METRIC: Quantifiable values that often comprise more than one measure. For example, average cost of a service interaction incorporates both costs and the number of interactions.
GOAL: The point of arrival. For example, if a performance objective is to cut turnover in half, and it is currently 16 percent, the goal is 8 percent turnover.
PERFORMANCE TARGET: An interim improvement point at a specific point in time; a “checkpoint” to reassess progress and correct the action or work plans necessary to reach the final goal.
STANDARD: The requirements, specifications, guidelines, or characteristics established for customer service.
PERFORMANCE OBJECTIVE: Usually stated as a quantifiable goal that must be accomplished within a given set of constraints, such as a specified period of time or by a given date (e.g., improve customer satisfaction by 10 points within one year).

KEY PERFORMANCE INDICATOR (KPI): A measurable value of how well an organization is achieving a key business objective, such as net promoter score or another measure of customer experience.
In this chapter, I refer to metrics and objectives in a general sense. As you apply them, just be sure you and your team have a shared understanding of their meaning and use them consistently.

Common Metrics

Metrics in contact centers can be broadly divided into a handful of categories, including:

- Quality
- Accessibility
- Operational efficiency
- Cost performance
- Strategic impact

Let’s examine common measures within each category. Stick with me here—though this chapter doesn’t represent an exhaustive list, we’ll cover quite a few. Getting a snapshot of the many alternatives from which to choose is a good start to selecting metrics and objectives that make sense for your organization.
Before we go through the summary, it’s worth noting that many metrics can logically fit into more than one category. Consider agent turnover. Is it a measure of efficiency (newer agents tend to be less efficient), cost performance (it is costly to replace agents), or strategic impact (agent tenure has an impact on results)? How you categorize measures is not as important as getting them on the table so that you can make sensible choices about which to use and how.
Quality
Common measures related to quality include:
CONTACT QUALITY. Assigns a value to the quality of individual interactions. Criteria generally include such things as interpreting customer requirements correctly, entering data accurately, providing the correct information, accurate coding, and capturing needed and useful information. Contact quality is appropriate in all environments as both a high-level indicator of the center’s performance and a specific objective for agents and supervisors. Data typically comes from samples via quality observations or recording contacts and from customer surveys. Quality is discussed further in Chapters 13 and 14.
FIRST-CONTACT RESOLUTION. Studies indicate that organizations incur many additional expenses (some hidden and difficult to track) when customer issues are not fully resolved on the first contact. First-contact resolution (FCR) also has a significant impact on

customer satisfaction. Analyzing relative increases and decreases in FCR in response to changes in processes, systems and customer requirements can be very informative. Consequently, first-contact resolution is appropriate in all environments as a high-level objective.

Components that enable FCR should be built into specific quality objectives for agents—however, because not all aspects are within their control, they must be selected carefully. FCR can be tracked through quality observation samples, customer surveys (asking customers whether the issues were resolved), contact coding based on agent judgment (supported by clear criteria), data on repeat contacts (e.g., from CRM systems), or a combination. I always recommend that FCR be measured both internally and externally.

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PERSPECTIVE ON FIRST-CONTACT RESOLUTION

First-contact resolution has become a popular metric in recent years. And that’s a good thing: Unresolved contacts are a common source of customer dissatisfaction, and the organization tends to incur many additional expenses (repeat contac rework, etc.) when issues are not resolved fully.

However, FCR must be implemented carefully. For example:

- An exceptionally high FCR rate may point to many simple contacts that can be prevented before they happen (e.g., throu better products or improved self-service).
- Accurate comparisons with other organizations are difficult because definitions of “resolved contact” vary widely. Focus on developing an appropriate definition for your environment, and stick to it so that you’ll have a stable, baseline measure
- Treat FCR as an organization-wide initiative. When an issue is not resolved on the first contact, the problem is often outside the contact center (e.g., with product or service documentation, functionality, or processes).
- Track FCR at least two ways—as an internal measure, and based on whether or not customers feel that their issues wer resolved on the first contact (via survey feedback). If these measures don’t closely correlate, find out why.

Above all, keep your eyes on customer experience and business results. Remember that FCR is just a supporting indicat not the endgame.

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ERRORS AND REWORK. As with first-contact resolution, there is significant value in analyzing increases and decreases in errors and rework in response to changes in processes, systems, and customer requirements. Measures of errors and rework are appropriate in all environments, and their specific components are often built into quality objectives for agents (variables must be selected carefully because not all errors are within their control). Data may come from quality observation or recording, CRM systems, analytics, contact coding or other sources. See Chapter 13.

Accessibility

Common measures related to accessibility include:

CONTACTS BY CHANNEL. These are simply measures of the number of contacts by channel: phone, chat, social media, self-service, text, email (etc.), and when these contacts occur. If there are customer communities associated with your products and services, it’s a good idea to assess that activity and determine how many issues are resolved within the forums versus those that require agent assistance. You should also track the average handle times (AHTs) associated with different kinds of agent-assisted contacts so that you have a complete picture of workload by channel.

This is essential data for forecasting, and it also is useful as a high-level indication of relative

trends and cost efficiency. AHT is available from your routing systems, social management tools, workforce optimization systems, and related applications.

SERVICE LEVEL AND RESPONSE TIME. Establishing service level and response time objectives is a necessary step in ensuring that the organization is accessible through whatever channel customers use. Real-time reports are also necessary for tactical adjustments. If multiple "exchanges" (back-and-forth communication between agent and customer, common in technical support) occur, you'll also need to track overall time to resolution.

Service level is available directly from routing systems, social media management tools, and workforce management systems. Response time reports may come from sources such as ACDs or related routing systems (e.g., email response management systems), workforce optimization systems, case management tools, social media systems, or, potentially, other sources. (See Chapters 4 and 7 for detailed discussions on service level and response time.)

AVERAGE SPEED OF ANSWER (ASA). ASA is often misinterpreted as a "typical" experience, but the average is skewed by many customers who get answered before the ASA and some who wait far longer than the ASA (see discussion on this topic in Chapter 4). ASA has important operational applications; for example, it is a component of trunk load (Chapter 7).

Data on ASA is available from the same systems that provide information on service level.

ABANDONED AND BLOCKED CONTACTS. Abandoned contacts and those that are blocked through busy signals or busy messages are generally caused by insufficient staffing or insufficient system resources. They should be considered supporting information to service level and response time reports, not primary objectives (see Chapter 4). Data on abandoned contacts is available directly from ACD or workforce management reports or from servers handling specific types of contacts, such as chat. Reports on busy signals may come from the ACD (if using ACD-controlled busies), the local telephone company or the interexchange (long-distance) company. See Chapter 6.

LONGEST DELAY. Also referred to as oldest contact, this figure gives you the longest amount of time a customer had to wait before reaching an agent or abandoning. It is appropriate in all environments as supporting information to service level and response time objectives, and it is available from the same sources that provide service level data.

Operational Efficiency

Common measures related to efficiency include:

FORECAST ACCURACY. Forecasting the workload accurately is a high-leverage activity and is fundamental to managing a contact center effectively. Forecasted versus actual workload is appropriate in all environments as a high-level objective, and (as discussed in Chapter 6) should be reported down to the interval level. It is also used for ongoing tactical adjustments. Forecasted workload is available from the systems used for forecasting—such as the workforce optimization system, forecasting software, or even customized spreadsheets. Actual workload can be tracked by your ACD or other routing applications, workforce optimization system, web servers, social media tools, or a combination of these systems. See Chapter 6.

PROPENSITY TO CONTACT. The likelihood or number of times customers contact the organization, typically on an annual basis. Propensity to contact is usually represented as a numerical correlation between total contacts and total customers. For example, 4 would mean that customers contact the organization an average of four times per year.

Propensity to contact is fashioned after a similar principle that has been used for many years in economics and marketing: propensity to buy. It is appropriate in any contact center, and it can be helpful in forecasting, gauging relative progress in first-contact resolution, contact avoidance (through simpler or more reliable products and services) or assessing marketing effectiveness.

Data comes from the CRM system or sources that track total customers and total contacts.

SCHEDULED STAFF VERSUS ACTUAL. This metric compares the number of agents scheduled with the number actually working the schedule. It is appropriate in all environments as a high-level objective for the center and for teams. As with forecasts, reports should show each interval. The purpose of the objective is to understand and improve staff adherence and schedules. Scheduled staff is available from the system used for scheduling (e.g., the workforce optimization system). Actual staff available is reported primarily by the ACD, related routing

and management systems, or the workforce optimization system. See Chapters 8 and 14.
ADHERENCE TO SCHEDULE. Measures of how much time (and when) during agents' shifts that they are taking or available to take contacts. Adherence to schedule is appropriate in all environments as a high-level objective, and it also is a common and recommended objective for individuals and teams. The measures are independent of whether the center actually has the staff necessary to achieve a targeted service level and/or response time; they simply gauge how closely agents adhere to schedules. Data generally comes from ACD and workforce management reports. For a detailed discussion, see Chapter 14.
AVERAGE HANDLING TIME (AHT). AHT is appropriate in all environments for forecasting, planning, and process improvement activities. However, it is generally not recommended as an agent standard. In many centers, AHT has been increasing as agent-assisted contacts have become more complex, due to the fact that advanced self-service capabilities have offloaded the simpler contacts. Cross-sell and upsell initiatives can also add time to contacts. Relative reductions in AHT through better processes, technologies and training can create significant efficiencies. AHT is available from ACD or related routing systems, as well as workforce management reports. See Chapters 6 and 13.
OCCUPANCY AND CONTACTS HANDLED. The service level at any given time will dictate the resulting occupancy rate and, therefore, the number of contacts handled. Beyond general trending purposes, these measures have limited use as indicators of productivity—see discussion in Chapter 14. Occupancy and contacts handled are available from ACD and related routing systems, workforce management reports, and potentially from other systems and servers. (See more extensive discussion in Chapters 7, 9 and 14.)
TRANSFERRED OR ESCALATED CONTACT. An excessive number of transferred or escalated contacts can indicate that they are not being routed to the right places, or that agents are not sufficiently trained, equipped or empowered to handle them. These measures are appropriate in all environments, and data is available from applicable routing systems.
Cost Performance
Common measures related to cost performance include:
COST PER CONTACT. Cost per contact (CPC) is appropriate in all environments as a high-level metric (generally reported monthly or quarterly). However, it must be interpreted correctly. An increase in CPC can, in some cases, be a good sign (e.g., process improvements may result in fewer contacts, spreading fixed costs over fewer contacts and driving up cost per contact).
Volume of contacts comes from ACD reports, and potentially other systems that track contacts. Cost data comes from several sources, including payroll (for staffing costs), budgets (for equipment, building depreciation, etc.), and telecommunications reports (for network costs).
AVERAGE CONTACT VALUE. Average contact value is appropriate for revenue-generating environments, such as reservation centers and retailers, where contacts have a measurable value. It is typically reported quarterly or monthly, but sometimes more frequently. Many organizations incorporate and track cross-sell and upsell results. Average contact value is challenging to apply (and generally not recommended) in centers where the value of contact is difficult to measure (e.g., customer service centers and technical support). Revenue information comes from any report that includes revenue generated by the contact center—sales reports, total orders, CRM system reports, etc. Volume of contacts requires reports from the ACD or related routing systems, along with the workforce optimization system.
REVENUE. As with average contact value, measures of revenue are appropriate for revenue-generating environments and can be reported quarterly, monthly, daily, or for other specific time periods. Results are often correlated with other variables, such as contact center costs, market conditions and revenues through other channels within the organization (e.g., retail or the direct sales force) to gauge the contact center's impact on the organization's profits. Revenue information comes from any report that includes revenue generated by the contact center, such as sales reports, CRM system reports, etc.

BUDGETED TO ACTUAL EXPENDITURES. Often called variance reports, these measures illustrate the differences between projected and actual expenditures for various budget categories (see example in Chapter 10). They are appropriate in all environments as high-level metrics, assuming they are considered within the context of changing workload variables and contact center responsibilities. They are generally produced both quarterly and annually, and they may be available monthly (or more often in some environments). Budget versus actual information can be formulated from corporate accounting systems, workforce optimization systems, or customized applications.

OBJECTIVES FOR OUTBOUND. Outbound measures often include number of attempted contacts, connected contacts, decision maker contacts (reaching the right person), abandoned contacts, contacts per hour, contact rate, cost per contact, and cost per minute. These objectives are appropriate and necessary in environments that include outbound contacts.

Strategic Impact

Common measures related to strategic impact include:

EMPLOYEE ENGAGEMENT. Studies have demonstrated that customer satisfaction and loyalty increase as agent engagement increases. Results of surveys to gauge agent engagement should be compared with employee engagement in other parts of the organization. Data is generally captured via anonymous surveys, and it can be augmented by focus groups and one-on-one interviews. See Chapters 14 and 16.

TURNOVER. Retention is an increasingly important metric as contact centers become more complex and agent skills and experience requirements escalate. Reductions in turnover typically can be translated into financial savings, overall improvements in quality and productivity, and higher levels of strategic contribution.

Turnover reports are often produced monthly (calculated on an annualized basis) and should be categorized as voluntary (they decide to leave), involuntary (they are forced to leave), or internal (which is often positive, as it could mean a promotion or strategic move to another area). I also suggest you look at when it occurs—see Chapter 14. Data is captured and reports generated from human resources information systems (HRIS) and/or workforce management systems.

