

Welcome to...



Presented by:
Jean Bave-Kerwin



JBK Consulting

Contact Center Metrics: **What Metrics Matter and Why**

July 15, 2011

2:00-4:00 PM Eastern

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Today's Agenda



- ①.....| KPIs – What are they and why do you need them?
- ②.....| Definitions, Calculation, Data source, Value
- ③.....| Summary

Polling Question 1



- Does your center manage to your established key performance indicators (KPIs)?
 - a. Yes, from long-term planning to daily queue management
 - b. Sort of, we look at them long-term, but do not manage to them daily
 - c. No, we have KPIs, but don't manage to them
 - d. No, we haven't established KPIs yet

Confused by the Terminology?



Measurement ? A quantifiable unit.

=

Metrics ? Another word for measurement

=

KPI ? High-level measures/metrics of call center performance



Why Do You Need KPIs?



Helps the call center define and measure progress towards goals

KPIs are quantifiable measurements that reflect the *critical success factors of the call center*.

What Will You Choose?



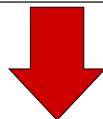
What should you measure?

1

Define **Mission and Business Objectives**

What is the call center mission?

- Service & satisfaction?
- Low cost provider?
- Both?



How to establish KPIs?

2

Identify **KPIs aligned to mission / objectives**

What KPIs will help you measure that?

- Pick measures you can use to make decisions

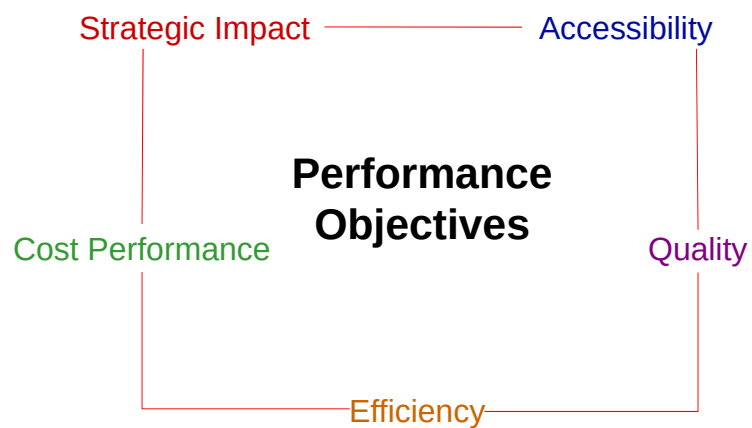
Clarify Terminology



- Key Performance Indicator (KPI)
- Our “ratings”
- How to calculate it
- Source
- Value
- Pitfalls



What Kinds of Things Should You Measure?



The Challenge:



We Get Ample Info on Some Things, Little on Others

Readily
Available



Assembly
Required

- Average handling time
- Service level
- Call (contact) quality
- First call resolution
- Customer satisfaction
- Strategic value

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

-- Albert Einstein

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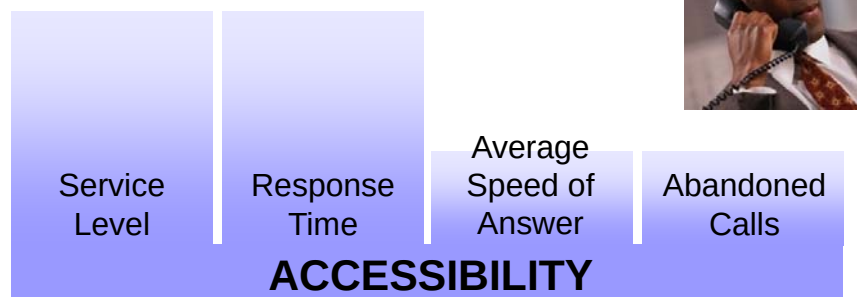
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Polling Question #2



- What is your primary accessibility metric for inbound telephone contacts?
 - a. Service level
 - b. Average speed of answer
 - c. Abandoned calls
 - d. Other
 - e. We don't have an accessibility metric

