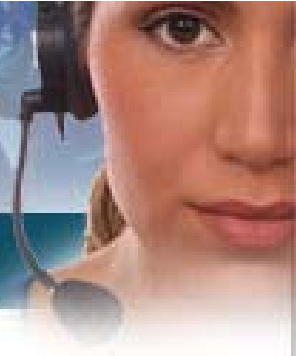




Events



# You Can't Manage what you Don't Measure.

Presented by:

Lorraine Wheaton

Performance Management Consultant

[Lorraine.wheaton@sympatico.ca](mailto:Lorraine.wheaton@sympatico.ca)

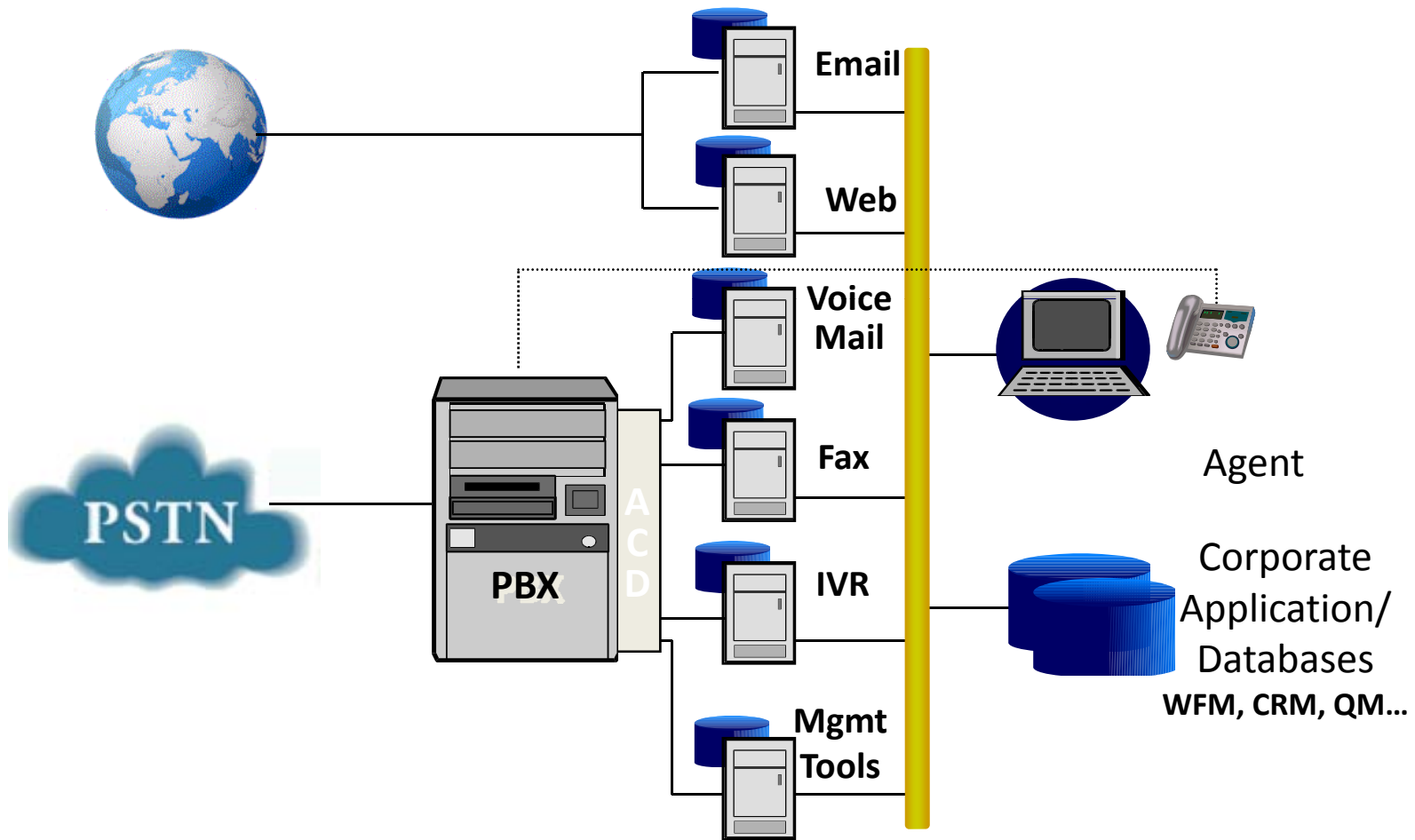
26 Mar 09

# Agenda

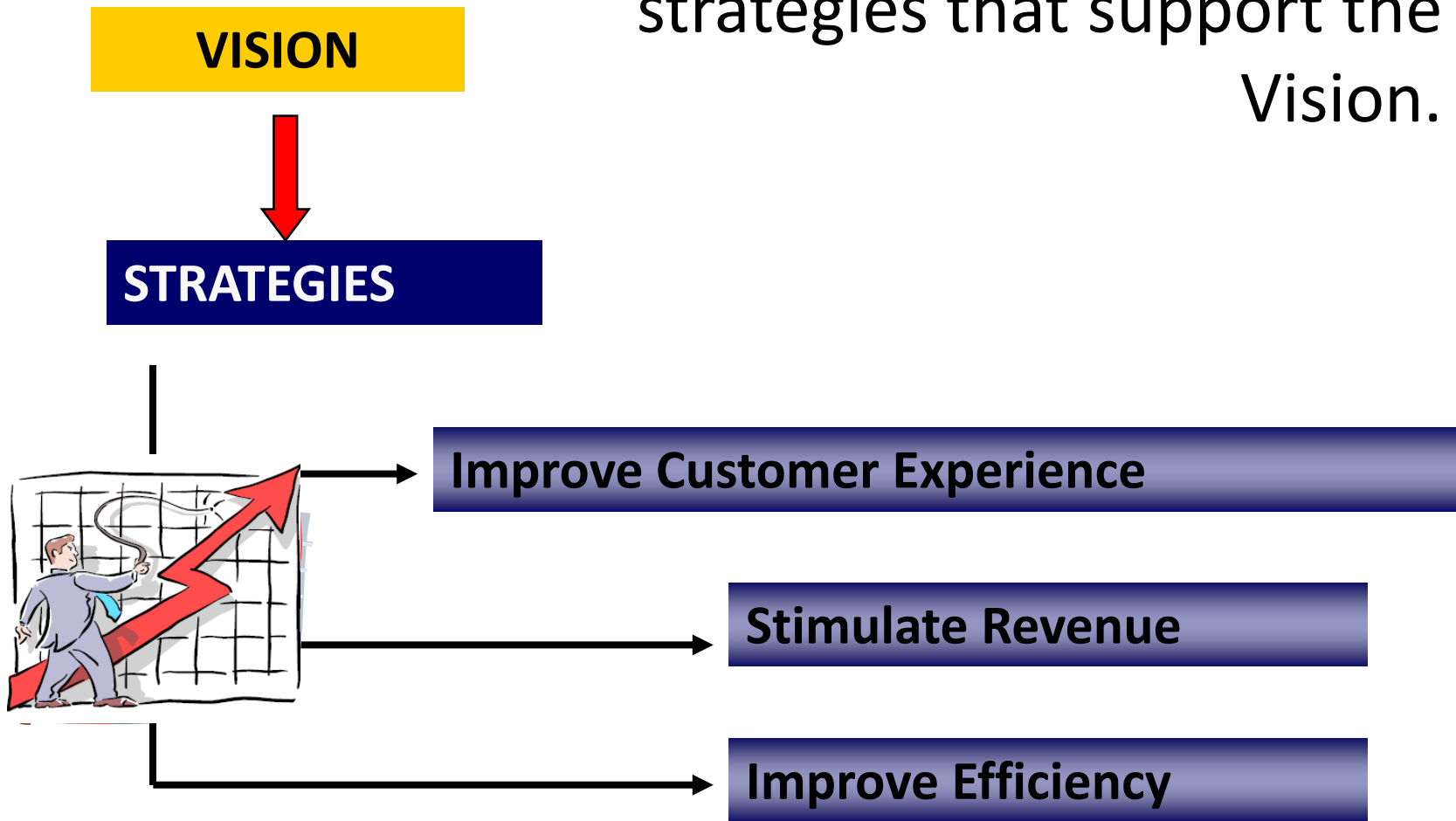
- Key performance indicators (KPIs) in use today
- Top 5 used by world-class organizations
- Discuss why metrics may not be as black/white as you'd initially think
- Key success factors for benchmarking
- Benchmarking methodology
- Debunking common benchmarking myths
- Benchmarking resources



# There's No Shortage of Data!

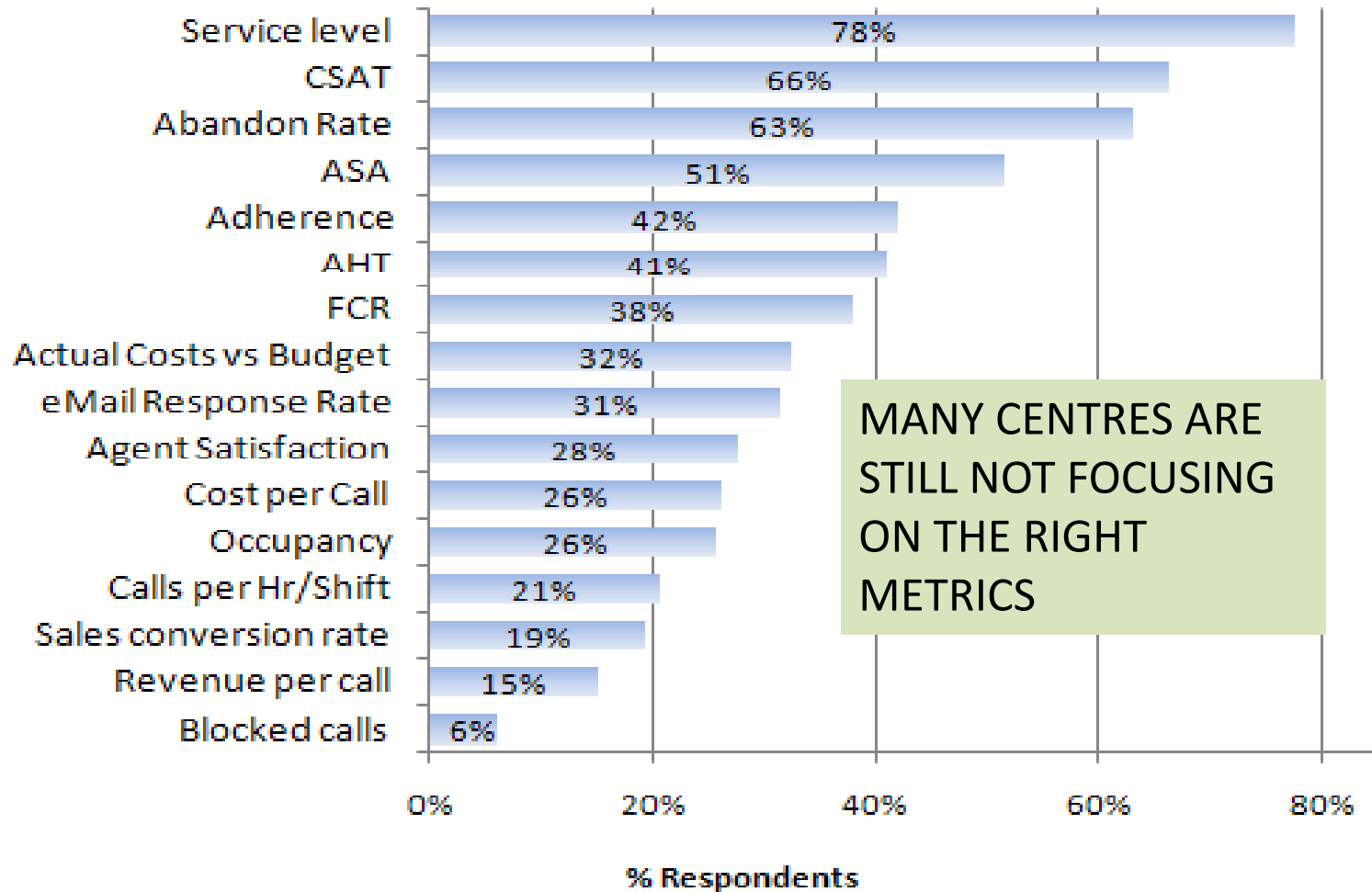


KPIs must be directly linked to strategies that support the Vision.



