

Updated 2009

Special Report

12 TRAITS

of the

Best Managed Call Centers

Brad Cleveland



International Customer
Management Institute (ICMI)
102 S. Tejon Street, Suite 1200
Colorado Springs, CO 80903

Toll Free: 800-672-6177
Direct: 719-268-0305
Fax: 719-268-0184
Email: icmi@icmi.com

www.icmi.com

Twelve Traits of the Best Managed Call Centers

Brad Cleveland

Introduction/Contents

In some call centers (contact centers, support centers), you can feel the energy as soon as you walk in the door. It takes many forms: pride of workmanship, a feeling of community, good planning, coordination and the willingness to make the “extra effort.” Everybody knows what the mission is and everybody is pulling in the same direction. The call center “clicks.”

While there are myriad factors that go into creating this sort of environment, there are 12 overarching characteristics that emerge in those customer contact environments that consistently outperform others in their respective industries:

■ Trait 1: They Produce High Levels of Value	1
■ Trait 2: They Have a Supporting Culture	2
■ Trait 3: They Know that Their People Are the Key to Success	5
■ Trait 4: They Build Plans and Services Around Evolving Customer Expectations	7
■ Trait 5: They Have an Established, Collaborative Planning Process.....	9
■ Trait 6: They Leverage the Key Statistics	12
■ Trait 7: They View the Call Center as a Total Process	14
■ Trait 8: They Understand Technology is (Only) an Important Enabler	15
■ Trait 9: They Get the Budget and Support They Need.....	18
■ Trait 10: They Hurdle Organizational Barriers	20
■ Trait 11: They Are Willing to Experiment	21
■ Trait 12: They See the Possibilities	23
■ About the Author.....	24
■ About ICMI.....	25

Portions of this paper are drawn from the award-winning book, *Call Center Management on Fast Forward: Succeeding in Today's Dynamic Customer Contact Environment* (Brad Cleveland, ICMI Press, 2006 – 2009), and other ICMI publications. See www.icmi.com for more information.

■ Trait 1: They Produce High Levels of Value

The best managed call centers have an incessant focus on creating high levels of value for their organizations and customers. Far too many organizations are still focused primarily on one level or one dimension of call center value — e.g., to “deliver services efficiently,” “improve revenues” or “boost customer satisfaction.” But leading organizations align their resources, strategy and culture to deliver maximum value on three distinct and interrelated levels.

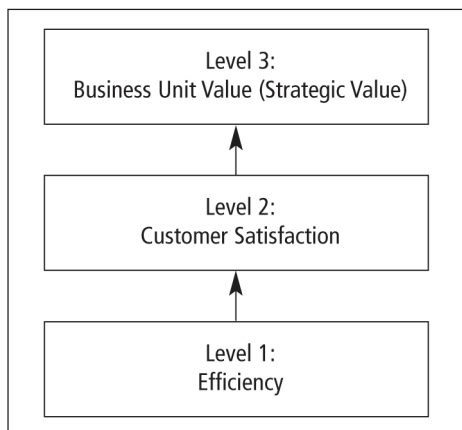


Figure 1: Leading organizations align their resources, strategy and culture to deliver maximum value on three distinct and interrelated levels.

Level one is basic efficiency. Because call centers pool information, people and technology resources, they are a highly efficient means of delivering service. The invention of toll free service (800 service) in 1967 and the automatic call distributor (ACD) in 1973 created the ingredients for the birth of the modern call center industry. But in those earlier days, the challenge was to get customers to move away from the clientele approach, or the need to talk to a specific person or reach a specific department.

The pooling idea caught on in a big way, and today our customer contact operations use the same pooling principle to handle customer email, web chat, social media interactions, video, and other types of communication. Studies estimate that all other things equal, *two call center employees can do the work of three others without a call*

center, because of the efficiencies of pooling.

Level two is customer satisfaction and loyalty. Call centers can do much more than handle contacts efficiently. They have the means to handle them in such a way that customer satisfaction and loyalty are improved. This principle, which most managers intuitively understand, has been substantiated by a growing body of research in recent years (e.g., one widely-quoted study finds that a 5 percent increase in customer retention rates improves profits by 25 percent to 95 percent).

Level three is strategic contribution to other business units. Call after call, hour after hour, day after day, the call center is capturing information that can literally transform an organization’s ability to deliver effective services. Consider the impact when the call center helps manufacturing pinpoint quality problems, enables marketing to develop more focused campaigns, serves as an early warning system for potential legal troubles, and works with IT to design better self-service systems. The benefits quickly multiply across the organization.

Some organizations have made this level of contribution a priority for years. For example, the GE Answer Center has since the mid-1980s captured customer input and observations of frontline agents, and used this intelligence for everything from product improvements to targeted marketing

campaigns. Managers at Amazon.com often refer to their call centers as “R&D machines,” and harness them to provide information useful for continuously improving services, processes and self-service capabilities. And innovative companies such as HP and Apple tap their centers as key sources of new product and service ideas. Organizations furthering value on all three levels find that this level of strategic impact requires supporting measures, objectives, processes and companywide buy-in to really be effective — it’s an area of management that promises much opportunity in coming years.

■ Trait 2: They Have a Supporting Culture

Culture — the inveterate principles or values of the organization — tends to guide behavior. It can either support and further or, as some have learned the hard way, ruin the best laid plans for organizational change. While there’s no guaranteed formula for creating a supporting culture, many seasoned call center managers agree that shaping culture — or, more correctly, enabling it to flourish — is a primary leadership responsibility. As a result, they spend an inordinate amount of time understanding the organization and the people who are part of it.

How do leading call centers create high-performance cultures? How do they communicate their mission and values in a way that gets buy-in and alignment? Although centers vary dramatically from organization to organization, there are several characteristics that stand out, including a commitment to effective communication, a well-defined customer access strategy, and a collaborative planning process.

Commitment to Effective Communication

Communication creates meaning and direction for people. Organizations of all types depend on the existence of what Warren Bennis, noted organizational theorist, calls “shared meanings and interpretations of reality,” which facilitate coordinated action. When good communication is lacking, the symptoms are predictable: conflicting objectives, unclear values, misunderstandings, lack of coordination, confusion, low morale and people doing only the minimum required, to name a few.

Leaders of high-performance call centers are predisposed to keeping their people in the know. They actively share both good news...and bad. This minimizes the rumor mill, which hinders effective,

THE CALL CENTER'S CONTRIBUTION TO VALUE

- Is a major driver of customer satisfaction
- Enables improved quality and innovation
- Enables more focused products and services
- Enables highly-leveraged marketing
- Provides efficient delivery of services
- Is essential for cultivating self-service systems
- Creates additional revenue/sales

accurate communication. It also contributes to an environment of trust. As Bennis puts it, “leadership...is based on predictability. The truth is that we trust people who are predictable, whose positions are known and who keep at it; leaders who are trusted make themselves known, make their positions clear.” They work hard to ensure they aren’t sending conflicting messages (see cartoon).