Measurements and Objectives Related to Accessibility



Service Level



Accessibility

Definition

X% of contacts answered in Y seconds; For contacts that must be handled when they arrive

Calculation

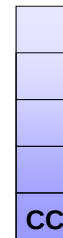
4 “standard” calculations (see handout)

Source

ACD reports

Value

Accurate measure of customer experience; key for budgeting and resource planning



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Response Time



Accessibility

Definition

100% of contacts answered in N days/hours/minutes; For contacts that can be handled at a later time

Calculation

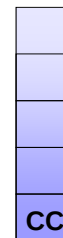
Volume / (RT / AHT)

Source

ERMS; manual tracking methods

Value

Accurate measure of customer experience; key for budgeting and resource planning



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Typical SL and RT Objectives



Example Service Level Objectives

Emergency Services	100/0
SL objectives that are comparatively 'high'	90/20, 85/15 or 90/15
SL objectives that are comparatively 'moderate'	80/20, 80/30 or 90/60
SL objectives that are comparatively 'low'	80/60, 90/120 or 80/300

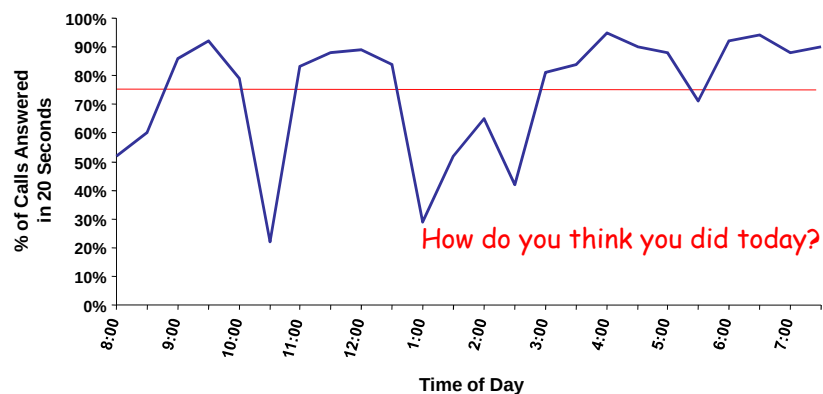
Example Response Time Objectives

	Low end of range	High end of range
Customer E-mail	Three days	SL type planning
Fax	Three days	Three hours
Voice mail	Next day	Within one hour
Letter by mail	> One week	Same day

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Service Level by Interval



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Interval Level Performance



Interval level performance tracking is only for those with a “Commitment to Extraordinary Service”!

SL		% of Intervals	
Range	Objective	Yesterday	M-T-D
90% and above	5%	25%	4%
80% to 89%	65%	39%	70%
70% to 79%	15%	8%	10%
60% to 69%	10%	8%	11%
50% to 59%	5%	8%	5%
Below 50%	2%	12%	1%

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Average Speed of Answer



Accessibility

Definition

Reflects the average delay of all calls, including those that receive an immediate answer.

Calculation

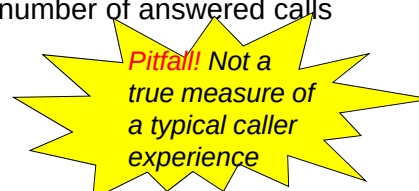
Total delay / total number of answered calls

Source

ACD reports

Value

Best used in combination with other metrics as indicator of call center performance.



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Abandoned Calls



Accessibility

Definition

Measures callers that hang up before reaching an agent.

Calculation

1. All calls abandoned /
(all calls abandoned + all calls answered)
2. Calls abandoned after objective /
(calls abandoned after obj. + all calls answered)

Source

ACD reports

Value

Best used in combination with other metrics to assess call center performance vs. as an independent metric.



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Abandoned Calls



Pitfall!

- Not a good indicator of typical caller experience
- Result of caller motivation
- Best role - supporting information to service level and response time reports, not primary objectives
- Examples:
 - Less than 5%
 - Less than 30%

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Measurements and Objectives Related to Quality



What Is a Quality Contact?

