

HOTLANTA: THE NEW CENTER OF THE UNIVERSE FOR CONTACT CENTER TECHNOLOGY

Atlanta has emerged as a key high-tech hub, and home to many of the industry's leading vendors.

By **Dick Bucci**, Pelorus Associates



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If someone asked you to name major technology centers in the United States, you would likely mention Silicon Valley, Boston's Route 128, Austin, Texas, and maybe Seattle. But did you think of Alpharetta, Georgia? That's right—this leafy suburb north of Atlanta in the state better known for peaches and Bulldogs has quietly emerged as a top technology center, and a hotbed for contact center innovation. Alpharetta has more than 600 technology companies within its borders, including such luminaries as Amdocs, Hewlett Packard, McKesson, Microsoft, Red Prairie (now JDA), Siemens, ThyssenKrupp and Verint Systems. Alpharetta's mayor, David Belle Isle, immodestly proclaimed his town to be the "Technology City of the South."

At Pelorus Associates, we spend a lot of time analyzing companies, markets and significant trends in the contact center space. We could not help but notice that the headquarters of a great many contact center-related companies happen to be in Greater Atlanta. Our curiosity piqued, and desperate to find a refreshing new topic for this bimonthly submission to *Contact Center Pipeline*, we thought an explanation of why there are nearly as many contact center-related companies in Greater Atlanta as there are streets named Peachtree would be fun to write and interesting to read.

Table 1 summarizes the largest and better known of the contact center software suppliers. This does not include outsourcers and the many local customer-centric companies with inhouse contact centers.

Well, maybe there are more streets named Peachtree in Atlanta. However, when you tally up the numbers and dig into history, it's hard to deny that the Greater Atlanta area is the agent workforce optimization (WFO) capital of the world. First, the numbers: We estimated the total global demand for products of this type was \$1.5 billion in 2012. The estimated aggregate sales of WFO vendors located in Greater Atlanta was approximately \$600 million, or about **40%** of the total global market. These businesses also employ around 900 people.

We define the WFO market to include vendor-level sales of software and services for the following product types, both integrated suites and standalone:

- Compliance and quality management recording systems
- Quality management software
- Workforce management software
- Performance management software, including desktop automation
- Electronic learning and coaching systems
- Speech analytics and data analytics software
- Voice of the customer applications
- Agent recruiting software

Perhaps more importantly, our research showed that the Atlanta area is also the cradle of innovation for contact center software (see Table 2).

To help understand why, we spoke with senior management for Verint, OpenSpan, Jacada, Intradem, HireIQ, Nexidia and the venture capital firm, Tech Operators. Many of these industry leaders were around at the beginning. Their entrepreneurial spirit and drive to innovate helped the Greater Atlanta area to become a global center of contact center innovation. In addition to these interviews, we examined reports from the state and the Greater Atlanta Chapter of Technology Association of Georgia (TAG). Made up of more than 20,000 members, TAG companies represent technology leaders from over 2,000 Georgia-based companies, affiliated technology and business organizations.

As a result, we uncovered four major drivers. Some were expected and well known, and others were not anticipated (see Table 3).

A Great Place to Live and Work

When it comes to judging communities on the basis of their business-friendly environment and livability, Anna Convery, executive vice president of sales and marketing for OpenSpan, can speak from experience. Anna was born and raised in Ireland and lived in Paris before moving to Atlanta. She spoke glowingly about the favorable cost living, quality of employees and cosmopolitan atmosphere. “Atlanta is a melting pot, but perhaps the most important factor, is the innovation and entrepreneurial spirit of Atlanta,” she says. OpenSpan is a provider of desktop automation and desktop analytics solutions that improve performance, drive revenue and increase efficiencies in contact center, back office and retail storefront environments.



Anna Convery
OpenSpan

Guy Yair, president of Jacada, lauded the convenience of being able to travel anywhere from Hartsfield-Jackson Atlanta International Airport in 2012. Jacada’s global headquarters are in Israel, which means a lot of cross-Atlantic travel for Guy. Jacada enables organizations to deliver advanced agent and customer interactions by implementing cutting-edge Web, mobile and self-service solutions, as well as agent desktops and process optimization technology. Another big plus according to Guy, is the availability of top talent at affordable wages. He credits the presence of exceptional universities and employee preferences for a desirable and affordable place to live.

This feedback from our panel of experts mimics findings from the “2013 State Of The Industry” report issued by the Technology Association of Georgia. When tech leaders were asked the survey question, “What are the strengths that Georgia provides his location for conducting technology-related business?” The top five answers were;

1. Favorable cost of living
2. Atlanta’s Hartsfield Airport
3. Universities and colleges
4. Geographically accessible location
5. Favorable cost of conducting business

Strong Local Support for Technology Companies

California beware—the entire technology sector is booming in Greater Atlanta. In 2012, the state’s technology payroll reached \$22.6 billion. This growth exceeded the national average and accounted for more than one-third of all 2012 payroll growth in Georgia, according to TAG’s “2013 State of the Industry Technology in Georgia Report.”

