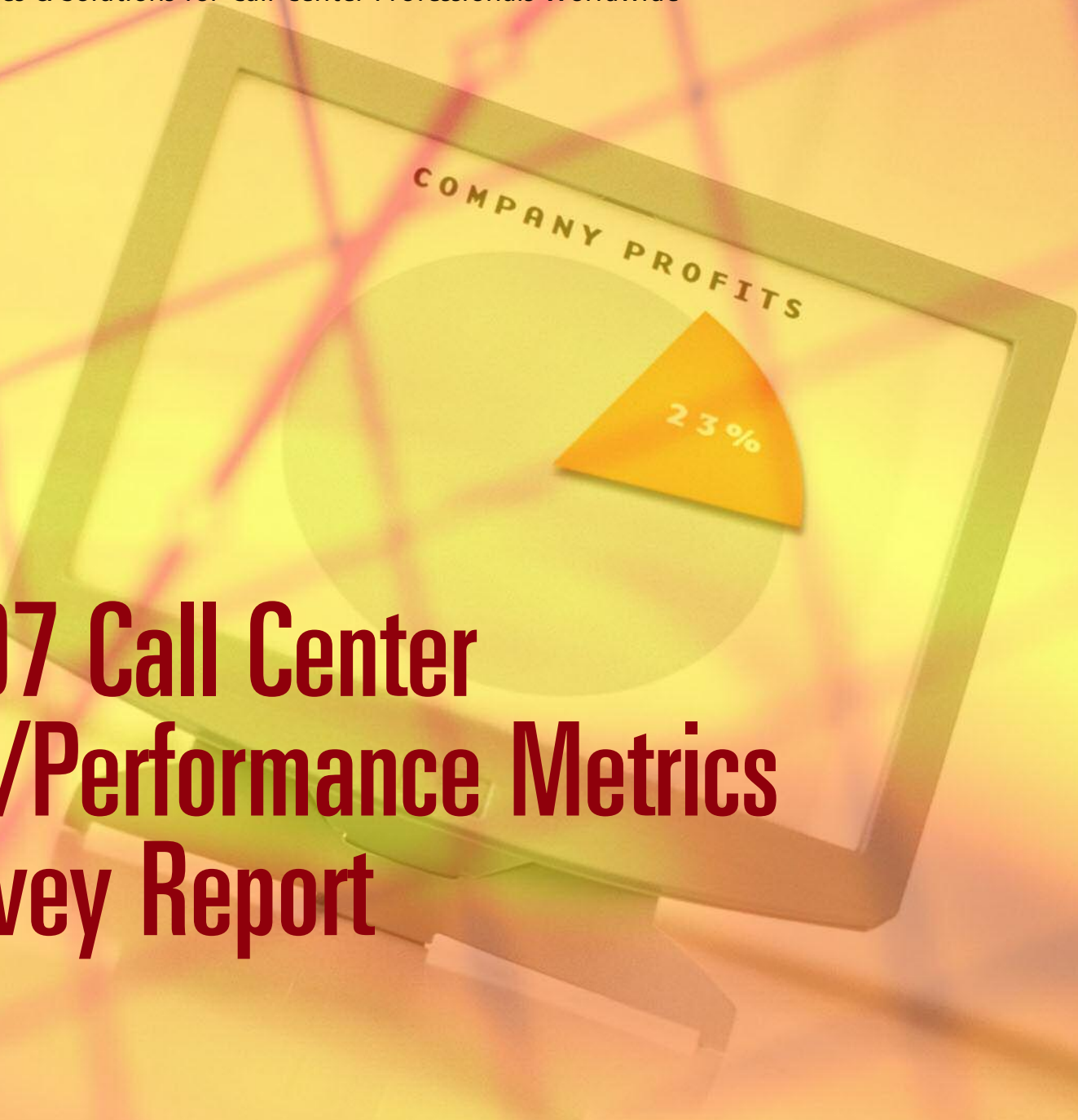


# CALL CENTER MANAGEMENT Review®

*Strategies & Solutions for Call Center Professionals Worldwide*



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## 2007 Call Center KPI/Performance Metrics Survey Report

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## Overview

Few call center topics engender as much controversy and as many varying views as performance metrics.

What are the most critical metrics to measure? What is the “right” objective for each of these measures? What should be the key performance indicators (KPIs) for the call center? How often — and how — should each KPI and each metric be measured?

While the answers to these questions often depend on who you ask, one thing is certain: The old days of “measure everything that moves” have come to an end. Most call centers realize that, to be successful in this age of stiff competition and customer relationship management, they must be able to cut through the clutter of available stats and data to find the metrics that truly impact — and reveal key insights into — the customer experience, while simultaneously enabling the organization to remain efficient.

Of course, because each center has a different customer base with different needs/expectations — and

because each center/organization has different business goals and budgets — selecting which metrics to focus on, and determining how to select an appropriate objective for each will vary somewhat from one call center to the next.