- Customer does not get a busy signal when using telephone or “no response” from Web site
- Customer is not placed in queue for too long
- Agent provides correct response
- All data entry is correct
- Agent captures all needed/useful information
- Agent has “Pride in Workmanship”
- Contact is necessary in the first place
- Customer receives correct information



Source - ICMI analysis and surveys. First published in *Call Center Management Review*.

What Is a Quality Contact?



- Customer has confidence contact was effective
- Customer doesn't feel it necessary to check-up, verify or repeat
- People "down the line" can correctly interpret the order
- Customer is not transferred around
- Customer doesn't get rushed
- Customer is satisfied
- Unsolicited marketplace feedback is detected and documented
- Call center's mission is accomplished

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Quality Contact Handling



Quality

<u>Definition</u>	Assigns a value to the quality of how individual contacts are handled.
<u>Calculation</u>	Various methods- based on number of monitored or surveyed contacts.
<u>Source</u>	Quality monitoring, customer surveys
<u>Value</u>	Measure of customer experience, use to enhance training programs, identifies enterprise-wide problems. Generally tracked monthly.



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Summary Quality Monitoring Scores

Pitfall!

XYZ Cell Phone Call Center	
AGENT	QA Scores
Mary	95%
William	88%
Steven	86%
Susan	95%
Kelly	83%

What do these scores tell you?

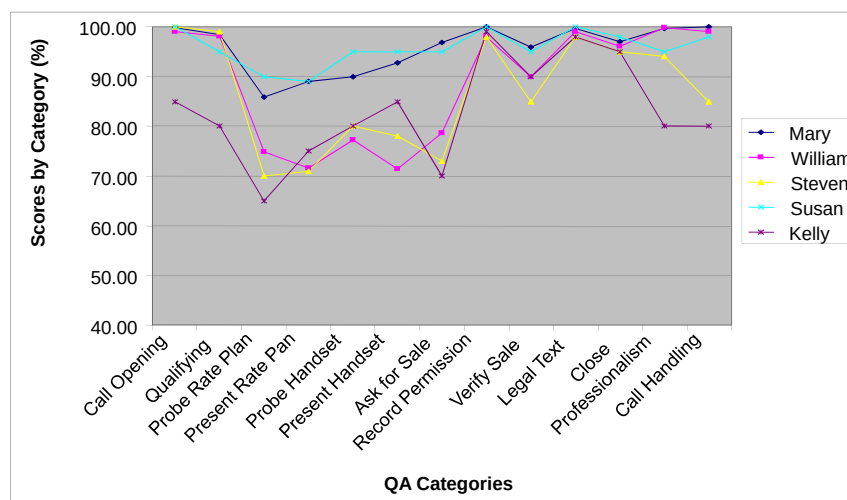
How will you make improvements?

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What Do You Know Now?

XYZ Cell Phone Call Center



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Customer Survey



Example

Rating 1-5

1. Did you purchase a service or product today?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
2. How would you rate the representative's assistance in your selection of the best rate plan for you?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
3. How would you rate the representative's assistance in your selection of the best handset for you?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
4. How would you rate the representative's ability to answer all of your questions completely and accurately?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
5. How satisfied are you that XYZ Wireless will be the best solution for you?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

Errors and Rework



Quality

Definition

The percent (and types) of errors and rework that are occurring.

Calculation

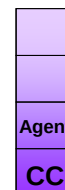
Varies according to what is being measured, such as repeat calls, call tracking codes, transferred calls, customer complaints, escalated calls

Source

ACD, Database, Monitoring Data

Value

Increases customer satisfaction and cost efficiencies.



Errors and Rework



Pitfall!

- Not all errors are within the control of agents
 - Error rates are more critical quality components in some environments than others

Polling Question #3



- Do you track first contact resolution?
 - a. Yes, and it is tracked accurately
 - b. Yes, but it is not tracked accurately
 - c. No, but we are planning to track this soon
 - d. No, with no plans to track at this time

First Contact Resolution



Quality

Definition

Percentage of contacts that require no further contact to address reason for contact – no further action required. *Note: 100% not typically feasible or cost effective*

Calculation

Calls resolved upon initial contact / total calls.

