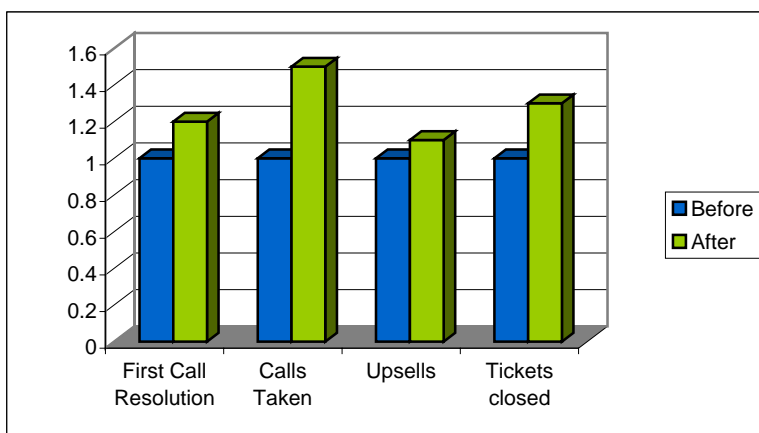


Squeezing the Inefficiency Out of Your Contact Center Using Performance Management

By Susan Saldibar, Vice President/Centergistic Solutions

But we're already as efficient as we're going to get.

Today's contact centers are equipped with some of the most sophisticated technology in the marketplace today. That's because companies are waking up and responding to customers' "right now" expectations. These customers are using web-based or IVR-based self-service to retrieve information, answer questions and conduct transactions, all without interacting with a live agent. Instant gratification is king and companies are deploying technology like never before to satisfy their customers using as few live agents as possible. So many contact center managers believe they can't possibly squeeze out any more inefficiencies, at least not from a technology standpoint. And possibly that's true. But we need to remember that there comes a time when just about everybody must talk with a live person in a contact center. That is the point at which technology and human skills intersect. Those people represent the greatest expense to the contact center, not the technology. Performance improvement is aided by technology but it is the people who close tickets and put numbers on the board, and it's the people the customers will remember when conducting a transaction. As soon as people are added to the mix, inefficiencies abound. It's unavoidable. People get sick, run late, daydream, have problems, become angry and even quit. So there will always be a certain level of inefficiency to deal with. The question is how to use real time performance management to squeeze as much out of the profitability equation as possible and not impair the effectiveness and the motivation of your workforce.



The chart above illustrates typical improvements in efficiency when performance management is introduced into a contact center, using a unit of "1" as a benchmark.

The Vision Thing --- You Know What You Can See

Often inefficiencies result from a chronic lack of visibility over the here and now, otherwise known as “real time”. As stated earlier, contact centers are full of great technology. That technology is usually buried within an assortment of applications; contact management, help desk software, and things like IVR and E-mail management systems. A typical manager juggles several systems at a time, using his/her computer to toggle back and forth to check campaigns, revenues, who’s here, who is late, who had an emergency and had to leave early, and so on. The fact is that managers get caught up managing a lot of programs, often stuck behind a PC instead of out on the floor coaching and motivating.

There are enough tools in the marketplace, which integrate information and provide a real time single view of performance that there is no reason any manager should be without one. Call them “dashboards” or “digital cockpits”, they present a far more efficient way to gauge performance and contact center conditions with a single glance. Think about it. If you could instantly pull up a screen that you’ve already personalized and see individual agent performance, groups, performance against goal and last week’s score, how much time would you be saving? Three minutes? Five? An hour? Because the contact center never stops, neither can the manager. By having real time visibility over the entire center, managers can more quickly gauge what needs to be done --- before the next morning. If they have a Blackberry, they can set it to alert them when building conditions might result in a problem, well before it happens. Visibility at all times is achievable and will put the manager out on the floor for a much greater percentage of time, not putting out fires, but helping their team avoid them!

Imagine if you could put a refined information set with inspiring messaging in front of the team? I don’t mean a string of statistics with “work harder, please” scrolling along. Nor do I mean a congregation of digitized pink elephants leaping across a plasma display. [More on this subject in our white paper “Questions to ask before purchasing a wallboard”.] What the team needs is a targeted set of metrics reflecting personal performance and that of the group with support messages like “Almost there, Nancy. Keep it up!” How does the manager know how close Nancy is to meeting her goal? He just saw it on his desktop dashboard! Finally, if you have a cell phone, pager or Blackberry, you can set it to alert you, wherever you are, as soon as contact center conditions require action.

You may be thinking that putting these concepts into action might only shave a few minutes of inefficiency off of each agent’s day, so big deal. Think again. An article by Penny Reynolds of Call Center School calculated that saving only 20 minutes per day leads to a pretty impressive result: $20 \text{ minutes per day} \times 5 \text{ days per week} \times 52 \text{ weeks} / 60 = \text{annual lost hours}$. Annual lost hours x fully loaded wage rate x number of agents = cost of lost time. You can do the math for your contact center. It all adds up.

