



In Our Opinion:

Ofcom's latest predictive dialler rules and Answer Machine Detect

Topic

The death knell for Answer Machine Detect technology?

On 1st October, 2010 Ofcom announced the latest rules and guidance surrounding the use of automated calling systems - predictive diallers. The new rules come into force in February 2011 and are primarily focussed upon the use of automated Answer Machine Detection.

In our view the revised rules sound the death knell for Answer Machine Detect. No, Ofcom has not banned the technology but for the vast majority of campaigns continuing to use it would be madness.

What are the changed rules?

To gain a full insight into the new rules you need to read the full Ofcom statement which is available at <http://stakeholders.ofcom.org.uk/consultations/silent-calls/statement/>

Highlight

In almost any real-world campaign where you want to make more than one dial attempt in a day keeping Answer Machine Detect turned on will cost you efficiency.

The core content of the statement surrounds new rules on the use of automated answer machine detect in a predictive dialling environment. There are also a number of clarifications of points contained in earlier statements. To summarise 66 pages in a few lines

If your dialler thinks it has connected to an Answer Machine then do one of

- > Don't call again on the same day
- > If you do call again on the same day then this must be a progressive or preview call (guaranteed to have an agent available) without AMD turned on.

Why do we think this is the end for AMD?

Firstly let's assume that your dialler campaign has a shelf life; that is you are trying to reach a customer on a specific day for a specific reason. For example: insurance may be due for renewal, you have a special offer, you are about to make a delivery, a prospect has just visited your web site, the customer owes you money.....

In a typical dialling environment it takes several attempts to make contact. Looking at a sample activity path under the new rules:

	Agent Time Overhead - Predictive dialling with Answer Machine Detect	Agent Time Overhead - Predictive dialling without Answer Machine Detect
Call attempt 1 : 10:00 am – reach Answer Machine	0 seconds agent time	5 seconds agent time recording answer machine connection outcome
Call attempt 2 : 02:00 pm – reach Answer Machine again	22 seconds agent time (17 seconds listening to ringing and 5 seconds recording answer machine outcome)	5 seconds agent time recording answer machine connection outcome
Call attempt 3 : 06:00 pm – make contact	8 seconds listening to ringing before connection	0 seconds agent time
Total Agent Time Overhead	30 seconds	10 seconds

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Topic

Why you should seriously consider turning off automated Answer Machine Detection.

Yes, but my campaign is different; your calculation is too simplistic.....

We agree! Every campaign is different and the probability of every customer contact following the pattern we used is absolutely negligible.

Please accept that we have fed our calculation through simulation models and used statistical techniques such as Little's Law to demonstrate to ourselves that in almost any real-world campaign where you want to make more than one dial attempt in 24 hours keeping Answer Machine Detect turned on will cost you efficiency.

And if you don't accept our reasoning, give us a call and we'll take you through the statistics in grizzly detail. We'll even help you to work out the specific implications in your campaign.

Why you should seriously consider turning Answer Machine Detect off

Highlight

We anticipate that keeping Answer Machine Detect (AMD) on will cost around 20 seconds per connected call when compared with turning it off.

Hopefully our arithmetic will convince you that for time-critical campaigns keeping AMD turned on is going to cost you time and efficiency. But if you are still not convinced.....

We know the call centre agents will suddenly have to handle lots of answer machines. But is removing Answer Machine Detect a bad thing from the business process perspective? Let's look at the possible downsides to using AMD (over and above the £2 million risk of breaching the abandoned call percentage).

