion access as a site selection determinant.

**“...women's right to an abortion is an emerging factor now playing out in the contact center location equation.”**

**—John H. Boyd**

At this early point, the major fallout that we are seeing is coming from states like New Jersey and Illinois with their proactive governors – Phil Murphy in New Jersey and J. B. Pritzker in Illinois - aggressively reaching out to companies and incorporating abortion rights into their promotion narratives.

These blue states are seeking to attract new companies from red states in the Sunbelt, especially Texas, which have been on a run attracting new corporate investment and jobs from other blue states like California and New York, and also Illinois, since 2020.

**King White:**

1. COVID-19. Forced closures due to the pandemic.
2. Blackouts. The mass power outages in Texas during the freeze was eye-opening.
3. Weather. Extreme weather has become much more prevalent. There seems to be much more extreme weather conditions including tornadoes, etc.
4. Hurricanes/Typhoons. U.S. hurricanes and typhoons in the Philippines are concerning to clients.

**Q. What steps should companies take in selecting and fitting out their contact center buildings to limit the impact of disasters?**

**John H. Boyd:**

We are seeing more and more retrofitting of existing contact center space to include more cubicles. There also is a trend away from open space that has dominated office architecture for most of the past 20 years or so.

Also, our clients are actively undertaking modifications to their contact center heating, ventilation, and air conditioning (HVAC) systems to help reduce the spread of the coronavirus by purifying air, improving ventilation, and managing airflows.

With recent power outages and rolling blackouts occurring in places like California and Texas, backup power systems are getting more and more attention, as are a number of cloud-based backup contact center solutions allowing users to run applications from virtual servers.

**King White:**

Contact centers should look at enhanced HVAC systems. Also, larger workstations with slightly higher partitions and touchless door entry. The days of 2x4 workstations are gone; we are seeing 4x5 workstations and also standup desks to be closer to the new normal.

Backup generators are the primary item to protect power that our clients require. A generator needs to be large enough to support running both the mechanical/electrical of the building and the workstations. It is typically a \$100,000-\$250,000 cost depending on the size of the center. Contact centers also need UPS systems.

The other item is dual fiber from separate providers and dual power from separate substations. They provide multiple and redundant channels and capacity for business continuity and demand growth and spikes.

Having more than one provider supplies backup in case their network goes down, which happened in Canada recently with Rogers Communications (Ed. Note: see sidebar).

Smaller call centers typically don't plan for this level of redundancy, but the larger 300-plus seat call centers typically do.

The Rogers outage [Ed. Note: see box below] is a great example of why you need that. Think about the massive amounts of lost revenue generated from call centers doing sales functions such as eCommerce, reservations, sales, etc.

### **WHEN THE CONTACTS CAN'T GET THROUGH...**

When the network of a major communications carrier, one that provides landline, wireless, and internet goes down it is a major disaster.

When that happens the consequences are many, and debilitating. Depending on the scope they include, but are not limited to:

- Calls cannot be made, including to 911, as well for customer service, support, and billing.
- Digital communications are not available over the internet.
- Transactions, like through ATMs and payment devices are stopped.

### **The Rogers Outage**

Yet such a disastrous event did occur in Canada, on July 8, 2022, when Rogers Communications' services went offline, reported CBC News, apparently caused by a coding error during a major upgrade of the network's core. (Full disclosure: the author is a Rogers customer).

The Rogers outage meant also that customers and its own IT staff using its network could not get through to find out what is going on and to fix or find workarounds to the problems.

Industry consultant and Contact Center Pipeline contributor Jon Arnold, who is also a Rogers customer, was about to travel to Florida on July 8 with four others, coordinating plans across four locations, when the outage occurred.

"We had no way to communicate with each other, but somehow, we managed to all synch up, and our flights went to plan," says Jon. "No thanks to Rogers."

Yet when he tried to pay for gas the attendant said they would accept only cash or credit – the Canadian Interac system was down due to the outage. So he paid by credit card.

Since Jon and the others couldn't use their phones or the Internet, radio was the only reliable source of real time information, so that was a big help.

Even when he and his party arrived in Florida the troubles persisted. They could not use their phones that day as they were unable to connect to a U.S. cellular network for roaming. But once service was restored in Canada, they did get their phones working finally.

“This mess was another example of how dependent we’ve all become on our mobile devices – maybe too much!” says Jon.

In response, in a July 24 public letter Rogers Communications President and CEO Tony Staffieri said that his company has “made meaningful progress on a formal agreement between carriers to switch 911 calls to each other’s networks automatically – even in the event of an outage on any carrier’s network.

“We will share lessons with our industry for the benefit of every Canadian.” —Tony Staffieri, Rogers Communications

Rogers will “set a higher standard for reliability by physically separating our wireless and internet services to create an ‘always on’ network – to help make sure our customers don’t experience an outage with both cellular and internet services again.”

The CEO also promised to focus on reliability by investing CAD 10 billion over the next three years such as in more oversight, testing, and greater use of artificial intelligence (AI).

“Finally, we are partnering with leading technology firms to do a full review of our network to help us learn from the outage,” said Staffieri. “We will share lessons with our industry for the benefit of every Canadian.”

John H. Boyd, The Boyd Company, which has located contact centers in Canada and has performed site selection for Rogers’ media operations, describes the outage as “beyond the pale and reminiscent of another outage, the famous 1977 blackout of New York City and the 25 hours of chaos that ensued.

“If there is one key takeaway from the Rogers outage is the need for more competition in Canada’s telecommunications sector where just three companies - Rogers, Bell and Telus - control some 90% of the market,” says Boyd.

“Rogers CEO Tony Staffieri’s mea culpa did not address this structural vulnerability – for obvious reasons - but he did convey a plan to address the outage problems, chief among them the commingling of both wireless and internet services and 911 calls going to a dead end.”

### **Need for New Canadian 911 Network**

Jon points out the Rogers outage amplifies the need for a public or neutral cellular network that isn’t dependent on a private operator.

The U.S. has that, and it's been discussed in Canada for years, but it hasn't happened. Yet having such a network has big-time implications for 911 and all forms of emergency services.

"Just the fact that a public cell network would ensure that emergency services have full uptime, and aren't dependent on private operators," says Jon. "They face limited consequences for outages that support subscriber services, but emergency services/public safety have greater implications."

Jon reports that the Canadian government has been taking in large sums through auctioning off chunks of the radio spectrum every few years.

"Surely there's enough money there that by now the federal government could have built that parallel network to ensure full uptime for essential services?" says Jon.

### *Brendan Read*



Brendan Read is Editor-in-Chief of Contact Center Pipeline. He has been covering and working in customer service and sales and for contact center companies for most of his career. Brendan has edited and written for leading industry publications and has been an industry analyst. He also has authored and co-authored books on contact center design, customer support, and working from home.