



CALL CENTER METRICS

Best Practices in Performance Measurement to Maximize Efficiency & Quality (White Paper)

CONTENTS

Overview			3
	1.	Service Level 4	
	2.	Agent Schedule Adherence 6	
	3.	Active and Waiting Calls 7	
	4.	First Call Resolution 8	
	5.	Call Abandonment 10	
	6.	Average Handling Time 11	
	7.	Customer Satisfaction 12	
	8.	Contact Quality 13	
	9.	Forecast Accuracy 14	
	10	. Net Promoter Score15	
	11	. Staff Turnover/Retention16	
	12	. Blockage 17	
	13	. Staff Shrinkage 18	
	14	. Up-Sell/Cross-Sell Rate19	
	15	. Cost Per Call 20	
Conclusion			21

OVERVIEW

This paper seeks to help call centers outline their basic needs, such as streamlining their staffing structure, to overcome forecasting workload. This paper is a primer for standard technology structure of call centers and helps them provide consistent quality to clients and customers. Furthermore, this paper outlines guidelines in performance measurement and management to maximize efficiency and quality of service for a call center. The practices listed herein form the back bone of any call center. These, among others, are issues that are addressed in this paper.



I

SERVICE LEVEL

What is Service Level?

A **Service Level Agreement** (SLA) is a contract or a part of a service contract which defines the service. In other words, SLA is an agreement that defines the terms of service that exist between a service provider and their customer. An SLA is your call center's promise to provide a certain standard of service to your clients and customers and to be more specific, stipulates that your call center is committed to answering a set percentage of calls within a certain number of seconds.



For instance, a contract between an Internet Service Provider (ISP) and a customer shall specify, usually in measurable terms, what services the network service provider will furnish.

Types of Service Level Agreement

SLA can be used in many areas; there are several types of SLA that may be used. Some of them are as follows:

- 1. Customer SLA: Where there is an agreement between an individual customer and a company.
- 2. Service SLA: Service SLA is for every customer making use of the services being provided by a company, e.g. Response time for emails.
- 3. Multi-level SLA: It is a combination of levels with the purpose of addressing multiple sets of customers.
- 4. Corporate SLA: This includes all Service Level Management (SLM) issues.
- 5. Customer Level SLA: This includes all SLM issues that apply to a particular group of customers.
- 6. Service Level SLA: This includes all SLM issues that apply to specific services.

If service levels are fluctuating, you need to know about it immediately in order to solve the problem. Service levels may be

I

SERVICE LEVEL

influenced by a range of issues, such as unexpectedly high call volume, unplanned service outages, or high agent absenteeism.



It's important to monitor service levels in real time, as it provides an active barometer of your call center's current performance.

Some SLA metrics may be specified as:

- 1. The percentage of the time that services will be available for.
- 2. The total number of users that can be served simultaneously.
- 3. Defined performance benchmarks which help compare actual performance vs the benchmark periodically.
- 4. Advance notification of changes that may affect users.
- 5. Help desk response time for various classes of problems.
- 6. Dial-in access availability.
- 7. Usage statistics that will be provided.

II

SCHEDULE ADHERENCE

What is Agent Schedule Adherence?

Adherence to schedule is a measurement of how much time during an agent's shift he or she is logged in and handling. It is an overall call center measure and is also one of the most telling measures of team and individual performance.

Schedule adherence is an important factor for call center performance; low adherence rates may result in failure to meet SLAs and deliver poor quality of service to customers. There is however a danger of focusing too stringently on adherence to schedule since it inevitably results in eliciting cries of micro-management from the agents.



Tips to Ensure Solid Schedule Adherence

Here are a few tricks to ensure solid adherence statistics that agents won't find intrusive:

- 1. Train each agent on impact on the queue, and on customer accessibility and satisfaction.
- 2. Establish concrete service level and response time objectives known to everyone.
- 3. Educate agents on the essential steps involved in resource planning to ensure that they understand how schedules are prepared.
- 4. Develop appropriate priorities for the tasks your agents perform on the job.
- 5. Provide real-time information to agents and back it up with data.
- 6. Track and manage Schedule Adherence at the supervisory level.
- 7. Track Schedule Adherence for the entire group for planning purposes. This, in turn, will help assess how well effective the process that enables Schedule Adherence is.