That being said, there are several performance metrics that virtually all call centers, regardless of organization type and/or industry, would be wise to embrace. To help reveal how call centers are doing with regard to such critical metrics, ICMI conducted a comprehensive survey on the topic in January 2007, with responses coming from 211 call center professionals who, collectively, manage small, medium and large centers in a wide variety of industries. Most respondents work in North American call centers (84.7%), but there were also participants from centers in Europe, Asia, Africa, Australia/Pacific Rim and South/Central America.

The following are the key findings from that survey.

## Study Results

### Respondents' Background

The Financial Services industry had the strongest representation in the survey, with 19.5% of total respondents working in call centers from that industry. Rounding out the top five industries were Telecommunications (10%), Utilities (9.5%), Property and Casualty Insurance (5.2%), and Manufacturing (5.2%).

Call centers ranging in size from very small to very large participated in the survey: 23.8% of respondents work in centers employing 21-50 full-time agents; 19.5% work in centers with 51-100 FTEs; 17.1% in centers employing fewer than 20 FTEs; 14.8% manage centers manned with

101-200 FTEs; 13.8% work in centers staffed with 201-500 FTEs; and 11% in centers of 500 FTEs or more.

### Service Level

The most common service level objective (for calls handled by live agents) cited by respondents was 80% of calls handled in 20 seconds. Several other similar objectives were also frequently reported, including: 80% of calls handled in 30 seconds; 90% of calls handled in 30 seconds; 90% of calls handled in 20 seconds; and 85% of calls handled in either 20 or 30 seconds.

Most centers (71.9%) measure service level by interval (half-hour, hour, etc.) and/or daily (62.4%);

41.9% of respondents also indicated that they measure and/or track service levels on a weekly basis, 48.6% do so monthly, and 29.5% do so annually.

The majority of respondents indicate that they “nearly always meet” the center’s objective (32.4%) or “usually meet” the objective (26.7%). (See Figure 1 on page 2 for the complete breakdown of centers’ success at meeting service their level objective.) When asked what their main timeframe was for measuring/tracking service level that is used in *external reporting*, 35.6% said monthly, 32.7% said daily, 14.9% weekly, and 12.5% by interval. The vast majority of respondents indicat-

ed that service level is viewed as either a “critical/indispensable” metric (32.7%), “very important” (48.1%) or “important” (13.9%) in their center.

**First-Call Resolution**

Of considerable concern is the fact that so many call centers (39.5%) do not measure first-call resolution (FCR). This is alarming because FCR is one of the most critical performance metrics in the modern call center — with numerous studies linking high FCR to high customer satisfaction, agent satisfaction, lower operating costs and increased revenue generation.

Most of the centers in the survey that do measure FCR achieve a decent FCR rate: 25.2% reported an FCR rate of 85%-89%; 21.2% reported a rate of 90%-94%; and 12.6% reported a very impressive 95%-100% (see Figure 2). Of course, such favorable results among these centers might be somewhat misleading due to the fact that there is currently no real standard method for measuring FCR — thus some centers that gauge this metric may not be doing so accurately. ICMI has found that the best way to measure FCR is to do so from the customer’s perspective, yet the most common measurement method cited by respondents is “agent input on CRM/call-tracking software” (29.9%), where agents — not callers — are asked to determine whether or not the call was fully resolved. The good news is that the second and third most common FCR measurement methods cited by

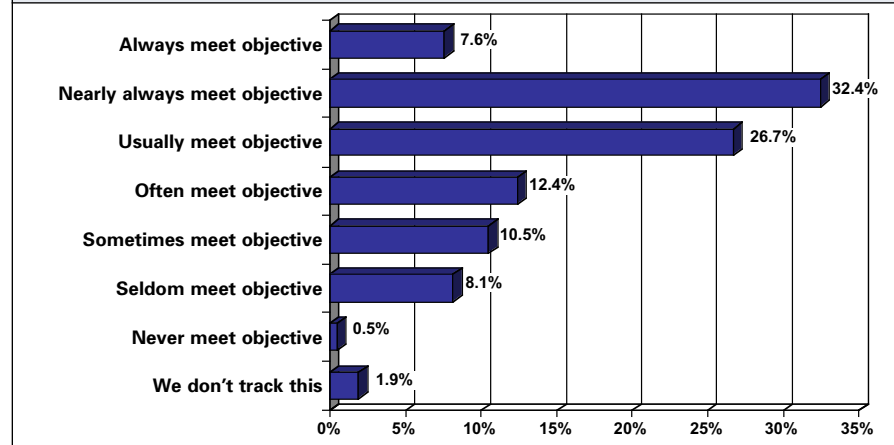
respondents — automated post-call customer surveys (22%) and post-call live phone surveys (18.9%) — both do gauge FCR from the caller’s perspective. Other methods of measuring FCR for calls handled by live agent included having agents simply ask “Have your issues been fully resolved?” at the end of each call and then tracking the results (17.3%); and post-call mail surveys (9.4%).

Of the previous methods, the former (automated post-call surveys —

either IVR or email-based) is the best method, as it enables call centers to survey customers immediately after the interaction with an agent, when the call is fresh in the customer’s mind. In addition, today’s automated post-call survey tools can detect trends and spot problems more quickly than human beings who conduct post-call surveys live via phone.