Source

Contact tracking reports, CRM, Automatic Number Identification (ANI), manual reports

Value

Greatest value as a relative measure over time. Increases customer satisfaction and cost efficiencies.



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First Contact Resolution



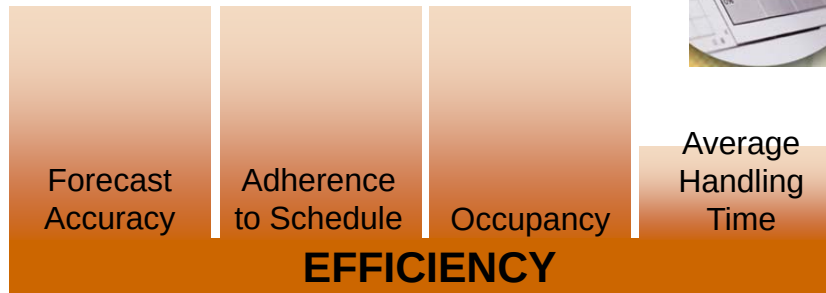
Pitfall!

- Technology, process, and philosophical differences are prevalent
- Not all components that lead to first contact resolution are within the control of agents

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Measurements and Objectives Related to Efficiency



Forecast Accuracy

Efficiency

Definition The percent variance between the calls forecasted and the calls actually received.

Calculation
$$\frac{\text{Difference between forecasted and actual}}{\text{Number of actual calls}}$$

Source Internal reports, WFMS

Value Accurate forecasting critical in planning, budgeting and scheduling processes.



Forecast Accuracy



Pitfall!

Input required from departments that impact the call center, such as marketing, sales, fulfillment, etc.

- Examples:
 - 3% - 5% variance in large centers
 - 10% variance in small centers

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Forecast Accuracy



		Forecast	Actual	Difference	Percent
8:30	9:00	342	291	51	14.9%
9:00	9:30	399	343	56	14.0%
9:30	10:00	461	499	-38	-8.2%
10:00	10:30	511	582	-71	-13.9%
10:30	11:00	576	649	-73	-12.7%
11:00	11:30	605	578	27	4.5%
11:30	12:00	572	513	59	10.3%
12:00	12:30	505	412	93	18.4%
12:30	1:00	456	540	-84	-18.4%
		4427	4407	20	0.5%

The accuracy of resource planning must be measured here...

Not here!

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Polling Question #4



- Which of the following do you use to measure individual frontline agent efficiency?
 - a. Adherence to schedule
 - b. Occupancy
 - c. Average handling time
 - d. Other

Adherence to Schedule



Efficiency

Definition

How well agents adhere to their schedules.
1) Amount of time available 2) When they were available (compliance).

Calculation

Time during agents' shifts spent logged on, handling calls, in after call work, available waiting for a call, or outbound calling compared to scheduled log on time.

Source

ACD Reports, WFMS

Value

Significant impact on service level performance. Appropriate in all environments as a high-level objective and individual agent metric.





Occupancy

Efficiency

Definition Percentage of time agents spend handling calls vs. waiting for calls to arrive.

Calculation For a half-hour:

$$\frac{(\text{Call volume} \times \text{AHT in seconds})}{(\text{number of agents} \times 1,800 \text{ seconds})}$$

Source ACD Reports

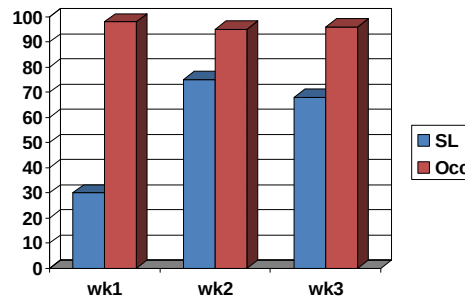
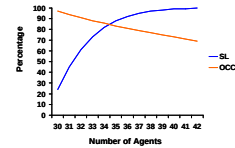
Value Critical for budgeting and resource planning. It's the statistic used in the Erlang C calculation that is at the core of call center scheduling.