Ambiguous Feedback

Well-Defined Customer Access Strategy

A customer access strategy is a framework — *a set of standards, guidelines and processes* — defining the means by which customers are connected with resources capable of delivering the desired information and services. An effective customer access strategy includes the following components:

Customers: This piece of the plan summarizes how customers and prospective customers are identified and defined (segmented; e.g., by business or consumer, geography, purchasing behavior, demographics, volume of business, contract arrangements, or unique requirements) and how the organization will appropriately serve the needs of each.

Contact Types: This step anticipates and identifies the major types of interactions that will occur — for example, placing orders, changing orders, inquires, technical support, etc.

Access Alternatives: This step — where strategy really begins to hit home for call centers — identifies the organization’s communication channels (telephone, Web, social media, email, IVR, fax, kiosk, handhelds, postal mail, face-to-face service, etc.) along with corresponding telephone numbers, Web URLs, email addresses, fax numbers and postal addresses.

Hours of Operation: This part of the plan identifies appropriate hours of operation and how they may be different for different contact channels and customer segments.

Service Level and Response Time Objectives: This step summarizes the organization’s service level and response time objectives (see Trait 5); different objectives may be appropriate for different contact channels and customer segments.

Routing Methodology: This part of the plan addresses how — by customer, type of contact and

access channel — each contact is going to be routed and distributed.

Person/Technology Resources Required: This step determines which agents or systems will be required for each customer segment and contact type.

Information Required: This step identifies the information on customers, products and services that will need to be accessible to agents and callers; the information that must be captured during contacts; how the organization will comply with applicable privacy or reporting requirements; and other related pieces of intelligence.

Analysis and Business Unit Collaboration: This step defines how the information captured and produced during contacts will be used to better understand customers and to improve products, services and processes. Some also summarize major performance objectives and how the call center's value and contributions will be measured.

Guidelines for Deploying New Services: Finally, the plan should outline a framework for deploying new services, including technology architecture (corporate standards and technology migration plans) and investment guidelines (priorities and plans for operational and capital expenditures).

Your customer access strategy should be a reflection of your organization's unique brand. For example, Southwest Airlines, known as a leading low-cost carrier, doesn't use extensive IVR menus; after offering a few obvious choices — such as check flight status — callers are automatically routed to a common, pooled agent group. While most airlines use lots of menus to offload calls that can be automated and to get callers to more specific agent groups, the management team at Southwest believes that keeping services simple for customers is a consistent extension of their brand and culture. In another example, Fidelity Investments both encourages self-service when possible and provides many options and agent groups, reflecting the wide variety of services available from the organization. Lesson: It's okay to either go with or depart from accepted practices when that makes sense for *your organization*.

An effective customer access strategy provides a blueprint that guides decisions and developments, and contributes to cross-functional communication. When used collaboratively, it is an important tool for building a supporting culture.

Collaborative Planning Process

Call centers with supporting cultures also have a systematic, collaborative approach to call center planning (see Trait 5). Systematic planning improves communication and culture in several ways:

- It creates a body of information that wouldn't otherwise be available (“here's our call load pattern and, therefore, why the schedules are structured as they are”).
- It forces people to look into the future and see their work in the context of a larger framework.

- It requires communication about values — on issues such as resource allocations, budgeting and workload priorities.

Formal planning goes far beyond getting the right number of people in seats and the IVR system sized properly (though those are benefits as well). It forces the kind of communication that an active customer-focused organization requires.

■ **Trait 3: They Know that Their People Are the Key to Success**

Today's customer contact centers require increasingly demanding skill sets, at every level. For example:

- Agents must serve increasingly well-informed and diverse customers; adjust to rapid changes in products, services and technologies; operate in a time-sensitive, multimedia environment; communicate quickly and accurately and in both verbal and written form; understand Web-, IVR-, and social media-based applications and help customers use those alternatives appropriately.
- The responsibilities of supervisors are also increasing as they assume roles involving data analysis, process improvements and inter-departmental coordination, all of which shape the overall performance of their teams. The ability to assess and improve performance across proliferating contact channels is a central responsibility — and a significant challenge.
- Call center managers and directors find themselves on a path similar to the one chief information officers (CIOs) traveled more than two decades ago. Just as IT became the organization's life-blood, call center directors now answer to higher levels of management and are increasingly involved in shaping strategy to leverage the organization into an improved marketplace position.
- The demands on analysts, workforce managers, trainers and others are also increasing, commensurate with those faced by agents, supervisors and managers.

With requirements of all personnel levels within the call center snowballing, the best centers are working hard to update recruitment and hiring practices — and they are correctly viewing hiring, training and coaching as interrelated issues, and managing them as such (see sidebar).

Leveraging Skills and Knowledge

To keep up with the demands for skills and knowledge, leading call centers are learning to better leverage the skills and knowledge in their environments. Examples include:

- Focusing training on the “why” and not just the “how.” That means teaching people why the customer contact center is in place, what its purpose is and how it supports the organization's mission. Within that framework, you will, by necessity, communicate the organization's values

THE HIRING, TRAINING AND COACHING TRIFECTA

As is often pointed out, the best call 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 call 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 in the customer contact environment. One that is likely obvious to most is that the environment is becoming more complex, requiring robust training that provides a strong and effective base of know-how to employees. A more subtle trend is that many call center 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 into the culture and environment.

Effective coaching is in-the-trenches, hands-on and directly focused on specific problems, solutions and opportunities. There's no hiding from the details, no glossing over the issues at this level. Coaching provides valuable insight into the hiring process by helping to identify the traits and makeup of employees who perform best. And it can and must be a primary feeder of training — identifying improvement opportunities, gaps that must be addressed, practical lessons-learned, and other issues that are leveraged when they are addressed at the group (not just individual) level.

In short, hiring, training and coaching are interrelated aspects of an overall effort. They work best when they are viewed and managed as such.

and priorities. Agents are much happier with their job and serve customers much more effectively when they see the value of what they are doing within a larger context (see Trait 2).

- Developing a high-leverage maintenance training program, which involves analyzing monitoring and coaching results and addressing improvement opportunities at the group level.
- Building better desktop tools. A more powerful desktop environment provides the means to better accommodate change and avoid what would otherwise be an inordinate amount of grueling, ongoing training.
- Developing a structured plan for continued education. What should agents know up front? After six months? After a year? What comes best by experience? Which areas should be covered in the classroom? Or by mini tours of other areas?
- Encouraging agents to take the time necessary to properly document calls. Organizations will increasingly live or perish by the quality of intelligence they capture and use.