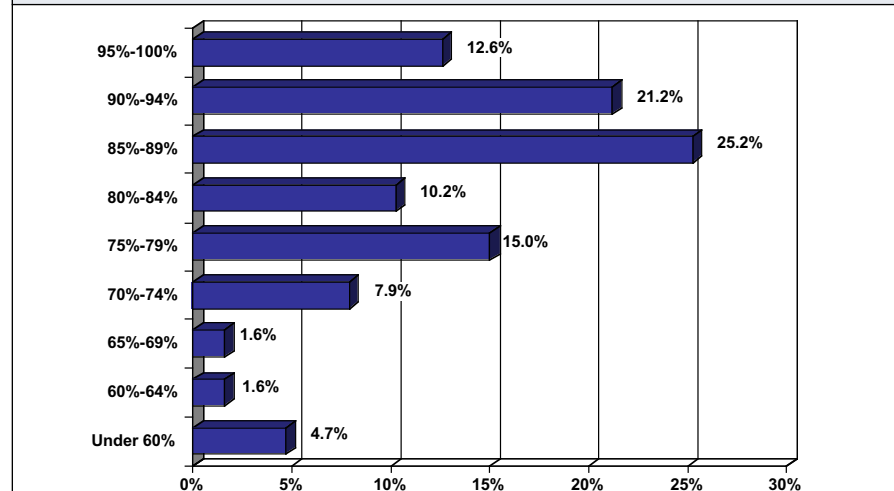
More than half (55.5%) of centers surveyed measure/track FCR at

**Figure 1: How Often Do You Meet Your Service Level Objective?**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

**Figure 2: Average First-Call Resolution Rates**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

least monthly, with 26.6% measuring and/or tracking FCR on a daily basis, and 22.7% on a weekly basis. Another 10.2% said they measure/track FCR annually.

While many centers that measure FCR view it as a “very important” (44.1%) or “important” (25.2%) metric, only 15% describe it as “critical/ indispensable” — despite the fact that research and many experts have indicated that FCR is a paramount performance measure.

### Email Response Time

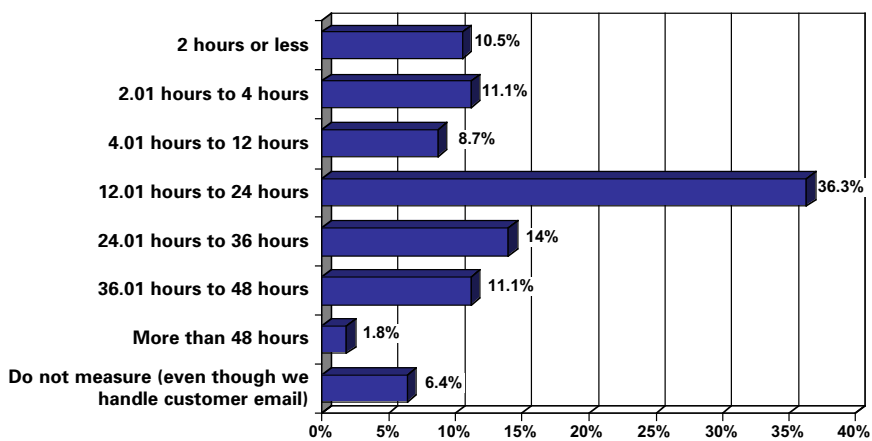
Most call centers not only have set a rather ambitious objective for email response time (how quickly an agent — not an auto-response system — fully responds to an email inquiry/issue), they are doing a good job of meeting that objective: Two-thirds of respondents (66.6%) indicated having an email response time objective of 24 hours or less (see Figure 3).

Just under half of responding

centers (49.4%) report that they “nearly always” meet their objective, 18.8% “usually meet” the objective, 15% “always meet” their goal, and 8.8% say that they “often meet” their objective. Only 4.4% admitted they only “sometimes” meet their email response time objective, and 0.6% said “seldom.”

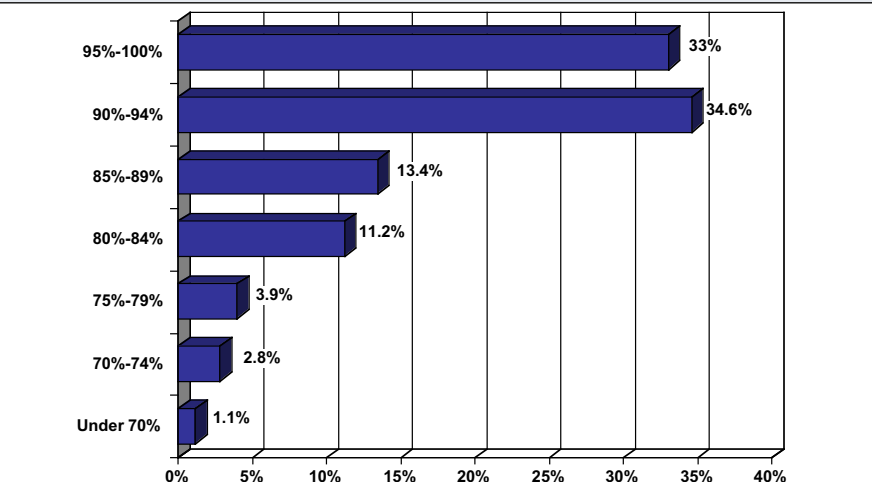
The majority of centers that measure email response time describe it as a “very important” (44.9%), “important” (27.8%) or “somewhat important” (14.6%) metric. Only 8.2% see it as “critical/ indispensable.”

