

# **Using Real Time Performance Metrics to Manage Your Collections Center**

*By R. Scott Davis*

Ultimately, a collections center's success is determined by the amount of money collected and the number of accounts resolved vs. the cost to collect the money and/or resolve your accounts.

While you may use several different systems to support your center and your agents, most of the performance information used to create your performance metrics comes from your dialer, your automatic call distributor, your agent scheduling and time reporting systems, and your collections system. Are you creating and using the most effective set of performance metrics in real time to manage performance?

This paper will address the importance of managing performance in real time; real time metrics that can best inform your team as to their current performance; how to use real time metrics to determine root causes of performance issues and determine where your dial administrators and line supervisors need to focus their attention, right now, to produce the best possible results. We will place our emphasis on two key roles in any collections operation, the dialer administrator and the line supervisor.

## **Dial Administrators and Line Supervisors**

Dial administrators and supervisors work in a very dynamic environment producing a plethora of data, such as:

estimated job end time; records selected; records remaining; hit rate, right party connect (RPC) rate, promises to pay or other forms of actual collections or commitments to pay (PTP), completion codes, agents staffed, agents in outbound talk, agents in update, agents in inbound talk, average talk time, average update time, individual agent current state (talk, update, idle) and time in state, % agent idle, % calls abandoned, number of inbound calls, average speed of answer on inbound calls, average queue time, lines assigned, lines in use, lines available...

With so many individual, often interconnected, metrics it is easy for your supervisors and dial administrators to find themselves playing "whack-a-mole," attacking one metric only to see another pop out. It is critical that you focus your staff on the right subset of metrics, those that best describe your current performance, followed by those that identify the specific areas that demand attention right now, if you are to achieve today's goals for your center.

We make three major claims in this paper:

1. While they look at many of the same metrics, dial administrators and supervisors need to focus on different performance metrics to guide their days
2. For each position only two or three metrics (the “effect” metrics) are needed to determine overall performance for their areas of responsibility. All the other metrics address potential root causes (the “causal” metrics).
3. For the dial administrators to be successful, supervisors need to perform their roles effectively. For the supervisors to be successful, dial administrators need to perform their roles effectively. Each job function depends on the other. An open channel of communications needs to exist between the two roles. Furthermore that channel of communications needs to be used properly.

### **What are the “effect” metrics? What are the “causal” metrics?**

Before answering this question, understand that we are focusing on current day-to-day operations. Your ability to meet today’s goals is constrained, (as well as aided) by the people, processes and technologies currently deployed in your center. Changing people, processes and technology will impact performance, but not today’s. We are concerned about the metrics that are available to you right now and inform your team as to where they stand relative to their performance right now.

Your dialer’s day is organized around jobs. Jobs consist of a set of accounts to be called. One job may consist of all credit card accounts between 5 and 30 days past due. Another job may be severely past due car loans. You schedule each job to run within a certain time frame during the day, based upon when you are most likely to make a right party connect and availability of lines and agents. Agents are assigned to only one job at any given time. Agents can be treated as outbound only, inbound only or blended. Each job has certain characteristics, including: the number of records (accounts) to be called, the scheduled time it is to run, the expected number of connects, right party connects and promises to pay, an acceptable range for % calls abandoned and % agent idle, average handle time, and expected number of agents to be assigned. The critical metrics for determining how well a job is performing are: hit rate, % RPC, % PTP, % agent idle, % abandoned, expected end time.

## Dial Administrators – In Charge of Performance at the Job Level

Your dial administrators are primarily responsible for ensuring the dialer is delivering the expected number of live connects, maintaining the proper balance between percent calls abandoned and percent agent idle time, preparing to start new jobs when current jobs are about to end, identifying underperforming jobs and making appropriate adjustments, identifying technical problems with the dialer which need to be addressed. When one of the critical job related performance metrics (hit rate, % RPC, % agent idle, % abandoned, expected end time) is outside its acceptable range, the dial administrator needs to take corrective action. They depend upon supervisors to ensure the expected number of agents are signed in, the average handle times are in the expected range, agents are converting right party connects to promises to pay at the expected rate.