In the late 1960s, urged on by “Phone Power” pamphlets from AT&T, many companies began to

see opportunities to reduce or eliminate field offices and field representatives by taking advantage of the newly introduced 800 service. Although these new telephone operators were performing the functions of in-person representatives who were typically paid much more (and doing it through remote channels, arguably requiring even higher-level communication skills), their pay was tied to clerical schedules — an odd precedent that call center managers worked for decades to minimize or eliminate.

But today's trends are clear. Successful call center managers understand the enormously important role that customer interactions have in building an organization's brand and value proposition, especially in an era of increasingly pervasive and influential social networks. They are hiring people with more education and giving them more responsibility. And they are successfully and dramatically boosting the organization's perspective of the importance and value of these positions.

■ Trait 4: They Build Plans and Services around Evolving Customer Expectations

The expectations customers have of organizations are evolving rapidly, pushed by a simple but powerful dynamic in the global economy: innovations and improvements in services shift customer demands.

As of this writing, the world is approaching two billion internet users and four billion mobile phone subscriptions (sources: Internet World Stats and Wireless Intelligence, respectively). Cliché as it may be, we are truly becoming a connected world — and the experiences your customers have with any organization, not only others in your vertical industry, help to shape their perceptions.

Fortunately, zeroing in on customer expectations is not the hit-or-miss proposition it may seem. ICMI has followed this issue for nearly 25 years, and we've found 10 customer expectations that consistently emerge from customer feedback and surveys.

The real challenge, of course, is in defining what these expectations mean. A couple of decades ago, being *accessible* may have meant having a call center that worked reasonably well. Today, multiple channels of access, 24x7 operations and one-stop, once-and-done contacts have become well-established practices. And the customer contact environment continues to evolve: Advances in social networks, Web-based services, mobile

THE TEN KEY CUSTOMER EXPECTATIONS

1. Be accessible
2. Treat me courteously
3. Be responsive to what I need and want
4. Do what I ask 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

devices and telematics (vehicle-based navigation and communication systems) are examples of developments that are furthering expectations of accessibility.

While *courtesy* used to refer primarily to the way agents handle calls, the definition today is also systems- and process-dependent. Get customers to the right place at the right time. Don't make them repeat the same information. Don't transfer them around. And don't make them go over their account history again.

Definitions of *responsiveness* and *promptness* are also evolving. Consider email response times, which have seen significant revisions in recent years — from several days to 24 hours to a matter of hours in many organizations. Some organizations are staffing for email contacts similar to inbound phone calls and are handling them as they arrive.

Customers also expect all contact channels to be integrated and work seamlessly: They expect changes they make to an account online will be reflected in the records that agents can access, as well.

Another common expectation — *provide well-trained and informed employees* — continues to challenge many organizations. With multiple channels of contact and better-informed consumers, this is as important as ever. Leading call centers are making monumental efforts to update recruiting and hiring practices, educate agents and managers, and implement the necessary tools and processes.

Tell me what to expect. Meet your commitments and keep your promises. Do it right the first time. Follow up. These issues are inextricably interrelated and require that people, processes and technologies work in sync. For example, automated replies to email messages can help establish

USING AGENT-LEVEL CUSTOMER FEEDBACK

Unbeknownst to them, customers are becoming coaches. While, historically, call centers have relied solely on supervisors and/or quality assurance specialists to rate contacts and provide agents with feedback, Hilton Reservations, Wells Fargo Banker Connection and other progressive centers are going straight to the source to find out just how a particular agent performed on a call, email, chat session or other type of contact.

Gathering agent-level customer feedback typically involves a brief survey (usually around five to 10 questions) that focuses on a specific transaction that took place between an agent and a customer, and that seeks to find out how satisfied the customer was with that contact and/or agent. These surveys typically include questions that are related to the key criteria also included on the call center's monitoring form. Common survey methods include outbound calls, IVR surveys or Web/email surveys.

One of the main reasons why such feedback is a hit in call centers is that it is a hit with agents. Most find it much easier to accept an assessment of their performance that includes feedback from the person who was directly involved in the contact, rather than from a third-party observer alone. And the more palatable and trusted a performance assessment is, the more likely an agent is to accept it and to strive to improve.

response time expectations. Complementing the automated replies are forecasts, schedules, tools and training that ensure contacts reach the right agents at the right times and are handled appropriately. Similarly, commitments that call center agents make must be backed up by people, processes and technologies across business units to ensure that orders, deliveries, account changes, etc., are handled as promised. Customers seem to live by the mantra “trust, but verify” — they’ll trust your organization if you fulfill your end of the bargain.

Be socially responsible and ethical. Lapses, or even perceived lapses, in an organization’s responsibilities quickly make the rounds in networked communities. Thousands of new websites, blogs and consumer communities emerge daily, and customers increasingly search out and share experiences with others. This issue goes far beyond avoiding blatant malfeasance — organizations must make sure they live up to their responsibilities to be open, accessible, and responsive.

Given the central nature of these expectations in driving services, the best call centers ensure that their management teams thoroughly understand them. Many post them prominently. And they work considerations of them into all decisions, large and small. (We know of one director who had her team managers literally memorize the list.) They ensure that these expectations form the context in which the customer access strategy is deployed.

In short, knowing your customers and anticipating their expectations is essential to developing effective customer contact services. Yes, it’s a challenge. But evolving customer expectations present an enormous opportunity for organizations to differentiate themselves in a challenging and always-changing economy.

■ Trait 5: They Have an Established, Collaborative Planning Process

ICMI developed and has long used this definition for call center management: “*Call center management is the art of having the right number of properly skilled people and supporting resources in place at the right times to handle an accurately forecasted workload, at service level and with quality.*” It can be boiled down to two major objectives: 1) Get the right resources in the right places at the right times; and 2) do the right things. Or more succinctly, deliver accessibility and quality.

To accomplish these objectives, a systematic planning and management process is required, which can be summarized in nine steps:

Step 1: Establish Accessibility Objectives. Accessibility — expressed as service level or response time, depending on the type of contact — is at the heart of effective contact center management. Accessibility objectives are essential in defining staffing and network requirements, and associated costs. Further, accessibility is an inherent part of quality.