**Figure 3: Email Response Time Objectives**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

**Figure 4: Adherence to Schedule Objectives**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

### Adherence to Schedule

The vast majority (85.6%) of participating centers measure agents’ adherence to schedule (the percentage of scheduled phone time that agents are expected to be logged in and available or in a call-handling or after-call work mode). It’s uncertain what the remaining 14.4% of centers are thinking (considering the importance in any call center of having the right number of people in place at the right times!).

Most centers that measure schedule adherence aim for an objective of 90%-94% (as indicated by 34.6% of respondents) or 95%-100% (33%). (See Figure 4.)

Respondents reported having little trouble meeting their objective — nearly 80% indicated that they either “nearly always” (40.3%), “usually” (29.8%) or “always” (8.8%) achieve their goal for schedule adherence. Another 12.7% said that they “often” met their adherence objective, while 4.4% said “some-



times.” Only 1.2% admitted that they “seldom” or “never” met their objective.

How often are centers measuring and/or tracking agents’ adherence to schedule? 23.8% do so by interval (half-hour, hour, etc.); two in three centers (64.1%) measure/track adherence on a daily basis; 30.9% said weekly; 36.5% measure/track monthly; and 12.7% do so annually.

The vast majority of respondents that measure schedule adherence view the metric as either “very important” (41.4%) or “critical/indispensable” (34.8%). Further evidence of how much these centers value this metric is the fact that 83.3% said that they take the time to clearly explain/demonstrate the importance of schedule adherence to agents (i.e., the huge impact that each one of them has on the queue and on customer accessibility/satisfaction).

### Forecasting Accuracy

Somewhat surprising is that only just over half (56.4%) of centers surveyed measure forecasting accuracy (the percent variance between the number of inbound customer contacts forecasted for a particular time period and the number of said contacts actually received by the center during that time).

Forecasting accuracy is very important, for underestimating demand leads to understaffing, which, in turn, leads to long wait times in queues, frustrated customers, burned-out agents and high toll-free costs (due not only to the

long hold times, but also to the long diatribes by callers livid over the long hold times). On the other hand, overestimating demand results in waste and overstaffing. When asked how often they measure forecasting accuracy, most respondents indicated that they did so on a daily (52.1%) and monthly (49.6%) basis, as well as 29.4% who measure weekly, 27.7% by interval, and 20.2% on an annual basis.

The majority of centers (90.8%) that measure forecasting accuracy understand the significance of this metric as a KPI, describing it as “very important” (40.3%), “important” (26.1%) or “critical/indispensable” (24.4%).

### Average Handle Time

Some good news regarding the age-old metric average handle time (AHT): Only a few call centers indicated that they set firm AHT objectives that all agents are expected to meet. Remember, AHT is not typically within agents’ control — and it often hinders quality when objectives are rigidly enforced — thus most centers are wising up and are not driving agents into the ground with this metric.

Just over 40% of respondents reported that they merely tracked AHT to help shed light on possible improvements to training, workflows, etc., but they did not share results with agents on a regular basis (except for when the agent is consistently and significantly outside of the acceptable range). Another 37.4% of respondents said that they,

too, view their AHT objective as more of an acceptable range than a firmly set objective, but that they did share AHT results with each agent daily (or very frequently) and expect all agents to fall within the acceptable range. In only 11.4% of centers surveyed is AHT considered a firmly set objective that is measured and reported on to agents daily, and one that they expect all agents to meet. In 8.1% of centers, AHT is not measured at the agent level at all.

Even though the focus on AHT as a KPI may be lessening, that doesn’t mean that call centers are not keeping an eye on it. While only 8.8% of respondents said that they consider AHT to be a “critical/indispensable” metric, another 29.9% said it was “very important” and 38.1% said “important.” 23.2% stated that they considered AHT to be only “somewhat important” or “not very important.”

When asked to indicate all the timeframes for which AHT metric is measured, the respondents indicated that they did so by interval (17.1%), daily (59.1%), weekly (42%), monthly (54.9%), and annually (17.6%).

### Self-Service Accessibility/Completion Rate

Collectively, call centers are doing a mediocre job with regard to customer self-service accessibility and completion rates, and do not appear to view measuring self-service success as a high priority, as evidenced by the following findings:

**INTERACTIVE VOICE RESPONSE**

Only 54% of centers surveyed have an IVR system in place that enables customers to complete certain transactions without any agent assistance. (The remaining 46% either do not have an IVR application in place, or have one but use it for call routing only.)