The following display contains a critical performance metric layout of interest to your Dial Administrators

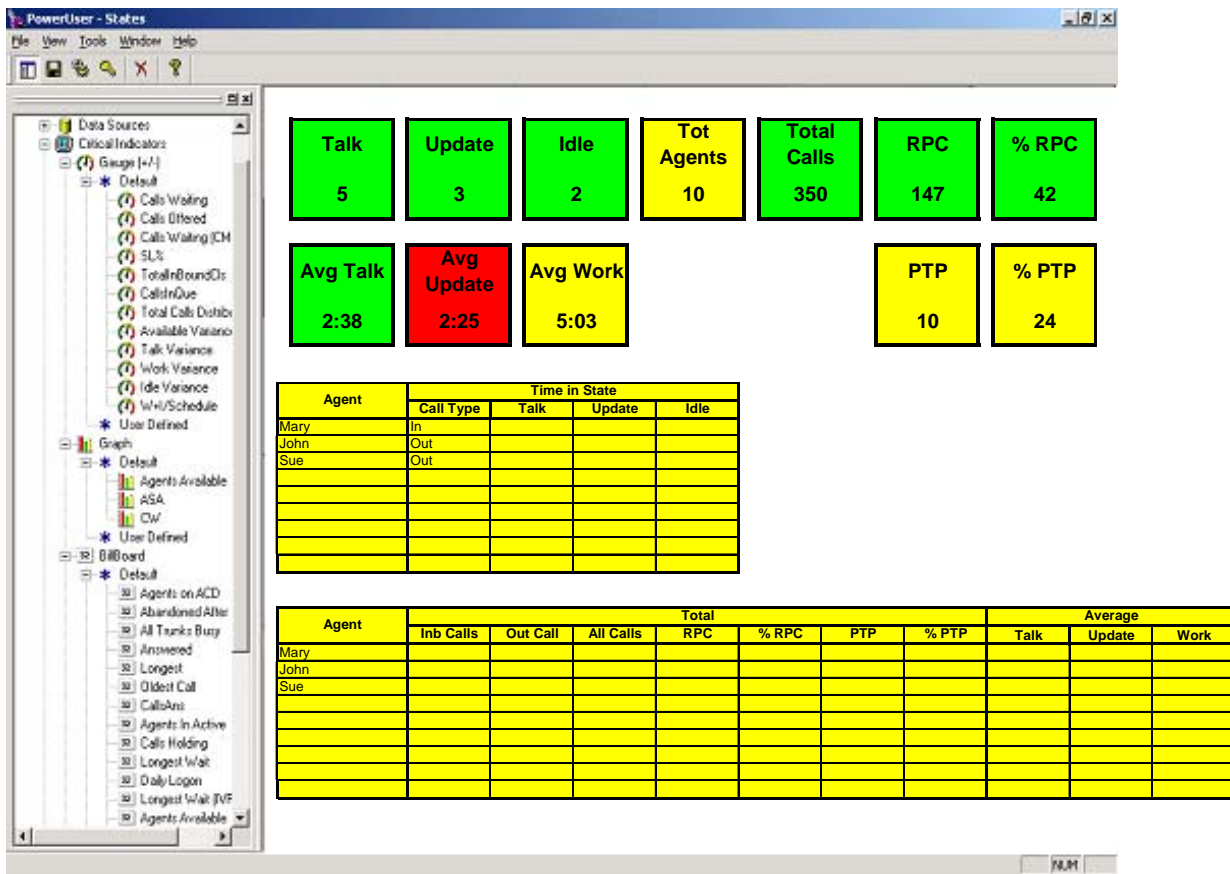


**Line Supervisors – In Charge of Performance at the Team and Agent Level**

Your supervisors are primarily responsible for the performance of the agents reporting to them. Is their group meeting its goals for: number of agents working dialer jobs or inbound queues, the number of calls being handled, the conversion rate of live connects to right party connects (RPC), average handle time (talk time + update time), conversion rate of right party connects to promises to pay/payments? Which agents are meeting their individual performance expectations? Which aren't?

