



# Overcoming the Challenges of Small Contact Centers

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In working with numerous small contact centers over the years, we at Cooney Solutions Group have found many struggling with the same basic issue: Getting a grip on the unique dynamics associated with small agent groups.

For the purposes of this white paper, “small” contact centers are those staffed with 60 or fewer agents, or larger centers that have agent skill groups or routing groups of 60 or fewer. This market segment has been gaining more attention in recent years, and vendors have developed new software tools targeted specifically at these centers.

This white paper features key findings that we at CSG have uncovered during our consulting engagements with small contact centers. We’ll discuss the common characteristics of these centers, as well as the eight biggest challenges facing small contact centers today. We’ll identify the drivers behind those challenges and provide proven solutions to help managers of small centers overcome them.

### Advantages of Small Contact centers

Small contact centers have several advantages over their larger counterparts – advantages that, when properly leveraged, can elevate the customer experience substantially. Some of these advantages include:

- ***Everyone knows each other and what’s going on.*** Agents in a small contact center typically have a clear understanding of their role on the team and of each other’s strengths and weaknesses.
- ***More involvement in other departments.*** Small contact centers (single site) have the luxury of being involved in the sales/marketing activities, and understand their potential impact.
- ***Overall understanding of mission and vision.*** Agents in smaller centers are able to see the entire process and therefore have a clear understanding of their role in supporting the overall operation
- ***Easy to disseminate new information.*** In many cases, information can be quickly communicated to all agents during informal stand-up meetings or hand-delivered memos.
- ***Can quickly react to real-time changes*** – Managers in smaller contact centers are typically able to view the entire floor and stay on top of real-time recovery actions that are required.

## Common Challenges in Small Contact Centers

It's important to remember that customers don't care (or even know) when a contact center is small. This may sound rather harsh, but it's reality. Customers form opinions on companies based on the service received – not on size. And because many large contact centers have advanced technology and economies of scale working in their favor, managers of small centers have to uncover creative ways to provide positive customer experiences in order to compete. No simple task.. Consequently, many small contact centers find themselves operating in a constant state of chaos.

The key to driving success in a small contact center and providing excellent customer experiences is understanding the main challenges inherent in such environments. Here are a few of the big challenges with which smaller contact centers typically struggle:

- Everyone knows each other. Sound familiar? While we listed this in the previous section on advantages of small contact centers, it can be a disadvantage -- particularly in environments that do not have fair or balanced performance metrics in place. If left un-addressed, agent mediocrity is quickly noticed by others on the team and negativity can spread quickly.
- Little room for error. Just one poorly planned activity, or a couple of agents not following their schedule, can significantly impact the service provided to customers and how the agent workload is distributed.
- Significant forecast variances. In small contact centers, call volumes and handle times are, in most cases, less predictable and directly impact the number of agents required to meet a service level objective in every interval.
- Fewer recovery options. There are typically few, if any, other places to send calls during times of crisis. Real-time recovery routing creativity is typically limited in small contact centers.
- Budgets, and lack thereof. In many cases, capital spending budgets are limited in a smaller center, and there is typically a heavy entry price to obtain the latest technology.
- Lower agent occupancy rates are required. Agent occupancy is an uncontrollable outcome and a reality that must be accounted for and understood in small contact centers.

Although the challenges seem to outweigh the benefits of being small, these challenges can be mitigated by understanding and embracing the following eight simple concepts.

## 1. Fully understand agent occupancy

The first and, by far, most important concept for small contact centers to understand and appreciate is that of agent occupancy. Agent occupancy is an often misunderstood and misapplied contact center concept. For small contact centers, it's the main driver behind many of the efficiency challenges and the most frequently overlooked necessity.

Simply put, agent occupancy is the average time of all agents taking calls in which they are “occupied” talking to customers or in an after call work state. One way to simplify it is to look at it from the inverse perspective – the inverse of agent occupancy is agent idle time, or the time they are sitting, waiting for the phone to ring.

