

Benchmarking and the Contact Center

Customer Contact Performance Forum

Host: Kay Jackson

www.ContactCenter.ning.com

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Presenters



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Contact Center Benchmarking

An Industry Overview

Presented by:
Christine Wright, President

Benchmarking Defined

- The process of continuously improving performance and innovation by systematically researching and adopting best practices and processes both internal and external to the organization.



Principles and Best Practices of Benchmarking

Companies with the largest financial improvements as a result of benchmarking efforts¹:

- Benchmarks are linked to the company's strategic, operational and financial goals
 - Sr. Management encourages innovation and a "learning culture"
- Improvements are business-case (ROI) justified prior to implementation
- Adhere to a standardized process of measurement and methodology for process improvement
- Measurement and reporting of results is a rigorous and continuous process

CCI adds :

- Benchmarks must be representative of a valid universe for comparison of both low and high performing companies.
- Data must be accurate and reliable (stands the test of time)
- Performance improvement is tied to organization's MBOs and compensation.

¹Abstracts sited from APQC 1999 Whitepaper: [Benchmarking: Leveraging Best Practices and study Organizing and Managing Benchmarking](#)

Common Applications of Contact Center Benchmarking

- Internal and external peer comparisons
- Setting operational performance goals and stretch targets
- Internal vs. outsourced operational analyses and comparisons:
 - Establishing SLAs and performance targets for vendor outsourcing contracts
- Identifying and prioritizing operational performance improvement initiatives
- Yearly strategic planning & budgeting including investment funding requests



Polling Question #1

Benchmarking and the Contact Center

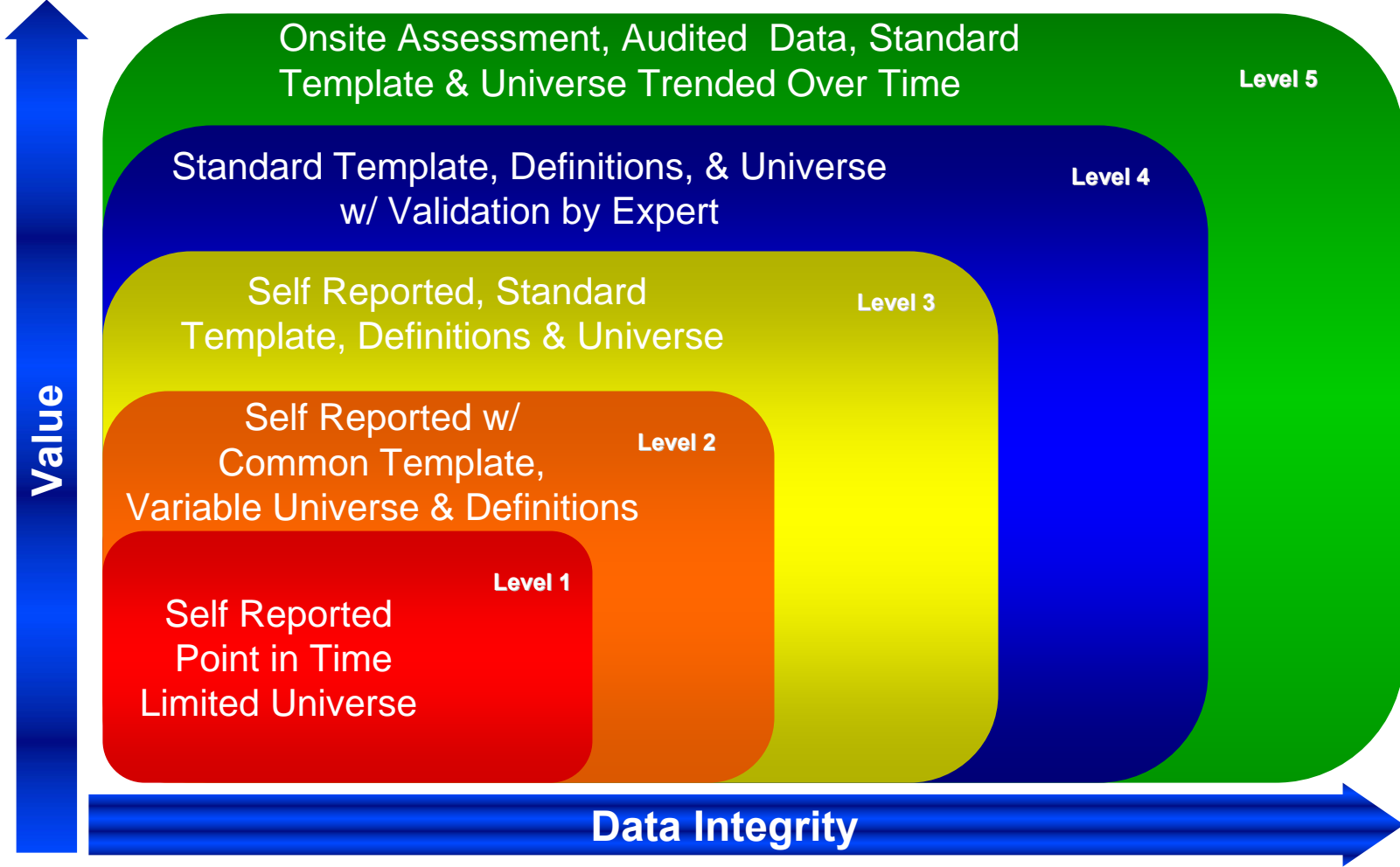
Contact Center Benchmarking Data Classifications & Sources

- The effectiveness of Contact Center Benchmarking efforts is highly contingent on the availability and accuracy of data.
- Contact center data is generally captured in one of three ways:
 1. Professionally administered surveys
 2. Self reported
 3. Databases and/or on site audits.