CUSTOMER SATISFACTION AND LOYALTY. Measuring customer satisfaction or related perceptions of service is necessary and appropriate in all environments and has the greatest value when trended over time and correlated with other measures and developments (e.g., what impact do changes in policies, services and processes have on customer satisfaction?). Data can come from surveys, focus groups, product and service reviews, social media posts, and other sources. Customer loyalty is usually viewed through measures of repeat business over time (improved "wallet share"), cross-sells and upsells. See this chapter for discussions of customer satisfaction, customer effort score, and net promoter score. Also see Chapters 2 and 13.

SENTIMENT TRENDING. Sentiment analysis focuses on the nature of customer comments about a company's products, services, and reputation. It is an important aspect of social media customer service; with speech and text analytics tools it can be applied to interactions captured through virtually any channel. Sentiment can be broadly categorized as positive, negative, or neutral. Deeper levels of analysis can correlate findings with changes in services and products, competitive trends, customer demographics and other variables.

STRATEGIC VALUE. Measures and objectives related to strategic value seek to identify, quantify, track, improve and communicate the contact center's return on investment (ROI) and impact on other business units. These measures are often related to:

- Improved quality and innovation
- Leveraged marketing initiatives
-

- More focused products and services
- Efficient delivery of services
- Supporting self-service systems
- Minimizing potential legal issues
- Contributions to sales and revenue
- Improved brand reputation and word of mouth

These metrics are appropriate in all environments. While revenue- and profit-related metrics will not apply to non-commercial organizations (e.g., government and not-for-profit), the contact center's impact on things like innovation, quality and customer satisfaction applies in any environment. Reports are generally a combination of examples and analysis, and data comes from a variety of sources. See detailed discussions in Chapters 10 and 13.

This list is a starting point. Literally hundreds of other metrics—or combinations thereof—exist. Let your needs, objectives, and imagination lead to other possibilities for consideration.

7 Essential Areas of Focus

Given the sheer number of possibilities, and the constant change in the business environment, many managers are looking for guidance on objectives and standards. Where do we stand? What are others doing? What performance is good enough? What will please customers? What is "world-class"?

These are reasonable questions, and you should be asking them. But let's start with a basic truth: ultimately, you will need to establish metrics and objectives that are right for your organization. That involves learning all you can about the process of establishing contact center objectives and how variables are interrelated, developing a solid customer access strategy, and tying it to your organization's overall strategic objectives, and then establishing the metrics and objectives that make sense for you.

"The test of any policy in management…is not whether the answer is right or wrong, but whether it works."
PETER F. DRUCKER

"Okay," you might be saying. "I agree with the notion of choosing objectives that are right for our organization. Still … help me get started. Which measures absolutely, positively must be in place?"

Fair enough. There are seven categories of measures that every contact center should have (we'll discuss areas of focus for individual agents in Chapter 14). I recommend you view them as building blocks, from most tactical to most strategic. And I'll discuss them in that order, from the bottom up.

FORECAST ACCURACY. If you don't have an accurate prediction of the workload coming your way, it's almost impossible to deliver efficient, consistent service and achieve high levels of customer satisfaction. That's true for any channel—phone, chat, social media, and others.

SCHEDULE FIT AND ADHERENCE. If you have a good handle on the workload, you can build accurate schedules that ensure the right people are in the right places at the right times. This is best managed from the bottom up, with ample buy-in from agents, and it is an important enabler to everything else you're trying to accomplish.

SERVICE LEVEL AND RESPONSE TIME. These objectives are really just outcomes—the result of forecasting the workload and matching it with the right resources. If customer contacts don't get to the right places at the right times, little else good can happen. Establishing service level and response time objectives is key to ensuring that the organization is accessible wherever and whenever customers choose to interact.

QUALITY AND FIRST-CONTACT RESOLUTION. Quality is the link between contact-by-contact activities and the organization’s most important objectives. First-contact resolution is essentially an extension of quality—a tangible result of getting quality right. Quality measures should be applied to every type of customer interaction.

EMPLOYEE ENGAGEMENT. Employee engagement strongly impacts customer experience, and it is an essential measure in any environment. Agent engagement often has a definable, positive correlation with retention, productivity, and quality.

CUSTOMER SATISFACTION AND LOYALTY. Customer satisfaction is essential in all environments. It has the greatest value as a relative measure and in conjunction with other metrics (e.g., what impact do changes in policies, services and processes have on customer satisfaction?). Customer loyalty is usually viewed through the totality of the customer’s relationship with the business. Robust methodologies such as net promoter score or customer effort score can provide deeper insight into improvement opportunities, and a baseline for benchmarking (see Should You Have an Overall KPI, below).

STRATEGIC VALUE. What contributions does the contact center make to product innovations, revenue, marketing initiatives, and other business objectives? Strategic measures are often focused on examples of impact in these and related areas, fueled by listening, engaging, and learning from customer interactions. See Chapters 10 and 13.

Other metrics and objectives should be driven by your organization’s mission and objectives. For example, many customer service environments focus on customer satisfaction, efficiency issues and cost measures. Sales environments often base key objectives on revenue, cross-sell, upsell and customer retention activities. And encouraging the use of self-service systems or customer communities and preventing contacts before they happen (e.g., by working with other business units to simplify features, fix glitches or improve user instructions) are important objectives in many technical support environments.

These seven areas of focus should be in place in any contact center. I find that, in many cases, two or three (or sometimes more) are missing or not strongly established. So this is an area

of opportunity for many organizations.

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TRUE OPTIMIZATION

As contact centers have developed and matured, there has been a lot of attention on “optimization.” To many executives,
optimization is synonymous with driving costs out of the business—moving contacts to lower-cost channels (self-service,
reducing human contact with the customer, and driving down handling times. “This is all wrong,” says Mary Murcott, who’
large contact centers for DHL, American Express, Budget Rent a Car, and others. “This is not optimization; this is driving
distorted view of efficiency even further down the current wayward road.”

According to Murcott, true optimization requires moving away from “ancillary measurements,” such as cost per contact, a
instead focusing on customer loyalty. I agree 100%, and that is a theme throughout this book. The best contact centers a
passionately focused on customer experience. They enable their organizations’ personalities to shine through. And you c
in customer loyalty, agent engagement, and great business results.

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Should You Have an Overall KPI?

Many successful leaders establish an overall metric that reflects customer experience. I think that’s a wise move, but it’s important to do so with a caution in mind.

There are several common methods you can choose from when establishing an overall KPI, including customer satisfaction, net promoter score (NPS) and customer effort score (CES). The idea is to have an easy way for anyone to see how things are going. To liken it to sports, the actions your team takes represent what’s happening on the field. The metric provides the score.

CUSTOMER SATISFACTION. Surveys that measure customer satisfaction, or “CSAT” as it’s sometimes called, are one common approach. They are based on variations of the question

"How satisfied are you?" or "How would you rate your experience?"

CSAT is not a measure of customer loyalty, which is what we'd really love to know (but only behavior can truly gauge loyalty). And it's tough to use CSAT for benchmarking because specific approaches vary widely. But it's so common that you may already have years' worth of data within your organization that can serve as a baseline.

NET PROMOTER SCORE. Net promoter score (NPS) is another popular approach, and it's based on the survey question "How likely is it that you will recommend us to others?" Input is provided on a ten-point scale, with 10 being very likely to recommend. In calculating the score, 9s and 10s are considered to be promoters, 7s and 8s are neutral and 6s and below are detractors.

The overall net promoter score is then expressed as an absolute number between -100 and +100, which is the difference between the percentage of promoters and detractors. So if you have

75% promoters and 20% detractors, the NPS will be 55. Net promoter scores above 0 are considered good; I love to see scores above 50, which are excellent. USAA, Patagonia, Fidelity Investments, and Apple had scores well above 50 in a recent report.

Some critics question whether NPS can identify specific improvement opportunities. But it's used by over two thirds of Fortune 500 companies, so it can be a good basis for comparison.

CUSTOMER EFFORT SCORE. Customer effort score (CES) is emerging as an alternative to customer satisfaction and net promoter score. It's based on the question "How easy was it to resolve your issue?" Responses are captured on a seven-point scale—7 being very easy. Research by the Corporate Executive Board (CEB) shows customer effort to be a strong predictor of customer loyalty. It's also appropriate for service in organizations that have no competition, such as a government agency.

Let me offer a couple of cautions when using any of these alternatives. First, measures of customer experience don't have much value unless you know what's driving them. So, they are best viewed along with other metrics. Verbatim comments also can be very helpful (and with large sets of data, analytics applications can be a great help in identifying themes and pain points).

Second, ensure that overall scores are not the only thing you—or senior executives—look at. Be sure to also follow customer behavior. Do they continue to buy? Do they try new products? What are they saying about you in social media channels?

The right leadership approach is so important. Remember, you're not trying to produce scores; you want results. You want a real understanding of the impact and value of the contact center, and these survey scores are just part of the picture. (See Navy Federal Credit Union Leaves Scores Behind, Chapter 14).

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FROM METRICS TO VALUES AT HERSHEY

There was a time we emphasized a lot of metrics at Hershey Entertainment & Resorts (where I served at that time as Manager, Training & Guest Experience). But we also were aware that a key element of employee engagement is making connection between work and each employee's intrinsic values. So we came to the conclusion that we should put more fo living out our values—we believed good results (including in our metrics) would follow.

These efforts led to a program called "Legacy Checks." Our intent was for our employees to live, breathe, and genuinely believe in our four core values—Own, Anticipate, Delight and Inspire. Rather than just posting values on a wall, we define it looked like to embody each value—with co-workers, customers, and in everyday work. We implemented an on-the-spot recognition program to reward people for demonstrating our values in their day-to-day work. This included a hand-written was tied to a monetary reward, and explicitly outlined the positive behavior and associated core value. Beyond the Legac Checks, we used these values to guide the decisions that we made as leaders.

The end result? Our employees authentically served customers with the company's values as their guiding light, our leade made decisions based on true business priorities, and we delivered exceptional experiences for our customers. We could positive results in both customer loyalty and employee engagement. And yes, in our metrics as well. In short, we focused values rather than metrics. That made all the difference.

By Justin Robbins, JM Robbins & Associates

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Avoiding Common Pitfalls

In the 1960s, as mainframe computers were entering the business world—and inspiring much awe—sociologist William Bruce Cameron observed that it would be nice if everything could be represented in numbers and “run through an IBM machine.” But he warned, “not everything that can be counted counts, and not everything that counts can be counted.”

It’s a quotation sometimes attributed to Albert Einstein, and though the source may not be clear, the message certainly is. And it’s fair warning. You have to be mindful about the metrics you establish, how much you read into them, and how you use them to guide decisions.

Here are some common “metric pitfalls” to avoid:

HAVING BLIND SPOTS. I recall meeting with executives of a large firm that provides HR and payroll services. They had won awards for the quality of their contact center service. But they were seeing some troubling downward trends in customer satisfaction. Why? What was wrong?

As we discussed the full range of service channels (e.g., social media, mobile apps, and others), I pulled up their Facebook site on a laptop projecting to a screen at the front of the room—and heard a collective gasp. Alongside well-intentioned and upbeat messages from the company was a string of posts from a frustrated customer who needed help with a simple password reset, but had received no response. His posts were in all-capital letters; it was clear he was upset. The company didn’t have a service presence (let alone metrics!) in some of the channels their customers expected. It was time to broaden the reach of what they were measuring.

ESTABLISHING TOO MANY METRICS. Another pitfall is having far too many metrics, along with the message that they somehow must all be tracked and managed. There is a tendency for that to happen: someone sees an improvement opportunity or operational gap, believes that a report could provide visibility, and adds it to the mix.

However, there’s often a lack of similar efforts to cut down and eliminate reports that aren’t helpful. Or to differentiate between supporting metrics and those that are most important. Clutter has a significant downside. If there are too many metrics, your team’s focus will be diluted.

PAINTING AN OVERLY OPTIMISTIC PICTURE. Reporting the contact center in the best possible light can undermine success. There are a lot of ways to produce reports so that the center looks as effective as possible to senior management. However, if you mask serious resource deficiencies or problems with processes, the center is less likely to get the resources and support it needs. That, in turn, will undermine your ability to perform (see Chapter 4).

There’s also the related issue of psychology. When upper-level managers see room for improvement, they tend to feel more assured they are getting the whole story (plus, being transparent and presenting the whole picture is the right thing to do).

CREATING CONFLICTING MESSAGES. I too often see service metrics that conflict with each other, leaving the team to guess what’s most important. For example, an insurance company recently began focusing on first-contact resolution. This is a wise move, and customers appreciate it; it contributes to true effectiveness. But their cost per interaction began going up, largely for a reason that is not immediately obvious: they have proportionally fewer interactions, because they are preventing repeat and unnecessary work. So fixed costs are being allocated across fewer contacts. Their total costs are going down, and they’ve had to re-educate managers to not look at average cost per contact in a vacuum. It doesn’t tell you everything you need to know.

ENCOURAGING THE WRONG BEHAVIOR. An all-too-common pitfall I see is when metrics encourage the wrong behavior. Perhaps you’ve had a service technician say, “Hey, you will receive a survey within the next week, and if you don't provide a top score, it will reflect on me." That kind of conversation—begging for scores, as some call it—is awkward for employees and customers. And it defeats much of the value in what you can learn about the customer's experience.