Idle time is a reality in every contact center; the larger the contact center the less idle time required to meet a given service level objective. This is the result of the law of large numbers – in a larger answering group, agents will become available to take calls more frequently, resulting in less idle time. To get a clearer picture of how occupancy varies depending on the size of the answer group, see Figure 1. Shown are the results of an Erlang program used to determine the number of agents required during a half hour to meet a 90/30 service level objective.

**Figure 1: Occupancy Illustrated**

<b>Service Level %:</b> 90%					
<b>Answered in:</b> 30 secs.					
<b>Staffing Req</b>	<b>Volume</b>	<b>AHT (secs)</b>	<b>ASA (secs)</b>	<b>Occupancy Rate</b>	
119	575	340	7.8	91%	
65	300	340	8.2	87%	
45	200	340	8.6	84%	
18	70	340	11.1	73%	
8	25	340	13.4	59%	

Here are some highlights from the chart:

- Each row is an example of a different call answer group.
- The objective is to answer 90% of calls within 30 seconds in all five examples.
- Inputs to the program include:
  - Call Volume – The number of calls expected to be offered to the group in the half hour. (Volume)
  - Average Handle Time – The average of the sum of Talk Time, Hold Time, and After-call work for each call. AHT)

- Outputs from the program include:
  - Minimum number of seated agents – The minimum number of agents needed for the entire half-hour to meet the service level objective. (Staffing Req)
  - Average Speed of Answer – The expected average call answer speed if the minimum agents required are staffed. (ASA)
  - Agent Occupancy – The average amount of time agents will be occupied in direct support of customers shown as a percent with the inverse being idle time. (Occupancy Rate)
- The bottom row shows a need to have eight agents available for an entire half hour to answer the 25 calls within the service level objective. The agent occupancy result is 59% – the eight agents will be talking to customers or in an after-call work state an average of 59% of the time. Again, it's easier understood when you look at the inverse – agent idle time, which, in this case, is 41%. If you add up the idle time at the end of the half hour, it would be about 41% of each of the eight agents' time, or a little over 12 minutes per agent.
- Contrast that with the top row that shows 119 agents are needed to handle 575 calls with an average occupancy of 91%. Again, the inverse is 9% idle time, or about 2.5 minutes per agent.

When expanded to an entire day, the chart shows that the agents in the smallest contact center will be idle an average of two hours for every seven hours of phone time, compared to only 35 minutes of idle time in the large center. Agent occupancy is a function of workload size and desired service levels and can't be increased. – For small contact centers, this means more idle time will always be required to meet the same service level when compared to larger centers. If you manage a small contact center that is meeting its answer objectives, you'll most likely have others in the organization asking why the people are just "sitting" around. The answer is in the occupancy.

## ***2. Develop a planning culture***

Embracing a planning culture is one of the best things you can do for your customers, your agents and your business as a whole. A contact center planning culture is one in which the center recognizes that everything that can impact quality and service level, and each are considered in every business decision. Given the very limited error margin for most small contact centers, a planning culture is especially important.

To meet performance objectives while avoiding agent burnout and allowing adequate time for non-phone activities, the contact centers must be properly staffed. This may seem like an obvious statement, but we often find contact centers of all sizes struggling to get it right. Before trying to improve processes, make agents happier, or introduce new technology, you have to get the staffing part right. This is the most basic activity regardless of size, but is often the most overlooked.

What makes this more of a challenge in many small contact centers is a lack of appreciation of the value added outside of the center. More often than not, small contact centers are supported by departments that also assist other parts of the organization. A couple examples:

- The telecom department provides ACD support for the contact center and all of the other telephones in the company
- The HR department is tasked with screening contact center agents, but spends the majority of the time staffing for other parts of the company
- Manpower standards used in other parts of the company are applied to the contact center (FTEs per customers or other static models).

At the heart of overcoming these challenges is a well understood and appreciated service level-driven planning process. Without it, managers spend a lot of time explaining “why”, and those outside of the center are continuously questioning changes. Bottom line, creating a planning culture is the ticket to everything that makes contact centers run better – process improvements, targeted training, coaching, and quality initiatives.

### ***3. Nothing can be skipped***

We often see small contact centers struggling because they’re missing the first, and most basic activity – choosing a service level objective. In many cases, small centers focus on telephone objectives such as average speed of answer or abandon rate in place of service level.