A call center needs to have an idea about how many calls the average agent is handling and how long those calls last so as to help pinpoint any scheduling adjustments that may have to be made.



ACTIVE & WAITING CALLS

What are Active and Waiting Calls?

The 'Active and Waiting Calls' measures current volume of active calls compared to the number of callers waiting to be patched through to an agent.

This is a real-time status metric that should be shared with all the agents to offer them insight on their performance. Agents should be encouraged to resolve calls on a timely basis in order to get to the next caller in queue and not keep the callers on wait.

However, this should never come at the expense of delivering quality customer service. Remember, the more the Wait Time the harder the caller becomes to handle.





FIRST CALL RESOLUTION

What is First Call Resolution?

The percentage of transactions that are completed within a single query/contact is called the first call resolution (FCR) rate and is a crucial measure of quality.

The objective of any service center is to quickly resolve calls to meet service level agreements and deliver a high quality of service. Issues that are resolved on the first contact display the efficiency of a call center and attract greater customer satisfaction.

There are, no doubt, issues that cannot be resolved without multiple calls or contacts. For example, a difficult technical issue may involve multiple contacts with several agents in order to resolve the issue. The resolution rate will likely be lower in case of emails, since it generally takes multiple messages between the customer and the agent to resolve an issue.

Benefits of First Call Resolution

Listed below are a few benefits of FCR:

- 1. Reduces Operating Costs: A low FCR rate results in a high number of repeat callers. This escalates the wait time, disconnections and call-backs. Reducing the cost burden of callbacks is one of the major benefits of FCR.
- 2. Customer Retention: A high FCR makes a customer feel comfortable with the support and is a very good way to avoid losing your customers to competitors.
- 3. Higher Employee Satisfaction: The strain on agents who must contend with frequent callbacks from often-frustrated customers is significant and invariably leads to low morale, poor customer service and high agent turnover.



FIRST CALL RESOLUTION

Recent studies have shown that the FCR rate has the highest correlation with customer satisfaction. Nothing impacts customers' perceptions about a company or its support more than simply getting their question answered or problem resolved on the first try.

The red flag associated with FCR is the number of issues that are currently unresolved. Ensure consistent tracking of each contact method that your call center uses, as well as how effective each method is.

It's not easy to figure out FCR; it takes some collating of information from your contact management system, but it's worth the extra effort.

Remember, the higher your FCR rate, the happier your customers are!



V

CALL ABANDONMENT

What is Call Abandonment?

Call Abandonment measures the number of calls that are disconnected before they can be connected to one of your agents. This metric is closely related to Service Level and Customer Satisfaction. Customers are not expected to be patient. They will hang up and possibly switch their brand loyalties.

Abandonment rate is not typically a measure associated with email communications, since the email does not abandon the "queue" once it has been sent, but it does apply to web chat interactions and inbound calls.

Please note, that abandon rate is not entirely under the call center's control. While abandons are affected by the average wait time in queue (which can be controlled by the call center), there are a multitude of other factors that influence this number, such as individual caller tolerance, time of day, availability of service alternatives, and so on.





AVERAGE HANDLING TIME

What is Average Handling Time?

Average Handling Time (AHT) is a measure for any contact center that tells you how long a new item of work takes to be handled, and not just the talk time. It can also be defined as a common measure of contact handling, made up of talk time plus after-call work (ACW).

AHT is also a measure that is important in determining the other types of multichannel contact workload. It is much harder to calculate how long it takes to handle an email or a Web chat transaction. An email may be opened and put aside for varying amounts of time before completion. Likewise, a web chat session may appear to take longer than it actually does. Therefore the simplistic start and end time figures give an inflated picture.