TRYING TO MATCH "BENCHMARKS." As you work toward achieving important objectives, it's essential that your team recognizes what the metrics are really saying. Don't get trapped by benchmarks. For example:

- Maybe your first-contact resolution rate is lower than what similar organizations say they are achieving; but you might be measuring it more rigorously and/or working to handle easy contacts without the assistance of agents.
- Your center's average handling time (AHT) might be higher than that of other centers. However, if you're using that time to prevent repeat contacts, refine processes and capture information that can improve products and marketing, your efficiency (and associated costs) may be far better than they are for those other centers.
- Your service level or response time objectives may be more modest than others in your industry. But you might actually be doing better than they are, if you hit them increment after increment, day after day.

It can be a minefield out there. But it doesn't have to be. Not if you are aware of these pitfalls, and do the work necessary to leverage the potential of your metrics to drive innovation and improvement. Jeff Rumburg, co-founder of research firm MetricNet, estimates that 100% of organizations have KPIs, 80% can define their KPIs, 30% understand KPI cause and effect, 10% use metrics to continuously improve, and around 5% leverage KPIs for "world-class" performance. I concur with these estimates—there's a lot of opportunity in many contact centers.

Reporting Contact Center Activity

Reporting contact center activity to senior-level management and others in the organization can seem like a daunting task. Contributing to the challenge is the wide variety of activities in a typical center, the reality of senior management not having the time to pore over detailed reports, and the fact that summary reports often gloss over important information. Consequently, many diligently prepared reports either go unread or are misunderstood.

Clearly, good communication doesn't happen just because detailed information is available. Any manager buried in reports yet struggling to convey basic realities can attest to this. As with budgets, the process you establish to communicate ongoing contact center activity is as important as the information itself.

The following steps can help you identify and prepare meaningful reports and ensure that they are understood:

1. DETERMINE YOUR OBJECTIVES. What are the objectives for the reports? In other words, what should other managers know about the contact center or the information it has acquired, and why? To find the answers, assemble a team of managers from across the organization for a working discussion. (And don't forget to include other members of the contact center team, such as supervisors, team leads, and agents.) General areas of interest usually include:

- Customer experience and voice of the customer
- Quality measurements
- Access alternatives and workload trends
- Contributions to other business units

- Costs and revenues
- Queue reports (such as service level and abandonment)
- Resource utilization and requirements (e.g., staffing and scheduling needs)

From these major categories, important measurements will emerge. It's often useful to preface this exercise with a question like, "In an ideal world, what would we really want to know about our contact center?" At this stage, don't be concerned about whether or not you have the reports to support the objectives you identify. Your objectives—not the reports you happen to have—should drive this process.

2. IDENTIFY SUPPORTING INFORMATION. List the possible reporting alternatives under each of the objectives you identified in the first step. Include information from systems, databases, surveys, other departments, and external sources.

The challenge now becomes one of selection. Stephanie Winston, author of the classic book The Organized Executive, advises that a report should not simply collect facts, but serve as a judgment tool for management. To pare down the lists, Winston suggests asking a variety of questions: Is the report really necessary? What questions does it answer? Which reports would you dispense with if you had to pay for them? Could several reports be combined? Will you act on the information to effect change?

3. PUT THE INFORMATION IN A USER-FRIENDLY FORMAT. Once you have a list of desired reports, the next step is to compile them into a simple, understandable format. This often means creating illustrations. For example, simple line charts can illustrate trends that would otherwise appear as hard-to-decipher numbers. Reports that rely on graphs may take more pages, but a five-page report consisting primarily of graphs is often quicker to read and easier to comprehend than two pages of detailed numbers in rows and columns. Look for data that can be combined or contrasted to provide a more complete story (see example).

4. CLARIFY INFORMATION THAT COULD BE MISLEADING. As any seasoned contact center manager has learned, you can make reports show just about whatever you want. For example, you can prop up service level by overflowing contacts to other groups, changing distribution priorities, or taking messages for later callbacks. Or you can provide overall reports for longer timeframes that conceal problematic intervals. Clearly, simply providing high-level reports on service level or quality can be misleading. The reader needs more information.

Expenses continue to trend higher than budget, with staffing expenses at the agent level accounting for 88% of the varian
social media contacts have also increased, due to higher-than-expected response to the new marketing campaign. One c
classes ($30,000 each).

5. EXPLAIN EXCEPTIONS. There will be points that are clearly out of the norm. Don't leave your audience guessing. Explain deviations—both what happened and why. Why did wait times go through the roof in early February? A simple footnote can provide the answer: "Power outage in Northeast; workload 40 percent higher than normal."

6. ADD PRACTICAL EXPERIENCES. Giving recipients a report to read on what happens on Monday mornings versus bringing them into the center to observe what happens is the difference between night and day. You need to do both. Teaching key contact center dynamics to managers outside the center is necessary to create a clear understanding of how cross-functional decisions and actions link with the center's overall effectiveness. And contact center executives need a solid understanding of the concerns, challenges, and objectives in other areas of the organization. This mutual understanding forms a strong and essential foundation for effective reporting and communication.

7. ORGANIZE AN ONGOING FORUM FOR ACTING ON THE INFORMATION.

Presenting data in a clear, concise, and actionable format is a start. But the sharing of reports must be followed by a forum for discussing and acting on the information. This becomes the primary opportunity to turn information into sound business decisions.

When metrics show underlying improvement, be sure to acknowledge contributions and celebrate! That's the real purpose of metrics—and how to really bring them to life. Harness their potential to identify where you can improve and innovate. Use them to shine a light on the progress you and your team are making. Keep the momentum going!

When robust process improvement efforts are coupled with sensible objectives and

accountabilities for individuals and teams, the contact center is in a position to achieve results that create real value for customers and for the organization. We'll pick up with these subjects in the next two chapters.

***

Points to Remember

■ Although terms such as measure, objective, goal, and target are often used interchangeably, they have different meanings when applied specifically.

■ Common metrics can be broadly divided into categories that include quality, accessibility, operational efficiency, cost performance and strategic impact.

■ There are literally hundreds of possible metrics and objectives—alone and in combination —from which to choose.

■ Key metrics—those related to forecast accuracy, schedule adherence, service level and response time, quality and first-contact resolution, employee engagement, customer satisfaction, and strategic value—should be in place in every contact center.

■ Other metrics will be unique to your environment. You will need to establish objectives that are right for your organization and ensure that you do not make the mistake of looking at any one in isolation.

■ The process you establish to communicate ongoing contact center activity is as important as the information itself.

Chapter 13: Boosting the Contact Center's Value

"It will not suffice to have customers who are merely satisfied."

W. EDWARDS DEMING

The ongoing need to improve quality and performance has led to numerous management movements over the years. By the mid-20th century, the world had seen the rise of scientific management (Frederick Taylor), human relations, inspection, safety, statistical quality control, and others. More recent examples include Six Sigma, management by objectives (MBO), total quality management (TQM), reengineering, Kaizen, and Lean Six Sigma.

So, today's generation of quality, performance, and customer experience initiatives is building on a rich history. Naturally, new ideas and methods will follow. But some core themes have emerged from these management advances—principles that are today guiding developments in contact centers.

My purpose here is to make sense of these principles and to (hopefully!) inspire you to see the vast opportunity that exists to innovate and improve. As you drive the right kind of change, everybody wins—your customers, your employees, and your organization.

1. Quality Must Be Based on Customer Needs and Expectations

The need to identify and address customer expectations stems from a widely accepted principle: improvements in customer satisfaction lead to increased customer loyalty, better business results and a stronger brand reputation. That's why the customer access strategy must be based on the ten customer expectations (see Chapter 2). Consider the old adage about building the best-quality horse buggy in town: it doesn't matter if no one wants it.

***

TEN KEY CUSTOMER EXPECTATIONS
(no specific order)
1. Be accessible
2. Treat me courteously
3. Be responsive to what I need and want

4. Do what needs to be done promptly
5. Provide well-trained and informed employees
6. Tell me what to expect
7. Meet your commitments and keep your promises
8. Do it right the first time
9. Follow up
10. Be socially responsible and ethical
***

A lesser-known but similarly powerful principle is also at work: meeting customer expectations often translates into higher levels of service that are delivered at proportionally lower costs. Yes, more loyal customers save the organization lots of marketing dollars. But there's more to it than that.
Take the simple issue of being courteous (one of the ten primary customer expectations). In today's environment, that means such things as: don't make customers repeat the same information, don't transfer them around, and don't make them go over their account history again. Customers don't know (nor should they care) that these guidelines require processes and systems that deliver relevant information to the right agent at the right time. To them, it's simply a matter of courteous service.

To the organization, however, meeting this expectation almost always translates into service that is more cost effective to deliver. Being responsive, handling contacts right the first time, relaying expectations to customers—everybody wins, including customers, employees, and shareholders.
Three key questions that should always be part of your decision-making process are: What are your customers' expectations? Are you meeting or exceeding them? Are you using the fewest possible resources to do so?
Don't guess at what your direction should be. Listen to what customers are saying in surveys, social media posts, feedback sites—doing everything you can to put yourself in their shoes. Above all, take every opportunity to listen to, engage with and learn from customers during interactions.
***

SEEING THINGS AS YOUR CUSTOMERS DO
Many successful leaders are uneasy with depending on surveys and aggregated data to tell them what's really happenin
with customers. They want to put themselves in their customers' shoes. They want to see their organization, products, em
and competitors as their customers do.
The late Herb Kelleher, founder of Southwest Airlines, made spending time with customers and employees both a regula
practice and a priority. He'd fly different routes, wander through airports, and strike up conversations. Howard Schultz, for
chairman and CEO of Starbucks, spent significant time in stores, which helped him see opportunities (such as investing i
espresso machines so baristas can have eye contact with customers).
Many leaders find that spending time with customers feels awkward at first. But for the most effective among them, this commitment becomes the norm; it becomes an indispensable part of their perspective and decisions.
***

2. Quality and Service Level Work Together
Quality and service level are inextricably associated with, and complementary to, each other.

As discussed in Chapter 4, service level is an enabler. As service level deteriorates, more customers will verbalize their criticisms when they finally do reach an agent. Agents spend valuable time apologizing. Handling times go up. Burnout increases. Morale and turnover take a hit, leading to an increase in recruitment and training costs.

When you consider the components of a quality contact, the complementary relationship between quality and service level becomes evident. Think through how each applies in your environment. What if data is not entered correctly? What if the customer doesn't have confidence the contact was handled correctly? What if you didn't capture useful information from the interaction?

***

WHAT IS A QUALITY CONTACT?

- Customer can access the contact channels desired
- Contact is necessary in the first place
- Customer is not placed in queue for too long
- Customer is not transferred around
- Customer doesn't get rushed
- Agent provides correct response
- All data entry is correct
- Customer receives correct information
- Agent captures all needed/useful information
- Customer has confidence contact was effective
- Customer doesn't feel it necessary to check up, verify or repeat
- Customer is satisfied
- Agent has pride in workmanship
- Unsolicited marketplace feedback is detected and documented
- Others across the organization can correctly interpret and effectively use the information captured
- The organization's mission is furthered

***

These problems contribute to repeat contacts, escalations, and contacts through multiple channels, further reducing service levels. Costs, of course, go up.

When service level is low, agents are working one interaction after another due to congestion in the queue. Customers begin telling them in no uncertain terms about the tough time they had getting through. (If you haven't had the opportunity, I encourage you to experience it: go handle some contacts that begin, "I hate your system" or "Everyone must be on break, huh?")

Under this kind of pressure, any of us are bound to make more mistakes. These errors further contribute to repeat contacts and time spent on things that would otherwise be unnecessary. Poor service level becomes a vicious cycle.

***

EXAMPLES OF COSTS WHEN QUALITY IS LACKING

- Unnecessary service contacts
- Repeat contacts from customers
- Contacts to customers for missing or unclear information
- Escalation of contacts and complaints to higher management
- Handling product returns
- Expenses to re-ship
- Wrong problems get fixed
- Loss of revenue
- Cost of closing accounts
- Negative publicity
- Loss of referrals
- Diversion of agents to activities that should be unnecessary
- Agents “taking the heat” for mistakes made by others

***

Just as service level and quality are linked, so too are quality and response time. If customers don’t receive a reply to a message (email, social media post, etc.) as quickly as expected, or if they don’t receive the correct or expected response, they may send another. Or messages can take on increased urgency: “I sent a message and haven’t received a reply yet …”

To visualize the relationship between accessibility and quality, take a look at the implications through the lens of a staffing table (see table, Revisiting Service Level). What percentage of contacts are repeat, or due to waste and rework? And how does this impact call handling time (talk plus after-call work)? How about agents? How many are involved in creating or fixing waste and rework?

By looking at these relationships in this way, you can quickly dispel the notion that accessibility and quality must be “balanced.” No…they work together!

Example Service Level Objectives

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IMPACT OF REDUCING DEFECTIVE CONTACTS

- Quality up

- Production of good contacts up
- Capacity up
- Costs down
- Profit improved
- Better customer experience
- Better agent experience

***

3. The Process Is Where the Leverage Is

A process is a “system of causes.” (Note: in the context of quality and process improvement, “system” refers to the system of causes or processes, not a technology.) The contact center itself is a process, a system of causes. It is part of the organization, which is an expansive system of causes. An agent group is a system of causes within the contact center. And each contact comprises a system of causes.