# Metrics Getting Most Attention

## Metrics Deemed Critical / Indispensable



## MEASUREMENT

Service Level

First Call Resolution

Customer Satisfaction

Cost per Call / Minute / Contact

Occupancy

Adherence

Average Handle Time

Agent Satisfaction

Turnover

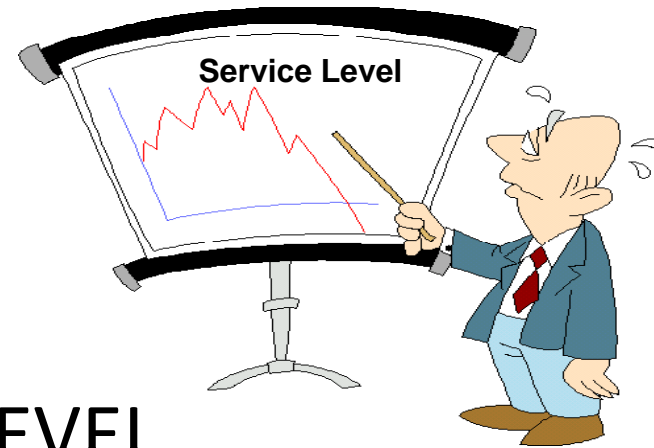
TOP FIVE  
METRICS  
'80/20 Rule'

## KEY METRICS REQUIRED FOR EFFECTIVE CALL CENTRE MANAGEMENT, AND MARKETING



THINGS AREN'T ALWAYS AS  
BLACK AND WHITE AS  
YOU MIGHT THINK.....

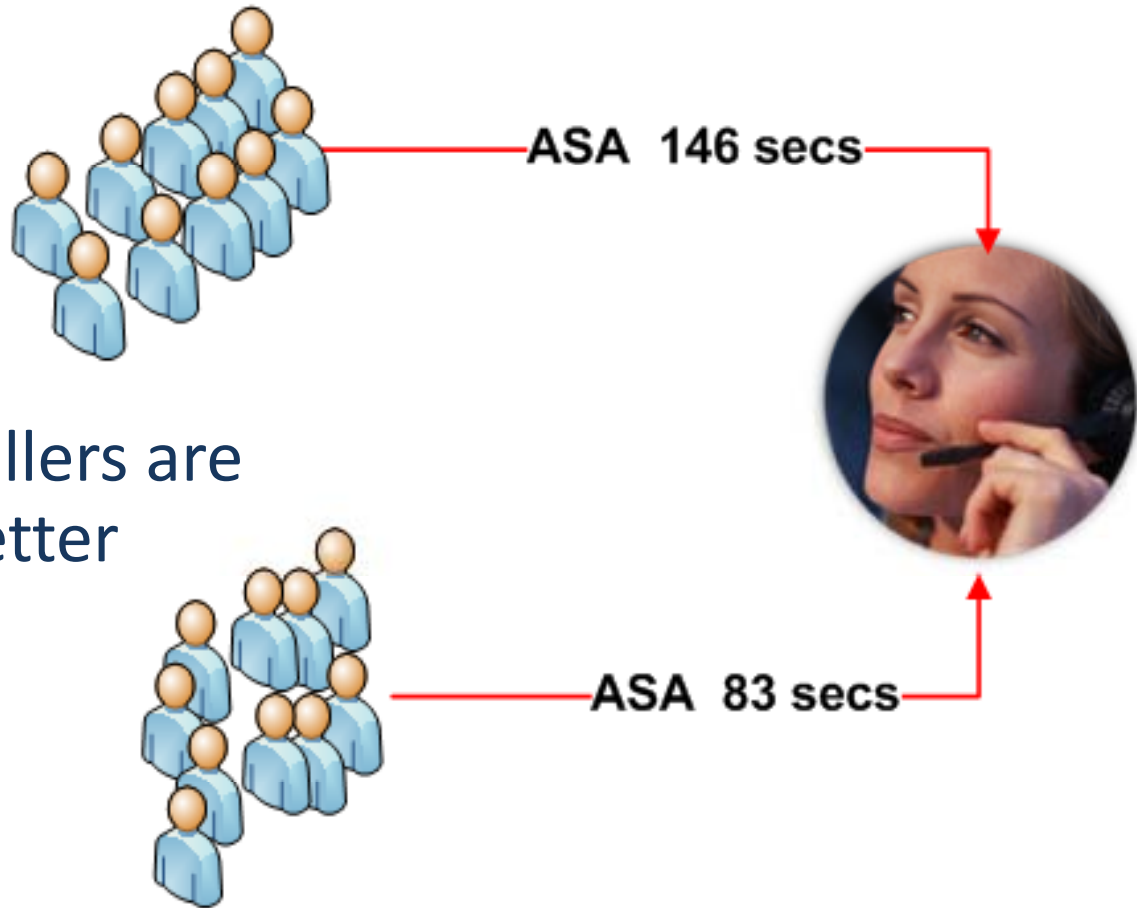




## SERVICE LEVEL

There's NO SUCH THING as an industry standard.

# ASA or Service Level ??



Which group of callers are receiving the better service?

# Averages can be misleading.

	Scenario	
Call #	A	B
1	30	5
2	35	10
3	60	3
4	45	100
5	500	220
6	600	180
7	30	2
8	60	10
9	55	180
10	45	120
<b>ASA</b>	<b>146</b>	<b>83</b>

ASA = 146

8 out of 10 callers were answered within 60 seconds. 146 ASA is misleading because actual responsiveness experienced by 80% of callers was much better than 146 secs. (80/60)

ASA = 83

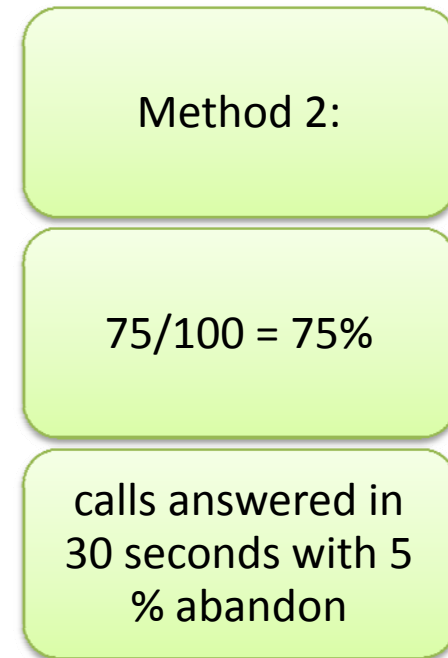
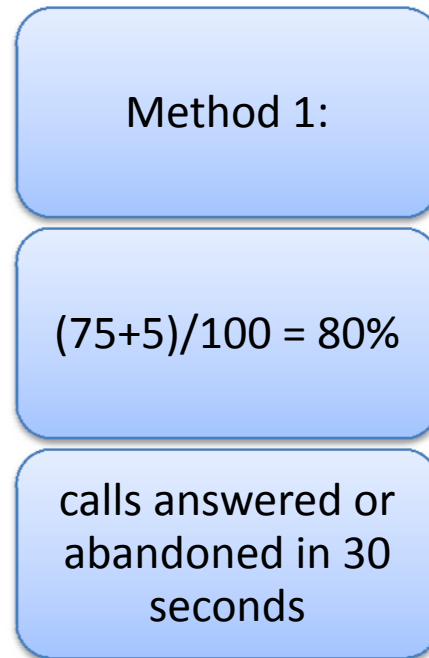
Only 5 of 10 callers were answered within 60 seconds; 50% of calls waited much longer. (50/60)

SERVICE LEVEL PROVIDES A MORE ACCURATE PICTURE

**X % of Calls Answered within x Seconds**

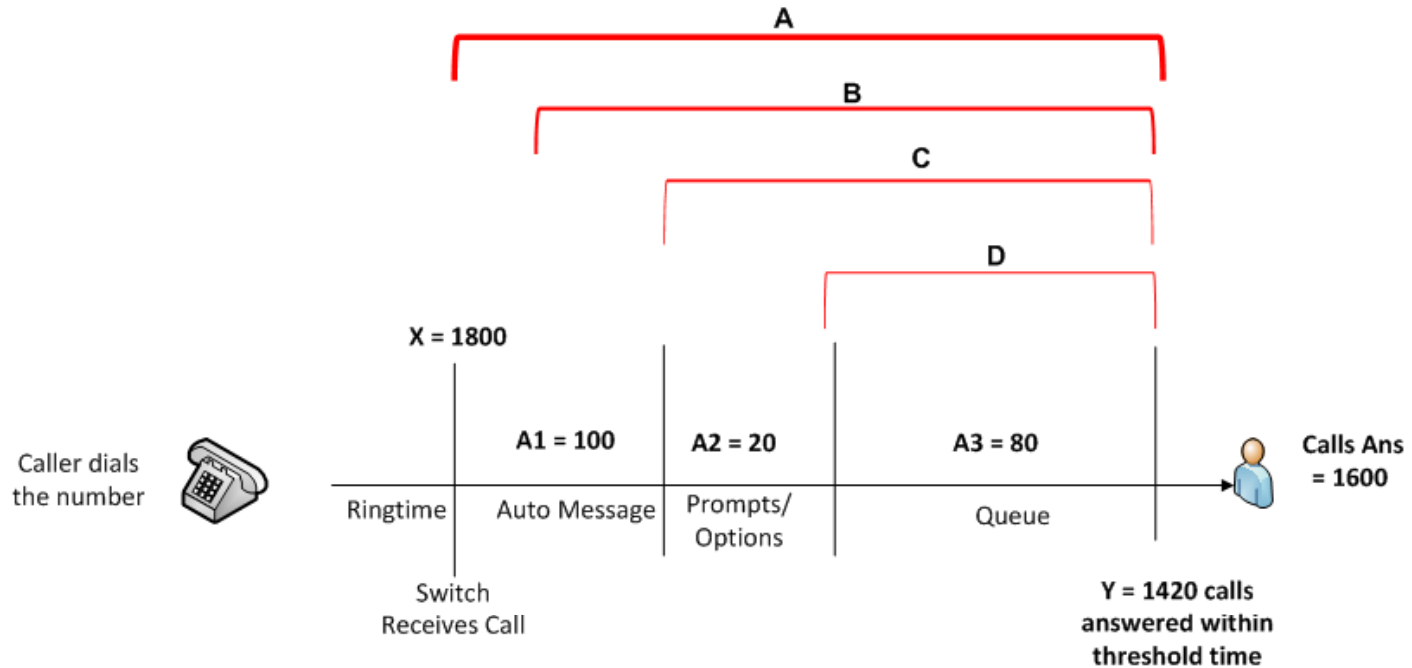
# Calculating Service Level for Simple Call Flow Arrangement

*Which method is Best?*



*Which method are you using?*

# Calculating Service Level in a **Complex Call Flow**



X = 1800 calls received

A1 = 100 abandoned in the first 10 secs

A2 = 20 abandoned during IVR/VRU prompts

1680 calls arrive in queue

A3 = 80 calls abandoned from queue, 20 abandoned within target threshold of 30 secs **(TIP)**.