Service level, defined as answering X percent of calls in Y seconds, is a concrete and stable objective

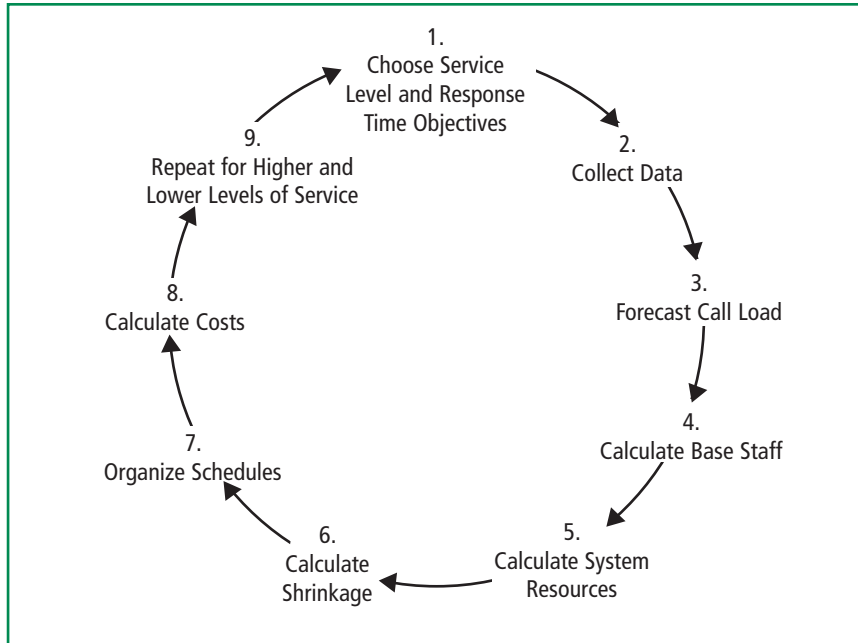


Figure 2: A systematic planning and management strategy for delivering accessibility and quality

for transactions that must be handled when they arrive. Inbound calls, video contacts and calls integrated with the Web that must be handled when they arrive (“call me back now” and “click to talk” transactions) fit into this category. Targets of 90/20 (90 percent answered in 20 seconds) or 90/15 are typical high-end service level objectives, while 80/20 is a popular middle-of-the-road target.

Response time is the appropriate objective

for transactions that don’t have to be handled when they arrive, such as customer email, postal correspondence, faxes, customer voicemail and Web “call me back later” contacts. Today, many organizations have established 24-hour response for customer email, but as noted (Trait 4), some organizations are handling email and similar text messages as they arrive.

Step 2: Collect Data. This step is one of the most involved, politically charged and outwardly focused aspects of managing a call center. In fact, a major driver behind the development of customer relationship management software is the need to collect previously fragmented data located throughout the enterprise and unify the information into a shared, customer-focused knowledge base that is available on a real-time and historical basis.

“Call center management is the art of having the right number of properly skilled people and supporting resources in place at the right times to handle an accurately forecasted workload, at service level and with quality.”

–Gantz Wiley

Step 3: Forecast the Call Load.

Forecasting must include all of the choices customers have for interacting with the organization. A good forecast predicts all three components of call load — talk time, after-call wrap-up and volume — accurately for future time periods, usually down to half-hours. The volumes and average handling times of virtually every type of interaction occur in predictable, repeating patterns.

They also often correlate to other forecasts, such as units of sales, number of customers or changes in product and service offerings.

Consequently, the forecasting principles traditionally applied to inbound telephone calls (track and identify repeating patterns, assess the impact of known future events, etc.) often work well for other types of contacts. Call centers with accurate forecasts have established good ties with other departments, pulled in the data required, and established a forecasting process they are continually working to improve. They view forecasting as an enterprise-wide process and work on all contributing factors.

Step 4: Calculate Base Staff. Because of random call arrival, base staffing for those transactions that must be handled when they arrive must be calculated by using either a queuing formula that takes random call arrival into account (most commonly Erlang C) or computer simulation, which is proving to be more flexible for analyzing complex, contingency-based environments, such as skills based routing. The table illustrates the tradeoffs between staff, average speed of answer, service level, occupancy and trunk load.

To calculate the staff required for transactions that do not have to be handled when they arrive, you can generally utilize traditional methods of industrial planning. For example, if you have 60 customer email messages that require an average of three minutes processing time, there is 60 x 3, or 180 minutes of workload to handle. Since there are 60 minutes in an hour, the work will require 180/60, or 3 base staff hours. (Note, some traffic engineers recommend using Erlang C or simulation in queuing environments where response time objectives are less than an hour.)

Step 5: Calculate System Resources. The last column in the table illustrates the hours, or erlangs,

Base Staff Calculations					
Input:		Talk time in seconds = 180			
		After call work (wrap up) in seconds = 30			
		Calls per half hour = 250			
		Service level objective in seconds = 20			
Output:	Seated Agents	ASA	Service Level	Occ.	Trunk Load in Erlangs
	30	208.7	23.5%	97%	54.0
	31	74.7	45.2%	94%	35.4
	32	37.6	61.3%	91%	30.2
	33	21.3	73.0%	88%	28.0
	34	12.7	81.5%	86%	26.8
	35	7.8	87.5%	83%	26.1
	36	4.9	91.7%	81%	25.7
	37	3.1	94.6%	77%	25.3
	38	1.9	96.5%	77%	25.3
	39	1.2	97.8%	75%	25.2
	40	0.7	98.6%	73%	25.1
	41	0.5	99.2%	71%	25.1

Note: Based on Erlang C, using half-hour data. Source: ICMI

of traffic that the trunks will carry. It is the product of (talk time + average speed of answer) X number of calls in an hour. Since Erlang B and other alternatives used for calculating trunks often require input in hours, these numbers can be readily used as is. The actual traffic carried by trunks in a half-hour, in each row, will be half of what is given. Note an important principle: Staffing and trunking needs are inextricably associated. The more staff you have handling a given call load, the less the load on the communications network.

Steps 6 and 7: Calculate Rostered Staff Factor and Organize Schedules. Schedules need to realistically reflect the many things that can keep agents from actually handling the workload (due to breaks, training, vacations, etc.). Rostered staff factor, alternatively called shrink factor, is a representation of the additional staff you need on schedule by specific time of day, over and above base staff requirements, to meet service level objectives.

EXPLORE YOUR OPTIONS

Scheduling is a creative process – and a commitment. Vanguard, the large financial services company, helped to pioneer a “swat team” approach (they call it their Swiss Army), and anyone up to and including the CEO has been known to help handle customer interactions when the pressure is on. Jet Blue and American Express use teleworking extensively (which is not a scheduling option per se, but opens up many flexible scheduling alternatives). Day Timer and Accor share staff during their “counter-cyclical” peak seasons. The best put all options on the table, and implement those that are a fit.

Schedules are essentially forecasts of who needs to be where and when. They should lead to getting the right people in the right places at the right times. Creativity is the name of the game, and options range from simple approaches (utilizing staggered shifts and part-time agents) to more involved alternatives (using “internal part-timers” from other departments or sharing the load with a service bureau).

