



Off the shelf KPI's, No thanks...

How to get strategic in your use of contact centre performance metrics - that balances customer need, operational costs and agent wellbeing.

A White Paper from ProtoCall One – September 2010.

Authors:

Paul Weald is Strategy Director - Customer Innovations at ProtoCall One - a leading contact centre consultancy and systems integrator specialising in multi-channel communications, workforce optimisation and decision management solutions.

Andy Turner is Solutions Director - Customer Innovations at ProtoCall One – is highly experienced in setting up Workforce Management (WFM) processes and in WFM tools and techniques. Andy is also expert in operational planning around multi-site, multi-skilled, virtual contact centre estates.

They can be contacted on +44 (0)800 881 8130.

Introduction

To achieve excellence in your contact centre you need to have three things in place – **engaged staff**; a **true customer focus**; and a clear **vision of what success looks like**.

The KPI measures that you use have an important role to play in balancing these people, customer and strategy levers.

When we visit call centres - whether that is as judges for Awards schemes or as consultants for our clients - too often we find that KPIs are just pulled off the shelf without any thought as to the impact they have on each other, the customer and the well being of staff.

Remembering that customers can immediately vent their frustration at organisations who fall short in Customer Service via the many Social Media outlets that now exist, then bad news can now travel very quickly indeed. The impact on contact centres operators is the need to look at the mechanics of how KPIs are designed and how these targets are set.

Poorly designed KPI metrics have the power to create stress, poor customer interactions and increase running costs in any call centre operation – however large or small. It is certainly true that KPI's drive agent behaviour, so careful thought and consideration needs to go into having a balance of measures – that reflect effectiveness as well as efficiency.

Design your KPI's around your customer strategy

In 2008/09, Genesys Communications conducted a worldwide survey to examine how adept organisations have become at aligning corporate strategy with the role of the contact centre. The survey found that, of the 900 companies polled, only 42% described their contact centre as strategic, with 58% seeing the contact centre as purely operational.

When it came to the KPI performance metric that they used, the **highest scoring response was Customer Satisfaction at 70%**. However, the majority of metrics used in today's contact centres reflected a more operational focus - with 68% measuring call duration and 67% measuring Average Speed to Answer.

Contrast these survey findings with what we see as the attributes of excellent Award winning centres. In 2009, we were part of the judging panel that awarded British Gas Premier Energy in Cardiff the overall winner of the European Contact Centre Awards. They had achieved a significant culture change away from being a sales centre towards becoming a customer advocacy centre. The historic KPIs that they had used – such as conversion rates and calls per agent per day – were removed, to be replaced by a **single focus on customer advocacy**. They adopted Net Promoter Score (NPS) as the output measure and deployed leading edge technology to change the way that quality was managed – focusing just on those cases that did not meet NPS thresholds. The outcome was that not only did advocacy improve but, as a consequence of better meeting customer needs, key input metrics such as AHT and attrition also moved in the right direction.

Focus on the right things

We believe that the proverbial blunt instruments in any operational centred world of KPI's are the 80/20 service level metric, closely followed by AHT & percentage abandon rate. We do recognise that these have may their place (sometimes) but as primary measures they should definitely be used with caution. The danger is to set a high threshold level with the blind expectation that the target alone will deliver golden Customer SAT results.

We have seen too many marketing slogans based on the fallacy that "answering your call in 3 rings" is the holy grail.



Consider the relative importance of call answer times. As customers we ring in for a reason, and if that issue is resolved or at least progressed then we are happy. This is all about achieving a first time resolution. So the outcome of the call is often more important than the answer time itself. If we waited twenty, thirty or even sixty seconds to get answered we just won't remember. But adding an extra 10 seconds onto the Service Level target is a great bonus for the contact centre operation, as it allows the centre to balance the other resourcing and efficiency metrics. So a win-win all round, making the call centre more customer centric, efficient and a better place to work.

A balancing act

It is important to understand that by balancing schedule and skills coverage, you then become more efficient with your resources and thereby increase utilisation. For example, by slightly reducing the Average Speed of Answer and by flexing the AHT you could improve the First time Call Resolution (FCR) rates - which your customer will see as a primary driver for better Customer Satisfaction scores. From a workforce management perspective you can achieve this by moving resource into more effective time slots, thereby increasing the positive experience felt by the customer.



The conventional thinking is that the two cornerstone performance measures that need to be in place for any contact centre are firstly a 'Customer SAT' objective and secondly a cost/efficiency objective. Whilst the measurement of customer satisfaction is often reliant on third party functions – such as customer surveys – gaining customer feedback on "how are we doing?" is vital. The reasons why this needs to be balanced is so that customer expectations are then met in the most cost effective way.

For the other KPIs, you can be as creative as you want and design a string of supporting measures that feed into the main objectives. These not only drive positive behaviour for the

customer but also create a positive and vibrant working environment for your Supervisors and agents.

Agent knowledge

An important metric that is often overlooked is the measurement of agent training time. Operational managers intuitively know that there is a **direct correlation between knowledgeable agents and Customer Satisfaction scores**. The analysts bear this out - Gartner recently reported that a 1% Increase in Agent engagement directly resulted in a 0.5% increase in Customer Satisfaction. By understanding the impact of training against performance, it is easy to see how this works. When a well trained agent is more confident, then customers relax and engage more readily. This is because knowledgeable staff are more able to listen, rather than seeming unsure of the enquiry or process required to manage the contact, losing control of the call as a result.

Understand the interdependencies and value of your KPI's

The most common problem we come across in setting thresholds is that too many performance KPI targets are set in isolation to others that they impact on. Conflicting priorities result, with the inherent impact on resources and cost inefficiencies.

Reporting is also a related challenge – with many centres having to produce data across a raft of performance objectives, most of which are then largely ignored by management, consuming a lot of man hours in the process. Research on the American market showed that 75% of the performance data being produced was largely redundant or had little impact on the efficiency or Customer SAT objectives, wasting valuable analyst support resources as a result.

A fresh approach

So not all objectives carry the same relevance to Customer SAT and need to be used in the correct context. We have hopefully demonstrated that the traditional Speed of Answer and Abandon percentage give little support to Customer SAT scores when compared to First Call Resolution or Agent knowledge objectives. Similarly, having too many objectives can distort an organisation's real time operational focus and skew operational effectiveness. Finally if KPIs are not balanced correctly, priority is misplaced that can be damaging to the customer experience and on the overall agent wellbeing.



A call to action

As customer expectation becomes more sophisticated and informed, organisations need to adapt by creating KPI scorecards that can meet that expectation. **Contact Centre performance management needs to reflect this change in strategy** so that the measures are less operationally focused and more customer oriented. The KPIs used then become more relevant and connected so that contact centres have the opportunity to make strategic improvements that will quickly reduce cost, improve efficiency, and at the same time increase customer loyalty and agent well being.

By analysing the root causes of your customer interactions and behaviours, coupled with analysis of your operation and its strategic context, ProtoCall One can assist you in the design of an effective KPI strategy that strikes the best balance for your organisational needs.

Call us today to find out how.



Paul Weald
Strategy Director - Customer Innovations

ProtoCall One

T +44 (0)800 881 8130

E pweald@pc-1.co.uk

W www.pc-1.co.uk



Andy Turner
Solutions Director – Customer Innovations

Protocall One

T +44 (0)800 881 8130

aturner@pc-1.co.uk

www.pc-1.co.uk