The Revolving Door Syndrome

Another inefficiency we should discuss involves the workforce itself. Even if you don’t care if your agents are happy, guess what? Your customers do! Just think of the last time you interacted with a contact center agent, how was your experience? Did the agent speak in a monotone voice or was he or she personable and attentive? Wells Fargo is a great example. Their agents are well trained and pleasant and, as a result, I’ve remained a Wells Fargo customer for years. They are consistent in their approach and professional in conducting transactions. Come to think of it, I’d probably use the same phrases to describe Wells Fargo on the whole, as an organization. That’s because contact center agents really are the face of the company. Period. If they aren’t happy, they’ll make

customers unhappy. Soon, absenteeism will rise, they'll become less and less motivated and then they'll leave. This revolving door syndrome is an expensive one. According to a Benchmark Portal study, on average it costs companies over \$6,000 every time an agent departs. For financial institutions the average is over twice that amount. Hiring, training and motivating are expensive!

Employee turnover rates

Call centers tend to have high annual turnover rates and workers are costly to replace.



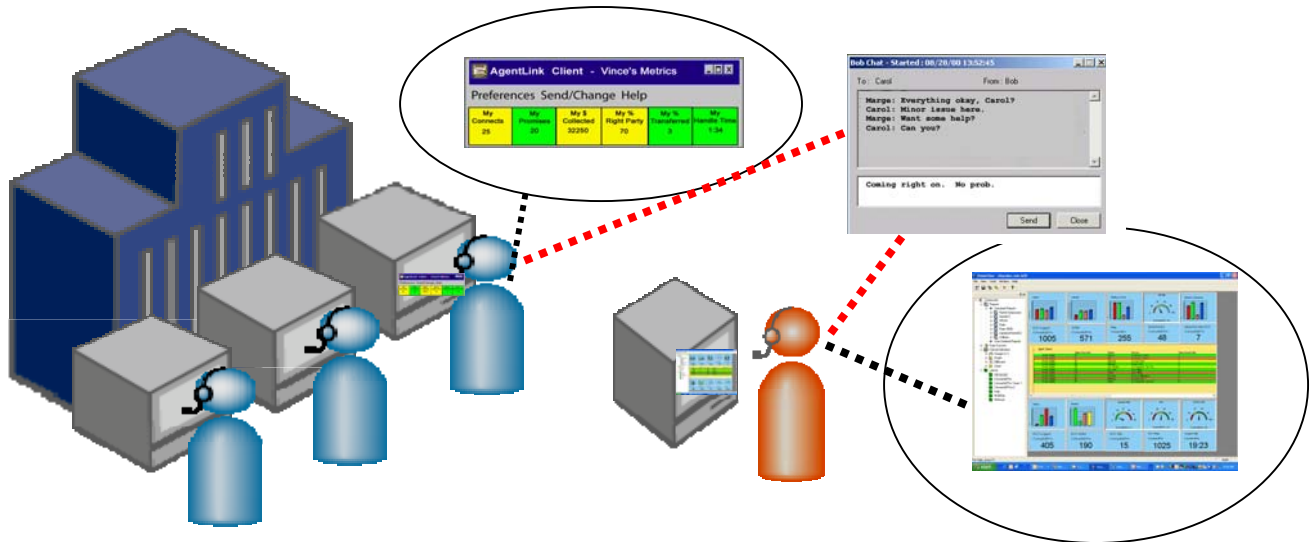
The chart above shows the average cost of turnover by industry. This chart was produced by the Detroit News in 2005 from a study made by Benchmark Portal, Inc.

Employees need to feel connected to their goals, need an offset to the stress of customer issues, need sufficient training and, above all, strong communication from supervisors. People also want to understand what they need to do to move up. That can equate to clear and attainable goals. Without that, especially in the hectic environment of the call center, they will quickly become disillusioned, and complacent or downright hostile. How do you think that translates to the customers? What is most important to business? Customers! Okay, how do we squeeze inefficiency out of the workforce without cracking a whip? How to keep the team in place longer? Increasing salaries is not always the solution, by the way. Ever since Maslow's hierarchy of needs was publicized in 1954, managers have known that "job satisfaction" is the most important factor in employee retention. Real time performance management tools, providing targeted metrics can be very effective in communicating the here and now of the contact center. You must start, however, with goals that are realistic. That may mean re-evaluating some of the current key performance indicators, or KPIs, you have in place. Are the thresholds realistic or are these metrics always green or always red? Nothing is more demoralizing to the workforce than the sense that management doesn't care enough to adjust the performance metrics to meet the ebb and flow of the calling activity! So, take the time to make the adjustment. We have a customer whose agents actually help to create the thresholds for their KPIs. And they're hard on themselves! They lowered their longest call waiting from 1:47 to :38 seconds! And the goal was theirs. So it can be and is done all the time.

A Spoonful of Sugar helps the medicine go down...