Z = 20 of the 80 calls abandoned within Target Threshold Time (e.g.: 30 secs)

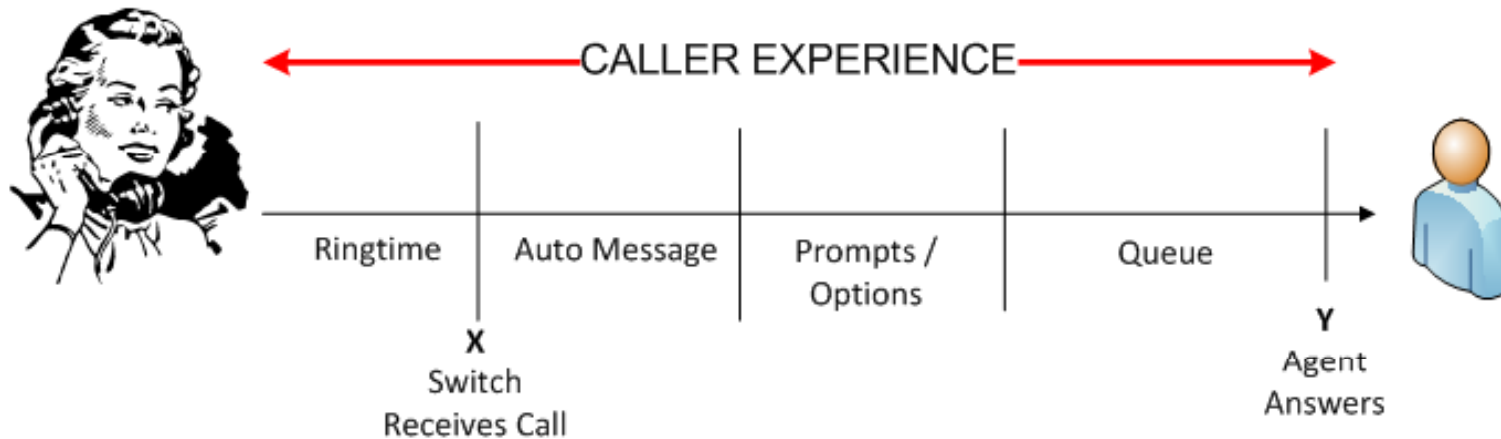
Y = Of the 1600 calls answered, 1420 were answered within the 30 sec threshold; 180 were answered outside the threshold



# Service Level Calculation Methods (for Simple and Complex Flows)

Method	Formula	SL Results	Comments
A	$=(y/x)*100$	78.9	measures Total calls answered by Agents against Total Calls received at switch.
B	$=(y/(x-A1))*100$	84.1	subtracts quick disconnects from total calls received
C	$=y/(x-(A1+A2))*100$	84.5	subtracts quick disconnects and abandons due to alternate channels and automated requests.
D	$=(y+z)/(x-(A1+A2))*100$	85.7	subtracts quick disconnects and abandons due to alternate channels and automated requests, but ADDS IN abandons from queue prior to answer threshold time.

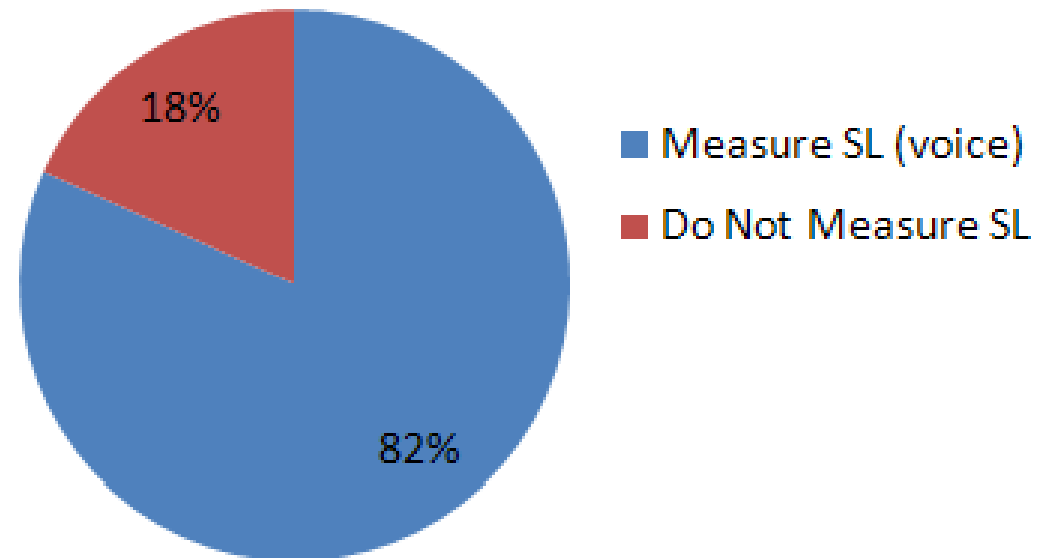
# Does your Service Level measure the caller experience?



# Service Level

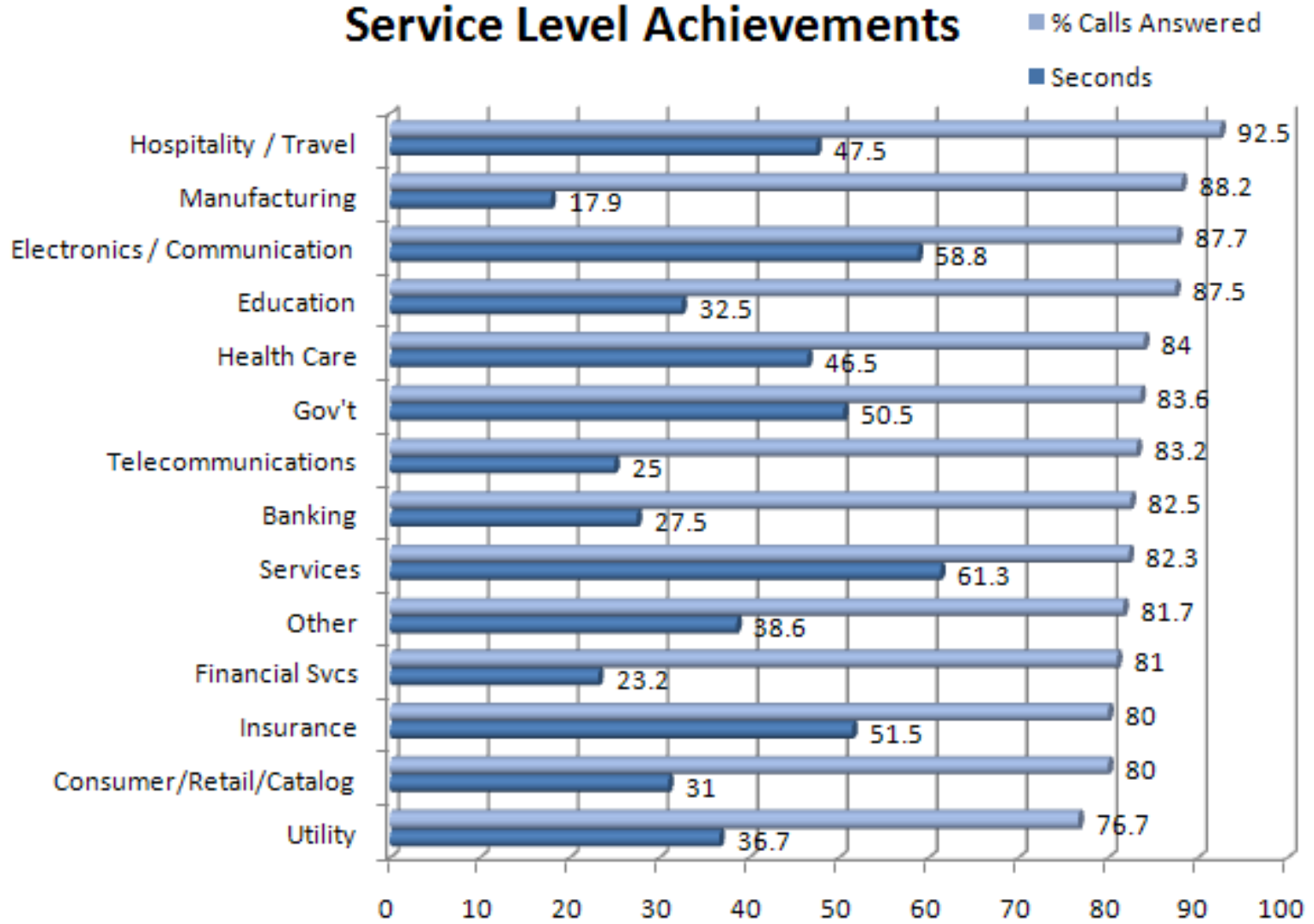
- Only 82% of centres surveyed (450) measure SL for voice calls
- 70% usually meet their objective; 10% always meet it
- 56% measure SL by interval

## % of Call Centres that Measure Service Level



ICMI 2008 Operations Report

# Service Level Achievements



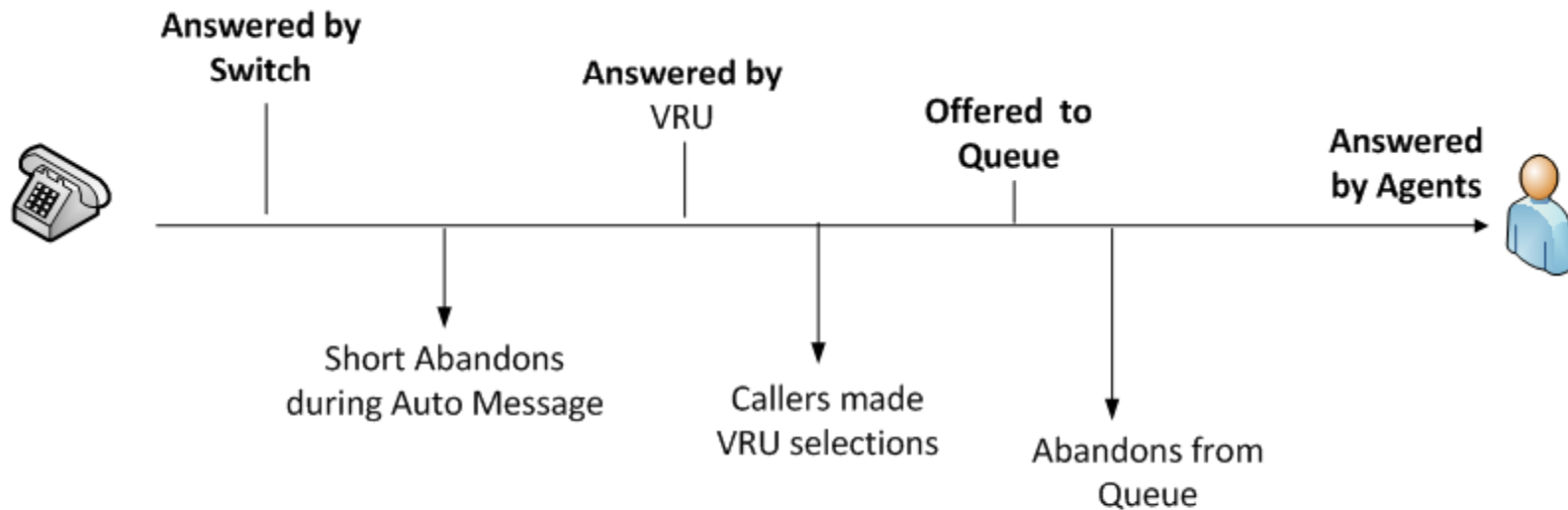
Centerserve 2007 Call Center Benchmark Study

# ABANDON RATE



# What do you want your Abandon rate to reflect?

Callers leaving.....  
because of long wait times,  
OR  
to use Alternate channels?