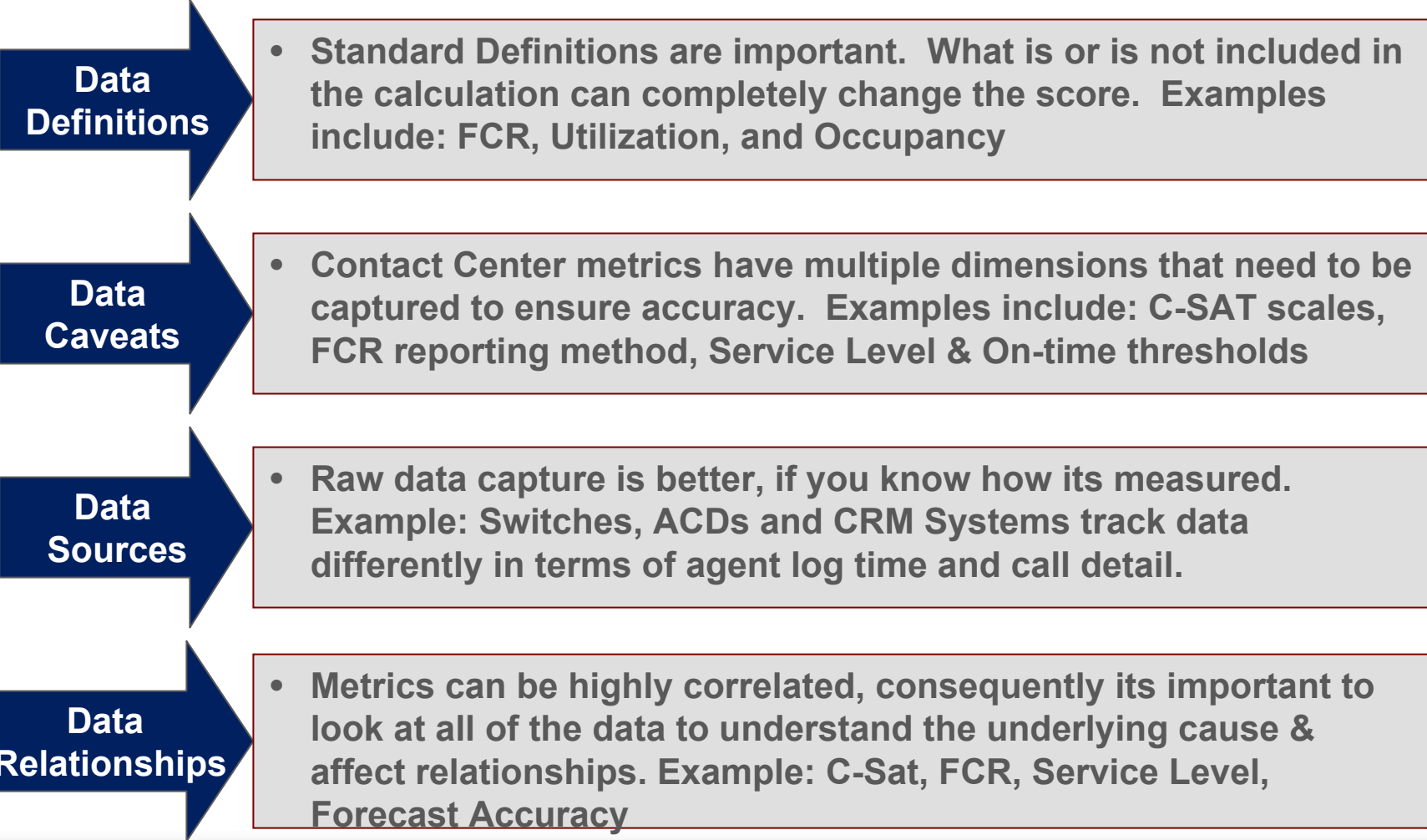
Major Classifications of Contact Center Benchmarking Data

Operational Metrics	Performance Metrics	Staffing Metrics	Financial Metrics	IT Metrics	Customer Metrics
<ul style="list-style-type: none"> • Service Level • ASA • AHT • Utilization 	<ul style="list-style-type: none"> • On-time • Accuracy • Efficiency 	<ul style="list-style-type: none"> • Recruitment • Training • Absenteeism • Attrition 	<ul style="list-style-type: none"> • Revenues • Costs 	<ul style="list-style-type: none"> • IVR • Self-Service Channels • CRM System • Switches 	<ul style="list-style-type: none"> • Customer Satisfaction • Customer Retention

Benchmarking Data



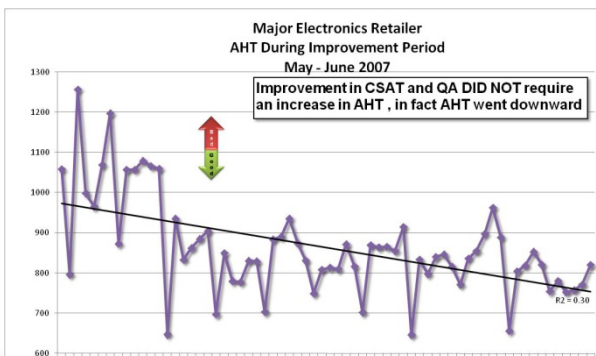
Common Data Related Benchmarking Pitfalls and Errors



Significant Data Correlations

An example of just a few variables that are highly correlated within the database:

Highly Correlated Variables Positive (As one increases, so does the other)	Highly Correlated Variables Negative (As one decreases, the other increases)
<ul style="list-style-type: none"> ↑ On Time ASA ↑ Customer Dissatisfaction 	<ul style="list-style-type: none"> ↑ Absenteeism ↓ Quality
<ul style="list-style-type: none"> ↑ Efficiency – Utilization ↑ End User C-Sat (Top 2 Box) 	<ul style="list-style-type: none"> ↑ Variable Cost Per Handle Minute ↓ Fatal Error Accuracy



In this example, AHT decreases over the same period that Customer Satisfaction and Quality improves.