Verint® Systems’ Nancy Treaster, SVP and GM of strategic operations, and Ryan Hollenbeck, senior vice president, marketing, spoke to us about the good things happening to promote the technology sector. Both were with Witness Systems at the beginning and were instrumental in growing the interaction solutions segment of what grew to nearly \$500 million in annual revenues after Witness was acquired by Verint. Nancy is a Georgia Tech grad (like many others in the local contact center community). Ryan is also a member of the Alpharetta Technology Commission, an organization set up by the mayor to promote the growth of technology businesses. She and Ryan speak glowingly of local efforts to promote STEM education (science, technology, engineering and math) in local high schools and colleges. An important initiative started by TAG is an internship program that invites select STEM students to work summers at local technology companies. Verint hires three to five student interns every summer. Within the past year, Verint also outgrew its offices in Roswell and moved to a large building in Alpharetta, which was formerly used by Alcatel-Lucent Technologies.



Nancy Treaster
Verint® Systems

OpenSpan’s Anna Convery added that in addition to the very active Metro Atlanta chapter of the Technology Association of Georgia (TAG), there is another group in TAG called Women in Technology that provides support, networking opportunities, education, and mentoring for the many women employed in leadership positions in the local technology sector.

TABLE 2

ATLANTA FIRSTS— CONTACT CENTER APPLICATIONS

First simultaneous voice and data recording: Witness Systems (now Verint systems)

First integrated WFO suite: Witness Systems (now Verint systems)

First desktop automation solution: Jacada

First speech audio search solution: Fast Talk (now Nexidia)

First knowledge management system for contact centers: Knowlagent (now Intradiem)

First predictive dialer: Melita (now Aspect)

The Georgia Tech Effect

While we have identified four factors, and no doubt there are several others, if we had to isolate the single most important driver of contact center innovation it would be the Georgia Tech effect. Graduates of the Georgia Institute of Technology include a veritable Who's Who of successful contact center innovators:

Matt McConnell, founder and president of Intradiem (formerly Knowlagent) is the author of *Customer Service at a Crossroads*, and is a frequent guest speaker at industry events. Matt holds 11 software patents. He graduated from the Georgia Institute of Technology in 1994 with a bachelor's degree in industrial and systems engineering.

Dr. Mark Clements, cofounder of Nexidia, is an expert in real-time automatic speech recognition systems, and is currently professor of electrical and computer engineering at Georgia Tech. Professor Clements holds three patents, and has filed for five others. He has published over 100 scholarly papers and is the author of two textbooks.

Peter Cardillo, director of research & development, cofounded Nexidia with Dr. Clements while working as a doctoral student at Georgia Tech. Peter holds a master of science in electrical engineering. While a student, he was challenged to index the speeches of former Georgia Senator Sam Nunn. Speech recognition tools of the day could not handle Senator Nunn's deep southern drawl. With Dr. Clements as his advisor, the two developed the algorithms that eventually lead to the founding of Nexidia.

Aleksander Szlam founded Melita International in 1979. Melita was the very first contact center vendor in Atlanta. Melita eventually became part of Aspect Software, which still has a significant presence in Atlanta. After the sale of his company, Aleksander was rated one of the 50 wealthiest people in Atlanta. He went on to found other companies after Melita. Aleksander has both bachelors and masters degrees from Georgia Institute of Technology.

Nancy Treaster, senior vice president and general manager for Verint Enterprise Intelligence Solutions™, directs global market strategy and strategic business operations, including product strategy, OEMs and alliances, and marketing. She holds a bachelor of science in management science from the Georgia Institute of Technology. Nancy serves on the board of the Alpharetta Technology Commission and is also on the board of HireIQ.



Ryan Hollenbeck
Verint® Systems



Matt McConnell
Intradem

Dan Drechsel is CEO of HireIQ and a Georgia Tech alum. Dan has over 25 years of experience in the software and information technology services business. From 1998 to 2002, Dan served as president and COO, then president of EMEA of S1 Corporation during its significant growth from the data processing subsidiary of an Internet bank to a \$250 million revenue multiline supplier of software and data processing services.

Michael Podrazhansky, Frustrated with the schedules he received every Friday at the neighborhood Kroger, where he worked part-time, Michael wrote a simple forecasting schedule that would give employees more advanced notice of their work schedules. He showed it to his boss who liked it. Soon Michael's automated schedule was used for all store employees. After graduation from Georgia Tech in 1988, he formed ScheduleMaster Corporation. Of course, Kroger was his first customer. That company later became GMT (Global Management Technologies) where the product emphasis shifted to scheduling call center agents. Michael sold GMT to Verint Systems in 2011.

Besides turning out talented engineers Georgia Tech has contributed very directly to the growth of the contact center industry in Greater Atlanta through its highly successful incubator, the Advanced Technology Development Center (ATDC). ATDC has graduated more than 130 companies, which together have raised more than \$1 billion in outside financing and have generated millions of dollars in tax revenues for the state of Georgia. Notable among these graduates are Intradem and Nexidia.