# Methods for Calculating Abandon Rates

Abandon Measurement	Total Calls Received	Short Abandons	Abandon for Alternate Channels	Abandon out of Queue	Total Abandoned	% Abandon
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	
	140	4	9	6	19	
Overall Abandon <sup>(1)</sup>	$(E / A) * 100$ $(19 / 140) * 100 =$					13.6 %
Alternate channel	$(A - B) = X ; (C / X) * 100$ $(7 / 136) * 100 =$					5.2 %
Out of Queue <sup>(2)</sup>	$A - (B + C) = X ; (D / X) * 100$ $(6 / 127) * 100 =$					4.7 %

eMAIL



# eMail Performance

- 35% of customers expect a reply within 6 hours; additional 55% expect a response within 24 hours.
- Content is just as important as response time. 45% of customers indicated that lack of thorough response will cause them to view a company negatively when considering future purchases.

(Centerserve 2007 Benchmarking Study)

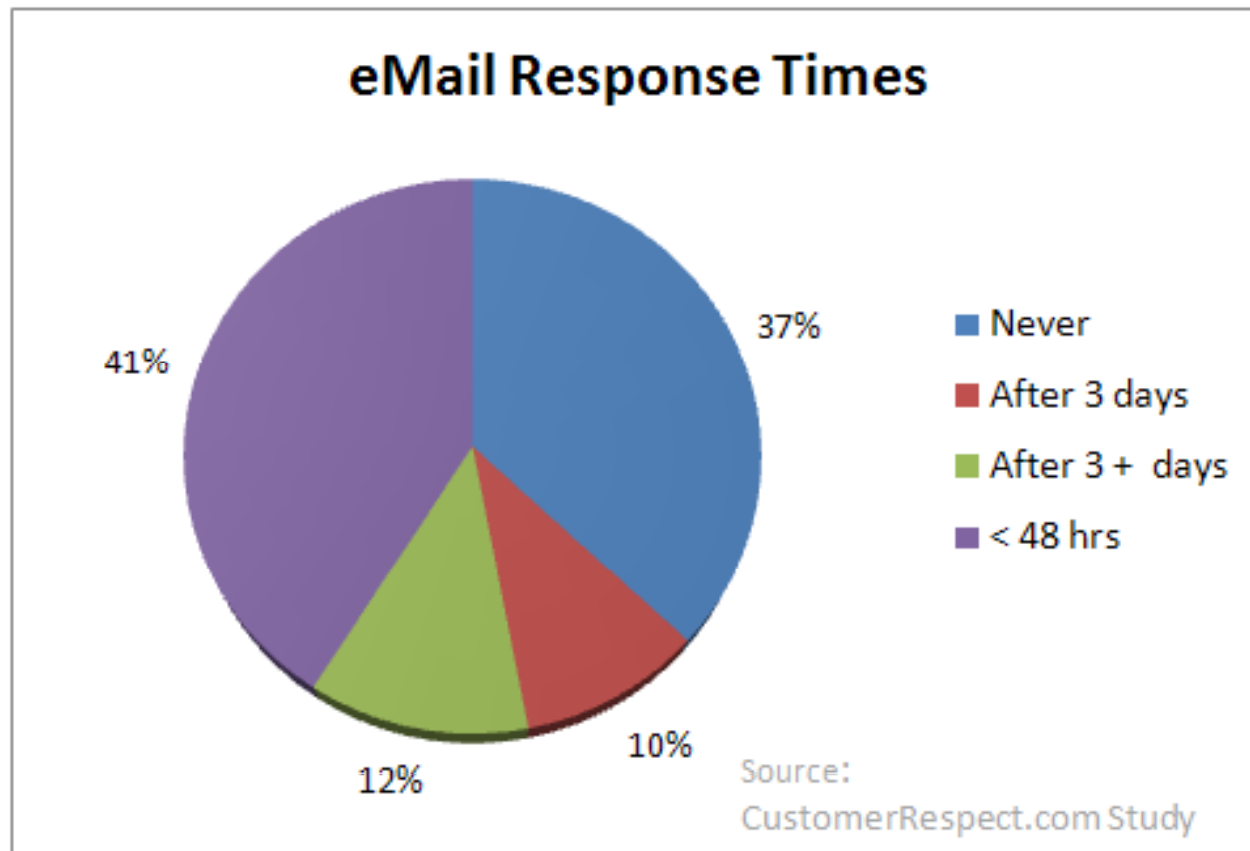


- 73% of centres handle customer emails.
- 59% usually meet objective; 28% always meet it.

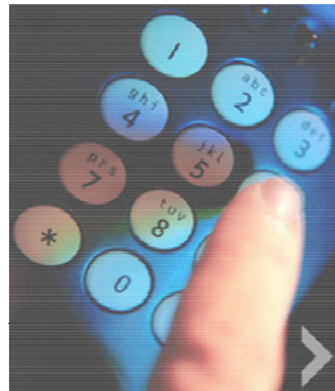
(ICMI 2008 Operations Report)

# eMail Response Times

Biggest complaint against email customer service is that companies take too long to respond, or don't respond at all.

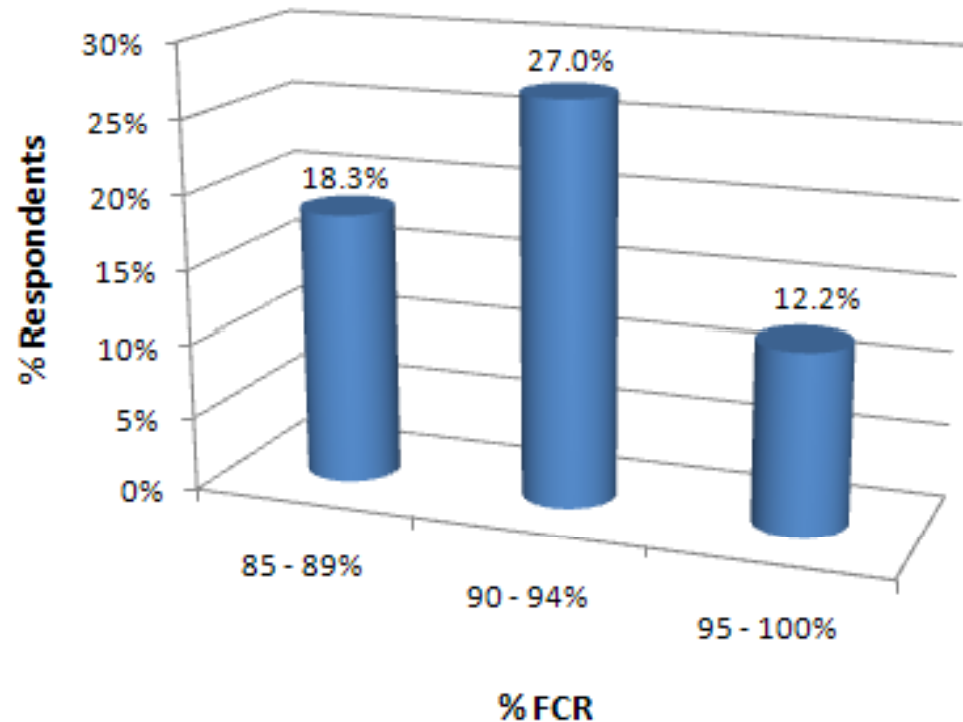


# FIRST CALL RESOLUTION (FCR)



# First Call Resolution Results

- Only 40% of respondents currently measure FCR.
- Results are 'impressively high, with more than 50% achieving 'best-in-class' status.

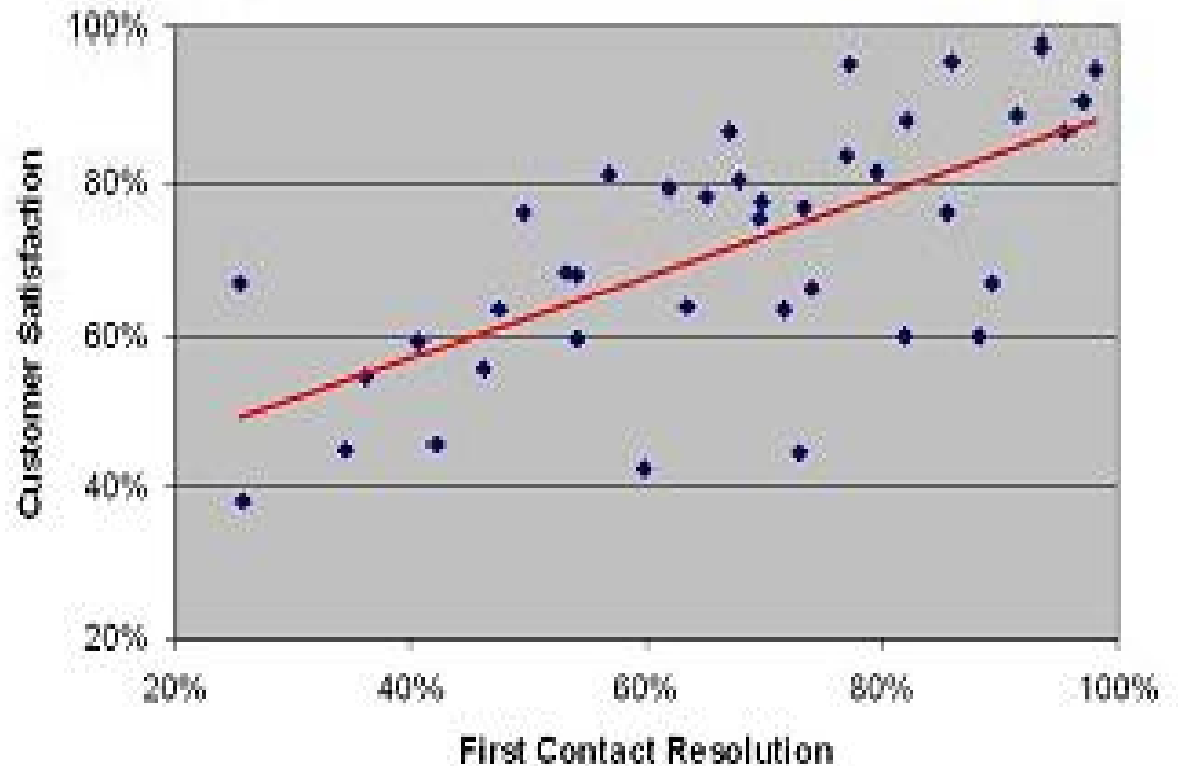


ICMI 2008 Operations Report

If a caller has to be transferred, that is not typically considered part of the true definition of first call resolution.