Forgive me for quoting Mary Poppins, but it's true! What kind of real time messaging are you using? Make sure you are taking time to insert a positive ad-hoc message or two, especially if your team is having a tough day. Sometimes a message that says "You guys are the best!" to a roomful of agents goes a long way, especially when they've been told to take more calls or wrap up more quickly. Don't be afraid to show your personality in your messaging. If you just found out that the local team won a key game, put it up on the board. If the rain is going to stop soon, let everyone know.

Make sure you are also using your instant messaging to its best advantage. IM can help you communicate with agents without interrupting their workflow. So if you're looking at an agent's performance on your performance dashboard, send a quick message to that agent "Keep it up, you're doing great!" Those small words of encouragement will pay high returns. You might also try putting an alert metric ribbon with the goals of an agent's personal best alongside their current ribbon to encourage them to compete with their own goals. If they are ahead consistently for a given period of time, automate a message to tell them "You're on top of your goals! Great!" Or tie a bonus to the goal. Either way, using performance messaging in a positive way will encourage positive, profitable actions from the team.



The scenario above illustrates the importance of having individual performance metrics in front of the agent, in addition to metrics in a digital dashboard on the supervisor's desktop. Positive feedback can then be given both by the supervisor and at the desktop using a performance ribbon. Supervisors can also provide instant help to a team member using a secure instant messaging capability.

Now, get out on the floor! You already have your real time performance system doing the grunt work, so what are you doing sitting in front of your computer? Have your system send a message to your Blackberry or cell phone when something needs attention. There should be little reason to be cooped up in your office. Get out on the floor and coach. It shows the team that you are all connected to the same goals.

Reporting --- Too much data, not enough actionable information.

Another inefficiency comes in the form of reporting. We've interviewed hundreds of call center managers over the years and still find many of them complaining about the inordinate time spent hand assembling reports. Why is this? Especially in this day of automation and instant access to information, it's hard to believe we still have managers cutting and pasting data, often from several sources, sometimes having to manually enter the data from the start.

Part of the problem is that every system in the contact center produces reports, dozens of them. There is no lack of data, there is simply too much. Most vendors take a "one size fits all" approach, providing a canned set of reports to their customers. So, what the manager

ends up doing is stripping out data from a number of separate reports and compiling a new report, usually using an Excel spreadsheet. Some of our customers have told us that they need to re-key the data by hand because they can't get reports in an interactive format. This is probably the number one waste of time in a contact center. It's a shame because it is a relatively easy area to improve efficiency. How? You can probably answer this yourself, but perhaps you rely upon an IT department, already overworked, to provide you with performance reports and every time you want to make a change you need to go back to them. Usually a reporting module is included with the ACD you purchased. The problem is that these systems are locked alongside the ACD, behind closed doors and out of your reach. Even if they were accessible, there are security issues that make it difficult to get the kind of nimble reporting you need in the contact center. So, managers resign themselves to spending hours each week creating reports, repeating the process because someone else needs the information with a slight variation. Those "slight variations" can be a nightmare.

How can you create a nimble reporting structure that will adjust to your needs? First, do a little research on independent reporting vendors. Ask them where their software sits in terms of the ACD itself. Also ask how flexible their system is. Is it easily adjusted for those on-the-fly variations? What is the reporting structure? Excel? Crystal? Make sure it is standards-based and easy to maintain. A good independent reporting vendor can save your company thousands of dollars in time and energy, not to mention headaches!

Collections							
Date	# Outbound Collections Calls	Contact Rate Collections	# Outbound Calls Contacted	# Inbound Collections	Collections Abandoned Rate	# of Speed Pays Taken	Collections Total Staff
5/3/2004	2,841	20.20%	574	1,001	2.80%	311	57
5/4/2004	2,166	16.53%	358	789	5.58%	163	57
5/5/2004	2,99	1.40%	423	657	5.33%	159	57
5/6/2004	2,614	17.18%	449	687	3.06%	178	57
5/7/2004	1,841	20.42%	376	665	3.91%	246	57

The sample report above is for a collections department. Data has been taken from an ACD, a predictive dialer and from a collections database. Once created, reports should be easy to maintain and fine tune.

This is just the beginning.

There are many more areas where inefficiencies can be squeezed out of a contact center with a little planning and input from the team. Remember that each inefficiency you identify may seem harmless by itself. But inefficiencies in one area will impact other performance areas. As stated earlier, where there are people there are inefficiencies. There are also great opportunities. Once you begin to identify areas where improvements seem possible, watch your team rise to the occasion. We mentioned earlier the company whose employees actually created their own performance metrics. This is an opportunity to use your people to attach real numbers to those goals. That, along with a strong performance management and reporting system will take you a long ways towards achieving goals you may have thought impossible before. Isn't that worth doing?

About the author: Susan Saldibar is Vice President of Marketing and Sales for Centergistic Solutions. She has authored white papers and articles and spoken at industry events and conferences on the topic of contact center performance. Ms. Saldibar works closely with Centergistic customers to aid in research and development of the award-winning AgentView® product.