- > AMD superficially improves productivity, but it is not perfect. There is the distinct possibility that AMD systems can 'decide' that a live answer is an answering machine and disconnect the call; you have not only run the risk of irritating someone you have also missed an opportunity to make a sale or collect a debt. In an environment where any live contact has a high business value then Answer Machine Detect can have negative impact on the business-effectiveness of your campaign
- > When a dialler connects the call and AMD is being used there is a short delay between the call being answered and the agent being connected. Whilst the delay is mere milliseconds consumers are very aware of dialler campaigns and there is a growing prevalence of consumers identifying the 'AMD silence' and simply hanging up. Again, in an environment where any live contact has a high business value then you've lost your chance to deliver your message. Answer Machine Detect's short pause may cost you money!
- > Answer Machine Detect ignores valuable business information. For example, you may be attempting to contact someone on their office number; listening to the answer machine rather than simply dropping it could give you an invitation to call on a mobile number. You can then make an immediate call and make that sale.
- > If AMD is on and the dialling campaign is not dialling aggressively - for example the number of agents on the campaign is low and the campaign is running at a time with high answer machine contact rates such as during the day- then the agent-waiting-time between calls can increase counterbalancing some of the performance gain. Your agents might perceive that the dialler is running slowly when in fact it is working its socks off dealing with answer machines.



Topic

Recovering 'lost' efficiency with rostrvm

Ofcom encourages turning Answer Machine Detect off

OK, Ofcom doesn't say "turn it off!" but there are sufficient subtexts in the statement to reach this conclusion. The October 2010 statement discourages AMD useage by providing specific guidance regarding how often each dialler user should test their AMD technology [every time you add or change a campaign, every time you change your settings]. This could be a sizeable overhead in dynamic contact centres!

The statement also encourages turning AMD off by giving positive support to a specific abandoned rate calculation for non-AMD users. The statement doesn't use these words but the calculation basically supports 'Turn Answer Machine Detect off and you can be a bit more relaxed on the 3% rule'

Highlight

rostrvm helps you to move from an 'efficiency' model to an 'effectiveness' model.

How can rostrvm help to recover 'lost' efficiency?

The latest (October 2010) guidelines from Ofcom impact dialler campaigns. In particular the new guidelines suggest that automated Answer Machine Detect should, at best, be used very carefully and, being prudent, it is safest not to use it at all.

This means that your agents will be connected to more answer machines than previously.

In **rostrvm 8** we have looked at this issue and developed a new facility to offset the downside of listening to answer machines with an upside of delivering more 'live' connects. We help you to move from an 'efficiency' model to an 'effectiveness' model.

The core of this new dialler development is to look at the question "What does an Answer Machine result mean?"

It used to be that reaching an answer machine meant that the person was simply not answering the phone because they were not available. With the advent of in-network answering services - such as BT1571 or mobile network calls - an answer machine result might mean the same as 'no answer' - so don't try again for a while - but could also mean that the person could take a call but is currently busy - so we would like to try the call again soon.

rostrvm 8 can be configured to automatically differentiate between a probable 'no answer' answer machine - the call rang for a long time before the recorded message - and a 'this-person-is-busy' message where the time before the message was short.

This mechanism means that the system will treat 'busy' answer machines differently from 'no answer' answer machines increasing the overall probability of live connects during the campaign and give you more opportunities to create that sale, collect that debt or deliver that service.



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West Bromwich Building Society

Just add rostrvm

rostrvm simplifies your existing call centre and back office technologies and processes so that they play well together. We do this with innovation and flexibility; qualities that are all too rare in a market that largely served by traditional offerings from the traditional vendors with the traditional limitations.

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Our company

We are a British software company. We design, develop and support the **rostrvm** suite of applications with a dedicated team of experts all based in the UK.

Rostrvm was established in 1986 as a division of royalblue, the financial trading applications company. Today, Rostrvm Solutions is privately owned and based in the UK in Woking, Surrey.

As a privately held company we maintain a strong culture of independence which is increasingly rare in our market sector. We see our independence as a major benefit to our customers and partners - it guarantees the openness of our technology and the objectiveness of our approach and advice.

What now?

You can find out more about our stuff and what we do with it at our web site. If you like what you see why don't you drop us a line or give us a call or arrange a meeting? – we'll make it worth you while.

All of our people are call centre and process management experts with years of experience. We're used to dealing with all sorts of people, from those who know exactly what they want to those who haven't got a clue!

We don't have all the answers but you can be sure of the knowledgeable approach and the can do attitude that consistently meets and exceeds the expectations of our customers so they can do the same for theirs.

We look forward to hearing from you soon.

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