# Customer Satisfaction is DIRECTLY Related to FCR

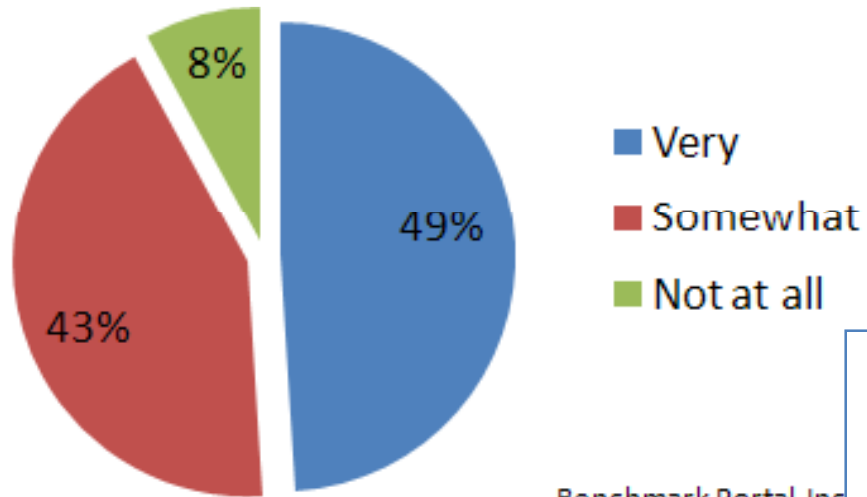
9 times out of 10,  
Customer  
satisfaction can be  
improved by  
increasing FCR.  
(Centerserve 2007)



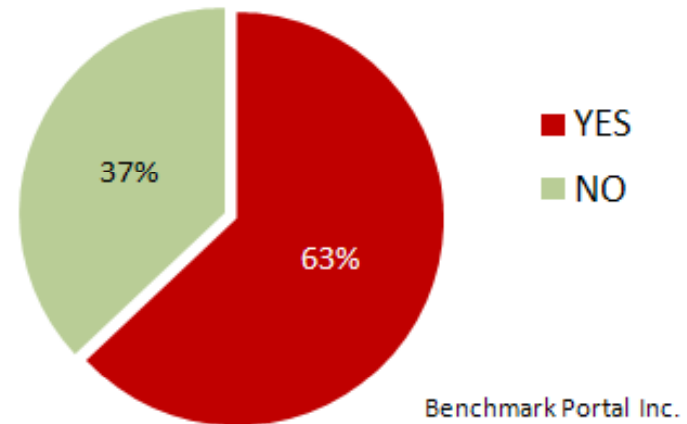
**More than 10% of all telephone inquiries handled by agents require assistance from workers in other departments. (Aspect research Mar/08)**

## How Callers' experience impacted their 'image' of the company, and willingness to buy again.

How important was your overall call experience in shaping your image of the company?

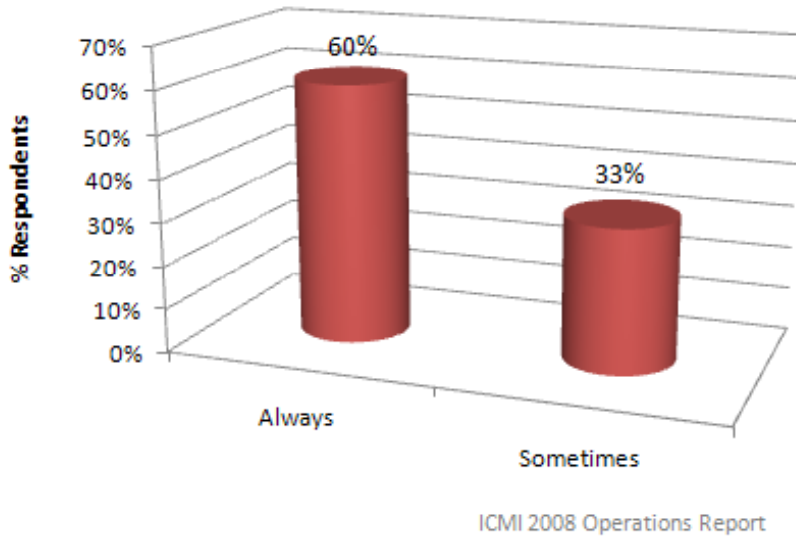


After a Bad experience, would you stop using the company in the future?



# CSAT Rates

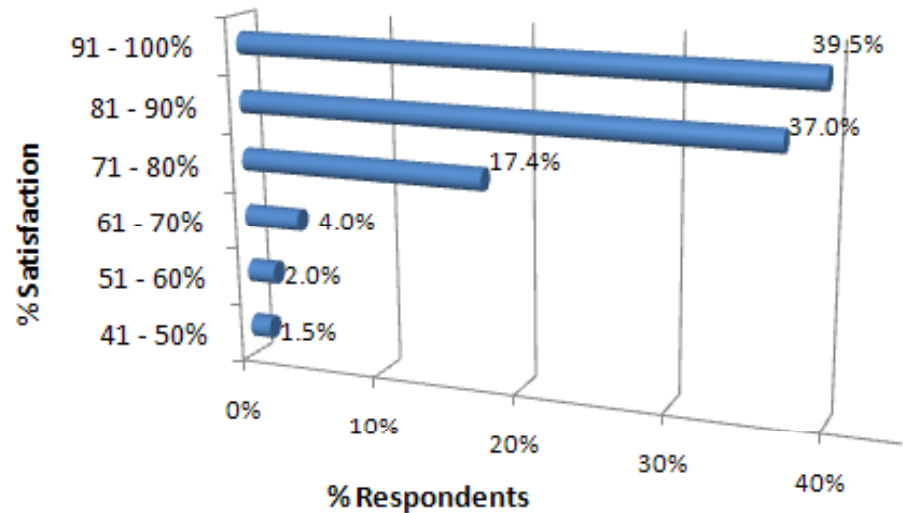
## % Respondents Who Follow-Up with Dissatisfied Callers



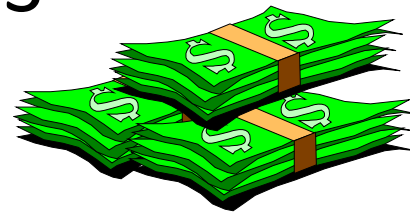
Survey indicates 'most' centres follow-up with customers who are highly dissatisfied.

30% of centres surveyed do not measure CSAT.

## Customer Satisfaction Rates



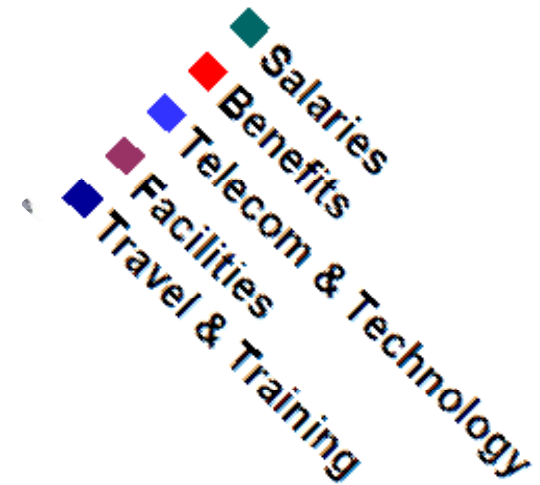
# COSTS



# Costs

**COST PER CALL/CONTACT** is a common measure of operational performance; it is **NOT a good metric for benchmarking.**

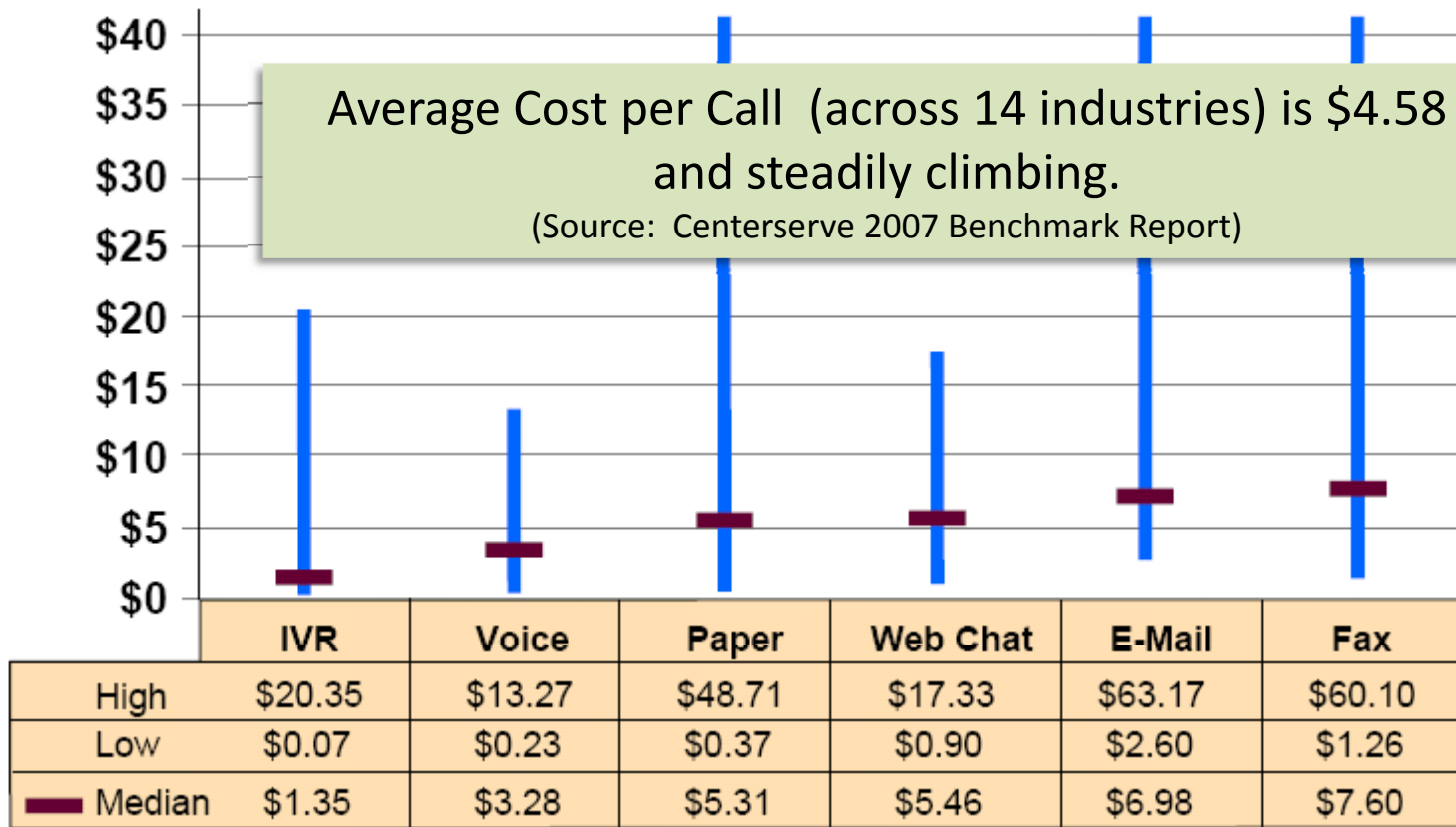
Components included in the costs can vary substantially based on a number of factors.