Clustering Creates a Competitive Advantage

“Clustering” describes the dynamic process by which organizations and people work in close proximity to each other, and through some process—call it osmosis, synergy or serendipity—good things start to happen. David Gould, former CEO of Witness Systems and now partner with venture capital firm Tech Operators, has been a more than casual observer of the growing tech scene in Greater Atlanta. According to Dave, Atlanta's tech scene can be characterized by the growth of clusters. He mentioned two major technology sectors in the region; Internet Security and Customer Interaction Solutions. Reflecting on the original founding of Witness Systems, Dave said, “The fact that Witness was founded in Atlanta was just a circumstance of the founders living here, but its success in the call center market could be attributed to all of the call center DNA that existed here.”

Many of the largest consumer goods and media companies in the world are either headquartered in Atlanta or have a significant presence. Think Coca Cola, Verizon, AT&T, EarthLink, Home Depot, Cox Communications, Turner Broadcasting, Delta Airlines, First Data—the list goes on. These companies understand the importance of customer care and are eager to learn about tools and technologies that can improve contact center operations while strengthening customer ties. The main reason Jacada established its U.S. headquarters in Atlanta was to be close to its customers, which are some of those just listed. Turner Broadcasting incorporates Nexidia QC into its workflow to automate quality control of television closed captioning and video descriptions. Home Depot is a major user of Verint's security products.

This proximity between developers and large users helps account for our most surprising finding that far more often than not today's WFO leaders gravitated to the call center market by accident rather than design. Witness Systems evolved from Tesdata Systems Corporation, a computer testing and monitoring company. ClickFox, a leader in customer experience analytics, started out as an analysis company for websites. IntraDiem (formerly Knowlagent) got its start with the development of a rules engine that found a home in call centers where there was an unmet need to manage large volumes of data. Nexidia's speech recognition and analysis technology found its niche in call centers because that's where vast volume's of raw

TABLE 3

MAJOR REASONS FOR ATLANTA'S LEADERSHIP AND CONTACT CENTER INNOVATION

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1. Atlanta is a great place to live and work
 2. Strong local support for technology companies
 3. Georgia Tech affect
 4. Cluster effect

recorded voice happened to reside. Matt McConnell, founder of Intradiem and one of the true sages of the industry, commented that, "Contact centers of 20 or even 10 years ago were like manufacturing environments of the 1970s. You could apply new technology and make a big difference." Intradiem monitors data in real-time, and responds immediately to unpredictable events and conditions utilizing a flexible rules engine. This rules engine equips organizations to automatically respond to unexpected changes in resources, workload and service levels with automated intraday management. In contact center environments, the solution improves productivity by producing schedules that more effectively utilize agent time.

In addition to the good fortune when buyer meets seller (even if by accident) in Greater Atlanta, we also have the cross-fertilization that comes from entrepreneurs and domain experts moving to or between other WFO players, thus bringing new ideas and fresh contacts. Examples include:

Anna Convery, EVP Sales & Marketing, OpenSpan
NICE Systems → Nexidia → OpenSpan

Kevin Hegebarth, VP of Marketing and Product Management, Hire IQ
Melita → Witness Systems → GMT → HireIQ

Jon Ezrine, SVP & Chief Operating Officer, Nexidia
Witness Systems → Nexidia

Marco Pacelli, CEO of ClickFox,
NICE Systems → ClickFox

Where to From Here?

We can draw some analogies from other major tech centers that started out in one area and expanded to others as technology evolved and new entrepreneurs and investors moved to take advantage of profitable opportunities. Examples include Silicone Valley's migration from hardware to application software, or Northern Virginia's transition from a telecommunications hub to the world center of Internet transport and development.

David Gould, tech executive and venture capitalist, observed that, in Atlanta, there is a gradual merging of two mature clusters—customer interaction solutions and sales automation—with a new cluster that is leveraging social media to gain a deeper understanding of customer behavior and tools that can motivate sales through these new channels.

We believe that the merging of these clusters will foster the creation of a new mega-cluster that drives the technology that will create a new environment of multichannel marketing and customer centricity. Maybe in the next few years there really will be more customer interaction companies in Greater Atlanta than streets named Peachtree! 

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Contact Center Software Vendors in Greater Atlanta, TABLE 1, below

Vendor	Products	Location
Verint Systems	WFO suite, back office	Alpharetta
Noble Systems	WFO suite, dialers	Atlanta
Nexidia	Speech analytics	Atlanta
Intradiem	Workforce management	Alpharetta
HireIQ	Recruiting	Alpharetta
Jacada	Intelligent desktops	Atlanta
OpenSpan	Intelligent desktops	Alpharetta
Aspect	Dialers	Duluth
ClickFox	Customer experience analytics	Atlanta
Apteon	CRM	Atlanta
USAN	Hosted call center	Norcross

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