The central focus of the process illustrated in the above figure can be any high-level measurement or result that you want to achieve. Note that most of the items are the responsibility of management and the organization, not individual agents. Also note that just about everything is interrelated, so the causes of performance problems are often difficult to isolate and measure. This illustration leads to a principle that is at the heart of the modern quality movement: there is little use urging agents to improve quality without making improvements to the system itself. Many of the things that contribute to quality are beyond their direct control, such as having good training, the right tools, accurate information, and a logical workflow. The system of causes—the process—is where the leverage is.

Some managers try to force change by setting strict standards for agents. But that will not improve underlying processes and usually is detrimental. So where do you begin? You can look at the most important performance indicators (see Chapter 12), and ask some key questions. What are customers saying? Where are you making mistakes? What levels do you want to raise (or lower)? Where are the innovation opportunities?

But tracking results isn’t the same as improving them. To make improvements, you have to work on the factors that cause these outputs to be where they are. In other words, you have to work at a deeper level—the root causes.

4. Fix Root Causes to Make Lasting Improvements

Have you ever been part of this conversation: “I thought we fixed that problem! Why are talking about it again?” Chances are, a symptom was addressed, at least temporarily, but the root cause was not fully identified and resolved. Your proof that a problem has been fixed is that it doesn’t recur, or its frequency is reduced dramatically.

Without an appropriate approach and supporting tools, identifying root causes is a significant challenge. Consider a recurring problem such as providing incomplete information to customers. Maybe the cause is insufficient information in the CRM or knowledge management systems. Or a need for more training. Or maybe a lack of coordination with other departments. Or agent stress from a chronically high occupancy rate. Or a combination of any of these factors.

If the problem is to be fixed, you need to understand its root cause. You can then take the necessary corrective actions. The tools that the quality movement has produced and popularized over the years are helpful in understanding processes and identifying underlying causes. If you've had formal training in quality improvement, you are likely well-versed in the use of these tools. My purpose here is to illustrate some ways they can be applied in your contact center—and to encourage you to use them!

Root Cause Analysis: Non-Statistical

There are two approaches to root cause analysis: non-statistical and statistical. Non-statistical approaches are easy to use and understand—and can be very effective.

Five Whys

The "five whys" is a simple and often effective technique to identify the root cause. Simply ask why a problem is occurring (at least five times) and follow the trail.

Here's a simple example. Surveys of bank customers in the last two quarters show a noticeable drop in satisfaction:

Why are customers unhappy?

27% of respondents mention bank fees.

Why are fees more of a problem?

They are being charged more frequently.

Why are they being charged more frequently?

More accounts are falling below the minimum balance.

Why are more accounts falling below the minimum balance?

Customers were not aware of the change in required balance.

Why weren't they aware of the change?

30% don't reconcile their accounts monthly and didn't see the announcements.

That may be the root cause: communication did not go out in enough places; customers didn't get the message.

This approach can provide insight very quickly. It's a good starting point for root cause analysis, and it can keep you from missing something obvious.

Here are some situations in which the "five whys" technique may be effective:

- Why specific errors are occurring
- Why more customers are not using self-service
- Why you're getting more of some contact types

Flow Chart

A flow chart is a map of a process used to analyze and standardize procedures, identify root causes of problems, and plan new processes. Flow charts are also excellent communication tools and can help you visualize and understand the steps of a process. (For a simple example, see Which Metrics Become Objectives.)

One of the most useful applications for a flow chart is to analyze the steps associated with the contacts you handle. Some think of an interaction as a simple, singular event. Not so! Even a very simple contact consists of many steps. To really understand the process, it is useful to chart what happens, step by step (see Understanding AHT, Chapter 14).

Sometimes, a sweeping analysis of the customer journey is helpful. With senior management's support and direction, representatives from across the company—the contact center, fulfillment, marketing, billing and credit, IT, etc.—can map out interdepartmental and interorganizational processes to identify areas that need to be improved or overhauled. This is a common and necessary part of many customer experience initiatives.

Here are a few things to flowchart:

- Contacts, step by step
- Capturing, sharing, and acting on voice of the customer

- The customer journey map

Cause-and-Effect Diagram

The cause-and-effect diagram, alternatively called a “fishbone diagram” (because of its shape) or Ishikawa diagram (after its creator, Dr. Kaoru Ishikawa), is recognized and used worldwide. It illustrates the relationships between causes and a specific effect you want to study. Preparing a cause-and-effect diagram is an education in itself, and everyone who participates will gain a better understanding of the process.

The traditional cause categories are referred to as the 4Ms: manpower, machines, methods, and materials. A variation on these categories—people, technology, methods, and materials/services—works better for contact centers. However, these labels are only suggestions; you can use any that help your group creatively focus on and think through the problem. Possible causes leading to the effect are drawn as branches off the main category. The final step is to prioritize the causes and work on the most prevalent problems first.

There is no one right way to make a cause-and-effect diagram. A good diagram is one that fits the purpose, and the shape the chart takes will depend on the group. They evolve differently every time.

The cause-and-effect diagram is great for analyzing problems such as:

- Repeat contacts
- Inconsistent adherence to schedule
- Inaccurate forecasts

Root Cause Analysis: Statistical

Perhaps you’ve attempted to identify the root causes of a problematic aspect of service or customer experience using non-statistical methods. Several possibilities have surfaced, and they all seem plausible. How do you know which root cause deserves your further attention? This is where a statistical approach comes into play.

Statistical approaches to root cause analysis are a powerful complement to non-statistical methods. They can help you identify and quantify root causes, and track progress as you make changes.

Scatter Diagram

A scatter diagram assesses the strength of the relationship between two variables, and is used to test and document their possible cause and effect. The correlation between customer satisfaction and agent satisfaction (based on research from MetricNet) is an example.

If there is a positive correlation between the two variables, dots will appear as an upward slope. If there is a negative correlation, the dots will appear as a downward slope. Generally, the closer the pattern of dots is to a straight line, the stronger the correlation is between the two variables. However, points on a scatter plot do not need to fall into a linear relationship to suggest a correlation. (Think of the pattern that illustrates someone’s age versus how fast they run, which over a lifetime increases and then eventually begins to decrease.)

Useful applications of scatter diagrams include:

- Service level versus error rate
- Agent satisfaction versus customer satisfaction
-

- Agent experience versus quality scores

Pareto Chart

The Pareto chart (named after its creator, Italian economist Vilfredo Pareto), ranks the events you are analyzing in order of importance or frequency. Complementary charts can add insight. If you want to look at errors by type, for example, you could create two more Pareto charts: cost to fix and time to fix. The Pareto principle (the source of the 80/20 rule) dictates that you should work first on the things that will yield the biggest improvements.

Ideas for using a Pareto chart include:

- Contacts by type
- Errors by type
- Contacts by channel

Control Chart

One of the reasons that it’s difficult to get to the root cause of quality problems in the contact center is because they are a part of a complex process, and any process has variation from the ideal. A control chart, which provides powerful insight on variation, can help.

There are two major types of variation: special causes and common causes. Special causes (for example, contacts from unexpected media activity on which training has not been provided) create erratic, unpredictable variation. Common causes are the normal variations that can affect quality.

A control chart enables you to bring a process under statistical control by eliminating the chaos of special causes. You can then work on the common causes by improving both the “system” and the whole process. Special causes show up as points outside of the upper control limit (UCL) or lower control limit (UCL), or as points with unnatural patterns within the limits.

A control chart cannot reveal what the problems are. Instead, it reveals where and when special causes occur. Once special causes are eliminated, improving the system (the process) will have far more impact than focusing on individual causes. Improvements to the system of causes will move the entire process in the right direction.

In short, control charts can help you reduce variation, prevent you from chasing the wrong problem, give early warning of changes in the process, and improve predictability and planning.

Here are some situations for which control charts can provide insight:

- Average handling time variations
- Percentage of defective contacts
- Requests for supervisory assistance

Admittedly, root cause statistical analysis can be fairly involved. Fortunately, you or others on your team probably have some experience in quality tools—this is a required topic in most business schools. There are also numerous books, seminars and how-to videos on statistical process control and related methods. (For an insightful discussion of quality control, the origins of the quality movement, and a look at the colorful life of the late W. Edwards Deming, check out his pivotal work, Out of the Crisis, The MIT Press.)

Benchmarking

While many of these tools focus on improvements from within, the idea behind benchmarking is that breakthrough ideas often come from the outside (outside the organization and, often, outside your industry). Benchmarking is the process of measuring your products,

services, and processes against those of other organizations.
It’s important to note that organizations are different enough, even within a given industry, that universally-accepted standards usually don’t exist. Things like labor rates, customer demographics, customer tolerances, network configurations, hours of operation, and the mix of part- and full-time agents vary widely. Further, organizations often interpret performance measurements differently. What is most important is knowing how the results were achieved, not just what the results are.

With these cautions in mind, a disciplined, focused benchmarking effort can produce information that helps identify improvement opportunities in areas such as service innovation,

customer engagement and retention, costs and revenues, management processes, measures used, and contact channels. A general approach to benchmarking can be summarized as follows:
DEFINE PROCESSES AND COLLECT PERFORMANCE DATA. This involves getting agreements on processes to be compared and measurements to be used.
ANALYZE COLLECTED DATA AND IDENTIFY BEST PRACTICES. This includes normalizing the raw data for differences and then identifying the best performers from each category.
PREPARE RECOMMENDATIONS. Based on findings, this entails identifying, paring down, and communicating specific recommendations.
APPLY FINDINGS. This involves developing a plan to implement improvements and track results.
Benchmarking, like other aspects of quality improvement, is most useful as an ongoing effort. What were once cutting-edge practices become the norm. As best practices become generally accepted, they can no longer be considered “best practices” (I always wince a little when I see common practices identified as best practices).
***

DON’T FORGET THE OBOES
A popular trend in process improvement is the effort to correlate specific contact center activities with overall customer satisfaction. For example, some consulting organizations have been convincing clients to lower service level objectives be
their scatter diagrams demonstrate minimal correlation between overall service level and customer satisfaction results.
The effort to understand how specific activities and measures influence overall results is laudable. But it can be reckless t
claim that you’ve figured out just how much a specific variable affects customer satisfaction. The late Peter Drucker often
an orchestra analogy to remind us that a manager has the task of creating a whole that is greater than the sum of its parts
conductor must always hear both the orchestra and the second oboe,” he said. “Can you hear the second oboe?”
There’s a fine line here: We need to understand how specific activities influence overall results, but we are being irresponsible if we cut oboes or add trumpets simply because this or that study shows they have X and Y impact on custo
satisfaction. As any coach, conductor, or artist knows, there’s more to it than that.
***

Small Improvements Lead to Big Returns
With any of these tools and methods, there is a danger of getting caught up in the analysis process itself and forgetting to move on to problem resolution. Once you’ve identified problems to tackle, assign responsibilities, provide necessary resources, and make the improvements. Then track progress.

Even seemingly small improvements can make a big difference. A government agency learned from frontline agents that constituents (customers) were sharing information in a different way than the system was capturing data. The customer service team worked with IT to redesign the screens and data fields used during interactions. This cut the average time to handle interactions by 3% (which, with an average cost per contact of $9, was 27 cents per contact).
Here’s the impact: with 620,000 annual contacts, the value of this improvement was $167,400

every year (3% × $9 × 620,000). The savings exceeded $1 million within six years. 27 cents! Yes, even small changes can really add up.

5. Contact Centers Enable Significant Strategic Value

As outlined in the first chapter, customer contact centers have the potential to create value on three distinct levels: efficiency, customer satisfaction and business unit (strategic) value. Level three—working with other business units—is where you can truly begin to leverage the contact center's potential to deliver strategic value to the organization.

As a primary customer touchpoint, the contact center has enormous potential to provide other business units with valuable intelligence and support. This can include input on customers, products, services, and processes. When this information is captured, identified, assimilated, and turned into usable knowledge, it can literally transform an organization's ability to identify and meet customer expectations.

The following list (which I encourage you to use and add to) summarizes the key benefits and support the contact center can provide to other business units.