Steps 8 and 9: Calculate Costs, and Repeat for Higher and Lower Levels of Service. These final steps in the process involve projecting costs for the resources required and preparing budgets. Organizing three budgets around different accessibility objectives provides an invaluable illustration of cost tradeoffs to financial decision-makers.

The best call centers take accurate planning very seriously. They know that it is an enabler to the services they must deliver and substantial value they can create.

■ Trait 6: They Leverage the Key Statistics

A recent ICMI study found that two thirds of respondents believe that their centers are among the top one third of all call centers in terms of overall performance. Two thirds in the top one third... clearly, there's sometimes a chasm between perception and reality in our profession!

In fact, it has long been known from comparative studies that there is often a gap between the services that managers believe their call centers are delivering and how customers rate that same performance — up to 20 percent for measures such as first-call resolution and quality (e.g., internal scores of 85 percent for, say, first-call resolution compared to external scores of around 65 percent). As definitive as they appear, numbers are shaped, woven and interpreted.

“Not everything that can be counted counts, and not everything that counts can be counted.”

— Albert Einstein

Establishing the right measures and objectives — and interpreting them accurately — is one of the most important responsibilities in leading and managing a call center successfully. When decisions are based on solid information — and when process improvement efforts are coupled with sensible objectives and accountabilities for individuals and teams — the call center can dramatically improve.

The best call centers establish unique measures and objectives that are right for their organizations. Yet, a handful of key measures are common. They include:

- **Strategic Value.** What value is the call center contributing to other business units, and how is it favorably impacting revenues, marketing initiatives, product innovations and other primary business objectives?
- **Customer Satisfaction and Loyalty.** Customer loyalty may not directly apply in environments where customers do not have other alternatives, but customer satisfaction is always a necessary and appropriate measure.
- **Employee Satisfaction.** Employee satisfaction clearly influences — even drives — customer satisfaction and is an essential measure in any environment.
- **Quality and First-Call Resolution.** Quality is the link between call-by-call activities and the organization’s most important high-level objectives. First-call resolution is essentially an extension of quality — a tangible result of getting quality right.
- **Service Level and Response Time.** If calls don’t get to the right places at the right times, then little else can happen.
- **Schedule Adherence.** Having the right number of properly skilled people in place at the right times is another important enabler to virtually everything else the center wants to accomplish.

- **Forecast Accuracy.** If you don't have an accurate prediction of the workload coming your way, it's almost impossible to achieve good results in other KPIs.

Many organizations also track average handle time — which is essential for forecasting, and for gauging the impact of process improvements and relative efficiency. But many are wisely moving away from establishing AHT as a strict agent standard.

Other measures and objectives should be driven by your organization's and call center's mission and objectives. For example, customer service environments tend to key in on customer loyalty, 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 and preventing contacts before they happen (e.g., by working with other business units to simplify features, fix glitches or improve manuals) are important objectives in many technical support environments.

As the best run centers home in on the right objectives for their environments, they stay focused on what it takes to create maximum strategic value. They remember that each person in the call center, whatever his or her role, has an impact on overall results; and they know it is essential that the interrelated nature of call center objectives and responsibilities be understood at all levels.

■ Trait 7: They View the Call Center as a Total Process

A call center is a “process” or “system of causes.” Taking a larger view, the call center is part of a larger process, the organization. In a lesser view, each agent group in the call center is a system of causes unto itself, as are individual agents in a group. The central focus of the process can be any key performance indicator (KPI), or virtually any other measure or objective (see Trait 6).

Viewing the many components of the call center process underscores several important implications:

- Tracking high-level measurements, while recommended for an overall reading on performance,

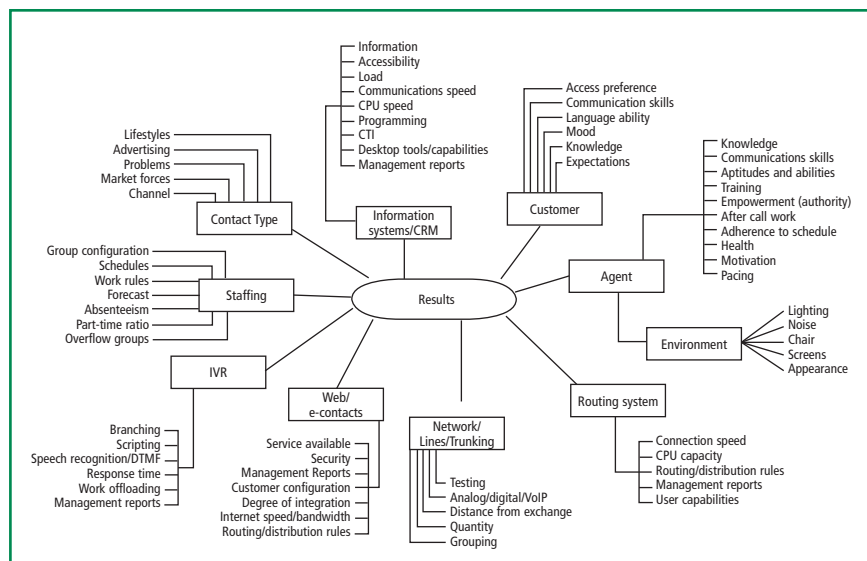
MEASURES AND RESULTS

The word on great experiences gets around. At Zappos.com, the online shoe retailer that's getting lots of positive press for their customer service, sales grew from U.S. \$1.6 million in 2000 to U.S. \$1 billion in 2008. According to CEO Tony Hsieh, every person — accountants, lawyers, everybody — goes through the same training that call center representatives get. “If we want our brand to be about customer service, then customer service needs to be the whole company, not just a department,” he told *Success* magazine (*Success*, November 2008). Referring to their “customer loyalty team” (the 24x7 call center), Hsieh says, “Most call centers have this concept of average handling time, which is all about how many customers a day each agent can talk to — and the more the better. But that ends up translating into, ‘how quickly can we get the customer off the phone?’ which we don't think is great customer service.”

won't inherently improve results. To make improvements, you have to work on the factors that cause these outputs to be where they are. You have to work at a deeper level, the root causes.

- Just about everything is interrelated, so the causes of performance problems are often difficult to isolate and measure. Quality improvement tools (flow charts, cause and effect diagrams, control charts, etc.) are as necessary as ever, and leading organizations are using them to isolate and address root causes.
- It is useless to exhort agents to improve quality without making improvements to the system itself. Most of the things that contribute to quality are out of their hands, such as having good training, the right tools and a logical work flow. The “system of causes” is where the opportunities are.

The best managed call centers are incessantly focused on understanding processes and taking steps to improve them. It is a characteristic that influences virtually every other trait — i.e., planning, hiring and training, statistics, organization, and ultimately, the business results they produce.



