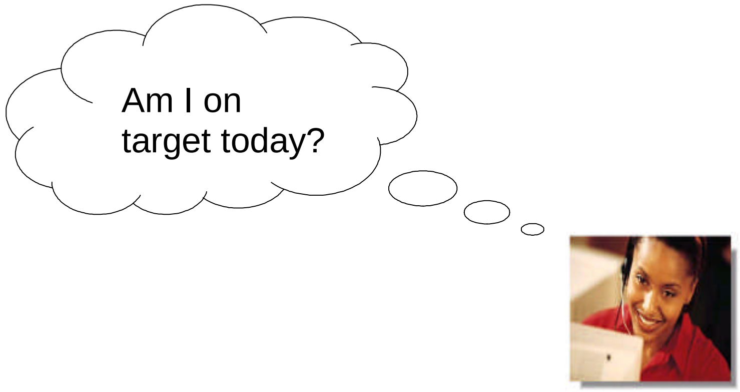
ARE GOAL ACHIEVING METRICS™ RIGHT FOR YOUR COLLECTIONS AGENTS?



Do you have agents like Mary (pictured above) in your collections center? Do they see their performance metrics for today, while it is still today? Or do they have to wait until tomorrow? If they must wait until tomorrow, how can they change today's results? **This paper will address the types of goals in today's collections centers and how an optimum set of metrics can drive the desired goal achieving behavior.**

Today's technology allows you to create and display metrics in real time that were not possible even a few years ago. Faster and less costly processors, memory, storage devices; greater network bandwidth; robust database technologies and improved display technologies contribute to now **make it possible to present real time individual performance information**, hereinafter referred to a **Goal Achieving Metrics™** or simply **Metrics** to each individual in your collection center.

The theory behind **Goal Achieving Metrics** - real time, or near real time performance metrics, is to target them specifically to the individual who is responsible for that metric. The objective is to **see a lift** in your center's performance. Our customers have identified the following areas as important to their centers. You can probably add a few of your own:

- Agents will convert more right party connects to collections.
- Update time will decrease.
- Supervisors will spend more time on the floor, observing, coaching and counseling the agents on their team.
- Idle time will decrease.
- Abandon calls will decrease.

A key objective of Goal Achieving Metrics is: **Deliver the <u>right</u> metrics to the <u>right</u> people.** Turn either one of these two rights into a wrong and you will likely not get the performance you desire. Here's an example:

> A collections center is experiencing higher than desired update time. Their goal is to keep average update time below two minutes. Their agents do not see how long they have been in their current state. Their supervisors and the dialer administrators do. When the supervisor sees an agent cross the two minute threshold she will get up from her desk and visit the agent. Notice the supervisor is at her desk, not on the floor where she belongs. In this center supervisors own

each agent's update time. The update time "monkey" is on the supervisors back. Goal Achieving Metrics put the "monkey" on each agent's back, where it belongs.

This white paper will focus on agent metrics. Future white papers will focus on metrics for supervisors, dial administrators, program managers and executives.

GOAL ACHIEVING METRICS FOR AGENTS

Let's revisit Mary's question. Her actual question is likely to be: "It is 11:35 in morning. I signed in at 9:00. How am I doing today? Am I more or less likely to meet my monthly performance goals? What can I do differently the rest of today to ensure I do meet these goals?"

Don't be surprised if Mary has two sets of goals, the ones you set and the ones she set for herself. Her internally set goals may actually be higher than the goals you set. Are you giving Mary the information and encouragement she needs to meet her goal? Note also that Mary, the person responsible for Mary's goals, is asking the question. She is taking, or wants to take, ownership!

Now let's talk about agent performance. Agents tend to have several performance goals including:

- Attendance
- Schedule adherence
- Handle times (talk and update)
- Promises to Pay (see the definition below)
- Conversion Rates – Promises to Pay vs. Right Party Connects
- Quality (following scripts, treating debtors in a certain manner, adhering to collections standards)

In most collections centers, Real Time Goal Achieving Metrics can be created to address schedule adherence, average talk time, average update time, promises to pay and conversion rates. These metrics, if used effectively will positively impact each of these performance areas. Let's look at these areas separately.

Schedule Adherence

How well do your agents adhere to their schedules? Are they in the appropriate telephone states (idle, talk, update) when you expect them to be working dialer jobs or the acd queue? Who knows when an agent is out of adherence? Very frequently, we get one of two answers to this question. Either no one knows, or their supervisor knows. Often, their supervisor has to find the agent and tell them to get back into adherence.