Sales and Marketing

______ Deepens customer relationships
______ Helps recognize and reward loyal customers
______ Helps identify effective campaign strategies
______ Supports segmentation, branding, and personalization
______ Captures customer insight on competitors
______ Frees sales reps and others to be more productive
______ Other:

Manufacturing/Operations

_____ Pinpoints quality and production problems
_____ Provides input on the usability and clarity of products and services
_____ Contributes to product documentation and procedures
_____ Highlights distribution problems and opportunities
_____ Facilitates communication related to capacity or production problems
_____ Other:

Research and Development (R&D)/Design

_____ Provides information on competitive direction and trends

_____ Highlights product compatibility issues and opportunities
_____ Provides customer feedback on usability
_____ Differentiates between features and benefits from the customer's perspective
_____ Identifies product and service innovation opportunities
_____ Other:

Legal

_____ Serves as an early warning system for potential legal problems
_____ Identifies product or service defects
_____ Facilitates consistent and accurate promises on products and policies
_____ Identifies misleading statements in warranties, etc.
_____ Identifies news/media issues that may need immediate response
_____ Other:

IT/Systems Development

_____ Identifies self-service and system design improvements
_____ Helps customers understand and use channels and systems
_____ Boosts the accuracy and effectiveness of knowledge management
_____ Identifies processes and services that can be automated
_____ Is a driver of IT/systems advancements
_____ Other:

HR/Training

______ Contributes to recruiting and hiring initiatives
______ Contributes to skill and career path development
______ Contributes to coaching and mentoring processes and expertise
______ Helps foster a learning organization (e.g., through systems, processes, and pooled expertise on products and customers)
______ Contributes to training and HR expertise and processes

Financial

______ Captures cost and revenue information by customer segment
______ Contributes to the control of overall costs
______ Is essential to successful mergers and acquisitions
______ Contributes to shareholder value through strategic value contributions (e.g., product and service innovation)
______ Helps identify priorities in improving customer experience

I love discovering inspiring examples of how organizations leverage these opportunities. For example:

- The Australia Zoo turns customer inquiries into ideas for custom visitor packages (such as the koala experience and the wombat encounter), which has boosted per-visit revenue and the frequency of repeat visits.
- Moen, a manufacturer of faucets and fixtures, mines customer interactions to guide how-to videos on YouTube.
- Intuit uses customer insight when designing accounting packages for specific types of businesses.
- Bose Corporation analyzes customer inquiries for ideas on simplifying product design and improving the clarity of user guides.
- Amazon refers to its contact centers as “R&D machines,” providing information useful for continuously improving systems, processes, and self-service capabilities.
- UPMC Health Plan’s “Service Excellence Champions” engage directly with departments to address issues in those areas that impact the customer experience, and to identify and fix root causes.

The contact center profession is beginning to discover the powerful contributions that are possible. But those furthest along the continuum are the first to point out that there’s a lot more potential.

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LUTRON’S “INSIGHT CENTER”

Lutron is a global electronics company and major player in the Internet of Things (IoT) and connected home markets. Products include control systems for lighting, ceiling fans, shading and others, which can be controlled from smartphones assistants (such as Alexa), and other devices.

At a recent ICMI conference, Matt Dixon, advisor and coauthor of The Effortless Experience, and Tim Donchez, Continuo Improvement Director at Lutron Electronics, presented a case study of Lutron’s experience in harnessing strategic value. contact centers handle complex interactions—they come from retail partners, distributors, electricians, architects, individu consumers and others. And they inherently involve products not only from Lutron, but from other companies as well. Tim an essential ingredient to success: “We hire great people, and we trust them to use their judgment to serve our customers Lutron records calls and uses analytics to better understand the content of those calls, but not with improving frontline performance as the objective. Instead, the goal is to mine the rich feedback customers provide on Lutron’s products, bran

services, installation experiences and (as Matt puts it), “almost every other thing that leaders at Lutron need to make bette
products and deliver a better experience to their customers.”

Tim points to numerous insights that have been gleaned through this approach. For example, a particularly vexing installation problem that drove a lot of calls was solved by addressing some confusing language in the installation instruct
other examples, the contact center partnered with the engineering team on new product launches, and provided guidance
partners on products and services.

Tim summarizes the value of the contact center: “We’ve got a line of business partners out the door who want to get acce
to the data because it allows them to deliver products and experiences to our customers—to learn quickly what’s working
what’s not and then to act decisively.”

Source: “Turning Your Contact Center Into an Insight Center,” by Matt Dixon, ICMI.com

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How do you identify and leverage the potential your contact center has? A number of key lessons have emerged:

- Seek first to understand. Develop good working relationships with the individuals who run other areas of the organization. Learn about their goals and objectives and how the contact center might best support their needs.
- Build an understanding of the contact center’s role and potential. Ensure that the prevailing perspective is that the role of the center is to serve other parts of the organization, not to point out flaws.
- Build a team that is focused on capturing, analyzing, sharing, and using value-added information across the organization. A suggested ratio is that you need one business analyst for every 30 to 50 agents. The ideal ratio depends on many factors, but will become clearer once you get started.
- Ensure that quality at the point of customer contact is given the broadest possible definition (e.g., that coaching, quality observation and objectives at the agent level are all considered essential elements of these major strategic opportunities).
- Define assumptions and unknowns in reports and data. Ensure that everyone understands where the data comes from and what definitions are in place. Strategic decisions based on misinterpreted reports can be worse than if there were no reports at all.
- Get the best tools you can. Analytics and performance management systems can help you analyze content, detect trends and causal factors, and identify improvement opportunities. Get started even if you don’t have these capabilities, but work toward acquiring and building supporting technologies.
- Don’t get overwhelmed. There is a ton of information that you could provide to each business unit. Instead of focusing on quantity (by trying to ensure that everything that may be valuable is shared), concentrate on providing the information that is likely to be most useful.

Every interaction your center handles provides insight into processes, products, policies, services, customers, and the external environment. You have the opportunity to play a central role in building a stronger organization with better services and products across the board. But it’s a role that must be earned.

6. Improvements Must Be Ongoing

You face many choices when deciding where and how to improve service. And possibilities multiply when analyzing customer data from sources that range from social media posts to surveys to operational metrics. Which issues do you tackle first?

Here are eight criteria that can help you make that decision:
SAFETY: Customer safety should always be the top priority.
FREQUENCY: How often does the issue occur? If you fix the root cause, what's the potential impact?
MAGNITUDE: Whether a customer impact is frequent or not, the magnitude of making or not making an improvement has to be considered.
INNOVATION: What kinds of things are on your customers' wish lists for your products, company, or industry?
TIMING: Some issues significantly impact customers, but can wait. Others, even if they are of smaller impact, may need to be handled now.
CUSTOMER SEGMENT: This can be tricky because every customer is important. But many organizations do what they can to help their most loyal customers.
PREVENTION: A bedrock principle of effectively managing customer feedback is resolving problems before they happen or before they become larger. Where those opportunities exist, they should be priorities.
BRAND IMPACT: Brand protection and development is one of the primary objectives of listening to and taking action on customer feedback. Prioritize actions that protect and promote your brand, as well as ones that create customer advocates who will do this for you.
In the end, determining what actions to take can be as much an art as a science. But considering this range of criteria—and not just paying attention to squeaky wheels—can lead to much better decisions.
My overarching advice: make continuous innovation and improvement an ingrained and essential part of your organization's culture. Instill the principles covered in this chapter, and stick to them—day after day, month after month, year after year. There is something powerful about consistently focusing on the things that matter most. It's a never-ending journey. And an exciting one, because it prepares your organization for the unknowns ahead even as it delivers better results today.
7. Skills, Knowledge, and Leadership Make the Difference
What's the real secret to improving performance? Build the skills, knowledge, and leadership in your team to make it all happen. That, along with the right culture and focus, is the secret sauce. And that is a main subject of the chapters that follow. Come along, friends, onward we go…
✻✻✻

Points to Remember
■ Quality is built around customer expectations. As customer expectations are constantly evolving, the definition of quality must also evolve.
■ Quality and service level work together. Over the long term, good quality has a positive impact on service level (and response time) by reducing waste and rework. And a good service level provides an environment in which good quality can be achieved.
■ The process is where the leverage is. There is little use in urging agents to improve quality without making improvements to the system of causes (the process).
■ The tried-and-true methodologies and tools that the quality movement has produced can help find and fix root causes.
■ Contact centers have enormous potential to deliver strategic value to the organization, through information and intelligence that can be shared with and used in other business units.
■ Improvements must be ongoing. This is not a once-and-done area of leadership. Lasting changes require leadership and management know-how.
■ Your team is the most important source of success, now and in the future.

Chapter 14: Improving Individual Performance
“If your actions inspire others to dream more, learn more, do more and become more, you are

a leader."
JOHN QUINCY ADAMS

Contact centers are made up of people with myriad personalities, backgrounds, and skills. Success depends on creating an engaging environment and bringing out the best in everyone who is part of it. But, as many leaders have learned (some the hard way), off-the-shelf prescriptions and simplistic formulas tend to fail.

Fortunately, there are principles that don't change and that you can trust. For example, be consistent and relentlessly focused on the values that matter. Lead by example. Set the right performance expectations. Encourage involvement and work hard to establish good channels of communication. Give people the chance to learn and grow. Expect the best.

We'll look at these and other related principles in this chapter. And we'll explore key performance objectives, quality observation, calibration, coaching, and training practices. Finally, we'll look at how to measure and positively manage turnover.

Establishing an Engaging Environment

When my daughter Grace was 13 years old, she bought a new camera. She had saved for many months and was very excited. But in the weeks that followed, many pictures turned out blurry and I could see her interest fade. We later learned that the camera was faulty and, when made aware, the store immediately replaced it.

Then the real magic happened. An employee, Devon, stayed 30 minutes past her shift to help Grace set up and test the new camera. "You'll LOVE it!" she reassured her. "I have the same model!" This employee was clearly engaged and passionate about her job. And that enthusiasm will likely have a lifelong impact on my daughter's interest in photography.

Employee engagement is a term we all hear and use, but what is it exactly? We know it's not the same as employee satisfaction. An employee can be satisfied with their job for various reasons—geographical convenience, friendships, compensation—without really being engaged. One good definition of engagement is "the enthusiasm or emotional commitment an employee has to the organization and the work they do."

The impact of employee engagement is incredible. According to research by Gallup,

organizations that are the best in engaging their employees achieve earnings-per-share growth that is more than four times that of their competitors. Other studies show that quality improves, customer loyalty goes up, and employee turnover goes down.

The National Business Research Institute (NBRI) identified six traits of engaged employees. They make a great starting place when thinking about your team. Engaged employees:

- Believe in their organization
- Have the desire to work to make things better
- Understand the business context and big picture
- Are respectful and helpful to colleagues
- Are willing to go the extra mile
- Stay up to date with developments in their industry

I recommend having a candid discussion with your team, using these traits as a framework. What's going well? What barriers might be getting in the way?

Principles Behind Engagement

What do successful contact centers, those with the most engaged employees, have in common? Here's a summary of principles I've observed:

WE RESPOND TO A CLEAR, COMPELLING MISSION. A needed first step to creating a motivating environment is to address the "whats" and "whys." Why do the organization and the contact center exist? What are we trying to achieve? What's in it for customers? For employees? Shareholders? Other stakeholders?

IT'S WHAT YOU DO, NOT WHAT YOU SAY, THAT MATTERS. There are countless organizations that codify their "official" values, but then encourage an entirely different set of behaviors through their policies and actions. For example, delivering great customer experiences may be the stated objective, but insufficient staffing resources or standards that stress volume-oriented production may send conflicting messages. When it comes to influence, actions always win out over words.

EFFECTIVE COMMUNICATION CULTIVATES TRUST. Communication creates meaning and direction. When good communication is lacking, the symptoms are predictable: conflicting objectives, unclear values, misunderstandings, lack of coordination, confusion, low morale, and employees doing the bare minimum required to get by. To build and maintain engagement, effective leaders keep their teams informed about what's happening in the organization (see Chapter 16).

GOOD TRAINING AND COACHING IS ESSENTIAL. There's nothing more stressful and frustrating than not knowing what to do in real, live customer service situations (if you've

been there, you know what I mean!). Knowing how to approach any situation makes all the difference. Confidence is built by providing robust training and coaching (including role-playing tough scenarios). When I asked an employee about her company's improved training and coaching, she said, "I went from dreading my day to looking forward to it; I love being a problem solver!"

LISTENING ENCOURAGES BUY-IN AND SUPPORT. There is a common myth that great leaders create compelling visions out of their own genius or from some inner creativity that others don't possess. But those who have studied leadership point out that the visions of some of history's greatest leaders often came from others. Further, when people have a stake in an idea, they tend to work much harder to bring about its success.

WE TEND TO LIVE UP TO EXPECTATIONS. Think of your own development over the years. Those coaches, teachers or business mentors who believed in you and expected the most probably weren't the easiest on you. And they may not have won popularity contests. But they believed in you, and you reached a little deeper to live up to their expectations.

SINCERE RECOGNITION GOES A LONG WAY. In study after study, participants say that personalized and sincere recognition from their managers—simply being recognized for doing a good job—is a powerful motivator. (Easier said than done, of course. You have to really know what's going on from top to bottom to get it right … but isn't that a part of leadership, anyway?)

ACCURATE RESOURCE PLANNING IS ESSENTIAL. Yep, in the time-driven contact center environment, this matters a lot. We've got to have "the right people in the right place at the right times, doing the right things." When that doesn't happen, negative things do: queues build, customers become unhappy, and occupancy goes through the roof. It's stressful. And, if chronic, it zaps motivation and drains the fun out of the environment.

WHO YOU ARE IS MORE IMPORTANT THAN ANY TECHNIQUE YOU USE. We trust and perform for leaders who are predictable on matters of principle, and who make their positions known. Unwavering convictions, a sense of fairness, consistency of behavior and enacted values, belief in the capabilities of people—these things have much more impact than any motivational technique ever could.

One thing is certain: leaders in organizations that maintain the highest levels of engagement don't leave it to chance. They know that employees who are interested in and enthusiastic about their work create great results for customers and the organization.