Types of Benchmarking Companies and Business Models

Type of Benchmarking Company	Method (s) of Data Capture	Breadth & Depth of Data	Validity of Benchmark Universe	Data Accuracy & Reliability	Cost	Pros & Cons
Custom or Omnibus Surveys	Annual Survey (Can have regional or industry bias)	Limited # of benchmarks but lots of variables	Limited to the sample & response universe	Point in time Data Levels 1 & 2	Low unless custom	Inflexible Limited uses Good for overall views
On-line Benchmark Databases	On-line Surveys	Lots of benchmarks limited # metrics	Typically good due to number of benchmarks	Self-reported unaudited Levels 2-3	Low Cost or Free for 1 st Tier	Fast/Easy Access Data Quality ??
Industry Associations Member Organizations	Member Surveys Databases Custom Studies	Limited to # members participating Rich in data content	Dependent on size and scope of membership	Higher if updated regularly Levels 3 & 4	High	Rich content Limited benchmarks Member cost is high
Consulting Companies	Benchmarking Assessments & Audits	Limited # benchmarks but rich content	Limited generally to universe of clients	Highest Levels 4 & 5	Medium to High	More costly but much higher quality

Summary Recommendations



- Begin with metrics that are key drivers for your business and financial success – pick the top 10 and start there
 - Get Sr. management consensus and buy-in
 - Ensure that you have good data quality and a good process in place with those and then expand your matrix
- Choose a benchmarking partner that has good data integrity and knows which benchmarks you should be measuring and are important for your industry
 - Understanding how to interpret and take action with the data is as important as getting the right data
- Establish standard reporting and benchmarking cycle and review process with senior level management.
 - Incorporate process improvement recommendations into the budget cycle



Polling Question #2

Benchmarking and the Contact Center



Applying Benchmarking Today

Presenters:
COPC Inc.
Alton Martin
Cheryl Coppens

About COPC Inc.

- ◆ Founded 1996 – Support over 1,000 companies – 75 Countries
- ◆ Mission: Help customer service organizations drive performance improvement using the COPC® Family of Standards
- ◆ Created global standard for end-to-end customer operations management and performance
 - Governed by a global committee of industry leaders to establish best practices model for achieving customer service excellence
 - Developed a comprehensive operational framework tailored specifically for customer service operations, designed to improve customer satisfaction, increase revenue, and reduce costs
 - Created global contact center benchmarking database comprised of 100% fully audited data
 - COPC Inc. staff is trained on Lean Six Sigma methodologies

Service Operations Consulting Approach

**Strategic Business Objectives Drive
Service Strategy, Organization Design, & Planning**

Key Metric Drivers – People, Process, Technology Optimization

**Process
Control and
Problem
Solving**

**Transaction
Monitoring
and
Customer
Satisfaction**

**Workforce
Management**

**HR,
Recruiting
and Training**

**Technology
Optimization**

**Performance Management
High Integrity Data, High Performance Targets**

What is SmartMarks™?

- SmartMarks™ is a benchmark database with over 200 call center metrics captured from over 1,500 call center programs globally.
 - Benchmark information comes from data captured through COPC Inc. audits to develop a unique and objective benchmark database
 - Ability to select data by geography, industry, internal or third party providers, type of applications, call center volumes, etc.
 - Based on COPC Inc. audited data, not self reported or survey data typical of most benchmark databases:
 - **<1% of centers audited by COPC Inc. actually call monitor the way they say they do**
 - **At least 50% of the metrics reported in a typical center lack integrity (COPC Inc.'s "CUIKA" Concept)**
 - **Metric definitions can vary widely across industries and companies**
 - **A typical center gathers <20% of the required metrics**

SmartMarks™ Example

COPC SmartMarks™ Metric Report

Number of Programs Included by Quartile

Report Information:

Metric Name	Cycle/Scale	Highest Quartile Value	Lowest Quartile Value	# Of Benchmark Programs	Avg and Median Target	Programs which Achieved Target in >= 3/4 of Time Periods	Programs showing Improvement - 3 Consecutive Data Points above Previous Level
Processing inbound end-user calls							
<u>On Time Service Level</u>	11-20	99.76	89.08	43	80.33	64/ 172	8/ 172
Service Level = % calls offered, answered within X seconds		88.92	81.36	43	80.00	37.2%	4.7%
		81.31	70.85	43			
		70.68	31.70	43			
<u>On Time Service Level</u>	21-30	98.25	89.15	13	77.35	24/ 51	1/ 51
Cycle and/or Scale		88.05	81.51	13	80.00	47.1%	2.0%
		77.32	62.53	13			
		62.53	44.11	12			

Achievement to Target or Sustained Improvement for 12-24 month period

Metric and Definition

Average and Median Targets

Performance by Quartile

Identifies high and low performers within 25% groupings.