Occupancy



- For a given call load, when service level goes up, occupancy goes down
- Consistently high occupancy levels can result in agent burnout and high turnover



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Occupancy



- Driven by:
 - Forecast accuracy and scheduling efficiency
 - Random call arrival
 - Agent group size
 - Service level and other variables
- Larger groups are more efficient!
 - For a given service level, larger agent groups have higher occupancy rates than smaller groups
- Examples:
 - 85 - 90% and 55 - 70%

Note

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Erlang C Module



QueueView Staffing Calculator by ICMI, Inc.

Average Talk Time (Sec.) = **180**

After-Call Work Time (Sec.) = **30**

Calls per Half-Hour = **250**

Service Level Objective (Sec.) = **20**

Agents	P(O)	ASA	DLYDLY	QI	Q2	SL	OCC	TKLD
30	82.8%	208.7	252.0	29.0	35.0	23.5%	97%	54.0
31	65.2%	74.7	114.5	10.4	15.9	45.2%	94%	35.4
32	50.7%	37.6	74.1	5.2	10.3	61.3%	91%	30.2
33	38.8%	21.3	54.8	3.0	7.6	73.0%	88%	28.0
34	29.3%	12.7	43.4	1.8	6.0	81.5%	86%	26.8
35	21.8%	7.8	36.0	1.1	5.0	87.5%	83%	26.1
36	15.9%	4.9	30.7	0.7	4.3	91.7%	81%	25.7
37	11.4%	3.1	26.8	0.4	3.7	94.6%	79%	25.4
38	8.1%	1.9	23.8	0.3	3.3	96.5%	77%	25.3
39	5.6%	1.2	21.4	0.2	3.0	97.8%	75%	25.2
40	3.8%	0.7	19.4	0.1	2.7	98.6%	73%	25.1
41	2.6%	0.5	17.7	0.1	2.5	99.2%	71%	25.1
42	1.7%	0.3	16.4	0.0	2.3	99.5%	69%	25.0

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Average Handling Time



Efficiency

Definition

Average talk time + after call work
 - Calls x AHT = workload
 - Forecast AHT to interval level

Calculation

Average talk time + Average after-call work

Source

ACD Reports

Value

Accurate AHT forecasting critical for
 resource planning, budgeting,
 scheduling training needs



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Average Handling Time



- Reductions in AHT through process reengineering and technology will have a dramatic impact on call center operations.
- Appropriate in all environments for high-level purposes and for ongoing tactical planning
- Not recommended as a strict agent standard

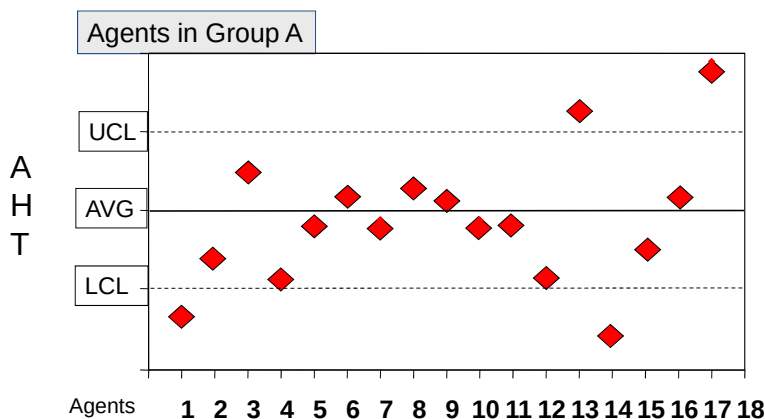
Note

Too much focus on AHT can negatively impact quality.