Throughout the day, each of your supervisors will be asking the question: "Where is the best place for me to be spending my time, right now, to ensure my team achieves the goals set for it?" For them, the most critical metrics are: agents assigned vs schedule/commitment, adhering to their schedules, average handle time (particularly update time), % RPC and % PTP. Supervisors are dependent upon dial administrators for ensuring the expected number of calls is being delivered to their agents, keeping % agent idle within target.

The following display contains a critical performance metric layout of interest to your line supervisors.



### Metrics for the Dial Administrator

#### The Effect Metrics – Determining if the job is performing according to plan.

Of the critical job performance metrics two stand out, **% agent idle**, and **% calls abandoned**. If they are within the acceptable / planned range, the probability is very high that the rest of the critical job performance metrics will also be acceptable. Let's look at them:

**CASE 1** – If **% agent idle** is higher than expected, (**% calls abandoned** will be likely be lower than expected) more agents are working a job than are needed. This occurs if:

- More agents are signed into the job than planned;
- The hit rate is lower than expected, thus agents are receiving fewer calls;
- Right party connects are lower than expected, leading to reduced talk times;
- Average handle time is lower than expected;
- Fewer inbound calls have been received than expected;
- Some combination of these events.

It is important for the dial administrator to determine the root cause(s) quickly in order to identify the best corrective action measures. The corrective action measures include:

- Let the dialer speed up, that is, dial more numbers from the job list concurrently, in which case the job will end sooner than originally planned;
- Remove agents from the job; or
- A combination of each.

**CASE 2** If **% agent idle** is lower than expected, (**% calls abandoned** will likely be higher than expected) fewer agents are working a job than are needed. This occurs if:

- Fewer agents are signed in than planned;
- The hit rate is higher than expected, driving more calls to agents;
- Right party connects are higher than expected, leading to an increase in average talk time;
- Average handle time is higher than expected, perhaps due to agents spending too much time in update;
- More inbound calls have been received than expected;
- Some combination of these events.

It is important for the dial administrator to determine the root cause(s) quickly in order to identify the best corrective action measures. The corrective action measures can include:

- Let the dialer slow down, which is, dial fewer numbers from the job list concurrently, in which case the job will end later than originally planned;
- Remove agents from the job;
- A combination of each.

**NOTE** If your dialer automatically adjusts its dialing rate based upon agent idle and calls abandoned, **estimated job end becomes the most important metric** for a dial administrator to monitor. If the dialer slows down, fewer agents are working the job than are needed – **CASE 2**. If the dialer speeds up, more agents are working the job than are needed – **CASE 1**. The dial administrator still needs to identify the root cause(s) of the imbalance between agents working a job and the agents needed on the job, then decide what further corrective actions are appropriate.

### STEP 2 - Using Metrics to determine Root Cause

Job metrics such as agents assigned, agents on talk, agents on update, agents idle, time in state, average talk time, average update time, hit rate, %RPC, lines available, lines in use will assist the dial administrator in determining the root causes leading to underperformance on a job, and thus the appropriate steps. For instance:

- In **CASE 2**, the dial administrator determines that, while hit rate is at the planned level, % RPC is higher than plan, resulting not only in higher average talk times, but also more promises to pay than planned. It would make sense to add agents to the job, if agents and lines are available, rather than let the dialer slow down. **Strike while the iron is hot.** The dial administrator now must communicate with supervisors telling them how many additional agents they would like to, or plan to assign to the job and determine if the agents are available. The leading indicator - % calls abandoned being too high (or the expected end time becoming later), directs the dial administrator to look at the other key metrics addressing potential causes. In a relatively short period of time the dial administrator, using real time metrics, is able to determine the best course of action.
- In **CASE 2**, the dial administrator determines that all critical metrics are at an acceptable except average update time. The dial administrator looks at each individual agent's average update time and determines five agents on the job account for the increase. The dial administrator can alert the appropriate supervisors and ask them to take corrective action.