Top represents top 25% of companies, bottom

represents bottom 25% of companies

SmartMarks™ Example

Metrics such as Customer Satisfaction and Dissatisfaction are reported based on scale (5 point neutral, 9 point continuous, etc.) and as Top/Bottom Box and Top 2/Bottom 2 Box scores providing an accurate comparison to your companies measurement.

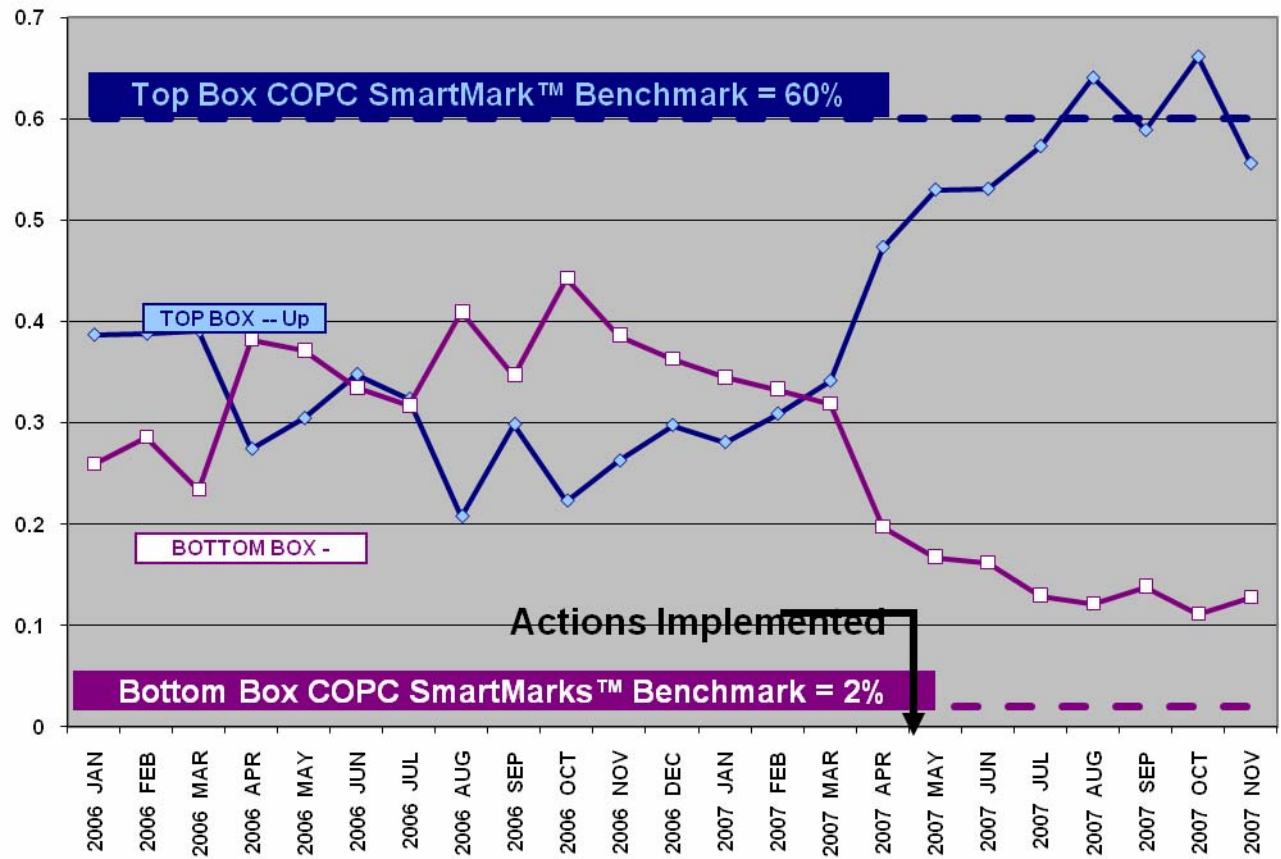
<i>COPC SmartMarks™ Metric Report</i>							
Report Information:							
Metric Name	Cycle/Scale	Highest Quartile Value	Lowest Quartile Value	# Of Benchmark Programs	Avg and Median Target	Programs which Achieved Target in >= 3/4 of Time Periods	Programs showing Improvement - 3 Consecutive Data Points above Previous Level
<u>CSAT</u>	5 -Neutral mid-point scale	94.04	89.90	14	80.07	39/ 55	4/ 55
% End-users within Top Two Boxes of Satisfaction Scale		89.90	87.19	14	80.00	70.9%	7.3%
		87.19	80.65	14			
		80.59	52.67	13			
End-user Dissatisfaction							
<u>DCSAT</u>	5 -Neutral mid-point scale	1.17	0.00	17	3.89	29/ 66	3/ 66
% End-users within bottom box of Satisfaction Scale		2.33	1.42	17	4.50	43.9%	4.5%
		6.76	2.34	16			
		24.75	7.22	16			
<u>DCSAT</u>	9 -Neutral mid-point scale	11.37	11.37	1	5.00	0/ 1	0/ 1

- Can filter by service application, industry, geography, provider type, end user, assessment type, transaction volume & date

Using SmartMarks™ to Benchmark Performance

- Determine the appropriate benchmark within the industry to provide an accurate comparison to individual client performance.
- This customer is performing well below their competition related to Customer Satisfaction.
- Performance issues are identified and action plans are implemented to improve performance.