Of those centers that do use IVR for self-service, only 53.5% measure customer completion rates (the per-

centage of customers that start a “complete-able” transaction in the IVR without opting out to speak to a live agent). Not that the completion rates in centers that measure this metric are all that impressive. Almost half (46.7%) report IVR completion rates of 50% or less; and 21% didn’t know what their completion rate was. (See Figure 5.)

Of those centers that measure/track IVR completion rates, 6.5% do

so by interval, 40.3% daily, 27.4% weekly, 66.1% monthly and 16.1% measure/track on an annual basis.

Still, many respondents (75.5%) indicated that IVR completion rate is considered an important metric in their centers — 6.6% said it was “critical/indispensible,” 32.8% said “very important,” and 36.1% considered it to be “important.”

**WEB-BASED SELF-SERVICE**

One in three centers (32.7%) surveyed currently do not offer any Web-based self-service options (search engines/knowledge bases, FAQs, online accounts, etc.). Of those that do, only 27.5% actually measure customer completion rates during such transactions.

Less than half (47.2%) of centers that offer Web self-service reported a completion rate of 70% or higher (see Figure 6), and a third (33.3%) reported completion rates of 30% or less.

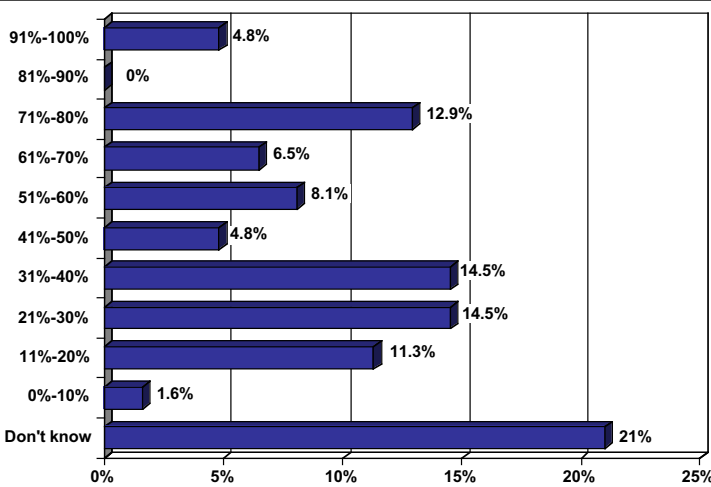
The majority of respondents reported measuring and/or tracking their Web-based self-service completion rates on a monthly (68.4%) and daily basis (42.1%). Others also said that they track it weekly (26.3%) and annually (15.8%).

Most centers (78.9%) consider this metric to be of some importance — 7.9% said it was “critical/indispensible,” 34.2% said “very important,” and 36.8% claimed it to be an “important” metric.

**Quality**

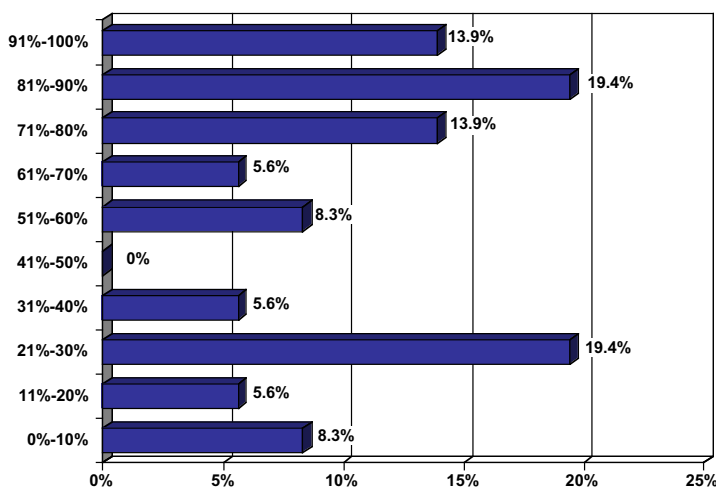
Quality was deemed the most important metric by respondents,

**Figure 5: IVR Completion Rates**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

**Figure 6: Web Self-Service Completion Rates**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

with half (50.6%) describing it as “critical/indispensable” and 40.1% calling it “very important.” That being said, a rather surprising 18% of centers surveyed do not formally measure quality — a veritable death-wish in today’s highly competitive, customer-focused business climate.

Those centers that do measure quality report solid numbers: 43.5% said their centers’ average quality score was 81%-90%, with another 36.9% of centers indicating a highly impressive quality score in the 91%-100% range (see Figure 7).

The most common timeframe, by far, for measuring/tracking center-wide quality is monthly (72.9%). Respondents reported that they also measure/track quality daily (23.5%), weekly (27.6%), annually (21.8%) and quarterly (2.9%).

According to respondents, the most common method for measuring quality — by far — is via quality monitoring conducted inhouse (86%). Other methods used to gauge quality include customer input from surveys (50%), using an outside third-party specialist to conduct quality monitoring (14%), and using a “mystery caller” program (11.6%).

