**Solving Pain Points of Forecasting**

Everyone knows that the volume of work arriving in a queues is quite random. If we look at a history of work arriving in a typical queues, this appears to be true. The volume of work does indeed vary from one interval to the next, day to day, andweek to week – facts which may give the impression that accurately forecasting futurework is an impossible task.

There are two simple effects of getting the forecast wrong and both cost you money.

***1. Forecasting too high***

Overstaffing creates a scenario for idle, unproductive agents to suffer from low morale or become bored or distracted and not focused on customer service.

***2. Forecasting too low***

Understaffing can result in lost customers due to abandoned calls or poor customer service. It should also be remembered that both of the above could occur on the same day if the forecasted distribution of work is incorrect.

**Four common problems involved with producing an accurate forecast**

**Using averages**:Forecasting an average is a safe bet (and the easiest to perform) but is unlikely to be the most accurate. Very little that happens in a contact center is an average. What happens next week is unlikely to be an average of what happened over the last few weeks.

**The forecasting tool lacks enough data**:Generally speaking, the more data the forecasting tool has to work with, the greater chance of producing an accurate forecast. If the forecasting tool cannot process more than a few weeks of data, its accuracy will be compromised. A good rule of thumb is *the more data, the* *better*.

**Having unrealistic expectations**:The forecasting tool’s predictions can be based only on what has happened historically and on what it is told will happen in the future. It can never know more than this! This may sound obvious, but don’t expect an accurate forecast for the coming year if you have only a few weeks’ data to forecast from.

**Not understanding how your forecasting tool works regarding:**

* How much data it can store/use
* If it takes into account inflation due to abandoned calls or any other factors
* If it recognizes seasonal and growth trends
* If special event information can be input and correlation factors applied
* How all of this is accomplished

A poor forecast can result in high staffing costs and lost customer revenue, but forecast accuracy depends on many factors. The key is ensuring that the forecasting tool has as much information about what happened in the past and what you expect in the future, and that it will allow you to properly utilize it.

An additional consideration for ensuring the forecaster has sufficient information is the quality of that information. The nature of the data is important. Validate your historical data by comparing new incoming data against a previously validated set of historical data.

**Recognizing events**

It is also important to recognize events which have an effect on the amount, and possibly the pattern, of work arriving in the contact center. Besides holidays, other events may include billing cycles, mail or catalog drops, advertising promotions, new business activity, competitor activity, weather issues, or external factors (TV shows, sporting events, industrial actions, etc.). The lifespan and seasonal trends of each type of event should be given consideration.

**Correlating events**

In the example of mail or catalog drops, similar events may occur on several occasions, but will affect work differently based on number of letters delivered. The system must have the capacity to identify and appropriately weight these events to plan for future occurrences.

**Critical components for accurate forecasting**

Ensuring your forecast takes these bullet points into consideration can help solve your forecasting pain points.

* The amount of historical data available
* The nature of the data
* The forecasting period
* Algorithms that reflect real life customer behavior
* Special events are treated differently, i.e., mail drops, campaigns, and special promotions can be quantified