Meaningful Work

We don't all look at work the same way. In his book Why We Work, Barry Schwartz summarizes three ways we can relate to work:

■

Work as a job

- Work as a career

- Work as a calling

Those who view work as a job mainly see it as a paycheck. They don't receive any kind of reward or fulfillment beyond salary and benefits. Those who view work as a career have a higher level of motivation—they want to get better at what they do, take on new responsibilities, and move up in the organization. Those who view work as a calling are the most motivated—they understand how the work they do makes a positive difference for others. So, a secret to creating an engaging environment is to establish the connection between what your employees do and how it impacts others.

Here's an example. For years, a well-known consumer products company had high turnover in their contact center. Customer feedback was poor, and employees jumped at any chance to move to other jobs. This department was second from the bottom in the annual company-wide survey of employee satisfaction.

A new director began by asking the team about their value and purpose. One employee answered him this way: we handle consumer gripes all day … how important can that be?

They decided to find out. How could they be more valuable to customers and the company? Some simple analysis revealed that 11% of customer contacts about a specific cleaning product were due to the cap being too hard to remove. Customers would force it off, too often shearing off the spray nozzle. The complaints all went something like this: "Hey, I just spent five bucks on this and I can't even use it."

The team shared this data with their packaging supplier, who improved the caps. Those contacts went away and many future customers benefited from a better product. That gave the team a glimpse of their potential. In the months that followed, the contact center became involved in marketing, systems improvement, and product development. A senior leader told me that the contact center team had become the "secret sauce" to the company's research and development.

Fast forward a year. Turnover was down to low single digits. Employees were excited. And the department went from second-lowest all the way to second-highest in employee satisfaction. When they saw their true impact on customers, colleagues, and the success of the company, they began to understand their value and potential (no, it wasn't just handling customer gripes all day). That made all the difference in their sense of worth and motivation.

Agent Performance

The subject of measuring the performance of individuals has always been hotly debated. And for good reason: performance measurements are usually tied to behavioral expectations and standards, so many issues enter the discussion (e.g., fairness, which measurements are truly under an individual's control, individual capabilities, drives and motivators, and the effectiveness of the processes in place).

I've seen a lot of different performance metrics and standards in play. But there are consistent principles in contact centers that get the best results. Let's look at how the right

expectations and metrics encourage the right behavior.

Beware of Contacts Handled

There was a day when number of contacts handled was an almost universal productivity measurement. In fact, many managers viewed contacts handled as virtually synonymous with productivity (not something I've ever recommended, for reasons we'll discuss). While there have always been concerns about sacrificing quality for quantity, contacts handled was the usual benchmark for establishing productivity standards, for comparing performance among agents and groups, and for assessing the impact of changes and improvements to the center.

As a measure of performance, contacts handled has always been problematic. And not just

because quality can suffer when contacts handled is overemphasized. It's also this: many of the variables that affect contacts handled are out of the agents' control. These include random contact arrival, contact types, customers' knowledge and communication abilities, the accuracy of the forecast and schedule, and the adherence to schedule of others in the agent group.
***

A QUICK QUIZ
Over which factors do agents have control?
✔
 Adherence to schedule (their own)
✘ Staff scheduled to handle the workload
✘ Random contact arrival
✘ Distribution of long and short contacts
✘ Distribution of easy and difficult contacts
✘ Customers' communication abilities
***

Several mathematical realities are also at work. As discussed in Chapter 9, at a given service level, small groups are less efficient (have a lower occupancy) than larger groups. Because the number of contacts is changing throughout the day, so are the average contacts handled for a group or individuals within a group. Further, as discussed in Chapter 9, when service level goes up, occupancy and contacts handled go down.

To get around the fairness problem that occupancy creates, some managers convert raw contacts handled into normalized contacts handled (sometimes called "true contacts handled"), by dividing contacts handled by percent occupancy. Using the numbers in the table, 5.6 average contacts per agent divided by 65 percent occupancy (first row) is 8.6 normalized contacts. (The same is true for 6.7 contacts divided by 78 percent, 7.7 contacts divided by 90 percent, and 8.1 contacts divided by 94 percent.) This is really just another representation of average handling time (1800 seconds in a half hour divided by 210 seconds average handling time is also 8.6).
As an alternative, others use statistical control charts to determine whether the process is in control, what it's producing, and which agents, if any, are outside of statistical control. But even with these efforts, "true contacts handled" loses meaning with the variability of new contact channels, skills-based routing, and other capabilities that result in increasingly sophisticated and varied types of interactions.
For managers who depended on contacts handled as a performance measure, this left a vacuum. Enter the two things that truly matter: being in the right place at the right time (adherence to schedule), and doing the right things (quality).
Adherence to Schedule
Adherence to schedule is a measure of…I guess this one's pretty obvious…how well agents adhere to the schedule. Many, myself included, don't particularly care for the tone of the term. And I don't like the "big brother" interpretation I sometimes see in contact centers (which usually backfires).
But the reality is, we're in time-driven environments. So are stagehands. And astronauts. It doesn't matter if we have the most incredible knowledge and expertise, if we're not there when we're needed.
Adherence is a measure of how much time during an agent's shift he or she is handling contacts or is available to handle contacts. If adherence is expected to be 90 percent, each agent should be handling or available to handle contacts .90 × 60 minutes, or 54 minutes per scheduled hour (on average).
We're in time-driven environments … It doesn't matter if we have the most incredible knowledge and expertise, if we're not there when we're needed.
Adherence is based on the time, during an agent's scheduled shift, that is spent in talk time,

after-call work, waiting for contacts to arrive, and anything else (e.g., talking to someone in another department) associated with the contacts themselves. Lunch, breaks, training, work on assigned projects and other activities are factored out of the calculation, as the agent is not expected to be handling (or be available to handle) contacts during those times. (Note: be sure to differentiate the terms “adherence to schedule” and “agent occupancy.” They are two different things. In fact, when adherence to schedule goes up, service level will go up, which drives occupancy down. See Chapter 9.)

Adherence can also incorporate the issue of timing—when was a person available to handle contacts? This is often called “schedule compliance.” The idea is to ensure that agents are available to handle contacts when needed. (In a time-sensitive environment, staying an extra 15 minutes at the end of a shift doesn’t make up for not being there at the beginning of the shift when workload was high.)

Adherence to schedule should be established at levels that are reasonable and that reflect the many things that legitimately keep agents from handling contacts. It should also be flexible (e.g., adjustable downward) when the workload is light.

How you approach this topic with agents can make a big difference. I once worked with a large healthcare organization that set up a resource center that patients could contact 24/7 for advice. At first, the manager got pushback from the employees—nurses and doctors—for establishing schedules, right down to break times. “What is this?” they asked.

But as they discussed schedules in a planning meeting, one of the nurses reminded her colleagues that timing was something they were very good at. Every day, they were making time-driven decisions in operating rooms and on hospital floors. I saw heads nodding. They realized that this concept of adherence isn’t so different from what they were all used to, and they now have some of the most effective customer service I’ve seen.

Agents cannot control how many contacts are coming in, how challenging customers might be, whether marketing gave the contact center a heads-up on their activities, and so on. But they can be in the right place at the right times. Coupled with good resource plans, that’s huge.

Quality

Enter quality. When well-defined (as they are in all successful contact centers), quality standards and processes dictate, in large part, the amount of time it will take to handle contacts in the manner they should be handled. These standards and processes provide the essential parameters to keep contact-handling as focused (as efficient and effective) as possible (without rushing, of course).

Adherence and quality make a powerful pair. When in place, other measures—average handling time, number of contacts handled, percentage of time spent in talk or after-call work, and others—take care of themselves.

Establishing adherence to schedule and quality as primary areas of focus enables agents to concentrate on the two things they can control: being in the right place at the right times and doing the right things. Note the consistency between individual objectives and the two themes that run throughout contact center management, beginning with the definition introduced in Chapter 1: service level and quality.

Of course, focusing on adherence and quality is not feasible if your standards and metrics are vague. They must be implemented fairly, and with foresight and care. With that in mind, let’s look at each in more detail.

***

UNDERSTANDING AVERAGE HANDLING TIME

I once worked with a technical support center that had a fairly wide range of average handling times (AHTs). Most of the agents had AHTs somewhere from 8 to 12 minutes, but the AHT for one agent in the group was over 20 minutes. Their V customer service rightly questioned the range of AHTs (and the very long “outlier”) and wondered, “Is our service as effici and consistent as it should be?”

As I wandered around, I noticed that the agent with the long AHT had notes from customers taped to his wall, each thank

him for the great service he provided. Simply forcing a standard—say, to keep AHT to 12 minutes or less—could have ca
any number of problems. The agent might have become disgruntled and quit. He might have stayed, but with the demora
view that the company really didn't care about good service.

The VP took an approach that turned out to be very wise. She had several agents, including the one with the particularly long AHT, create a flowchart of a typical customer support interaction. She gathered them in a room with a large conferen and gave them index cards and markers. "Work together to write each step you go through on a card and lay them out in she explained.

She returned a couple of hours later to find cards neatly laid out from one end of the table to the other. There were also s cards (steps) that diverged from the main flow. "What did you learn?" the VP asked. One employee volunteered that he w going through some of the same verification steps as others, and wondered whether that could lead to errors. The agent w long AHT was walking customers through features he felt could be valuable to them. He admitted that he was probably go beyond tech support to provide training. But maybe that's what they all should be doing? It was a fair question.

As a team, they were now empowered with the insight necessary to intelligently discuss how far technical support should take things. I returned a few months later to find much more consistent services, handling times in a tighter range (10 to 1 minutes, including the agent in question), and employees that were as engaged as ever. In fact, some were involved with functional efforts to assist with product development and customer training resources.

Some leaders attempt to force change by simply mandating standards. That's a mistake. By better understanding your go and processes, your team will be equipped to make improvements that are effective and sustainable.

***

Using Adherence Metrics

As introduced above, adherence to schedule is a general term that can refer to either (or both) of the following:

1. The amount of time in the course of a shift that agents were available to handle contacts. Alternative terms include "availability" and "plugged-in time."
2. When agents were available during their shift. Alternative terms include "schedule compliance" or "adherence."

Most centers that have established objectives on adherence to schedule track the amount of time agents are available. Many also incorporate the issue of timing. There's certainly latitude for using different variables and for factoring out activities that are not subject to adherence. Establishing and putting your approach into place should be a team effort that includes agents (after all, they are the ones who will be assessed by it).

Average adherence should be determined individually and for each agent group. Sometimes, individuals need specific coaching or training that is not necessary for the whole group. And tracking adherence as an average for the group reveals how well management is doing in creating an environment in which objectives can be achieved.

At a tactical level, adherence monitoring works best as informational tools for agents and for team leaders who need to have a good perspective on what's happening within their groups. The alternative is strict mandates, which puts supervisors in the role of "adherence police." Ensure your approach is supporting the culture you want to establish. Here are some suggestions for getting the best results:

■ Educate each person on how much impact he or she has on the queue and the associated importance of adherence to schedule (see discussion on the power of one, Chapter 9).

■ Establish concrete service level and response time objectives that everybody knows and understands (see Chapter 4).

■ Educate agents on the basic steps involved in resource planning so that they understand how schedules are produced and where they come from.

■ Develop appropriate priorities for the wide range of tasks that your agents handle, and guidelines for how to respond to real-time changes in conditions.

- Provide real-time service level information to agents, but be sure to back it up with training on how to interpret it and how to respond at the team and individual levels (see Chapter 11).
- Manage schedule adherence as “locally” as possible (e.g., by individuals themselves and within their supervisory teams).
- Adherence results and trends for agent groups and the contact center itself are valuable for planning and to assess how well the management approach and supporting processes are working.

In summary, adherence to schedule is an important objective. But apply it carefully, get involvement from the ground up, and back it up with the right education on why timing matters so much.

Quality Observation and Coaching

Quality observation and coaching go hand in hand. Observation is a process that evaluates the qualitative aspects of handling customer interactions. Coaching, through one-on-one discussions, encourages employees to continue positive behavior and provides constructive feedback and guidance on areas of improvement.

A well-designed, well-managed quality program will help in many ways; it:

- Provides insight into improving customer experience
- Identifies process improvements and work-reduction opportunities
- Measures the quality of interactions and the accuracy of information provided
- Gauges the effectiveness of and adherence to processes
- Provides data for trend analysis—to look for patterns of effectiveness across contact types, teams and centers
- Supports coaching by providing specific information that can be used for feedback
- Identifies additional training needs for individual agents
- Evaluates the effectiveness of training
- Identifies customer needs and expectations
- Helps assess customer satisfaction
- Contributes to hiring and training by highlighting needed skills and competencies
- Ensures legal compliance and reduces the risk of liability
- Ensures the organization’s policies are followed and produces insights on how they can be improved

With so much at stake, it’s important to design an effective approach and establish supporting quality standards that you can confidently use to set a baseline and assess progress. Here’s a summary of the most important steps in developing a quality observation and coaching program:

■
When developing or revamping a quality program, create a cross-functional project team that ensures those who will be most impacted by the program have a part in creating it.

■
Identify your goals and objectives for the program, which often include agent improvement, consistency, process improvement, identifying training needs, and providing the basis for coaching.

■
Determine program requirements, including the types of observation you will conduct (record and review, silent, side-by-side, etc.), how often agents will be observed, what systems and technologies are required, and how results will be used.

■
Create standards for performance, which can be divided into base requirements (behaviors that represent the minimum acceptable level of performance) and those that should be continually refined and improved.