The Call Center Process

■ Trait 8: They Understand Technology is (Only) an Important Enabler

The incredible developments in today’s communication infrastructure are visibly driving the development and proliferation of call centers. High-capacity fiber optic cables crisscross oceans and continents; satellites reach many of the most remote parts of the globe; mobile services provide instant access to telephone, email, text messaging, social network, Web and other information services. And our knowledge-based economy has become driven by communications — the ability to access information and knowledge when and as needed.

An important part of the equation is the way information and services are digitally represented and transported — a major development that has taken shape particularly in the past decade. Consider a familiar example: You snap a picture on your camera or mobile phone, send it (immediately) to grandma, print it for an album, edit it and even use it as a background image on your computer or mobile screen. Similarly, music can be downloaded, edited, transferred to

a portable player, used as the ring tone on your mobile device, even broadcast to your car radio. Pictures, music and virtually every other type of media and communication — such as customer interactions and the intelligence associated with them — have been forever freed from the rigid technical confines of the past.

Call center technologies have been undergoing dramatic, ground-up change — the most fundamental being that what were essentially two sets of technologies — one for voice, one for data — are being integrated in a common platform. This has enabled all kinds of technological innovations, such as:

- Multimedia applications — all contacts handled by a common routing system.
- Multisite operations — anyone tied into the network, including agents in satellite offices, home agents or other departments or organizations a world away, can be part of the call center.
- Integrated reports — with activities consolidated in one architecture, reports provide a complete perspective of contacts and customers, and can produce insight that can be used across the organization for improving products, services and processes.
- Comprehensive workforce and quality management — seamless forecasting, scheduling and real-time management of virtually any kind of call center activity, including those that are not immediately related to handling customer contacts.
- Performance management — sometimes referred to as dashboards or scorecards, these tools can integrate data with goals and objectives to help guide decisions at all levels of the organization.

Given the developments within the organization's purview, it can be easy to miss the stunning and perhaps even more influential developments taking place on the customer's end. Mobile devices provide ubiquitous access to a growing variety of communications and media; social media is rapidly expanding in scope and influence; new "smart products" self-heal and automatically upgrade; vehicle telematics (communications capabilities in autos, which can be used for calls, remote diagnostics, paying tolls, automatic collision notification and a host of other purposes) become common; and online communities, forums and user-generated content challenge traditional media and rewrite the rules of engagement with governments and businesses.

With the profound developments that are taking place as a backdrop, a number of trends are in motion that have defined — and will continue to define to an even greater extent — customer contact services:

Customers are better informed and have higher expectations. Developments have created a better informed, more empowered and more savvy customer base. The best call centers are

aggressively opening up new access alternatives and services as technologies and expectations evolve.

Call centers need agents — but for different reasons than in the past. Communications capabilities create new kinds of services and grow the economic pie. Many organizations are finding that total contact workload often — not always, but often — increases as new customer access channels are added. And that’s true in general — the widespread use of email and text, for example, has not led to a commensurate drop in phone calls or in-person travel; at best, it has slowed the growth of other channels. Contacts will happen — and that puts a premium on ensuring that you squeeze maximum value out of them (see Traits 1 and 6).

Agent-assisted services are being deployed wisely. Forward-thinking organizations are ensuring that their highly trained, highly paid agents are handling transactions that really require the human touch. They are using live answer judiciously.

Call center structures are being redefined. Leading organizations are restructuring so that all channels of contact with customers are managed under the same organizational umbrella (the days of self-services being developed in one part of the organization and agent-assisted services in another, are fading). This initially causes enormous internal structural change that involves IT, marketing, HR, and virtually every other department, but can position the business to be better organized around customers (see Trait 10).

Many call centers are becoming more distributed.

Multisite call centers and agents based at home, in other departments or even in other organizations have proliferated in recent years. Virtually any place with up-to-spec communications technology and a skilled and flexible labor force is a candidate for regional, national or international-oriented call centers.

BLUE CROSS BLUE SHIELD OF SC ADOPTS CLICK-TO-TALK

Blue Cross Blue Shield (BCBS) of South Carolina has been an early adopter of VoIP capabilities, implementing an application they call STATchat. In the event that a provider fails to find the answer they seek on the provider portal of BCBS’s web site, they can click “STATchat” to be connected to a representative. The center uses priority queuing to give web callers quicker service, and the majority of provider inquiries now come in through the click-to-talk application.

With the help of STATchat, the organization effectively encouraged the use of the web portal by promoting the fact that they’d be able to speak to a live agent online with little wait and no IVR hassle. Many providers, once on the Web site, search for the information they are seeking without live assistance, freeing agents to handle only the most complex provider inquiries. STATchat has not only been popular with providers, it has cut the organization’s costs and freed agents to focus on the most important matters.

Technology developments — both within organizations and those available to customers — are opening up a world of possibilities for better service and competitive advantage. But the best organizations know and stress that the most important factor in success is internal focus and leadership around a solid understanding of customer needs and wants. Consequently, they keep their eyes on the prize: The purpose of any technology, process or strategy must be to support the governing principles and mission of the organization. They stay focused on what really matters — creating tangible value for their customers (see Traits 1 through 4).

They also remember that new capabilities of any kind — particularly new technologies — both depend on and dramatically impact training, policies, planning, budgeting, other systems and many other issues. Those who take a systemic approach to planning and implementing technologies, and who put adequate thought into process- and people-related issues earn the highest returns on technology investments.

■ Trait 9: They Get the Budget and Support They Need

A budget can be defined as “a summary of proposed or agreed upon expenditures for a given period of time, for specified purposes.” Simple enough. But the process of putting a budget together is often seen by managers as tedious, time-consuming and, some say, distracting from “more important management responsibilities.” The best-managed call centers remember, however, the outcome of this least favorite activity: the funding the call center has with which to accomplish its purpose.

Call centers that get the funding they need give budgeting the care and respect it is due. In analyzing many of these organizations, we’ve noticed that seven principles are at work. The first is that an effective budgeting process is *based on a solid understanding of the call center’s importance and value*. Those who are involved in proposing and approving the budget have a good sense of the call center’s importance in today’s economy (see Trait 1). When all involved agree on the call center’s contribution to customer satisfaction and loyalty, improved quality and innovation, focused marketing, efficient delivery of services and, if applicable, sales, then the requirement for funding will get the attention it deserves.

The budgeting process must also be *driven by the*

AN EFFECTIVE BUDGETING PROCESS:

1. Is based on an understanding of the call center’s value
2. Is driven by the customer access strategy
3. Is a seamless extension of resource planning
4. Identifies resource/results tradeoffs
5. Maximizes cross-functional resources
6. Builds understanding of the call center environment
7. Is honest, responsible and visible

customer access strategy. When you define who your customers are, when and how they desire to reach you, the means by which you will identify, route, handle, and track those contacts, and how you will leverage the information that comes from them, you make the customer access strategy the de facto blueprint for the budget (see Trait 2).

