

Case Study: Building A Direct Response Business

How DR and call center operations become thoroughly dependent on one another, and on technology that supports them.

The performance of direct response marketing is almost entirely dependent on the smooth functioning of call centers. The business is based on the fact that when you use media to get to interested customers, they have a vehicle for responding.

One company that's been growing its call center infrastructure along with its DR core competency is Symphonix, an Eliot, Maine-based firm that was formed a little more than six years ago.

Michael McNaboe, president of the company, says that operating a call center is a byproduct of being in the direct response business. "How we ended up in the call center space was because we were marketing and distributing products through direct response over radio, television, and print. We sell better than anyone we could outsource to, and we wanted to control that point of contact."

When they first started the company, he says, they "were totally vertically integrated - we controlled every touchpoint, we handled fulfillment ourselves, we handled media buying, creative, all aspects of marketing and distribution and also sales, including call center activities."

Now, six years later, they sell nationally and spend \$8-10 million per year in media, mostly on radio. And as their direct response business has grown, so has the center: from a 20-seat startup to the current 200 seat capacity.

Occasionally they take on clients as an outsourcer, giving them a feel for what's happening in the rest of the call center industry. "We've been able to be selective with our clientele, and we've tried to take on clients that are a good fit." They do very little outsourcing now, he says, though it was a good way to finance their growth in the early days.

What's happened over time is that the company - and its call center staff - have developed a core competency that's devoted not to a particular product, but to the direct response sales mechanism itself. "We've spent the last 7 years building the machine, the process, we have a system that we like to use as a management system. It can support the selling of any kind of product," he says.

That means that as a call center, they have a particularly strong need for robust training geared toward sales. Symphonix's IT director Jeff Wallace says that the lion's share of their product

offerings are "soft" - requiring their agents to be not just order-takers, but nuanced and talented salespeople, able to convert calls into sales.

Because the agents are highly skilled in sales arts, turnover is not as big a problem for their center as it is for some other centers. "We have some employees that have been with us since the beginning, for six or seven years. That's a long time on the sales floor taking eight calls an hour," says McNaboe. One of the technology tools that helps them manage their complex transaction-based business is software system called OLCC (On-line Call Center, made by On-line Technologies of Portland, Maine).

OLCC is an omnibus application that handles scripting, order processing, and information delivery to agents during a call. It streamlines the flow of data about customers and products, organizes available cross- and up-sell information, and integrates reporting.

Since moving to the OLCC system from a home-grown one a year ago, Wallace says his center has "a dimension of capability that we didn't have in the past."

"Our previous order management system was called COM," he says. "It was very stable, well done, but limited in its capacity to grow. As we grew, we were easily pushing the limits of it."

One of the developers of that system went on to develop OLCC, which made it easy for Symphonix to test out OLCC as an alpha and beta site. "They got a lot of feedback from us - a lot of COM went into OLCC."

They use the system mainly for scripting and order management, including the charging of credit cards and managing merchant accounts. And of course, for reporting.

"For us in direct response, we rely heavily on DNIS. That's one of the linchpins, being able to track when a call comes in, pop it on the screen. And OLCC has the ability to work with third-parties to reverse append info," Wallace says.

One remarkable effect of using this software - it's the only application on the desktop of the sales agents. In an era when many call centers routinely have five, seven, even 10 or 12 separate applications on their agent desktops, Symphonix sales reps get by using just one. That cuts down training time, call handling time, and provides an overall smoother interaction.

"We're actively seeing the call center as a revenue generator," Wallace says. "We plow money back into the infrastructure, because we're completely revenue driven. But, on the technological side, we are extremely conservative."