### Metrics for the Supervisor

While the dial administrator is most interested in performance at the job level, supervisors are responsible for the performance of their team, both at the individual agent level and overall team performance. While one **Effect** metric, **PTP**, trumps all

others, several others also matter – total connects, total right party connects, total accounts resolved. All other metrics, agents staffed, average handle time, % can be deemed **Causal**. If PTPs are above plan, hallelujah!

While some of these metrics are available in real time, it is important to know when to react and when not to. Reacting to every change in every metric may not be effective. For example, supervisors are able to see agent states on their desktop screen. Do they run down every agent presently in update for more than 2 minutes to tell them to release that record and become available to the queue? Or do they look for the few agents who are spending too much time in update. Rather than reacting to individual events, look for and react to trends, particularly those that can be positively influenced. Which agents are meeting/exceeding goals presently? What can you do to acknowledge their performance and encourage them to keep it up? Which agents are underperforming? What can you do right now to let them know you know they are underperforming, help them identify what they need to do differently and encourage them make the necessary changes?

The supervisor's focus needs to first be on what's not working right now. The most likely candidates are: agents not signed in and serving a job or inbound queue as planned; agents spending too much time in update; agents not effectively converting connects to right party connects, agents not converting right party connects into collections (PTP). Let's investigate this in more detail.

1. **Fewer agents working** a job (talk, update, idle) than planned for this time period. The metrics are agents staffed vs. staffing planned (adherence). The questions that need to be immediately addressed are: Who is missing? Where are they (or why are they missing)? What can you do to get them on the phone? Is this shortfall going to last? If so, for how long? What is the likely impact of the shortfall? Is my group going to meet its collections target for the day? The week, the month? Who needs to know? (Dial Administrator, Account Manager...)
2. **Agents spending too much time in Update time.** The key metric will be average update time compared to both planned update time and average update for all agents working the job. The questions that need to be immediately addressed are: Which agents? If it's all agents, there is a good chance the update time goal for this job is unrealistically low. If it is only a few agents, why are they spending more time in update than the others? Are they using update to "hide" from receiving more calls? Do they need more training on how to navigate the screen, their keyboarding skills or some other facet of their work? To properly answer this question, you probably need to know now not only when an agent has been in the Update state for more than x minutes, but also if this is a regular occurrence. You can determine this by looking at their average update time per call. If it is higher than the group average you have a further indication that the agent needs some special attention.
3. **Agents whose RPC rate is below the average for the job.** While it is certainly possible that some agents will receive more RPCs than other working the same job at the same time, it is unlikely that this will continue for an extended period of time. If they remain substantially below average for an extended period of time, it is more likely to be a performance or skill issue. How can you quickly make that

determination? What actions can you take to encourage these agents to change their behavior to raise their performance?

4. **Agents whose conversion rate (PTP to RPC) is lower than expected.** The first question would be what is the conversion rate for the rest of the agents working this job? If the agent's performance is below average, is there something you can do right now that will give them the boost they need to improve their conversion rate?