At a more tactical level, an effective budgeting process is a *seamless extension of resource planning.* Call centers are planning-intensive, and forecasting, staffing and scheduling activities are ongoing responsibilities (see Trait 5). While the budget must look beyond the here and now to anticipate future staffing, technology and organizational requirements, the best managed centers use the day-to-day planning activities they are already doing to take the budgeting process most of the way toward completion.

An effective process also *identifies resource/results tradeoffs.* Good management teams ask predictable questions: What happens if you provide a better level of service? Lower the level of service? How much would you save/spend if...? Once the budget for expected workload is established, along with recommended resources, it is fairly straightforward to rerun scenarios. These illustrations will contribute enormously to good budgeting decisions (and will score points with the CFO!).

An effective budget also *maximizes cross-functional resources.* This powerful principle brings together objectives and budgets from across the organization. For example, corporate lawyers are increasingly going to bat for email and text message management systems, which can enable the legal team to help the call center create consistent and legally defensible responses to customer interactions. IT managers are underscoring the need for well-trained call center staff to ensure that customer relationship technologies and Web-based services are successful. And marketing managers are increasingly willing to provide budget to capture and study call center interactions for clues to consumer demands and behavior.

An effective budgeting process also *builds understanding of the call center environment.* Top management and other executives involved in the process make the best decisions when they understand the basics of random call arrival, occupancy, schedule adherence and other call center realities. They must also appreciate the reasons that call center budgets may need to grow, such as more channels of access, increasing complexity, elasticity in demand, and higher customer expectations.

Finally, the budgeting process must be *honest, responsible and visible.* It must be realistic about the recent past and whether or not the call center has been meeting its objectives. It must put that in context with customer and agent satisfaction, and with the objectives and funding being proposed. It must support the mission of the organization and dovetail with the roles and requirements of other areas. And it must be visible to those involved in the approval process as well as key managers from across the organization.

■ Trait 10: They Hurdle Organizational Barriers

It is clichéd but true: The world is becoming interconnected and highly interdependent. Fiber optic cables crisscross the globe, and satellites and mobile services provide virtually ubiquitous access to information. Computer and communications technologies have spawned organizations that span geography and time.

Trends in customer contact centers are indicative of these developments (see Trait 8). For example, distributed call centers can span a region, a country or the globe. And cross-functional teams, with responsibilities for everything from forecasting the workload to improving quality, have become common. Call center managers increasingly have the responsibility of getting results from people who work in different locations, don't report directly to them, or don't work at the same time.

While new technologies have provided enormous new capabilities, they haven't eliminated the natural barriers that exist between people who work in distributed environments, including:

- People who work in different places and/or at different times tend to have trouble seeing themselves as an integral part of a larger, unified team.
- The informal opportunities that people have for getting to know each other in traditional settings, such as in the hallways and break room, may be rare.
- A large amount of information is exchanged outside the formal context of memos and meetings. As a result, information is often unevenly distributed among the group.

Managers in the best-run organizations recognize that the success of their operations depends on how well they master the art of managing and leading in today's emerging, distributed environments.

Jaclyn Kostner, author of the classic book, *Virtual Leadership* (Warner Books, 1996), concludes that the remote leader's number one people challenge is to develop trust. "The key way to build high performance across distance is to build trust," she says. There is no foolproof, specific formula for achieving trust. There are, however, tangible, conscientious steps call center managers are taking to create environments where trust is likely to flourish:

- Create a clear vision for the call center (see Trait 1).
- Create opportunities for the people in the distributed environment to get to know each other. (We know of one call center director who had managers in distributed sites record short answers to questions about themselves — What's your dream vacation? How did you end up in the call center? She then combined the responses and sent the compiled tape to the team. Another manager set up a Web page profiling the members of a multisite team, then gave everyone a short quiz on the interests and backgrounds of the other members.)

- Look for ways to keep everyone involved. Often, some amount of expediency must be traded for the sake of fostering a collaborative environment.
- Take steps to ensure that everyone gets key information at the same time.
- Build cross functional awareness and support, by involving individuals from a variety of departments in forecasting activities, process and systems improvements, and customer service innovations.
- Spend a disproportionate amount of time tending to the needs and relationships of the more “distant” members of the group. (Distant may mean the members who work the night shift, or those who are in a site thousands of miles away.)

Successful call center managers are continuously looking for ways to scrap or, at least, minimize the impact of unnecessary hierarchies and cumbersome bureaucracies, which tend to wreck havoc on distributed or cross-functional teams.

■ Trait 11: They Are Willing to Experiment

Most industry pundits believe that the fast pace of change in customer expectations, technologies and accepted cultural norms around access and service has only begun. As Peter Cochran, British Telecom’s former head of research once put it (just as the Internet was emerging as a customer service channel), “My paradigm for the new century is a three-click, one-second, no-handbook future. Everything I desire within three clicks of a mouse, on my screen in a second, and I really

APPLE’S FAST-RESPONSE CULTURE

Apple Computer’s call centers face a unique challenge. Apple’s CEO, Steve Jobs, garners worldwide attention when he speaks at major events, because the innovative company is intent on maintaining secrecy and the competitive edge and publicity that surprise can deliver. No one, save a small circle of executives and product managers, knows in advance what new products will be introduced. As Jobs makes a big announcement, the news hits the wires, and analysts and customers begin calling.

The call center team copes with the challenge by relying on their finely tuned instant update process. The top-secret information is prepared by a small, but trusted team — not even the Global Training Director gets to see it in advance. Every agent stands by, waiting for the update to be electronically delivered as the information is being made public. The contacts begin arriving and agents — armed with the clear and thoughtful information they received minutes before — handle them smoothly and confidently.

It’s a tremendous challenge for the call center, but the team takes pride in rising to it. And it’s a good example of anticipating and planning everything possible in advance — so that when the moment arrives, the organization is ready to respond.

don't want to read a handbook on how to do it" (speech to *Telecommute 95*, November 1995).

Consider these ingredients:

- Internet/Web
- Social media
- Mobile
- Community
- Telephone
- Fiber optics
- Wireless
- Interactive
- Television
- Computer
- Digital
- Software
- Multimedia
- Entertainment
- Global
- Pagers
- Virtual reality
- Networks
- Personal assistants
- Time
- Quality of life

In coming months and years, these components will be combined in numerous, yet-to-be-imagined ways. The most successful call centers continually review and reassess how they do things and the results they are achieving. What can be improved? What should be scrapped? What assumptions no longer make sense? What can be done differently? Can an outsider do it better or more efficiently? They learn from their mistakes and are constantly testing new approaches.