Why not create and display two metrics on a ribbon on the agent's desktop. One metric (Non Adherence – Current) would turn red when an agent was out of adherence and display the amount of time they are out of adherence. The other metric (Non Adherence – Total Day) would display the total number of out of adherence minutes for the day, turning yellow when approaching the upper limit and red when the upper limit is exceeded. Clearly you don't expect agents to adhere to their schedules 100% of the day. What is an acceptable number for total minutes out of adherence for a day? What performance lift would your center realize if agent schedule adherence were to improve a few percentage points?

Non Adh Current	Non Adh Tot Day
00:00	3:48

We know that keeping schedules up to date requires constant attention. Conditions change quickly in collections centers. Agents' schedules need to be changed to accommodate your changing needs. Someone has to stay on top of the data. Isn't a schedule adjustment a better use of a supervisor's or schedule administrator's time than finding non adhering agents? It probably takes less time to update a schedule than to chase down an agent.

Handle Times

What are your goals/standards for **average talk time** and **average update time**? We often hear leaders in collections centers say that average talk time is not a metric they stress, as they have determined that collection performance tends to increase if the agent is able to effectively engage the debtor in a conversation. Update time, however, is a different matter and tends to be raised as an issue in every collections center.

We recently visited a collections center where supervisors were constantly watching the agent states screen on their computer, looking for agents who were in the update state for more than 2 minutes. When they saw one they would often leave their desk and check on that agent. Clearly, ownership of update time belonged to the supervisor.

Why not show each agent what state they are in, how long they have been in that state, and change the background color of the cell if they had exceeded a threshold (in the example above 2 minutes).

Talk	Update
00:00	02:30

Avg TT	Avg Upd
1:03	2:43

In addition, show them what their average talk and update times have been for the day (or even week or month).

This way, your agents can manage their handle times, both current and their averages for the day. With this information your agents are much more likely to meet the goals you've established (provided, of course, your goals are reasonable and achievable). Who now owns the performance? The agent!

Promises to Pay / Conversion Rates

Let's define terms. For purposes of this discussion we will define promises to pay very broadly to include any agreement from the debtor to pay some or all of their outstanding debt, whether or not they actually pay the debt while on the phone. Thus a promise to pay, as we are defining it, would include:

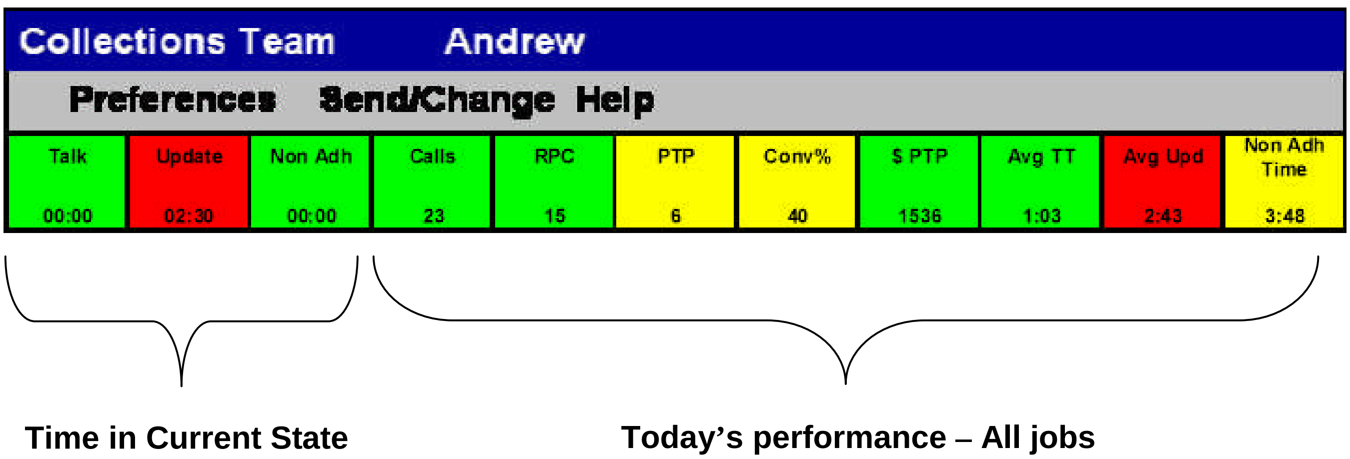
- A credit card payment made on the call
- An on line check payment made on the call
- A promise to pay a certain amount by a certain date
- A negotiated payment plan

Do your agents know how many promises to pay they have received today? Do they know what % of their right party connects they have converted to promises to pay? Do they know how many right party connects they have handled today? Do they know how their conversion rate compares to their peers? If your answer to these questions is no, what impact do you think their knowing the answers to these questions would be?