Service level is hands down the best speed-to-answer metric in the contact center. (Read: you have to have one). It directly measures the accessibility of your organization to your customers and should be used as the primary measure of telephone success.

Service Level is defined as X percent of calls answered within Y seconds (e.g., 80% of calls within 30 seconds). Service level is the tried-and-true indicator for contact centers and is the basis on which all commercially available workforce management systems are built. This metric is often viewed simply as a performance measure or goal for contact centers. While it’s true that it does provide the best overall indicator of caller access, it also serves a much greater purpose. A contact center’s service level objective provides the foundation for the most fundamental activities: planning, staffing and execution. The service level objective you choose will directly influence the number of people you hire, how many people you need to have on the phone in each hour of the day and when you need to implement a real-time recovery plan.

Once you have a service level in place, you must develop a formal process for addressing all of the steps that follow – determining staff, scheduling, implementing account-

ability, continually improving, etc. A common mistake made by leaders of small contact centers is thinking that being small allows for shortcuts. Reality is just the opposite – and additional challenges must be overcome along the way.

#### 4. *Recognize an agent's true capacity*

Few people fully understand the true productivity available from a contact center agent. It's not uncommon to have to staff two people for every one hour of customer support workload in small contact centers. And depending on the service level or center size, it can get as high as a 3:1 ratio. It's important to know where all the time is going -- the table below helps to illustrate this point.

	Remaining Hours	Activity Reduction	Hours Remaining
Weekly Scheduled Hours	40.0	0.0	40.0
Absent (annual, sick, FLMA) 17 days/yr	40.0	2.6	37.4
Paid Breaks (2 @ 15 min per day)	37.4	2.5	34.9
Non-Phone (meeting, coaching) @ 1hr/wk	34.9	1.0	33.9
Non-Phone (email, updates) @ .5hr/day	33.9	2.5	31.4
Telephone adherence 90%	31.4	3.1	28.3
Required Occupancy Rate 70%	28.3	8.5	19.8
<b>Total on Phones, Hold and ACW</b>	<b>19.8</b>		

The table shows that once all activities are accounted for, a full-time (40 hr/wk) agent will be dedicated to servicing customers an average of only 19.8 hours per week. The required occupancy rate alone accounts for a telephone reduction of 8.5 hours per week when the expected service level objective is being met. As illustrated in the previous occupancy example, this is a requirement -- and the smaller the center, the more "idle" time must be added to the process.

Many small contact centers try to account for this non-productive time by scheduling other activities during the idle time. Under the right circumstances, this can be successful. One key is to make sure the assigned activities do not take agents away from their workstation or cause them to go into a call-blocking state (e.g., making outbound calls, conducting off-line research, gaining approval, etc).

#### 5. *Don't give up on the forecast*

Small contact centers will always be challenged to get accurate forecasts; it's never as easy as in large contact centers. The more samples you have, the easier it is to predict the future, and with the fewer calls that smaller centers receive, improving forecasting accuracy is a constant struggle.

There are several approaches to forecasting call load (call volume x handle time). For small contact centers, historical-based forecasting normally works pretty well. With historical-based forecasting, you look at what happened in the previous weeks to fore-

cast what to expect in the next. The data is typically available from the phone system and can be easily trended in a spreadsheet or database application.

Unfortunately, many small contact centers tend to give up on accurate forecasting because they're never able to achieve the single digit interval variances commonly considered "best practice." While challenging, it's critical to not give up. You'll find that there will always be some type of volatility present – keep tracking it and look for ways to reduce the average. The key for small centers is to determine how close you can get, and then develop schedules based on the range.

Let's say that history shows you're normally within a 12% absolute interval staffing variance – the difference between the number of agents you think you need on hand versus the number you end up actually needing to achieve your service level objective. As you're working to find ways to reduce the 12% variance, it should be accounted for in your schedule, just as your required occupancy and actual telephone adherence rates are. Not planning for this reality will result in missing your service level objective in many intervals, eventually creating more challenges for the center.