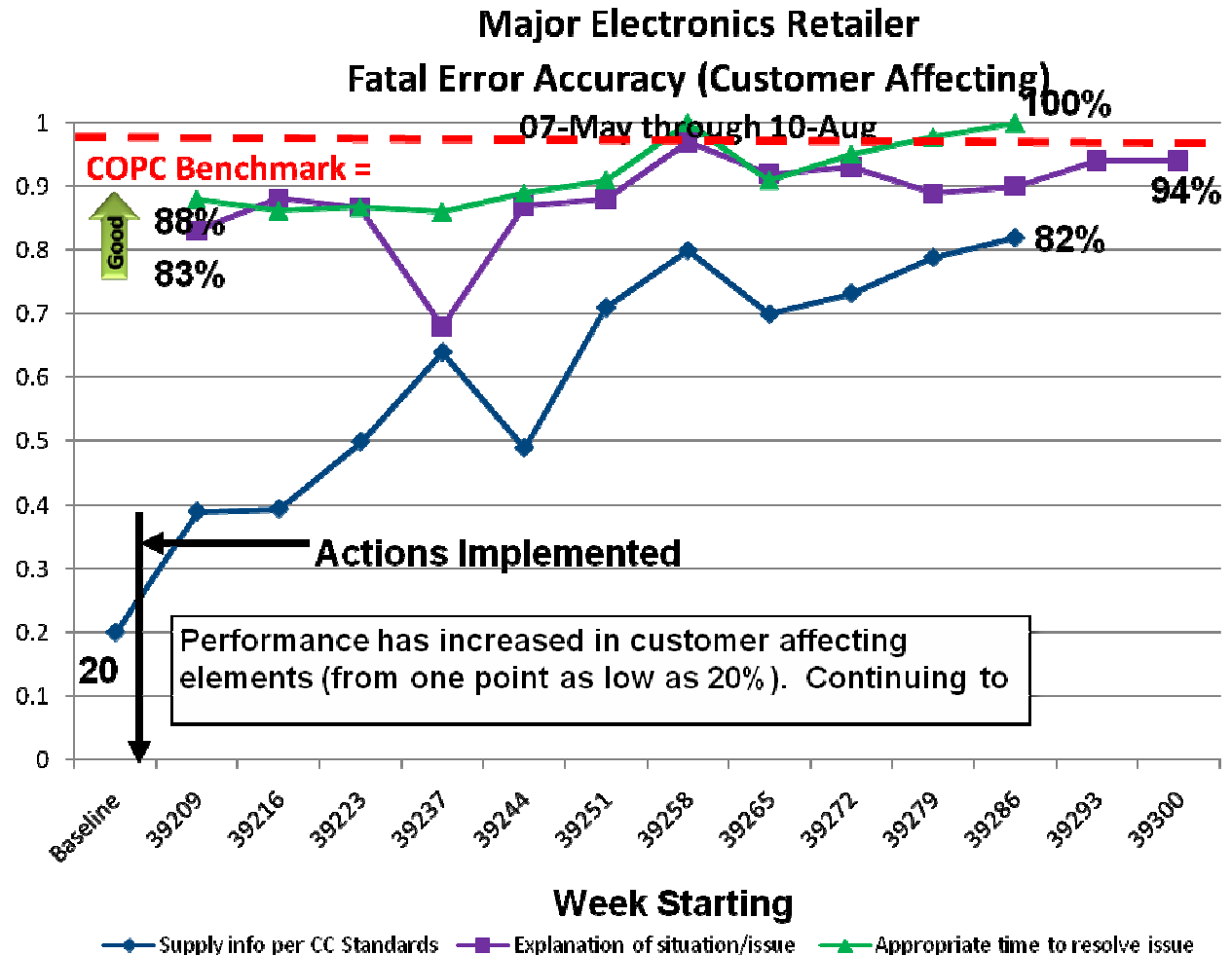
Major Electronics Retailer CSAT



Using SmartMarks™ to Benchmark Performance

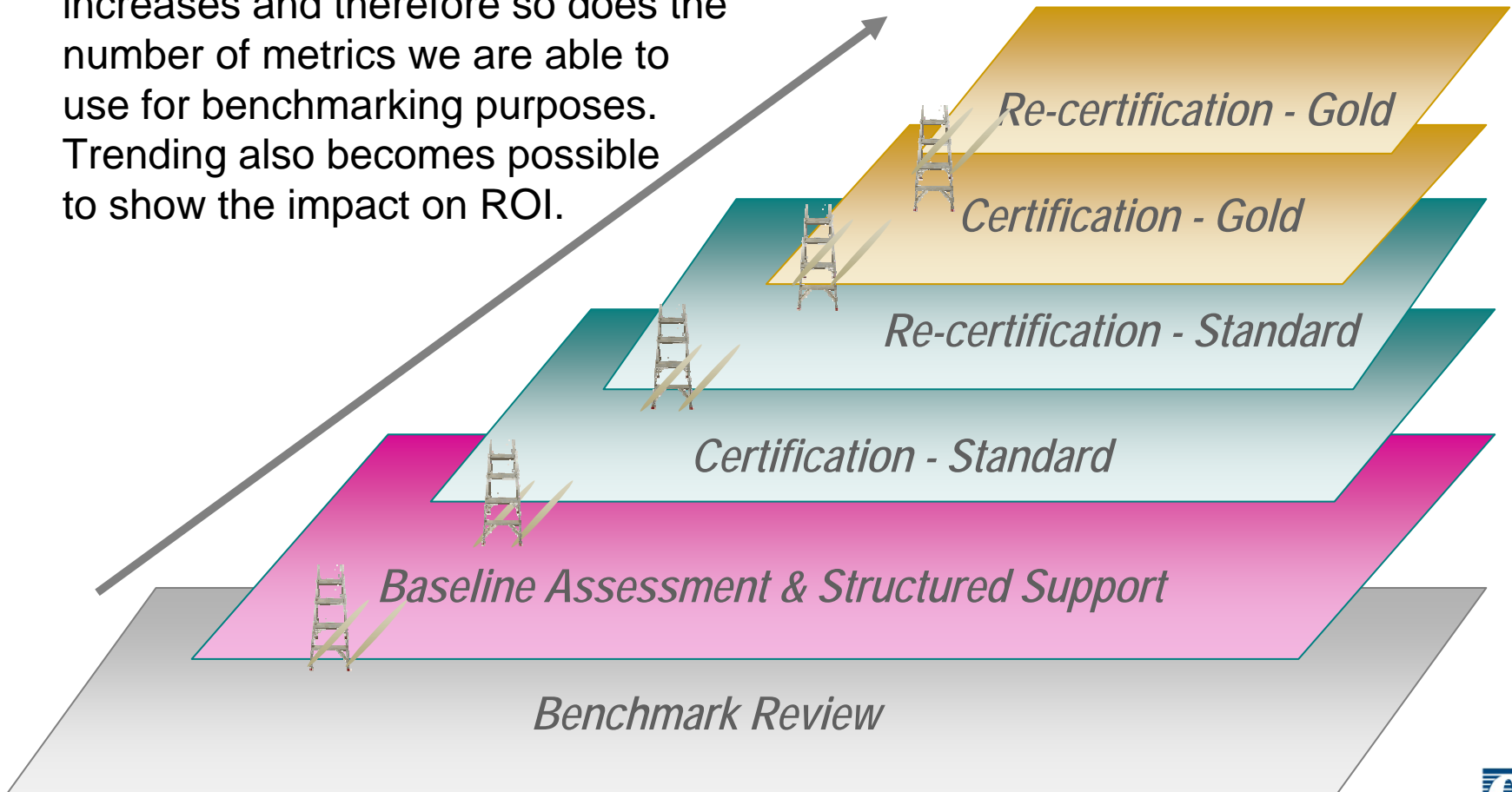
- Gaps are identified across a variety of attributes. In this case, attention is focused on customer affecting elements within Fatal Error Accuracy to have the quickest impact on performance.

- As indicated in this chart, performance improves dramatically once action plans have been developed and implemented.



COPC® Benchmarking Progression

As clients progress through the benchmarking tiers, data integrity increases and therefore so does the number of metrics we are able to use for benchmarking purposes. Trending also becomes possible to show the impact on ROI.





Polling Question #3

Benchmarking and the Contact Center

Case Study Overview/Challenge

- Highly competitive market, customer retention is important
 - Losing unsatisfied customers to competitors
- Inconsistent customer experience
 - A lack of consistency in everything: Hiring requirements, managing vendor performance, call flow, etc...
 - >40 sites, >20,000 agents, 130+ Call Types
- Lack of goal setting
 - Simple “we will be number 1” messages were too weak and lacked specific directional steps.
- Lack of key metric definitional agreement
 - CSAT – Sample was not statistically valid nor correlated to the real drivers of their customers’ satisfaction

Comparison to Benchmark

COPC ® SmartMarks™ Extract for: Client X	Definition	Comparison Programs	Your Performance	Benchmark for Comparison and Target Establishment:
Abandon	% Calls abandoned with zero second threshold.	41	Measured Incorrectly	Average 7.65 minutes, 1st Quartile: 2.26-4.71, 2nd Quartile: 5.00, 3rd Quartile: 8.38-14.04
Fatal Error (% without a error)	% Calls Monitored without Fatal Defect	35	Not Measured	Average 8.38-14.04, 3rd Quartile: 19-33.04, 34%
First Call Resolution	% Resolved on First Contact	10	Measured through CSAT survey. Process is not statistically correct.	Average 78.2%, 1st Quartile: 87.3-89%
Utilization	% Utilization = Available + ACW + Talk + Hold/ Paid Hours	7	Measured differently per site	Average 85%, 1st Quartile (Top): 86.25-87%
On Time Hiring	# Agents Provided by Recruiting/# Agents Requested	4	Not Measured	Average 95%
Successful Completion Training	% Agents Successfully Completing Training per month	4	Not Measured	Average 86.25%
% New Hires passing Quality in 30 days	% Agents Passing Transaction Monitoring the first 30 Days after they go live	5	Not Measured	Average 78%
Customer Satisfaction	% End-users Satisfied within Top Two Box of 5 point scale	6	Measured, survey lacks calibration of results, not all sites participate	Average: 82.44%, 1st Quartile (Top) 91-94%
Dissatisfaction	% End-users Dissatisfied and within bottom box of Satisfaction 5 point Scale	11	Measured, Not Reported	Average: 2.45%, 1st Quartile (Top) .98-1.24%
Attrition	% Annualized Monthly Internal and External Voluntary and Involuntary Terminations (CSR attrition only)	19	Measured differently per site (216% Annualized)	Average: 57.26%, 1st Quartile (Top) 48.4 - 21.2%
Absenteeism	% Annualized Monthly External Voluntary and Involuntary Terminations (CSR attrition only)	19	Measured differently per site	Average: 6.29%, 1st Quartile (Top) 3.66 - 4.54%