**COST PER MINUTE** is a **better metric for benchmarking** against:

- allows customer service centres to benchmark across different industries and centers with different handle times.
- can be used with other contact channels

# Best Performers Understand the Cost of Every Channel They Offer



# Calculating Costs in a Multi-Channel Environment

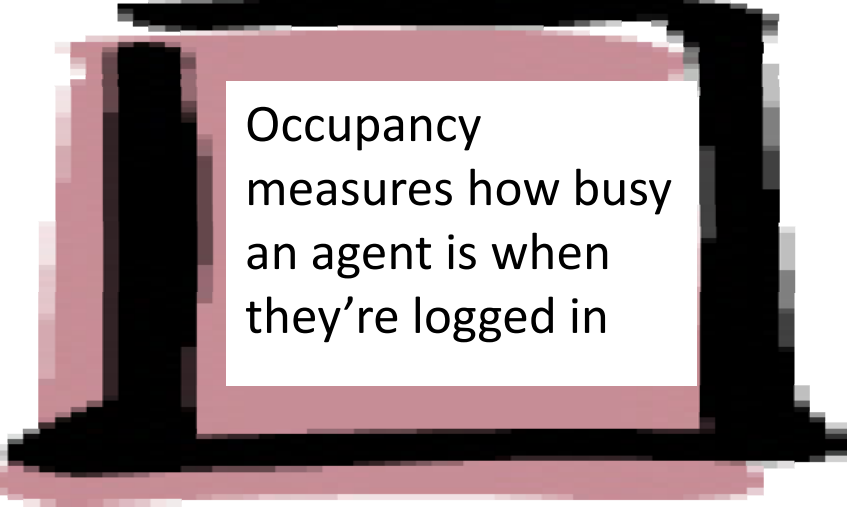
	AHT (Mins)	x	VOL	=	Workload (Mins)	% of Total Workload	Total Monthly Operating Costs	Cost per Minute	Cost per Contact
							\$85,000		
VOICE	4		10,000		40,000	77%	\$65,700		\$6.57
EMAIL	2.5		2,200		5,500	11%	\$9,034		\$4.11
FAX	5		1,250		6,250	12%	\$10,266		\$8.21
	<b>Total:</b>		13,450		51,750				
<b>Cost per Minute of Customer Service</b>								<b>\$1.64</b>	

# OCCUPANCY

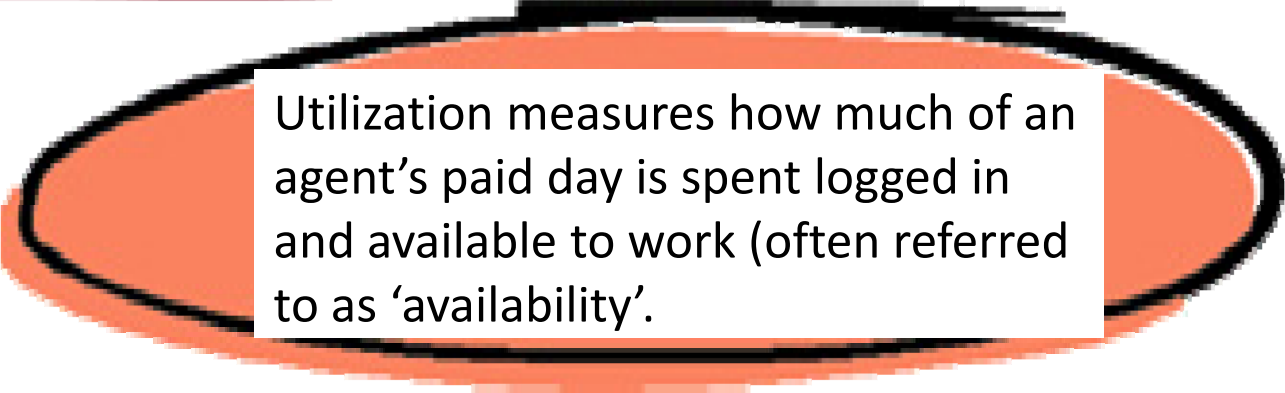
Best Measure for Agent Efficiency



# *Occupancy and Utilization are **Not** the Same Thing*



Occupancy measures how busy an agent is when they're logged in



Utilization measures how much of an agent's paid day is spent logged in and available to work (often referred to as 'availability').

# OCCUPANCY

The total amount of time that agents are busy speaking with customers or performing post-call-processing work, divided by total logon time.

$$\frac{(\text{call volume} \times \text{AHT secs})}{(\text{\# of agents} \times 3600 \text{ secs})} * 100 = \% \text{ Occupancy}$$

$$\frac{(200 \text{ calls} \times 180 \text{ secs})}{(12 \text{ agents} \times 3,600 \text{ secs})} = \frac{36,000}{43,200} * 100 = 83 \% \text{ Occupancy}$$

# Utilization

- The total time an agent is available to complete customer work (login time) divided by the total time the agent is scheduled.

	AGENT UTILIZATION
Scheduled for 8 hrs	5.7 / 8 = 71.3%
Available for 5.7 hrs	

# ADHERENCE

- Adherence to schedule is a key performance metric, yet 33% of centres don't measure it.
- 70% of centres have Adherence objectives that range from 90 – 94%, or 95 – 100%.
  - 75% usually meet their objective; 10% always do.

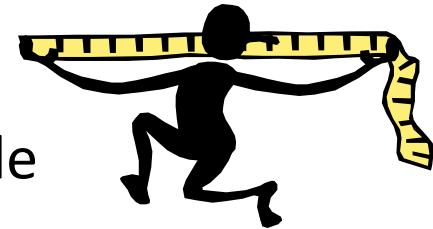


# AVERAGE HANDLE TIME



# Average Handle Time (AHT)

- Only 15% of centres are using AHT as a firm objective.
- Majority of centres are setting an acceptable 'range' for AHT vs having a rigid number.



Too much focus on AHT leads to...

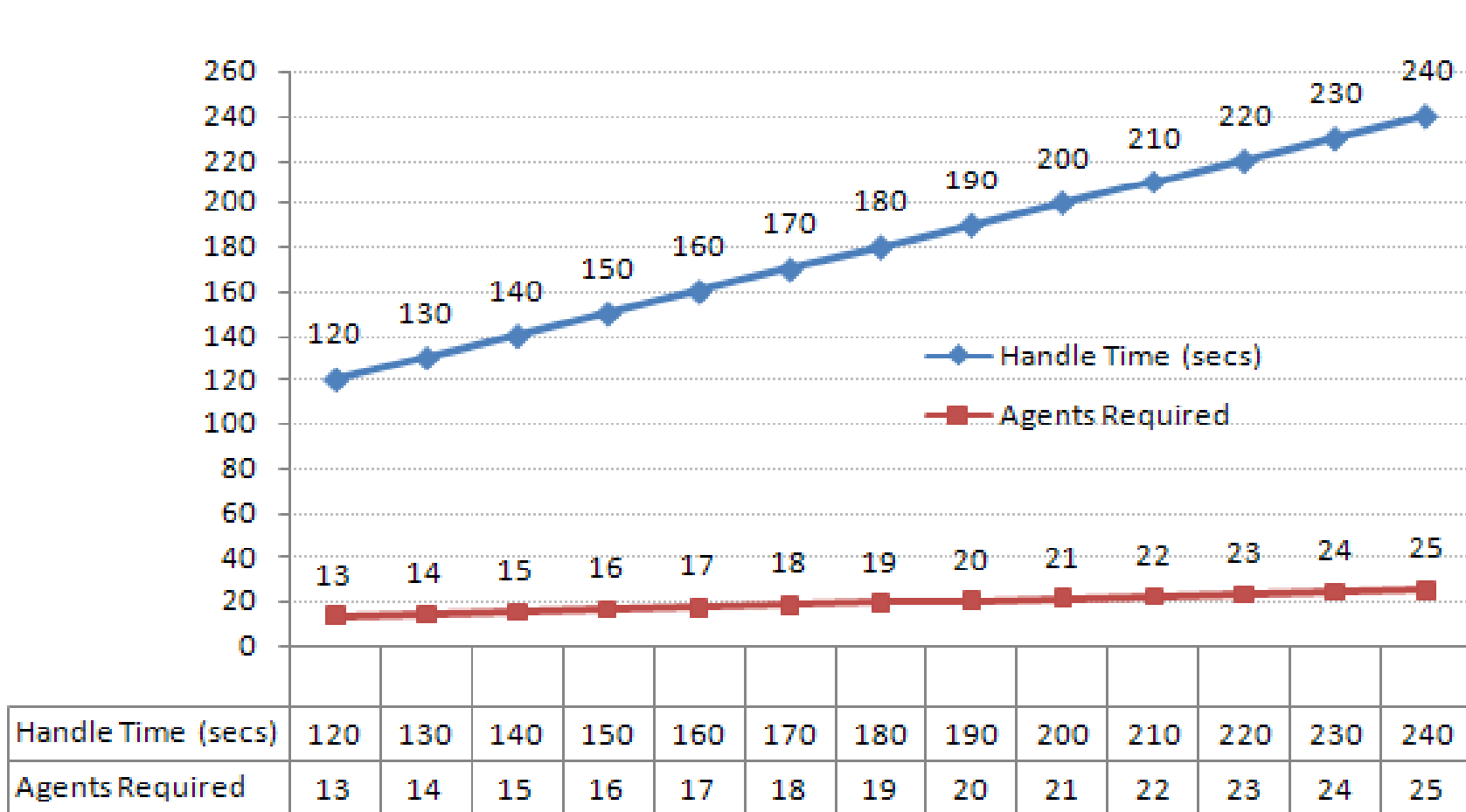


- Rushed calls
- Dissatisfied customers
- Increase in callbacks
  - Stressed agents