## ***6. Get creative with schedules***

Once you have an understanding of your true daily interval staffing needs, getting creative with schedules becomes easier. Creative scheduling is one way for small centers to reduce some of the inefficiencies introduced with a lower required occupancy rate. Below are some innovative ways to help improve departmental efficiencies by ensuring your workforce is properly aligned with the workload:

- Transition static start and stop times to more flexible shifts.
- Conduct departmental training or team meetings outside of traditional hours.
- Provide agents the option to combine breaks and lunches to take the combined off time during a non-peak period.
- Train back-office personnel to handle routine inquiries during peak times or lunches.
- Consider allowing agents to swap "return" breaks for early release time.
- Transition the routine/common customer inquiries to a part-time or temporary workforce, or to an outsourcer.
- Reward agents who are highly flexible and open to daily adjustments to schedule changes
- Share a resource or two with a department outside of the contact center and rotate non-phone tasks throughout the contact center
- Move additional (simple) responsibilities to the contact center to take advantage of the required "idle" time.



## 7. Plan to react in advance

Real-time management is thought by many to be a contact center savior, but it often drains the energy of everyone involved. Typically larger contact centers have people running an “intra-day” desk -- continuously monitoring activities and adjusting call routing and agent skills based on internal and external changes.

Small contact centers normally don't have the available resources or the real-time re-action options of larger centers. Consequently, formal recovery plans are a necessity, and everyone needs to understand their role. In addition, it's important that you have a way to communicate the current state to the entire organization, which can be accomplished via wall mounted reader boards, terminal alerts, or agent phone displays.

Bottom line: The best way to prepare for real-time management is to plan to “react in advance”. This may sound like an oxymoron, but it is exactly what we do in contact centers -- use historical information to predict future needs. If the planning process has been followed correctly, a contact center will have an accurate picture of the interval staffing that is required compared to the staff scheduled.

Your ability to react in advance starts with creating a way to perform an interval gap analysis. This is your daily plan that shows how many people you need by interval balanced against the staff scheduled. Everything that impacts the staffing requirement or staff availability must be continuously updated and reflected in the plan, thus providing the opportunity to anticipate service deficits and do something about them in advance. The table below shows a tracking tool that can be created to illustrate this opportunity:

Interval	Current Day Schedule (updated for all changes - sick, late, etc.)	Minimum Phone Requirement (agents that must be in place for the entire 1/2 hour)	Expected Staffing Variance (Current Day Schedule minus Minimum Phone Requirement)
07:30 - 08:00 AM	14	10	4
08:00 - 08:30 AM	18	17	1
08:30 - 09:00 AM	34	32	2
09:00 - 09:30 AM	36	40	-4
09:30 - 10:00 AM	41	46	-5

In this example, the intervals from 7:30 am through 9:00 am are expected to be staffed adequately to meet the service level objective, but the two subsequent intervals lack the minimum required staffing. By having this information available when the day starts, the contact center can implement plans to avoid queues several hours in advance. By not doing anything to address a known staffing deficit, you are essentially planning for failure.

No matter how much planning you do, there will be times when things don't go as anticipated and you'll have to react on the fly. A common mistake in small contact

centers is to implement a recovery plan too quickly. Remember, queues aren't necessarily a bad thing and, when managing to a specific service level, they are actually part of the overall plan.

It's also important to remember that small contact centers typically have longer hold times than larger centers for those calls not answered within the service level objective. If a real-time recovery plan is implemented too often and too quickly, those tasked with reacting will soon lose faith in the process, and operational efficiencies will be negatively impacted.

When setting real-time queue reaction thresholds, it's critical to understand how your call volume and service level impact the number of calls and length of a planned delay. Getting it right involves some trial and error, but you can get a good feel for where to start by spending some time reviewing the output available from a simple Erlang C calculator.

## ***8. Focus on adherence and quality***

For small contact centers to truly succeed, they need to focus their agents' attention on two key metrics that are within each agent's direct control: Quality and schedule adherence. Both of these measures are at the heart of running efficient, effective contact centers.