**Benchmark Reality:
Many not measured!**

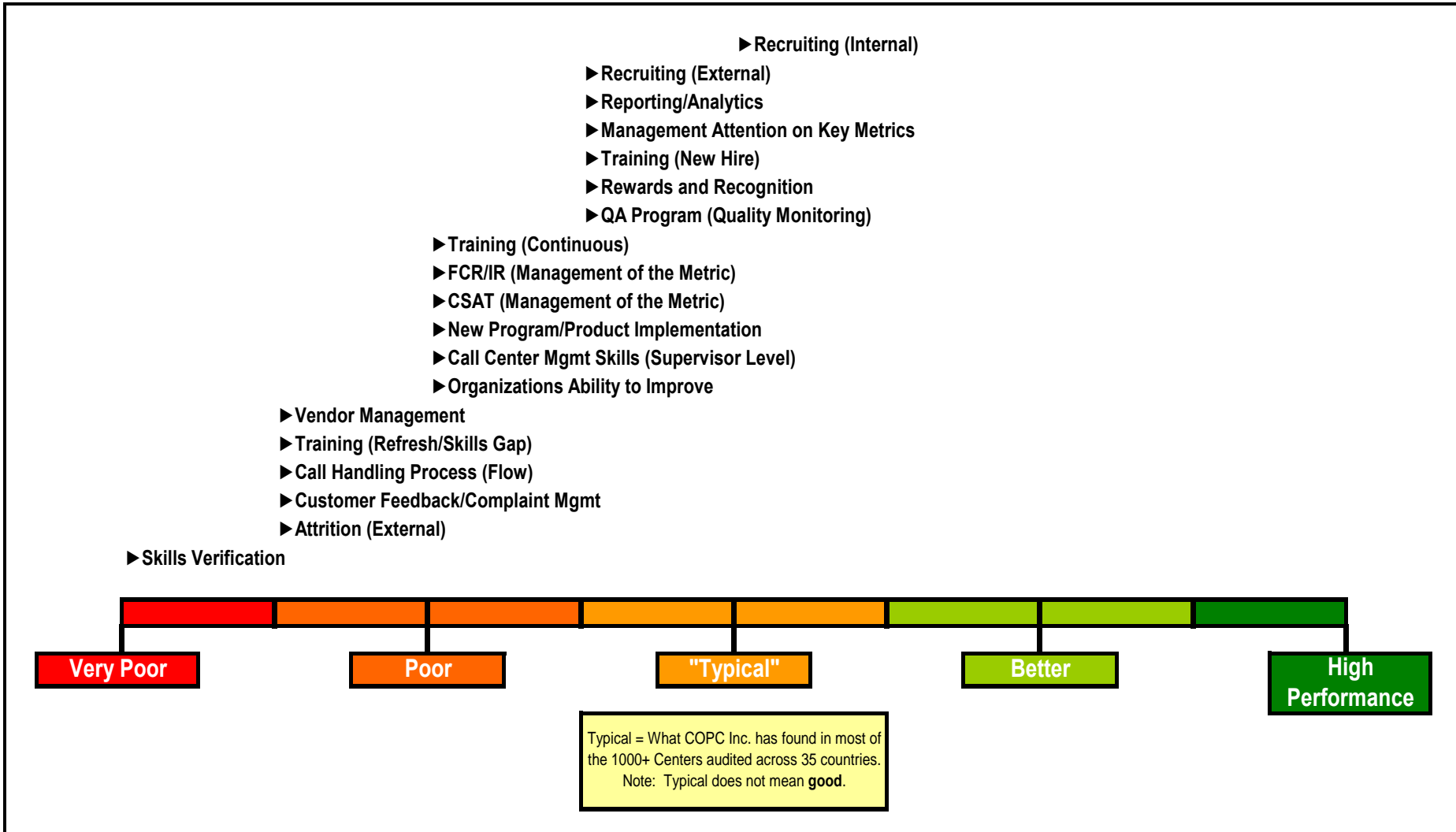
Benchmarking - *“It is not just comparing numbers...”*

CSAT – Process

...Must compare processes, too!

Area Reviewed	Your Performance	COPC Benchmark	Recommendations
Sampling rules	<ul style="list-style-type: none"> Vendors don't always submit calls to Client X on time There is no clear candidate goal or sampling goal in general There are three levels of scrubbing – by Client X, by CSAT Vendor, rules for entering into dialer. The scrubbing process varies with how many calls were submitted Sample is biased– Filtering is allowed to exclude customers based on non valid criteria (i.e., regional, call type, etc...) 	<ul style="list-style-type: none"> Process and procedures for CSAT survey defined clearly with time lines and accountability Use sampling methodology that includes all call types and are statistically relevant 	<ul style="list-style-type: none"> SHORT TERM - Need to tighten up the process, (i.e., when vendors submit call files late, those calls are not included) SHORT TERM - Revisit scrubbing rules. Some rules may be inappropriate. SHORT TERM - Ensure sampling is representative of the population.
CSAT Vendor survey	<ul style="list-style-type: none"> Survey does not capture enough attribute level data to determine the key drivers of customer satisfaction and dissatisfaction that can be used to improve processes Not all questions are relevant to the customer experience. When administering the survey, the agents verbally talk through the 5 choices instead of clarifying that a 5 point scale is used. Customers hear the words “satisfied” and “dissatisfied” repeatedly and very quickly. It is not clear how many choices there are because the choices seem to run together 	<ul style="list-style-type: none"> Questionnaire includes questions for overall sat followed by questions on attributes that can be used as levers to make adjustments Inform customers upfront that we are using a 5 point scale with 1 being very dissatisfied and 5 being very satisfied. Ask customers to think about their experience using the 5 point scale and provide an answer using a number 	<ul style="list-style-type: none"> SHORT TERM - Revisit questionnaire to exclude attributes that are not drivers of customer sat (i.e. did the agent provide his/her name) SHORT TERM - Ask customers to use a scale from 1-5 with 5 being very satisfied and 1 being very dissatisfied. How would you rate your experience? Ask customer to choose a number.