The top three criteria that centers focus on when measuring quality are:

1. Courtesy and professionalism (96.5%)
2. Providing customers with correct and relevant

information/answers (93.6%)

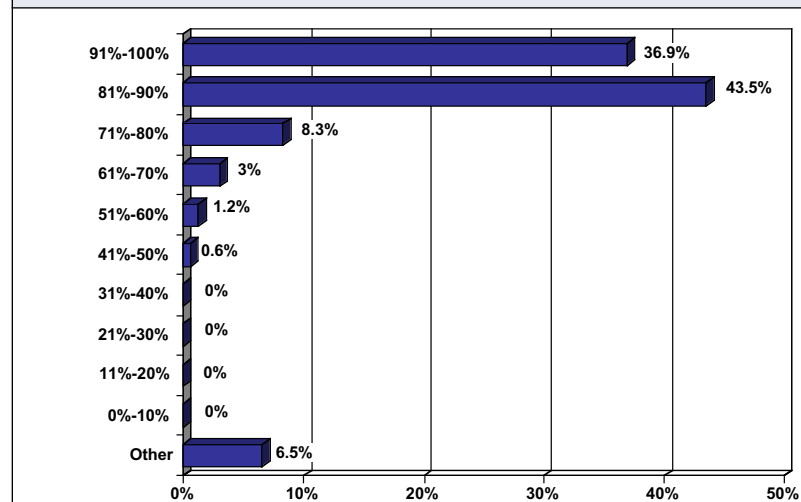
3. Use of appropriate greetings and other call scripts (86%)

Other criteria included capturing key customer data/information, data-entry accuracy, FCR, user of correct grammar/spelling in email/chat, effective cross-selling, empathy, and going above and beyond to delight the customer (see Figure 8, below).

### Customer Satisfaction

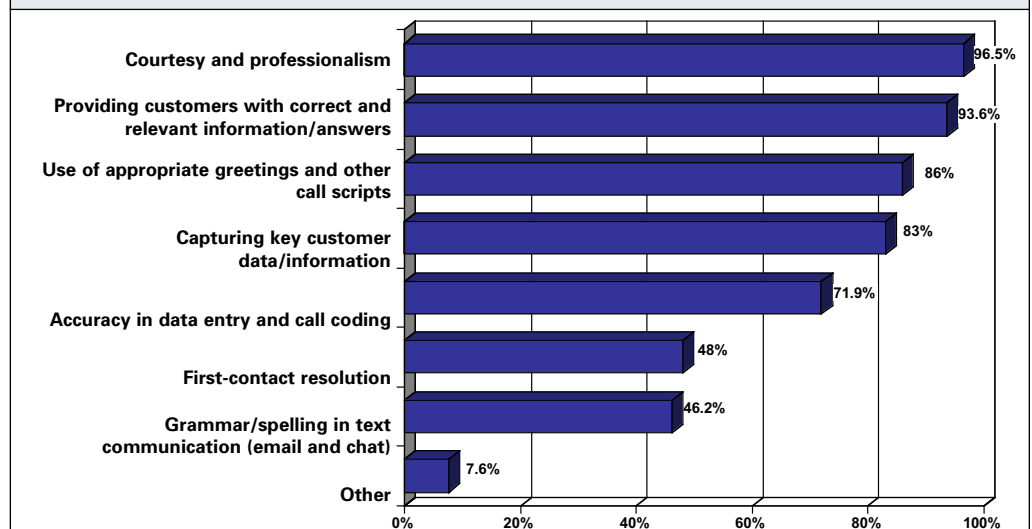
Another metric considered highly important by respondents is customer satisfaction; 46.5% described it as “very important” and 39.6% as “critical/indispensable.” A major concern, however, is that one in three (29.3%) centers don’t even bother to formally measure this paramount metric.

Figure 7: Average Quality Scores



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

Figure 8: Criteria Used to Measure Quality



Note: Due to rounding, some percentage totals may not equal 100.0 percent.



As with quality, those that do measure customer satisfaction report rather healthy statistics: 42.8% indicated a customer satisfaction rating of 81%-90%, and another 37.2% reported an enviable 91%-100% rating (see Figure 9).

More than half (53.1%) of the centers that measure customer satisfaction said that they do so on a monthly basis. Other timeframes for

tracking/measuring this key metric were daily (18.6%), weekly (17.2%) and annually (31.7%).

The most common method used to measure customer satisfaction is via post-call live phone surveys, conducted inhouse or by a third party (39.7%). Other common tracking/measurement methods include: Quality monitoring (34.9%); post-contact mail survey (31.5%); auto-

mated post-contact customer surveys (email/Web-based) (24%); automated post-contact customer survey (IVR-based) (15.8%); and customer focus groups (13.7%).