Regardless of size, you must have a formal process in place to monitor and measure the quality of the service your contact center is providing. The table below outlines the basics required in any quality program:

	Large Call Centers	Small Call Centers
Develop standards	✓	✓
Ensure consistency (calibrate)	✓	✓
Determine approach and frequency	✓	✓
Monitor and evaluate	✓	✓
Provide feedback	✓	✓
Identify individual and departmental trends	✓	✓
Use results to improve the process	✓	✓

Just like with your formal planning process, you won't realize the full benefit of your quality monitoring process if any of these steps are left out. Even when formal processes are in place, there are typically opportunities to add to the frequency or items evaluated.

We often run into contact centers that monitor insufficiently because they don't have an automated monitoring system in place – and can't afford one. We tell each of these centers, that having one isn't really necessary; you can gain similar monitoring effi-

ciencies simply by using a basic Radio Shack-type tape recorder with a manager's telephone used for monitoring.

We also frequently find contact centers driving the wrong agent behavior by focusing on call volume-based "productivity" metrics such as:

- Total calls per hour
- Transactions per day
- "Normalized" or "occupancy adjusted" calls per hour
- Defined talk or wrap-up time
- Telephone availability
- Individual agent occupancy
- Telephone state utilization

Using any of these metrics to drive agent performance measurement ultimately sends the wrong message: "Provide quality, but hurry!" Even when contact centers get creative with an overall balanced scorecard type ranking, we typically find elements that are outside of an agent's direct control and therefore result in comparisons that are not quite "apples to apples".

You can avoid promoting unhealthy behaviors and unfair comparisons by setting goals around schedule adherence. Did the agent follow their schedule the way they were expected to? You can also set goals around items such as attendance and punctuality, but don't do so with such straight productivity metrics as average handle time and # of calls handled. These latter measures should be "managed" without defined departmental goals.

When helping contact centers to improve performance reports, we often get questions regarding how to "control" agent behavior without specific goals. We encourage managers to start by adopting an operating philosophy that assumes agents are always doing the right thing to provide service to customers. Managers who aren't comfortable with this mindset need do some self-reflection and evaluate what obstacles may be hindering their ability to embrace such an approach. This can be difficult, but in most cases it reveals that the measures and rewards currently in place in the center may be driving the wrong behaviors in agents and, in some cases, the management team.

## No Small Feat

Running contact centers of any size can be a challenge; however, the smaller the center, the larger the operational efficiency challenges tend to be. To overcome these

challenges, managers of small centers need to have a clear understanding and appreciation of contact center dynamics. More importantly, they must be able to clearly articulate their challenges and operating dynamics to everyone in the organization to obtain the support needed to operate efficiently. Once this is accomplished, small contact centers can achieve big results indeed..

## About the Author

Tim Montgomery is CEO of **Cooney Solutions Group**. Tim is an accomplished author and has written numerous insightful and forward-thinking articles and whitepapers on a wide range of leadership/management, customer service, and contact center topics. His work has been featured in many global publications, industry journals and position papers. He is also a contributing author to highly regarded books on Leadership and Business Management, Customer Relationship Management, Call Center Operations Management and People Management.

Tim has personally assisted some of the world's most recognized service organizations – **USAA, DELL, AIG, Lifetouch Publishing, ADP, Mitsubishi Motors, The Scooter Store, Farmers Insurance, Premiera Blue Cross, Deluxe Corporation, Allstate, Kodak, Liberty Mutual, Cinergy, Prudential, Meguiar's, Coca-Cola, Isagenix, Department of Veterans Affairs, AAA of Canada, American Family Insurance, The Gartner Group, Amerigroup, Prime Therapeutics, Erie Insurance, Harvard Medical School, and many more.**

## About Cooney Solutions Group

General Bill Cooney and Tim Montgomery, two of the most experienced and respected experts in customer service and contact center management, founded CSG with the goal of offering affordable, world-class outsourcing solutions to organizations committed to delivering high-quality, customer experiences. They are further supported by a team of recognized experts in the areas of network utilization, operational efficiency and culture development. This “dream team” has served as advisors to some of the world's most recognized and celebrated customer care organizations.

For more information, please visit [www.cooneysolutionsgroup.com](http://www.cooneysolutionsgroup.com).