# Impact of Handle Time on Resource Costs

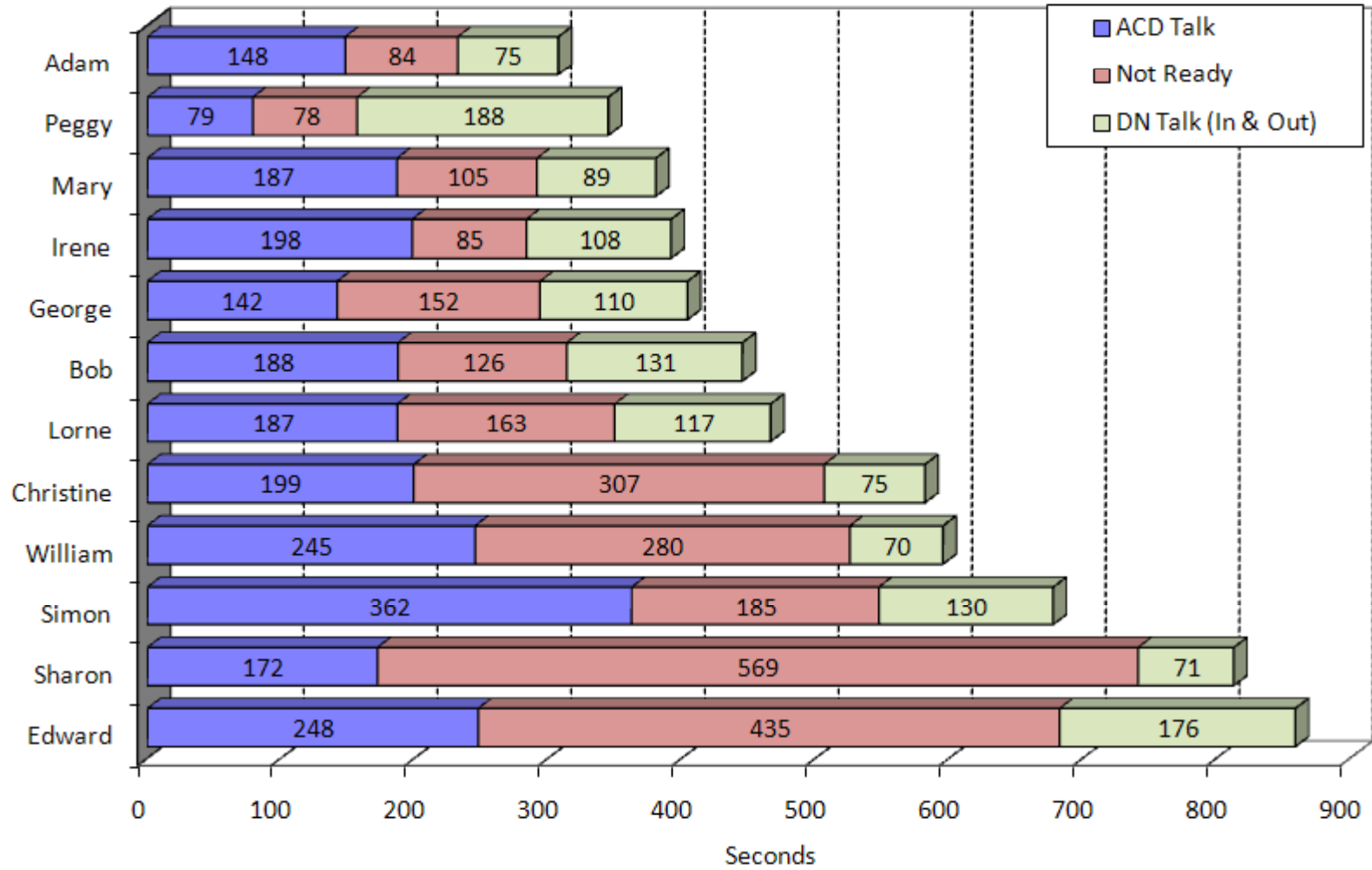
80/30 SL; 300 calls/hr

Every 10 secs of increased handle time requires 1 additional agent.



# AHT COMPONENTS

ABC COMPANY  
AVERAGE HAND TIME

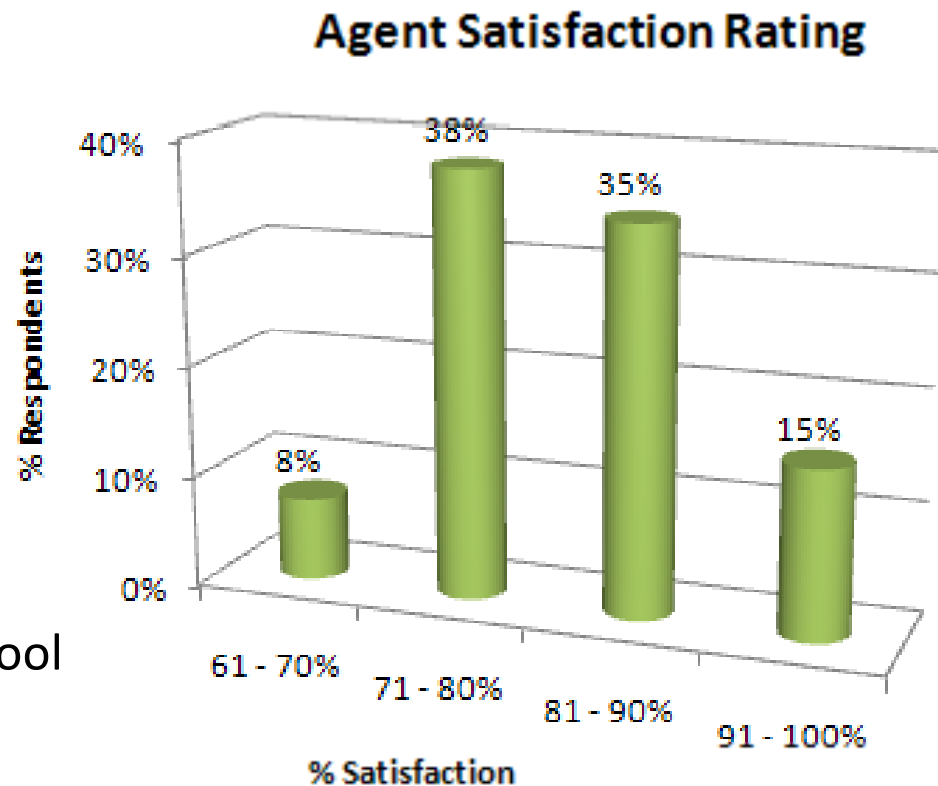


# Agent Satisfaction

Only 40% of respondents are measuring Agent Satisfaction.

Most measure/report annually

Online surveys are most utilized tool to conduct surveys.

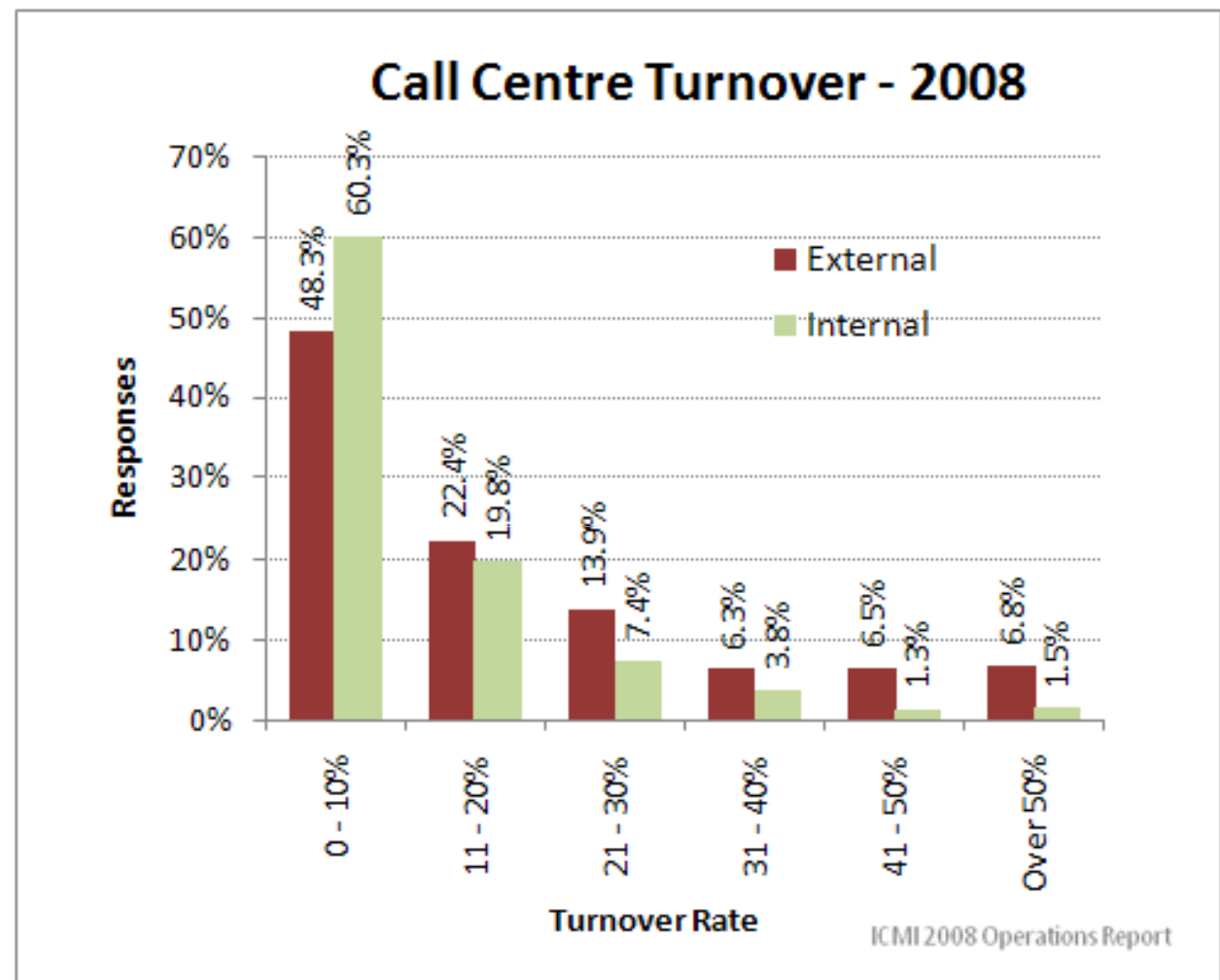


ICMI 2008 Operations Report

# 2008 Agent Turnover

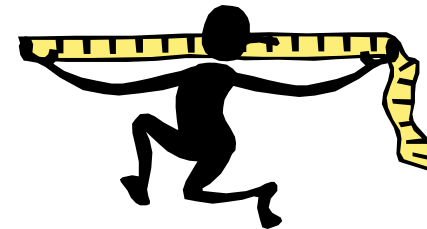
- A 'major factor' in agent turnover is Quality of direct supervision.
- 1-on-1 interactions with Supervisors, and strong leadership were the #1 motivators for agents.