■
Create the scoring system, which includes forms, criteria, and a scoring approach. Standards of performance by key contact element (e.g., recognizing needs, thoroughness, accuracy, customer service skills) will need to be defined.

■
Develop an ongoing calibration process, which helps ensure that supervisors, quality analysts and coaches evaluate interactions and approach coaching consistently and fairly.

■
Develop an approach for coaching, which involves deciding who will have responsibility for coaching activities (generally, the individual who observes the interaction provides coaching and feedback), identifying standards for coaching, and anticipating when coaching will happen and how it will be scheduled.

■
Communicate program details to agents, informing them of the purpose of observation, how it will be conducted, and how results will be used. It’s also important to provide them with written quality observation policies, the criteria on which they will be evaluated, and applicable forms and scorecards.

***

ALTERNATIVES FOR ASSESSING QUALITY

There are a number of alternatives for assessing the quality of interactions. The most common include:

■
Customer input

■
Direct observation

■
Role-play

■
Recorded interactions

■
Analytics (with recorded interactions)

■
Mystery shoppers

Today, there are many solutions that enable you to survey customers through the channels that make the most sense. It’s notable how high the response rates can be for transaction-specific surveys that are short, easy and immediately follow a interaction. And with automated surveys, you can get a large sample that can be tied to agents or customer demographic VIPs) or other criteria.

Personalized surveys can boost response rates even more. For example, the agent's name and picture can be included w
the question, how did Brad do? A second question can be more process-oriented; for example, was your issue resolved?

likely is it that you'll recommend our service?
Employees tend to like getting feedback directly from customers. There will, at times, be negative feedback that has nothi
to do with the agent—it's product-, process- or policy-related, and you'll need to keep that in mind when interpreting resul
A pervasive challenge in customer surveys is that response rates tend to drop as you ask for additional input. So there's
a limit to how much information you can get on specific aspects of quality. That's where internal observations are so valu
Samples of five to ten interactions per agent per month are common in many organizations.
***

Standards and Scoring

The cornerstone of an effective quality observation process is documenting specific, observable behaviors and tailoring coaching accordingly. There are many types of forms and evaluation methods, and many possible scoring methods.

An effective way to consider performance (quality) standards is to categorize them as either "foundation" or "finesse." Foundation standards measure whether something was done, and can be assessed with a simple yes or no. For example, the agent uses their name in the greeting. They verify the customer's identification. They use spellcheck in written communication. They code the contact correctly. Yes or no—these things either happened or they didn't. Foundation standards are objective, consistent, and accomplished the same way by every agent. They are, as a rule, easy to understand and easy to score.

Finesse standards, on the other hand, measure how something was done. They are more subjective, allow for style and individuality, and require interpretation. For example, the agent listens carefully and effectively prompts relevant input. They demonstrate professional courtesy. They upsell or cross-sell appropriately. They guide the customer to convenient online resources. They capture needed and useful information for product, process, or service improvements. These standards require clear guidance on what is expected, but performance is along a continuum.

Accordingly, common scoring approaches can be categorized as either yes/no or as a numerical range. The yes/no approach (alternately denoted by 1/0) best fits foundation standards. Overall results for foundation standards related to an interaction may be expressed by the number of yeses and noes (9 Y and 1 N), a fraction (9/10) or a percentage (90%).

Numerical scoring generally presents a range of possibilities (e.g., 1 to 3), which scorers can use to rate finesse standards (the agent's proficiency in applying the skill). The wider variety of scores possible with a numerical scoring method reveals subtle skill improvements; for example, an employee may have some competence in a skill but not yet achieved full mastery.

Foundation and Finesse Criteria

Many variations or combinations in scoring are possible. You might choose to indicate N/A (or "exempt") specific skills during certain types of calls (where N/As are either counted as yeses or another agreed-upon score, or are not counted at all). You might give certain foundation or finesse criteria more weight in scoring. (For example, providing accurate information is more important than addressing the caller by name.) You might even move away from scores

altogether.

When looking at the sample quality criteria, remember that the forms and standards you use should reflect your organization's unique mission and brand. And criteria should be backed up by descriptions, training, coaching, and ongoing calibration sessions—this will ensure all involved understand expectations and can deliver the essential components of service consistently. In short, your approach should fit your needs.

Before you implement a scoring system, consider the following recommendations, which come from ICMI's quality observation and coaching courses:

- The scoring system should be easy to use and easy to explain.
- The scoring system should emphasize the award of points for positively demonstrated skills, rather than deductions for negative behaviors.
- Managers, supervisors, and agents should thoroughly understand how the scoring system works.
- Advise management and agents to keep scores in context. Specific feedback and coaching is the most essential part of the observation and coaching process and is what ultimately improves quality. Don’t overemphasize scores.
- Resist the temptation to coach to scores. Scores don’t improve the quality of an interaction; specific feedback and coaching to behaviors do. Some contact centers do not share scores with agents until after the coaching session.
- The scoring system should directly reflect contact center objectives, objectives for interactions, and the behaviors you want to encourage. A flawed system may underemphasize critical behaviors and overemphasize non-essential skills.
- Confirm the mathematical validity of the scoring system, especially if a total score is compiled or the system is weighted.
- Establish the validity of the system by testing it before it can have an impact on individuals (e.g., before scores are included as part of performance-based pay).
- Understand that agents become very interested in scoring systems if they are tied to bonuses, performance evaluations and salary reviews. Be prepared to handle their questions and concerns.
- When possible, define variations in specific behaviors associated with a skill and the corresponding scores (e.g., what behaviors earn a 1 or a 3 or a 5?).

***

NAVY FEDERAL CREDIT UNION LEAVES SCORES BEHIND

Scorecards are a standard component of most quality management programs. What’s not so common, but becoming tren
is dropping the score from those scorecards. That’s what the Navy Federal Credit Union (NFCU) contact center decided t
With more than seven million members and a contact center of more than four thousand team members, NFCU has many
opportunities to receive feedback. As Quality Service Manager Kristy Powers explains, “Our Quality Service team wants t
same thing for our employees that we want for our members—for them to have a meaningful, personalized experience. W
in mind, our Quality Service group embarked on an initiative to transition all teams in the contact center away from a 23-s
checklist with multiple forms, to the new one-page, scoreless, behavioral-based model.”

NFCU’s Quality Partners review five interactions and complete one feedback form per month, per agent, with a focus on behaviors in four key areas:

- Highlights—things that were great
- Opportunities—areas for improvement, along with tips
- Areas of focus—priorities to focus on right away
-

Resources—links to internal and external resources that can help the agent gain skills

Agents now focus on the content of the feedback, versus things that must happen to earn “points.” The result? Improved quality and higher employee and member satisfaction. (And the icing on the cake was an ICMI Global Contact Center Aw trophy for Best QA/Customer Experience.)

Kristy says, “Everything we do, every single day, is done with the goal of providing effortless experiences and wow-worthy service. Our member experience scores are one of our primary benchmarks of success. We view our QA process as a vit evaluate where we’re doing well and identify any opportunities for improvement that can help us achieve an ever-higher le member satisfaction.”

Source: “Want to Improve Quality? Ditch the Score from Your Scorecards,” by Erica Marois, ICMI Contact Center Insider newsletter

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Calibration

In contact centers, calibration is the process that ensures variations in interpreting performance results are minimized. When high levels of calibration are achieved, it doesn’t matter who does the assessment and scoring, or who facilitates coaching—the approach and the outcome will be the same.

Calibration is an important tool for ensuring consistency in interpreting performance. It also makes coaching much easier. It allows the coaching process to focus on achievements and improvement opportunities rather than agents’ concerns about whether scores are accurate or fair.

There are four levels of successful calibration:

- Overall agreement on the interaction
- Ratings are consistent for each quality standard
- Coaching is calibrated—there’s agreement on what to coach
- Internal ratings are calibrated with customer input

A common way to begin calibration is to have those who do quality evaluations independently score several of the same interactions. In contact centers, these are usually recorded interactions. If you do not have recorded interactions, you can use alternatives such as role-play scenarios or observations.

You then compare the results. First, check for overall agreement on how interactions went (the first level of calibration). You can then compare scores for specific quality criteria (the second level of calibration). If, at this point, there is disagreement—if scores vary—you’ll need to discuss interpretation. If that doesn’t get you there, you’ll need to revamp the standards or descriptions of them until you reach consistent interpretation.

The third level of calibration, and one fewer organizations achieve, is in the consistency and effectiveness of coaching. Research shows that employees want to know what’s expected of their performance, where they stand, and how they can improve. This spans all generations, including those just entering the workforce. But if completely different conversations take place, efforts to improve quality begin to break down.

An often-overlooked or under-utilized benefit of calibration is that it improves the skills of coaches. This outcome requires that a skilled facilitator (ideally, a “consummate coach”) leads the calibration. Once the team agrees on an overall score for an interaction, the facilitator should work with the team to gain agreement on what should be coached—specifically, which performance standards were well-demonstrated and which need to be improved. It’s helpful to then role-play what the coaching conversation might sound like.

Calibrated coaching can also provide powerful insight into hiring and training practices. For example, what are the skills, knowledge, and behaviors you’re looking for in job candidates, and

how can you best focus training on ensuring your team is prepared?
The fourth level of calibration is to compare internal assessments with customer input. Do these metrics align? Are you and your customers on the same page about what's important? Few organizations achieve 100% alignment of internal and external scores. But scores should be directionally the same. You want to ensure that your priorities reflect those of your customers.
My recommendation: calibration should be an ongoing activity. The most effective organizations have working calibration sessions at least quarterly. In addition to ensuring consistency and fairness, these organizations use calibration sessions to look for quality trends and prioritize improvements.
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BLUE-RIBBON QUALITY AT DELTA DENTAL
Supervisors often ask, "How do we get agents to embrace the feedback given during coaching sessions?" Delta Dental of Michigan, an affiliate of the largest dental plan system in the United States, implemented a color rating system as part of observation and coaching.
Blue is awarded for superior demonstration of a skill or for going above and beyond for a member—it is like earning a blu ribbon. Green, yellow and red round out the scoring colors. Ideally, the scorecard for an agent is mostly green and blue. yellow or red crops up in a consistent pattern, it is quickly identified so the agent and the supervisor can work together to the needed knowledge or skill.
In ongoing town hall meetings, agents listen to a recorded call. Asked to provide an overall reaction, attendees raise the colored flag of their choice. Several are given the opportunity to share why they chose the color they did and what, in thei opinion, could have been done differently to make the contact deserve a "blue ribbon." There is active participation durin sessions and agents challenge each other to raise the bar.
Carmen Schmuecker, Director of Command Center, shares, "Agents who once disliked listening to their calls now look forward to the feedback from their coaches. They can look at quality scorecards and immediately identify areas of opportu The quality of interactions has gone from "strong to fabulous."
By Laura Grimes, Senior Certified Business Associate, ICMI
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Coaching
When effective, coaching is something your agents will want and will look forward to. (Yes, it is possible!) And in the most-engaged teams I've seen, there are five essential ingredients.
First, coaching is a relationship, NOT an event. The best coaches build relationships of trust, respect, and accountability. They help clarify goals, serve as role models, and provide positive reinforcement.
Second, coaching has far more impact when it's supported by clear quality standards. Your standards should be understood and interpreted consistently. And this works in both directions; quality standards guide coaching, and coaching, in turn, helps your employees consistently deliver services that reflect your standards.
Third, all of your coaches should use a proven coaching model. There are many to choose from. As one example, ICMI recommends a simple framework that can be remembered by the letters SAFE:

- Summarize observed behavior in the context of quality standards.
- Ask the employee for their input on how things went.
- Formulate a plan with them for addressing performance gaps and opportunities.
- Express thanks for their time and input.

There's the risk that any approach can be formulaic, so your coaches will want to convey these things with their own style and personality. But whether you use this model or another, it’s essential that there’s agreement on what will be coached.

Fourth, effective coaching focuses on the toughest and most important challenges. For example:

- What does it mean to really listen and understand customers?
- How do you find the best solutions for customer issues?
- How can you turn around tough customers or successfully handle particularly complex issues?

Organizations that do a great job with these challenges create scenarios and role plays. You won’t be able to anticipate or train on every unique issue that comes along, so your employees will need to know how to make good decisions. That takes practice.

Finally, approach training, coaching, and performance standards as opportunities to empower your agents to coach themselves. Self-coaching is the talk each person has with himself or herself as service is delivered day by day and moment by moment. For self-coaching to be effective, each person should have a deep understanding of the organization’s mission, values, and quality standards. They must also be empowered to make good, in-the-moment decisions (see Chapter 11).

How effective is coaching in your organization? I encourage you to check it against these five traits.

Getting the Most from Your Quality Program

Chances are your contact center has made significant investments in quality observation. You probably have spent hundreds of combined hours and tens of thousands of dollars developing criteria, investigating legal requirements, and orienting agents and supervisors to the program. And it’s likely that quality observation and related coaching activities take more combined time than any other activity except handling the customer workload.

But are you getting the results you should from your quality program? As discussed in the previous chapter, there’s far more to handling customer contacts than improving the satisfaction of those customers, as important as that is. As a primary customer touchpoint, the contact center has significant potential to provide other business units with valuable intelligence and insight.

Organizations that get the most leverage out of these efforts share some common characteristics:

THEY ALIGN QUALITY OBSERVATION WITH KEY BUSINESS OBJECTIVES.