### Agent Satisfaction

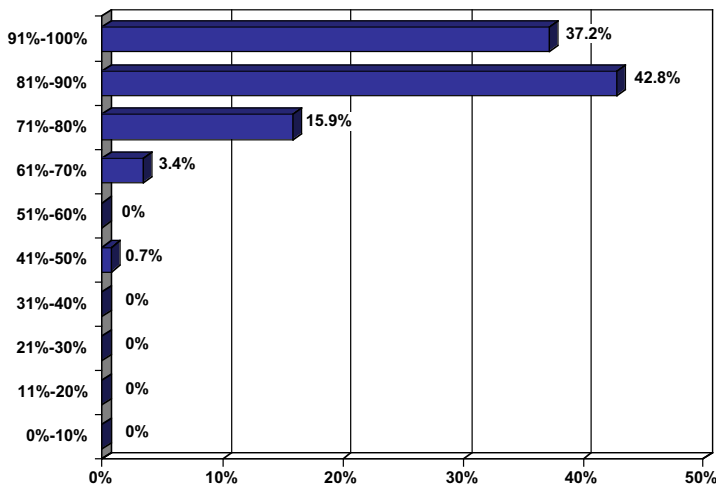
A whopping 45.6% of respondents indicated that their center does not formally measure agent satisfaction. This is almost inexplicable, when you consider the fact that: a) research has clearly shown a direct correlation between agent satisfaction and customer satisfaction/loyalty; and b) the cost of re-recruiting, re-hiring and re-training resulting from agent turnover can be significant — and often staggering — in the call center.

The vast majority (91.6%) of centers that measure agent satisfaction consider it to be a consequential metric: 22.2% said that agent satisfaction was “critical/indispensable”; 43.5% considered it to be “very important”; and 25.9% pegged it as “important.”

Of those that track/measure agent satisfaction, most do so on an annual basis (56.5%). Other common timeframes for measurement reported were monthly (28.7%), daily (11.1%) and weekly (8.3%).

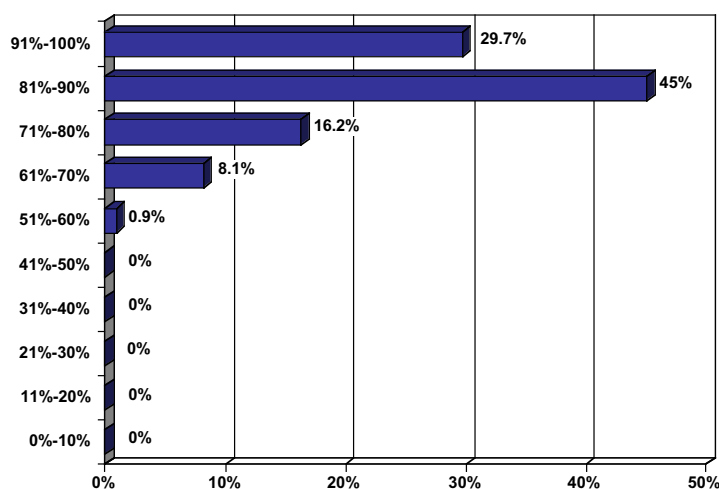
The most common method for measuring agent satisfaction is through online surveys (50.5%), which is an accurate and efficient way to gauge this important metric (assuming the survey is well-designed). Other frequently used methods included: exit interviews (44.9%), agent focus groups/inter-

**Figure 9: Average Customer Satisfaction Ratings**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

**Figure 10: Average Agent Satisfaction Ratings**



Note: Due to rounding, some percentage totals may not equal 100.0 percent.

views (34.6%), attrition rates (33.6%), paper-based surveys (24.3%) and phone surveys (15%). Some centers also reported keeping tabs on agent satisfaction through attendance rates, one-on-one interactions, weekly meetings and annual performance reviews.

The centers that take the time and effort to measure agent satisfaction report somewhat surprisingly high rates. The vast majority report satisfaction rates of 81%-90% (45%) or 91%-100% (29.7%), with only one center in the whole study reporting a rate of less than 60% (see Figure 10 on page 7).

**Additional Metrics**

As mentioned in the introduction, the survey focused primarily on the key performance metrics that most, if not all, call centers should make their primary focus if they are to be highly customer-centric organizations.

There are, however, numerous other significant metrics measured in today’s call center — metrics that should not be ignored and that help centers gauge operational efficiency and agent productivity/effectiveness. To help us better understand the importance of some of these other metrics, we asked respondents to rank them. Results are shown in Figure 11 below.

A couple of these metrics are viewed as particularly important in many of the centers surveyed: 1) abandon rate (27% “critical”; 35% “very important”); and 2) average speed of answer (21% “critical”; 37% “very important”). While each of these metrics is important to track and manage, they typically are not considered paramount metrics/KPIs in leading call centers, for the following reasons:

1. Abandonment — though a useful measurement — is not a metric over which the center has much

control. Many contact centers view their abandonment rate as a key measure of how adequately the center is staffed, and how well the center is performing. But neither is true. Abandonment is driven by caller behavior, which — until some sharp vendor comes up with a universal mood-altering customer drug — the contact center cannot directly control.