Average Handling Time Formula

The formula for calculating AHT is as follows:

Average Handling Time = (Total Talk Time + Total Hold Time + Total Wrap-up Time)

Number of Calls Handled

Factors that can distort AHT

- 1. Cutting off callers. If you target agents on their AHT you may find that they cut off long callers or, if a call looks difficult, they transfer it to another department.
- 2. Wrap-up time should only be used for time related to the particular call. However, there is scope for misuse since some agents may use this to stop taking the next call.
- 3. You need to include Hold Time in the calculation, as not doing so can result in agents spending more time unnecessarily on hold in order to reduce the total AHT.
- 4. Slow Computers (a rather ubiquitous problem)
- 5. Spending time with a caller to resolve a problem.
- 6. Poor training programs.
- 7. Long periods of hold time.



VII

CUSTOMER SATISFACTION

What is Customer Satisfaction?

Customer satisfaction is one of the most critical metrics for any contact center. It provides an assessment of your call center's performance from your customer's perspective.

While there is no standard method for calculating customer satisfaction, there are certain common practices and processes that enable leading centers to not only effectively and efficiently keep tabs on just how much customers dislike them, but also to make key improvements before customers take their business elsewhere. This data is usually collected through customer surveys that ask general questions, relating to call quality, call resolution, and how satisfied the customer was with the service received (regardless of outcome).

Today's advanced IVR survey apps can be programmed to recognize when a customer gives an abnormally low overall rating and to send an alert to the center manager or quality assurance team.



VIII

CONTACT QUALITY

What is Contact Quality?

Contact Quality is a very common and critical customer-centric performance metric in all contact centers, regardless of industry, function and size. Contact quality is typically assessed by first monitoring and recording of agent interactions with customers. These interactions are rated by quality assurance specialists using a comprehensive evaluation form that features key criteria that contributes to a quality interaction from the customer's perspective.

Common quality criteria:

- 1. Use of appropriate greetings and other call scripts
- 2. Courtesy and professionalism
- 3. Capturing key customer data
- 4. Providing customers with correct and relevant information
- 5. First-contact resolution
- 6. Accuracy in data entry and call coding
- 7. Grammar and spelling in text communication (email and chat)



While monitoring and recording is by far the most common method used for assessing contact quality, some quality measurements may be generated from reports generated by customer information systems.



FORECAST ACCURACY

What is Forecast Accuracy?

Forecasting accuracy is better described as forecasted contact load vs. actual contact load. It is a performance metric that reflects the percent variance between the number of inbound customer contacts forecasted for a particular time period and the number of said contacts actually received by the center during that time period.

Underestimating the forecast leads to understaffing, in turn, leading to long wait times in queues, frustrated customers, burned-out agents and high toll-free costs. However, overestimating the forecast results in waste of resources, overstaffing and increased idle time.

Forecasted call load is available from the center's workforce management system; actual call load is tracked by the workforce management system, email response management system and Web servers where data is available.



Forecasting accuracy should not be reported as a summary of forecasted versus actual contacts across a day, week or month. Rather it should be viewed an illustration of accuracy for each reporting interval, typically half-hours.



NET PROMOTER SCORE

What is Net Promoter Score?

The Net Promoter Score is based on the premise that every company's customers can be divided into three categories: Promoters, Passives, and Detractors.

By asking a simple question like "How likely is it that you would recommend [your company] to a friend or colleague?", one can track these groups and get a clear measure of your company's performance for a customer's standpoint. Customers respond on a 0-to-10 rating scale.

They are categorized as follows:

- 1. Promoters (score 9-10) are loyal enthusiasts who will continue buying and refer others.
- 2. Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- 3. Detractors (score 0-6) are unhappy customers who may damage your brand through negative word-of-mouth.



To calculate your company's NPS, Subtract the percentage of customers who are Detractors from the percentage of customers who are Promoters.



STAFF TURNOVER / RETENTION

What is Staff Turnover/Retention?