There’s a common understanding within the organization that the contact center has a larger mission than just handling customer interactions. So it makes sense that effective quality programs—whether they employ low-tech listening, recordings or high-tech analytics—are designed to do much more than assist with individual training and development. They also focus on leveraging the knowledge gathered from contacts into better systems, processes and services across the organization. In short, the most effective centers identify issues that are beyond the center’s scope but still need to be addressed or fixed.

THEY INCORPORATE QUALITY CRITERIA THAT SUPPORT BROAD IMPROVEMENTS. These include capturing needed and useful information, detecting and documenting unsolicited marketplace feedback, assessing whether contacts could have been prevented, and encouraging (and sharing) customer insight that helps design better products and services. (The organizations recognize that accomplishing these objectives is not within the direct control of those handling interactions, but must be identified at the point of contact.)

THEY CORRELATE QUALITY OBSERVATIONS WITH OTHER KEY RESULTS.

For example, they compare how quality observation results compare to customer satisfaction, customer sentiment in social media channels, employee satisfaction, service levels, revenues, and costs. Are there correlations, and how strong are they? Better understanding how the organization's mission is related to contact center activities and results will lead to significant improvements and innovations.

THEY REGULARLY CALIBRATE FOR FAIRNESS AND CONSISTENCY. Does your quality program reflect what is really happening in a consistent and unbiased way? To find out, conduct a simple experiment. Have those who do the evaluations independently score five to ten recorded interactions. Then compare the results. If the scores are significantly different, take the system back to the shop for a tune-up or complete overhaul. Until you do, you'll be getting mixed results and wasting time and effort. Or worse, you'll be alienating agents who don't trust the results and who aren't getting the recognition or help they need.

THEY ACTIVELY SUPPORT TRAINING. Elaine Carr, who is a group instructional design manager at ICMI, cautions, "We see again and again where people show up for training with no idea what the training is about or why they are attending. This sometimes leads to resentment that they even have to attend training. On the other hand, if your manager tells you about the training and the two of you set some learning goals, you're going to be pretty motivated."

THEY INVOLVE AGENTS IN ROOT CAUSE ANALYSIS. It's become a recognized (and true!) tenet of the quality movement that those closest to the work know and understand it best. Your agents are in an ideal position to help define what constitutes a quality experience for customers, and how processes, training, systems, and interdepartmental coordination can be improved. Agent involvement also encourages ownership and engagement, and it improves agents' job satisfaction.

The Complementary Roles of Hiring, Training, and Coaching

As is often pointed out, the best contact centers do a great job of hiring, training, and coaching. But the point that is sometimes understated is the degree to which these processes depend on and benefit each other.

Consider hiring. An effective recruiting and hiring process ensures that your contact center will have the right people for the job. Without it, you'll be placing a huge burden on training and coaching—and those processes will, most likely, be focused on the bare essentials. With it, you'll be assembling a team that (with the right training and support) can work together effectively, support and further the organization's culture, and adapt and change as the customer contact environment evolves.

Some underlying trends have resulted in training becoming increasingly important. One is that the environment is becoming more complex, requiring robust training that provides a strong and effective knowledge base for agents. A more subtle trend is that many managers are placing greater emphasis on finding agents who support and further the culture of the organization and then training them on appropriate skills, rather than finding those with the right skills but who may not fit as well culturally.

Effective coaching is an in-the-trenches, hands-on activity, directly focused on specific problems, solutions, and opportunities. In coaching, there's no hiding from the issues or glossing over the details. Coaching provides valuable insight into the hiring process by helping identify the traits of agents who perform best. And it must be a primary feeder of training—identifying performance gaps, improvement opportunities, practical lessons learned, and other issues that are leveraged when they are addressed at the group level.

In short, hiring, training and coaching are interrelated aspects of an overall effort. They work best when they are viewed and managed as essential parts of a cohesive whole.

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BOOSTING TRAINING ROI

There are countless potential benefits from training—increased performance, improved motivation, higher customer and employee satisfaction, and increased organization success, to name a few. "Potential" is the key word, because some cri ingredients are necessary. Training has the best chance of success, and will deliver the highest ROI, when:

- Training is, in fact, the right solution for the situation. Training can't "fix" people who are fundamentally wrong for the job.
- The reason for training has been communicated to the target audience. Do participants know what the training is about a why they are there?
- You've done some pre-planning. It's powerful to have agents come to training with a checklist or summary of goals, especially when they had a part in creating it around an understood and shared set of objectives.
- You reinforce training after it happens. Training can facilitate learning new skills and knowledge, but it won't stick without practice and reinforcement.
- You deliver refresher training as needed. (Example: training new agents on adherence and other performance metrics is great, but they will need one or more refreshers as they settle in.)
- Training is relevant to the job, the center, the customer and the organization.
- The trainer/facilitator understands the goals and objectives for the training, as well as the target audience.
- The training delivery method matches the need; the method (e.g., formal, informal, online, classroom, elearning, etc.) is appropriate for the learning objectives.
- The workforce management team has built training into staffing plans, and, with leadership, has established appropriate guidelines that determine if and when training gets moved based on real-time circumstances.
- You remember that time is currency, and how you spend it sends a strong message about what is important .

By Rose Polchin, Senior Consultant, ICMI

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Assessing Performance for Other Job Roles

What about assessing performance for those in other positions, such as analysts, trainers, and managers? How does the reality of overlapping responsibilities (discussed in Chapter 12) translate into performance standards for individuals and teams? Every person has a direct impact on contact center performance objectives. But is it fair to set performance standards on things that are outside the direct control of an individual?

In principle—and in practice—the answers are fairly simple. Managers, by definition, are responsible for achieving results through other people. Consequently, senior-level managers and directors are generally held responsible for the full set of performance objectives that the organization establishes. Of course, they shouldn't be held accountable for objectives that are in conflict or that are mutually exclusive. And they can only accomplish what is possible within the context of the resources they have to work with. But, in general, they answer for overall results.

Managers and analysts in supporting roles are in a similar situation. However, more specific responsibilities and accountabilities are associated with their primary areas of authority. For example, the workforce manager in charge of forecasting and scheduling is accountable for the accuracy of the forecast even though it is influenced by many variables, people, and departments outside of his or her immediate control. Given overlapping responsibilities, successful centers work hard to educate everyone on the interrelated nature of processes and the impact each person has on results, while still establishing key areas of accountability.

As you establish accountabilities, keep your eye on the big picture. What is the contact center's mission? Which activities best support that mission? How can you best align expectations to drive the right activities and, in turn, further your mission and strategy?

EXAMPLE EXPECTATIONS BY JOB ROLE

Agents

- Adherence to schedule
- Quality (contact by contact), including:
  - Identify and handle customer inquiries
  - Apply customer service policies
  - Perform business retention activities
  - Resolve customer problems
  - Educate customers on products and services offered
  - Match product benefits with customer needs
  - Enter coding and tracking information completely and accurately

Supervisors

- Team adherence to schedule
- Quality of the team
  - Ensure team meets quality objectives
  - Provide quality observation and coaching to individuals
  - Work with management to identify systemic quality problems
- Effectiveness of performance reviews and team meetings
- Helping with workload during peak periods (if appropriate)
- Representing the team on special projects/initiatives

Quality Analysts/Managers

- Leading and managing quality observation processes
- Ensuring consistent calibration
- Synthesizing observation input and preparing timely reports
- Identifying individual and process improvement opportunities
- Tracking and analyzing observation results vs. customer satisfaction measures

Workforce Analysts/Managers

- Creating accurate workload forecasts
- Organizing schedules that fit well for workload and agent requirements
- Assessing budgetary needs and implications of resource requirements
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- Taking the initiative to coordinate plans with other departments
- Ensuring proper use of work modes (after-call work, auxiliary modes, etc.)
- Presenting key performance results to executive management

Technical Support Managers

- Maintaining existing systems with minimum downtime
- Addressing usability issues (configuration, programming, etc.)
- Updating routing tables and systems as required
- Troubleshooting technical problems
- Recommending system improvement opportunities

Managers and Directors

- Ensuring that the contact center meets key objectives related to:
  - Quality
  - Accessibility
  - Efficiency
  - Cost performance
  - Strategic impact
- Establishing clear objectives for employees
- Maintaining morale
- Preparing budgets, illustrating budgetary tradeoffs
- Overseeing hiring and training efforts
- Aligning contact center objectives with organization and customer objectives
- Maximizing returns on investments (ROI)

Understanding and Managing Turnover

Turnover (attrition) is a fact of life in any organization. Some contact centers operate with annual rates of less than 5 percent, while others see rates exceeding 30 percent (and in some cases, far more).

Excessive turnover has many negative implications for an organization: higher recruiting and training costs; a lower average experience level leading to higher handling times, more transferred contacts, and lower service levels/response times; the need for more coaching and supervision; and the impact on everyone’s morale when key people leave.

But some types of turnover can also bring benefits. Take internal agent attrition, for example. If employees leave for other positions within the organization, the contact center will have experienced advocates in other departments. And turnover can create the means for the center to bring in additional employees with needed skills and fresh insights.

The causes and costs/benefits will vary by type of turnover. For example, voluntary external turnover is more of a detriment to the organization than planned internal turnover. For better or worse, turnover will have an impact on your center. Given the significant cost of low quality and productivity, it is necessary to track and manage turnover as aggressively as other important performance indicators.

Example: Input for Calculating Turnover

Calculating Turnover

To measure turnover correctly, you'll need to calculate an annualized turnover rate, which provides a consistent basis for comparison and trending. An annualized number does not require 12 months' worth of data. The calculation is as follows:

(Number of agents exiting the job ÷ average number of agents during the period) × (12 ÷ number of months in the period)

Using the data from this example, the calculation yields the following:

(20 ÷ 104) × (12 ÷ 8) = 28.8%

While an overall annualized turnover rate is a useful number, it's helpful to further break down the number into internal/external and voluntary/involuntary categories. (Internal turnover refers to employees who leave the contact center but stay within the organization. External turnover refers to employees who leave the organization entirely.) Their respective causes usually differ, so this enables the manager to react and plan accordingly.

Categorizing Turnover

To take your analysis one step further, determine when each kind of turnover happens (e.g., within 30 days, 60 days, 90 days, 6 months, 12 months). You can also analyze attrition by skill set, supervisor, shift hours and other factors. "I slice and dice it as many ways as I can because sometimes the root cause is hidden," says consultant Laura Grimes. "That almost always leads to clues about root causes and factors you can address."

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COMMON CAUSES OF TURNOVER

(no specific order)

- Better opportunities within or outside the organization
- Insufficient development opportunities
- Pace of effort required
- Frustration with supervisor/manager
- Repetition
- Over-regimentation
- Sense of powerlessness to make a difference
- Frustration of not being allowed to do a good job
- Unrelenting attention necessary
- Being "tied to a desk"
- Feeling of being excessively monitored

■ Feeling of not being appreciated
■ Handling complaints or problems all day
■ Odd work hours
■ Insufficient pay
■ Lack of proper tools and training
■ Constant demand for new skills

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Working on Root Causes

The best contact centers continually work on the root causes of turnover. Problems are often by-products of a poor planning process, so they assess and address resource issues. These contact centers are also broadening the responsibilities that agents have and their opportunities to learn, grow and advance (see discussion on career paths, Chapter 16).

One powerful tool in improving retention and deepening employee engagement is the “stay interview.” Dick Finnegan, author of The Power of Stay Interviews for Engagement and Retention, describes a stay interview as “a structured discussion a leader conducts with each individual employee to learn the specific actions she must take to strengthen that employee’s engagement and retention with the organization.” I’ve found stay interviews to be informative and inspiring—and they underscore a key principle: retention is an important leadership responsibility.

I’ve noticed a shift in perspective on internal turnover (people leaving the contact center for other opportunities within the organization). In many ways, it’s a good thing. The time people spend on the front lines with customers gives them a healthy perspective that they carry into other departments. But there has to be a balance. Losing people too soon can cost the contact center, and the organization, dearly.

Consequently, a growing number of contact center managers are working to lengthen the time agents spend in the center before moving elsewhere in the organization. As part of that, they are helping agents see the enormous impact the center can have on the organization and customer base, as well as the exciting future ahead as communications change and trends such as social media services evolve.

In the final three chapters, we’ll explore important topics closely related to those we’ve looked at here. They include leadership in technology, building a customer-focused organization, establishing job roles and career paths, and effective communication.

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Points to Remember

■ Creating an engaging environment is key to success.

■ Adherence to schedule and qualitative measurements can effectively replace other measurements (such as contacts handled) that are merely after-the-fact outputs.

■ Qualitative measurements have become more important in today’s environment and have consequently become more focused.

■ Performance standards can be broadly categorized as “foundation” (whether something was done) and “finesse” (how something was done), and scoring should match the type of criteria established.

■ Calibration is critical to ensuring consistency in interpreting performance and setting up coaching for success.

- For the best results, involve agents in establishing and maintaining the quality observation and coaching program. And build your initiatives with strategic contributions to the organization in mind.
- Given shared responsibilities for achieving many contact center results, it’s important to establish the right accountabilities, both for those in individual job roles and for the overall team.
- Don’t leave turnover to chance—track it, manage it, and take steps to fix it. Create paths for your people to grow and develop.