2. Average speed of answer (ASA) is a close cousin of service level, and is derived from the same set of data. Some contact centers set targets for both ASA and service level (e.g., a service level goal of 80 percent of calls answered in 20 seconds, with an ASA of objective 15 seconds). However, for a given service level objective, ASA “will be what it will be.” Thus it makes little sense to set objectives for both service level and ASA, and most leading centers opt to focus on the former.

**Figure 11: Ranked Importance of Other Common Call Center Metrics**

|                         | Critical/<br>indispensable | Very<br>important | Important | Somewhat<br>important | Not very<br>important | Not<br>measured | N/A |
|-------------------------|----------------------------|-------------------|-----------|-----------------------|-----------------------|-----------------|-----|
| Abandon rate            | 27%                        | 35%               | 23%       | 10%                   | 3%                    | 1%              | 0%  |
| Average speed of answer | 21%                        | 37%               | 22%       | 12%                   | 3%                    | 3%              | 1%  |
| Agent occupancy         | 13%                        | 33%               | 23%       | 10%                   | 6%                    | 12%             | 2%  |
| Actual costs vs. budget | 12%                        | 30%               | 29%       | 10%                   | 1%                    | 14%             | 3%  |
| Cost-per-call           | 9%                         | 23%               | 21%       | 15%                   | 3%                    | 24%             | 4%  |
| Calls handled per shift | 5%                         | 20%               | 15%       | 17%                   | 13%                   | 21%             | 8%  |
| Sales conversion rate   | 10%                        | 8%                | 7%        | 5%                    | 2%                    | 25%             | 43% |
| Revenue per call        | 6%                         | 12%               | 7%        | 6%                    | 4%                    | 31%             | 33% |
| Blocked calls           | 4%                         | 11%               | 11%       | 6%                    | 9%                    | 36%             | 23% |

Note: Due to rounding, some percentage totals may not equal 100.0 percent.

## Conclusion

Things could be better in KPI-land. According to the survey, a significant — and, in some cases, frightening — percentage of call centers either are not measuring critical performance metrics or are measuring them using outdated and/or questionable methods. And many of these centers are failing the most with metrics that have been shown to have the biggest impact on the customer experience and the center's costs: first-call resolution, customer satisfaction and agent satisfaction. For customer-contact organizations to be truly successful, to be as customer-centric and effective as they often claim to be, they must achieve particularly high marks in each of these performance areas — something that is very difficult to do when they don't bother to or know how to measure results and, importantly, act on them to foster continual improvement.

Now, the centers surveyed do appear to be doing a decent job of measuring and managing many of the more traditional metrics that have historically ruled the performance measurement roost: service level/response time, schedule adherence, average speed of answer, abandon rate, agent occupancy, etc. And — importantly — most call centers seem to have done away with the type of rigid and lofty AHT objectives that have hindered the customer experience and agent morale for years.

However, it's time for call centers to evolve with regard to KPIs and other important metrics; today's center, for example, needs to embrace and strive to improve not only its critical FCR numbers and cus-

tomers and agent satisfaction ratings, but also its self-service accessibility and completion rates. Self-service offers a huge opportunity for call centers to reduce costs and lower staff burnout/turnover (caused by continually handling routine transactions that could otherwise be handled by the IVR or online). Just offering an IVR-based or Web-based self-service option — which, incidentally, many centers aren't even doing — isn't enough; the call center must view these channels to be as important as the traditional phone channel, and track key measures for each accordingly.

Further, it isn't enough that call centers have workforce management tools and teams in place to forecast contact volume and create schedules — they need to continually gauge how accurate these forecasts are and how effective the scheduling is to avoid costly under- and over-staffing problems.

Many of the survey respondents would be wise to revisit their performance measurement tactics — to take a close look at what they are measuring, how they are measuring it, and how critical each metric is to the organization and to the customer. Perusing articles/white papers and additional research on call center KPIs and other important metrics, and speaking to experts — either veteran managers of top call centers, or reputable consultants — about these issues can also be invaluable in helping managers/supervisors to right the performance measurement ship, before customers, agents and stockholders start seriously thinking about abandoning.

## About International Customer Management Institute (ICMI)

The International Customer Management Institute (ICMI) is one of the call center industry's most established and respected organizations. Founded in 1985, ICMI delivered the industry's first management-level conferences, educational programs and publications.

While ICMI's path-breaking work continues, the mission remains much the same: to provide resources and expertise that help individuals and organizations improve operational performance, attain superior business results and increase the strategic value of their customer contact services. Today's ICMI melds the traditional focus on consulting, training, and high-level engagement with CMP's strength in media and events to create a powerful one-stop-shop resource. Through the dedication and experience of its team, uncompromised objectivity and results-oriented vision, ICMI has earned a reputation as the industry's most trusted source for:

- Consulting
- Training
- Publications
- Events
- Professional Membership

Through constant innovation and research, ICMI's consulting and training services have become the industry's gold standard. ICMI publications, such as *Call Center Magazine* and *Call Center Management Review*, and events, including the Annual Call Center Exhibition (ACCE) and Call Center Demo and Exhibition conferences, continue to lead the industry. And ICMI's growing membership community now includes professionals representing organizations in over 50 countries.



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