The best way to measure the satisfaction of your workforce is to look at the percentage of staff that leaves. There can be some telling information in these numbers and it is crucial to track and analyze the turnover rates in many ways.

One should look at the rate associated with different call types, as it may be more stressful or less satisfying to handle certain types of calls. You should also look at turnover by team to see if there are any supervisory influences in keeping people or driving them away.

And you'll definitely want to look at the level of performance of the people leaving. If it's primarily the worst performers leaving, turnover is not such a bad thing, but if it's your better performers leaving the center, it may be time to re-examine your compensation, recognition programs, and career path opportunities to see what it is that's preventing the retention of these staff.

Remember, Employee Satisfaction is paramount in retaining staff, as is showing opportunities for growth.





BLOCKAGE

What is Blockage?

Blockage is a measure of accessibility that indicates what percentage of customers will not be able to get in touch with the contact center at a given time due to insufficient network facilities.

Failure to include a 'blockage goal' may allow a contact center to meet its 'speed of answer' goal by simply blocking the excess calls; but this is a myopic view of the result. While you might feel that it looks like that the contact center is doing a great job in terms of managing the queue, blockage can have a negative effect on customer accessibility and satisfaction.

Though this is typically monitored by the IT or telecom department and not by the contact center, it should still be a measure that is reviewed regularly to make sure callers are not being turned away at the front door.





STAFF SHRINKAGE

What is Staff Shrinkage?

Staff shrinkage is the percentage of time that employees are not available to handle calls. It is classified as non-productive time, and is made up of meeting and training time, breaks, paid time off, off-phone work, and general unexplained time where agents are not available to handle customer interactions.

Staff shrinkage is an important number to track, since it plays an important role in how many people will need to be scheduled for each half-hour slot.

It is important to track shrinkage by individual criteria. While some shrinkages are unavoidable, such as paid time off and training time, other criteria of non-productive time should be tracked with the objective of limiting the loss of available hours over time.

The best way to avoid Shrinkage is proper staffing. Usually the workforce management team checks for the forecast and assigns the staffing.





UP-SELL / CROSS-SELL RATE

What is Up-Sell/ Cross-Sell Rate?

The up-sell rate or cross-sell rate is simply the success rate of generating revenue above the original intention of the call. It is becoming an increasingly common practice, not just for pure revenue-generating call centers but for customer service centers as well.

Also called Revenue per Call (RPC) by some contact centers, Up-Sell or Cross-Sell refers to a contact center such as technical support which in order to boost the company's (or client's) revenue, offers the customers other products and features once the call is done.

Remember, Up-Selling or Cross-Selling sometimes may also make a customer angry. Agents need to make sure that they only pitch once the issue is resolved up to the customer's satisfaction.





COST PER CALL

What is Cost Per Call?

A major factor determining profits is the cost of running the organization. A common measure of operational efficiency is cost incurred for each minute of handling the call workload, commonly referred to as Cost per Call. This cost per call can be simply a labor cost per call, or it can be a fully loaded rate that includes payroll in addition to telecommunications, facilities, and other services costs.

In setting cost per call, it is critical to define the components being used, and to use them consistently in evaluating how well the center is making use of financial resources over time.



CONCLUSION

The metrics that any call center embraces have an undeniably momentous impact on the customer experience. Of course, not every metric can be completely customer-centric as there are operations costs and business needs that must be factored in as well. Focusing strictly on straight productivity metrics and managing a contact center primarily as a cost center simply not a feasible approach anymore.

Emphasizing on these metrics will ensure that your company maintains a high standard of customer satisfaction and loyalty, and thus enable your center to be an efficient, high-performing, critical business entity.





2443, Fillmore St. #380-4946 San Francisco, CA 94115 Web: www.31west.net

TollFree: (877) 262-5030

Email: sales@31west.net

<u>LinkedIn</u> | <u>Google+</u> | <u>Twitter</u> | <u>Facebook</u>