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Exercise - See Control Chart Handout



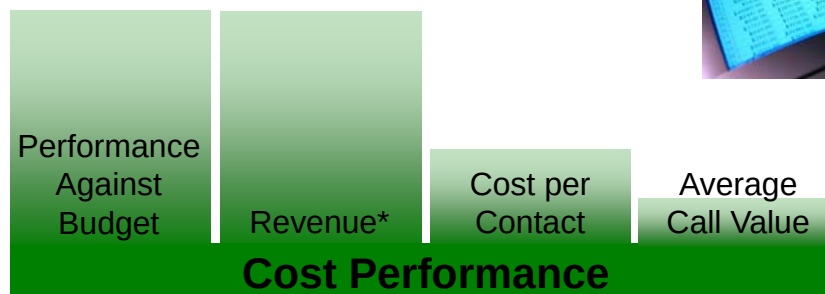
- 1) What conclusions can you draw?
- 2) Is the process in control?
- 3) What are some actions you might take in response to information?

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What objectives are you using to
determine your **cost performance**?

*Measurements and Objectives Related
to Cost Performance*



*In revenue-producing environments

Performance Against Budget



Cost Performance

Definition

Operations managed effectively to approved budget.

Calculation

Variance between budget and actual.

Source

Internal reports, financial reports

Value

Assuming the budget is constructed to meet the call center needs, ensures goals are achieved and organization's mission is supported.



Revenue



Cost Performance

Definition

Tracks revenues attributed to call center services.

Calculation

No standard calculation

Source

Sales reports, total orders, CRM system reports

Value

Appropriate for revenue-generating environments. Indicates the effectiveness of up-sell, cross-sell programs, sales skills training. Measures call center's impact on revenue.



Cost Per Contact



Cost Performance

Definition

Method of calculating factors impacting the cost of contacts.

Calculation

Total call center costs / total calls for a given period of time (e.g., monthly). Differentiate by channel and types of contacts.

Source

Internal reports, financial reports

Value

Indicator of call center efficiency, best analyzed in combination with call volumes and average handle times.



Cost Per Call/ Contact



Pitfall!

- \$\$ Cost per call going up can be a good sign.
 - Low cost per call not necessarily a good sign ↓
 - High cost per call not necessarily a bad sign ↑
- Cost factors vary by company; determine cost factors and measure consistently

Average Call Value



Cost Performance

Definition

A measure common in revenue-producing call centers to calculate the average value associated with a contact.

Calculation

Total revenue / total number of calls

Source

ACD reports, financial reports

Value

In revenue generating call centers, measures the effectiveness of sales effort, highlights value of call center as a profit center.



Measurements and Objectives Related to Strategic Impact



Polling Question #5



- How do you measure customer satisfaction?
(select all that apply)
 - a. Surveys through postal mail
 - b. Surveys through email
 - c. Surveys through IVR
 - d. Surveys through outbound telephone contact
 - e. Quality monitoring data
 - f. Other
 - g. We don't measure customer satisfaction

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Customer Satisfaction



Strategic Impact

Definition

Typically measures the percentage of all customers who were satisfied with the services they received.

Calculation

No standard method of calculation.

Source

Via phone calls, mail, email, IVR surveys, focus groups

Value

Driver of customer loyalty. Satisfied customers spend more, satisfied customers provide positive word-of-mouth.



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Typical Customer Expectations



- Be accessible
- Treat me courteously
- Be responsive to what I need and want
- Do what I ask promptly
- Don't make me deal with poorly trained and ill informed employees
- Meet your commitments, keep your promises
- Do it right the first time; follow up
- Tell me what to expect
- Be socially responsible
- Be ethical



Source - ICMI analysis and surveys. First published in *Call Center Management Review*.

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Employee Satisfaction



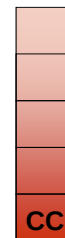
Strategic Impact

Definition Assigns a value to how satisfied call center employees are with their jobs.

Calculation No standard method of calculation.

Source Surveys, focus groups

Value Satisfied employees result in lower rates of absenteeism and turnover, higher rates of customer satisfaction and productivity, and better overall call center performance



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Turnover



Strategic Impact

Definition

Measures the number of employees that leave the call center. Should include voluntary/ involuntary, internal/external.

Calculation

$(\# \text{ of agents exiting job} / \text{avg. actual \# of agents during the period}) \times (12 / \# \text{ of months in the period})$
Positive/negative turnover can be tracked separately in addition to total turnover.