Source: (Centerserve 2007 Best Practices Benchmark Report)

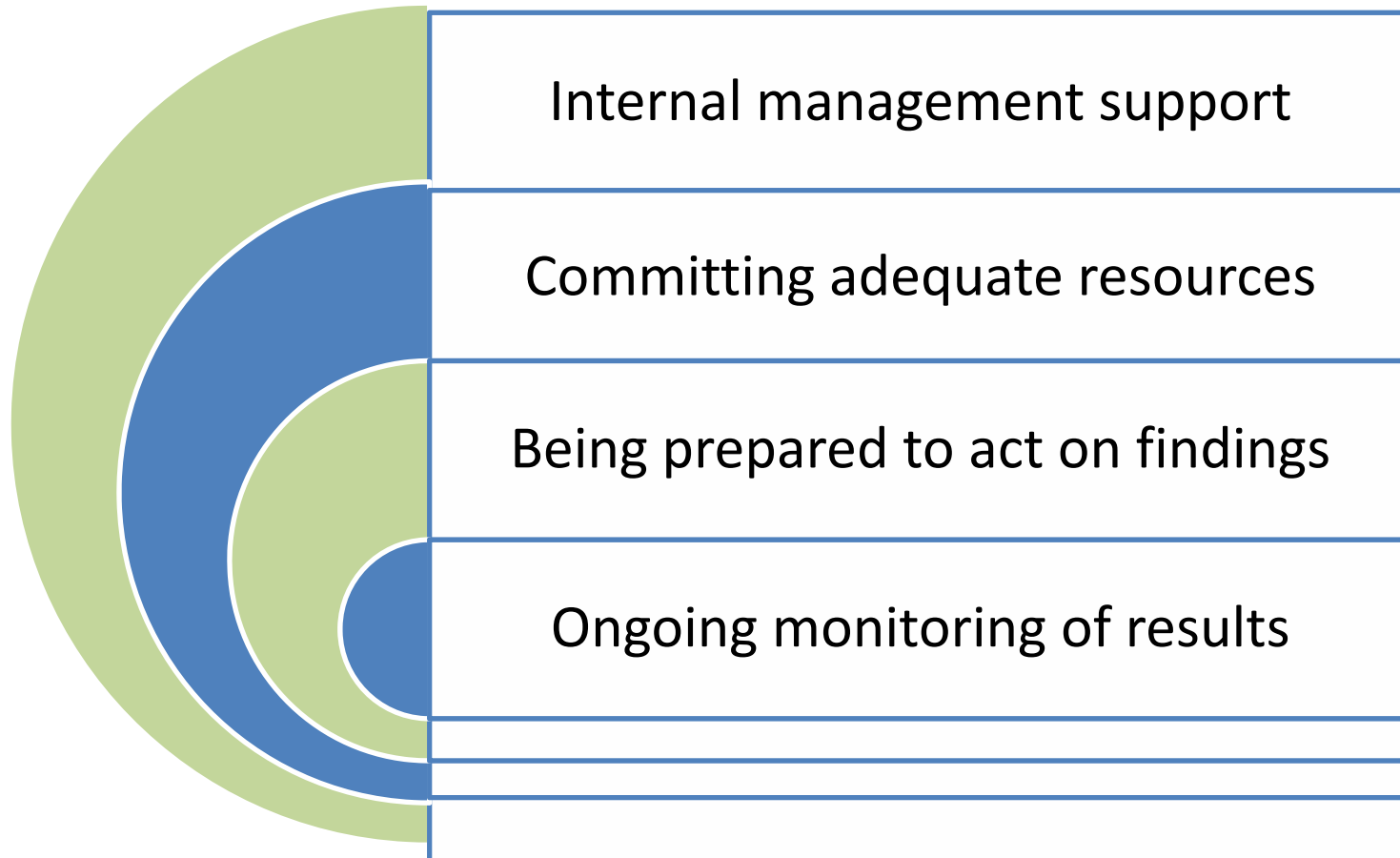


# BENCHMARKING

A standard or point of reference against which things may be compared or assessed.



# Key Success Factors for Effective Benchmarking



# Benchmarking Methodology

Inputs	Process Step	Outputs
Objectives and Expected Outcomes	1) Determine which functions and /or processes to Benchmark	Scope of benchmarking project
Client Assessment	2) Identify KPI and Performance Drivers	Metric Definition / Formula
Selection Criteria / Rationale	3) Qualify and Select Benchmark companies	Benchmark selected companies
Information / Insight	4) Measure Performance of Benchmark companies against your performance.	Gap analysis, directly comparable on 'apples-to-apples' basis.
Conclusions from Gap Analysis	5) Develop Strategies and Action Plans	Actionable recommendations
Implementation Planning	6) Implement and Monitor Results	Performance Improvement

MetricNet

WHEATON Consulting

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# Debunking Common Benchmarking Myths

- Benchmark results are not precise, but they are 'directionally accurate'.
- Conclusions, based on small performance gaps, can lead to serious problems.
- You have a lot of latitude / flexibility in selecting a peer group. Some of the best candidates are likely to be from outside your industry.

SERVICE DESK - BY INDUSTRY
Automotive
Finance Services
Health Care
Insurance
Utilities
Retail
Travel / Hospitality

# Debunking Myths (cont'd)

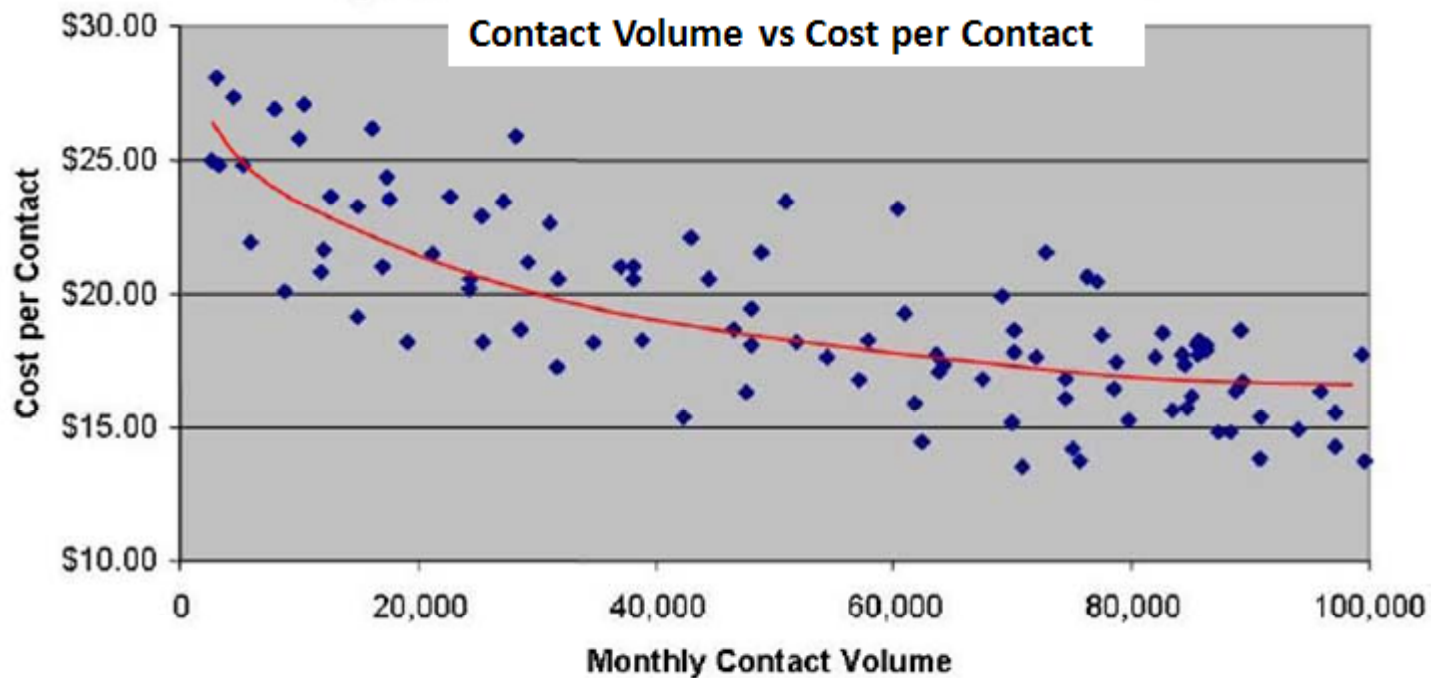
- Benchmarking peers should have similar call volumes (results impacted by economies of scale)
- Benchmarking against centres in other countries results is too great a difference in labour costs.

PARTICULARLY IMPORTANT WHEN USING 'COST PER CALL' AS BENCHMARK METRIC.

'COST PER MINUTE' IS A BETTER METRIC TO USE IF THERE ARE SIGNIFICANT DIFFERENCES IN THE CALL VOLUME BETWEEN BENCHMARK PARTNERS.

# “Apples-to-Apples” Comparison is Important

Larger centres are simply more efficient than smaller ones due to economies of scale. As call volumes go up, cost per call does down (increased agent occupancy).



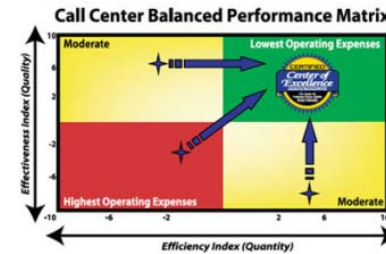
# Conclusion

- Single biggest influencer of Customer Satisfaction, AND operational efficiency is First Call Resolution (FCR).
- Ensure your metrics are clearly linked to your business strategy.
- KPIs can be used for more than simply tracking and trending performance
- Understand how your metrics (Service Level, Abandon, Occupancy, FCR, AHT, CSAT, etc) are actually calculated and being reported.
- If you decide to benchmark your centre, follow rules for successful benchmarking (methodology).
- Clearly understand what story the data is telling you; don't make assumptions on small sample sizes or small performance variances
- Effectively Communicate your performance results (promote the centre's accomplishments – sell your value)

# Benchmarking Resources

ProSci [www.prosci.com/benchmark.htm](http://www.prosci.com/benchmark.htm)

Purdue University  
[www.benchmarkportal.com/reality-check](http://www.benchmarkportal.com/reality-check)



ICMI

- [www.icmi.com/CSlstudy](http://www.icmi.com/CSlstudy)
- [https://ccbmsurvey.com/temp/x\\_bm2!reg-icmi](https://ccbmsurvey.com/temp/x_bm2!reg-icmi) Home.htm

The image shows a registration form for the "Global Contact Centre Benchmarking 2009" by ICMI. The form is titled "Registration" and includes a progress indicator showing "10%". Below the title, there is a section for "Your Contact Details" with fields for "First Name", "Last Name", "Job Title", "Company Name", and "Direct Telephone". A note indicates that asterisks denote required fields.

SQM [www.sqmgroup.com](http://www.sqmgroup.com)

Triad Services [www.servicetriad.com](http://www.servicetriad.com)



# Benchmarking Resources

Company Name	http:// address	Benchmark Offerings / Resources
ProSci	<a href="http://www.prosci.com/benchmark.htm">www.prosci.com/benchmark.htm</a>	Variety of studies available for purchase
Purdue University	<a href="http://www.benchmarkportal.com/reality-check">www.benchmarkportal.com/reality-check</a>	Free online 'Reality Check'
ICMI	<a href="https://ccbmsurvey.com/temp/x_bm2!reg-icmi_Home.htm">https://ccbmsurvey.com/temp/x_bm2!reg-icmi_Home.htm</a>	Free participation in Global Benchmark study (deadline APR 24 / 09)
ICMI	<a href="http://www.icmi.com/CSlstudy">www.icmi.com/CSlstudy</a>	Free participation in CSAT study (deadline MAR 15 / 09 )
SQM	<a href="http://www.sqmgroup.com">www.sqmgroup.com</a>	Offering FCR benchmark study for \$5,999
Triad Services	<a href="http://www.servicetriad.com">www.servicetriad.com</a>	Variety of studies available for purchase

# Other Management Resources



Company Name	Product Name	http:// address	Contact
ICMI	EasyStart Call Center Scheduler	<a href="http://icmi.com/estore/Default.aspx">http://icmi.com/estore/Default.aspx</a> (select SOFTWARE)	
ICMI	QueueView (Staffing Calculator)	<a href="http://icmi.com/estore/Default.aspx">http://icmi.com/estore/Default.aspx</a> (select SOFTWARE)	
THE CALL CeNTER SCHOOL	Quikstaff (staffing tool)	<a href="http://www.thecallcenterschool.com/tools/quikstaff_software.aspx">http://www.thecallcenterschool.com/tools/quikstaff_software.aspx</a> (FREE DOWNLOAD)	
i <sub>2</sub> Gemini	HillsB Turbo Tables HillsB Optimizer Pro	<a href="http://www.i2gemini.com">http://www.i2gemini.com</a>	

*Thank You!*



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