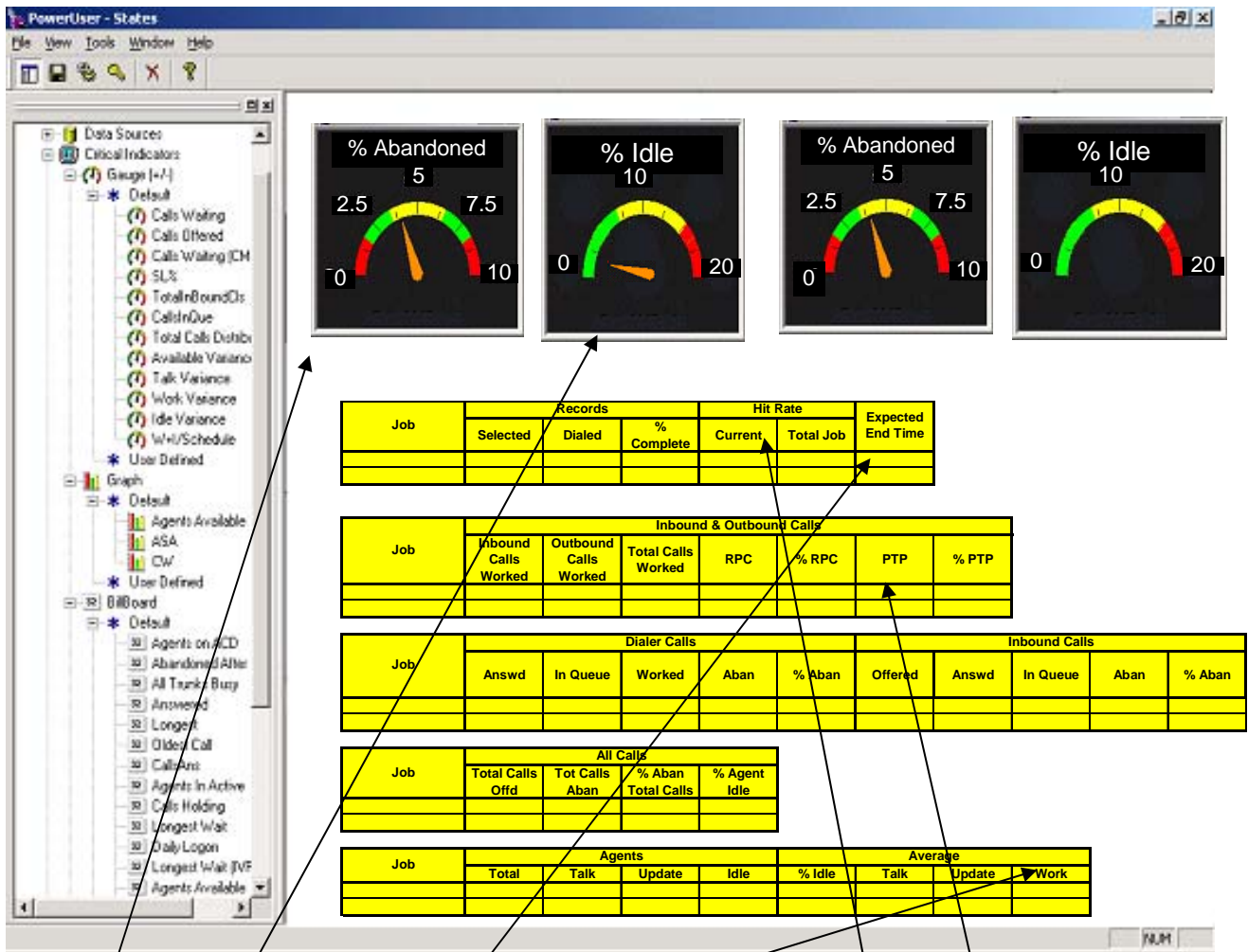
Once the supervisor has addressed the performance threats, they can now focus on the things that are working right, particularly:

1. Agents who are managing update time well
2. Agents who are effectively converting connects to right party connects
3. Agents whose conversion rate (PTP to RPC) is meeting or exceeding plan
4. Agents who have the highest number of PTPs

What can you do to acknowledge their performance? While you may have an incentive program that rewards your top performers at the end of the month (or some other time period), immediate reinforcement of good performance begets more of the same performance. By acknowledging those who are performing, you also encourage those who are not to strive harder.

Now let's look at how dial administrators can use the sample displays shown earlier to guide decide where to focus their attention.

## Dial Administrators



Are %abandoned, % idle and expected end time where we need them to be?

Are we realizing the expected hit rate?

Are handle times where we expect them to be?

What about RPC rate and PTP conversion rate?

quickly compare actual job performance to the planned performance and identify what adjustments are required.



format will aid them in deciding where to spend their time and what actions to take right now. The right decisions will result in reduced handle time, a better balance between % calls abandoned and % agent idle, increased agent availability to the dialer and inbound queue, which lead to more calls handled per agent hour, and ultimately more promises per paid agent hour.

### 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 Affinotec Corporation in St. Louis. Affinotec delivered the first computer-based call center management reporting system, the Force Analyzer. Under Scott's leadership, Affinotec became a major supplier of Work Force Management Systems. Among its many accomplishments, Affinotec 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. Affinotec was the first company to offer real time CSR adherence displays. Affinotec 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.