Source

Internal call center reports

Value

Reflective of positive/negative issues within the center. Excessive turnover can be costly. Identifying and managing to a reasonable turnover means a more experienced staff, lower AHT, higher quality.



Training



Strategic Impact

Definition

Job specific development aligned with the call center's objectives and supported with appropriate resources.

Calculation

Training hours per agent per month
Training evaluation results

Source

Internal tracking reports, WFMS, training evaluations, pre & post training tests

Value

Commitment to training is reflected in higher quality monitoring, customer and employee satisfaction scores, turnover and AHT.



Four Levels of Training Evaluation



1- Reaction: Upon completion of the training program. Evaluate method of the training, use of group and individual exercises, quality of materials, media, facilitator capabilities, facilities, etc.

2- Learning Evaluation: During and upon completion of the learning experience, information is collected, analyzed and reported to assess how much participants learned and applied in their training experience. (quizzes, texts, exercises, observation and monitoring)

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Four Levels of Training Evaluation



3- Application to the job (knowledge transfer): Once performing the job, assessment is used to determine the degree to which knowledge and skills taught during training are being used on the job.

Quality monitoring and supervisor observations are the primary resources for evaluation.

4- Evaluating the impact: Determine the impact of training on productivity, customer satisfaction and on the business objectives. Examples: Increase in productivity through more efficient call handling skills, quality results, and accuracy of information.

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Call Center Strategic Value

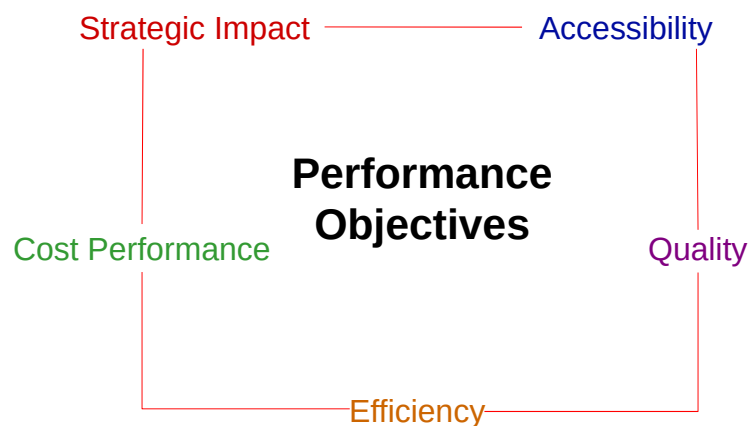


- Contributes to business unit strategies
- Major driver of customer satisfaction and loyalty
- Enables improved quality and innovation
- Enables highly-leveraged marketing
- Enables focused products and services
- Provides efficient delivery of services
- Cultivates self-service usage and system design
- Creates revenue/sales*

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To Sum Up...



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Other KPI Considerations



- What is your competition doing?
- What can you afford?
- What is everybody else doing?
- What do your customers expect?
- What will your customers tolerate?



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Be Specific...Be Realistic



- Service level goal: 80/20, 90/10, 70/200
- Email response time: 4 Hours – 30 days
- Quality monitoring goal: 92% - 98%
- Customer satisfaction goals: 75% - 95%
- Employee turnover rate: 20% - 80%
- Agent adherence to schedule: 85% - 98%

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Be Specific...Be Realistic



- Forecast accuracy: +/- 2% - +/- 25%
- Employee satisfaction goals: 75% - 95%
- Training hours per month: 0 - 40
- Job enrichment
- Positive culture

Laser Focus on



- Service level 
 - Abandonment, ASA and occupancy will align
- Quality assurance/quality monitoring
 - Customer satisfaction and employee satisfaction will reflect score
- Schedule adherence
- First contact resolution
 - If tracked consistently over time

“Everything in the universe is subject to
change and everything is right on schedule.”

-- Anonymous

Contact Us

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More Virtual Classroom Training...



Contact Center Metrics: Building Reports and Communicating their Meaning

with Jean Bave-Kerwin

July 22

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