Calls	RPC	PTP	Conv%	$ PTP
23	15	6	40	1536

Bringing it all together

The following ribbon displays all three sets of metrics – schedule adherence, handle times and collections performance. It shows agents both their current state information (talk, update, adhering) as well as averages and totals for the day.



Comparing the metrics to thresholds and changing the color of the background visually, inform each agent as to whether they are on or off target, right now, today, while they still have time to impact their performance.

Identifying the set of metrics

The metrics discussed above are meant to stimulate your thinking about metrics. Determining the right set of metrics requires design. The process steps include a current state analysis, identifying desired areas of improvement, identifying metrics that address those areas, determining what data is necessary to produce the metrics, identifying where the data currently resides, determining what steps must be taken to make the data available to the system producing the metrics, determining who should see what metrics, clearly articulating what behaviors the metrics are intended to drive.

Once design is completed you can move to development and implementation. The development step will be heavily weighted towards technical, IT resources, and vendors providing tools to create metrics, ribbons and other means of communicating metrics to the right people. Implementation, however, is another matter. The success of any change program like implementation of Goal Achieving Metrics is highly dependent on your approach to change management with the individuals who will now be seeing/using the new metrics. Manage the change well and you will see better results, faster.

Will Goal Achieving Metrics improve performance?

Metrics are efficacious. The New World Dictionary defines this 50 cent word as follows: *"producing or capable of producing the desired effect."* One of the contact center managers we spoke with reported a 5% increase in promises to pay per paid agent hour by showing her team the information they needed to take ownership of their performance. Reducing average update time while increasing schedule adherence will increase the amount of time agents are available to the dialer and/or ACD queue, and lead to more calls handled per agent hour. Showing agents their collections performance help them focus on the job they have been hired to perform. The result should be seen in increased promises to pay per agent hour and possibly in the amount collected.

A 5% increase in promises to pay per paid agent hour could lead to either 5% more collections with no increase in staff, or the current rate of collections with 5% fewer staff, or more likely some mix of the two. Goal Achieving Metrics can provide a very compelling return on your investment.

About the Author

Scott Davis, Centergistic Solutions Vice President and Chief Customer Officer, joined Centergistic in August 2007, after a successful tenure as co-founder of Customer Cubed, a St. Louise-based consultancy firm where he conducted numerous contact center management assessments and performance improvement projects for operations ranging in size from 25 agents to 7,000 agents throughout the world. He has spent more than 35 years assisting Fortune 1000 firms improve the customer experience they deliver, and demonstrating the connection between customer satisfaction and customer retention, repurchase and loyalty.

Scott has performed numerous product validation studies. His book From Cost Center to Profit Center, which he co-authored with Dr. Jon Anton of Purdue University and BenchmarkPortal contains case studies developed from these studies. The case studies demonstrate how companies were able to use various contact center technologies to enable strategic changes in the way they managed Customer Experience to improve their profitability and market value.

Scott is a customer service/contact center industry pioneer, having worked with call centers since 1971, when he was instrumental in the development of an operator scheduling system for McDonnell Douglas Automation Company.

In April 1976, Scott co-founded the Affinitec Corporation in St. Louis. Affinitec delivered the first computer-based call center management reporting system, the Force Analyzer. Under Scott's leadership, Affinitec became a major supplier of Work Force Management Systems. Among its many accomplishments, Affinitec was the first company to offer comprehensive CSR performance reporting merging: productivity data from the ACD with quality data derived from CSR monitoring and schedule adherence data. Affinitec was the first company to offer real time CSR adherence displays. Affinitec products were deployed in hundreds of call centers including AT&T, American Express, Wachovia Bank, Maritz, New Zealand Telephone. The products integrated with leading ACDs manufactured by Lucent, Rolm, Northern Telecom, Aspect, NEC, and Rockwell.

Scott's education includes a BA in Mathematics from Vanderbilt University, and a fast track executive education program in Business Administration from Columbia University.