Even in these early stages of moving from a relatively fragmented environment of separate contact alternatives to one that is integrated, multimedia-based and intuitive, important lessons are emerging:

Lesson One: You Need a Leader. Call centers are learning that an overly democratic process can be an impediment to bold and timely decisions. Yes, cross-functional teams are vital to buy-in and implementation. But you ultimately need someone who has the authority to say, "Enough study on the matter. This is the direction we're going. Let's do it."

Lesson Two: Keep Your Eye on Traffic Redistribution. Accurate forecasting is the basis for staffing and skill needs, technology requirements and budgets. But it's pretty tough to know exactly how new access alternatives will impact the call load requiring live agents. This makes careful tracking even more critical and necessary. The trends in total contacts and changes in the proportion of each type of contact is a critical early-warning system.

Lesson Three: If in Doubt, Consider Getting Started with New Access Capabilities. Yes, tomorrow's technologies and our understanding of them will be much improved. But recognize that the risk associated with moving forward may be less than the risk of sitting on the sideline waiting until everything shakes out. Getting into the arena — be it social media, data analysis, improved organizational structure, Web-based capabilities such as click-to-talk, etc. — whatever the next arena for your organization, gets you moving on the learning curve.

Lesson Four: Drive out Fear. This was a theme the late W. Edward Deming spoke of

passionately, especially in his later years, and is one of his famous “Fourteen Points.” Of course, there are those things that we should be fearful of, such as the consequences of being dishonest, or grossly irresponsible. But it’s the wrong kind of fear, such as the fear of taking reasonable risks or the fear of constructive dissent, that effective call center managers work so diligently to abolish. Fear inhibits innovation.

Lesson Five: Take Action. If there’s one overall lesson, it’s to take action. Despite looming uncertainties in the economy — or perhaps because of them — this is not the time to sit back and see what happens. If you do, you will be left behind. By taking calculated risks in rolling out new services, you’ll be learning lessons that will help guide your organization into the next era. With many initiatives, you can often start small — but get started.

■ Trait 12: They See the Possibilities

Some believe we are seeing the emergence of the greatest consumer movement in history. Studies suggest that the vast majority of consumers now use search engines, review relevant blogs, consult user ratings, and visit sites such as the Consumerist (www.consumerist.com), Get Satisfaction (www.getsatisfaction.com) and others to review the comments of other customers before making brand or product decisions.

This is not just a business-to-consumer phenomenon: The trend toward providing and searching out customer feedback, albeit with somewhat better etiquette as a rule, is similar in business-to-business environments. Bad customer experiences — even if they are one in many thousands of interactions from an internal perspective — end up on blogs, twitter, YouTube and sometimes even the morning news.

Great experiences get around too — especially if they are the norm. Some business execs believe that standout customer-first strategies apply only to entrepreneurial startups like Zappos.com (see sidebar, Trait 6). But tell that to more traditional organizations such as Australia-based ANZ Bank, U.S. insurance provider USAA or Salt River Project, an innovative century-old utility based in Arizona cultivating a strong reputation for service. As these companies — and others building their success on the time-tested principles of great service — know, the call center can and must be a powerful loyalizing tool.

So, how do the best managers prepare their customer contact operations, in order to leverage these opportunities? Here are some high-level priorities:

- Learn from unhappy customer experiences — don’t discount them as a small percent of total contacts, or the product of irrational or renegade customers.
- Remember that those who know processes and customers best are those closest to the work — continually seek the ideas and input of your agents (many of whom are active on social

network sites themselves) and create an atmosphere of trust and open communication.

- Actively capture, share and use customer intelligence for improving products, processes and services across the organization.
- Establish and strengthen your call center's ability to observe, participate in and cultivate social media channels. Ensure that responding to customer issues quickly and effectively is an organizational mandate.
- Recognize that "best efforts" or trying harder isn't enough to sustain improved service. Instead, look for true innovation opportunities, improving processes and policies that directly impact customer satisfaction.

For those in call center management who really "get it," this is a powerful window of opportunity to make a difference. There seems to be a sense among many leaders that the call center profession is entering a renaissance — and that as advanced as many contact centers are, we're just getting started. For all the challenges of the ever-changing economy, there's a palpable and growing sense of energy and excitement across our profession!

About the Author



Brad Cleveland is often cited as one of the world's foremost customer service consultants, specializing in call centers (contact centers), support desks and other customer-facing environments. One of the two original partners in the International Customer Management Institute (ICMI), Brad acquired ICMI outright in 1996 and served as its President and CEO from 1996-2008, growing the firm into a global industry leader that is now part of United Business Media (London: UBM.L). His clients have included many of today's service leaders — USAA, HP, Apple, American Express, and others — and he's advised governments around the world.

Today, Brad consults and speaks to a broad range of organizations and associations — he's worked in 45 states and in over 60 countries — and serves as a Senior Advisor to ICMI. He is author/editor of eight books, and received an Amazon.com best selling award for his widely-used book *Call Center Management on Fast Forward*. He has appeared in publications ranging from *The Financial Times* to *The Wall Street Journal*, as well as on major television networks, NPR's *All Things Considered*, and the in-flight programs of several airlines. His current research is focused on the future of customer access management and the impact of social media; his blog can be followed at www.bradcleveland.com/blog.

About ICMI

The International Customer Management Institute (ICMI) empowers organizations worldwide to provide the best customer experience possible through industry-leading professional services such as consulting, training, and information resources.

ICMI is the leading global provider of comprehensive resources for customer management professionals — from frontline agents to executives — who wish to improve customer experiences and increase efficiencies at every level of the contact center. ICMI's experienced and dedicated team of industry insiders, analysts, and consultants are committed to providing uncompromised objectivity and results-oriented vision through the organization's respected lineup of professional services including: consulting, training and certification, events, professional membership, and management resources. Learn more at icmi.com.

ICMI Community Services

Your source for the most relevant and independent industry news interactive forums, research, webcasts and other dynamic customer management content for the largest, most respected call center industry network in the world

icmi.com/knowledgecenter

ICMI Training

Highly interactive in-person, on-site, and live Web training programs with educational resources for continued learning

icmi.com/training

ICMI Consulting

Industry veterans helping customer-centric companies make powerful, lasting improvements to their customer experiences

icmi.com/consulting

ICMI Events

More than twenty years of cutting-edge and practical content, insightful industry experts, and productive networking opportunities

icmi.com/events



ICMI
102 S. Tejon Street, Suite 1200
Colorado Springs, CO 80903

Toll Free: 800-672-6177
Direct: 719-268-0305
Fax: 719-268-0184
Email: icmi@icmi.com

www.icmi.com