Initial Baseline – Benchmark Comparison:



How bad was the situation?

And the Benchmark said...

CSAT Top Two Box:

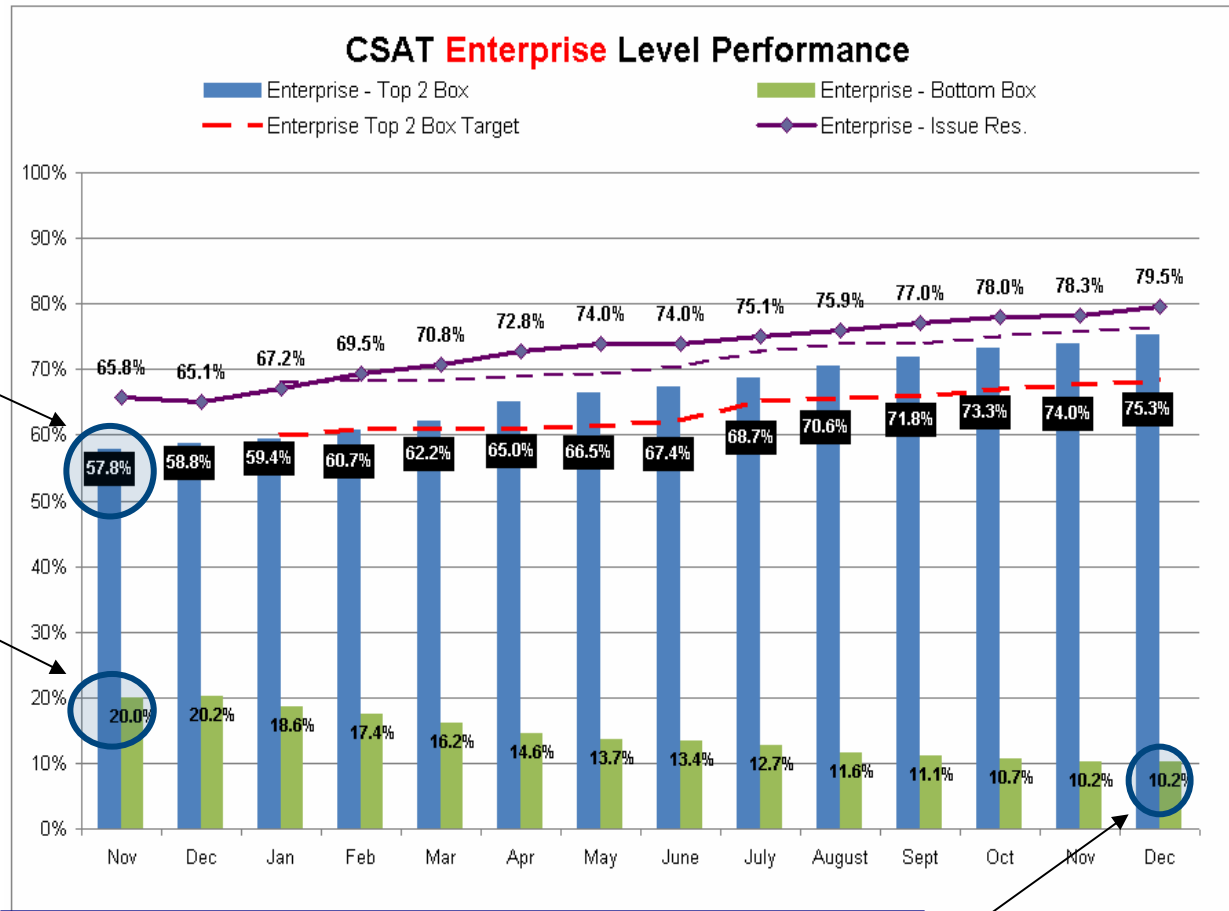
Average: 82.44

Top Quartile: >91%

DSAT Bottom Box:

Average: 2.45%

Top Quartile: <1.24%



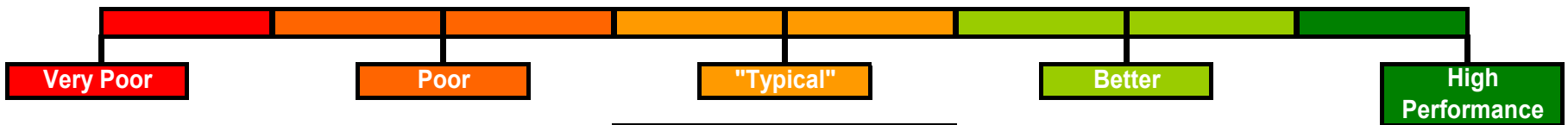
Current Focus:

- Goal to reach average first, then top quartile levels.
- These are the customers most likely to defect!!

Status as of Dec. 2008



- ▶ Recruiting (Internal)
- ▶ Recruiting (External)
- ▶ Reporting/Analytics
 - ▶ Management Attention on Key Metrics
 - ▶ Training (New Hire)
- ▶ Rewards and Recognition
 - ▶ QA Program (Quality Monitoring)
- ▶ Training (Continuous)
 - ▶ FCR/IR (Management of the Metric)
 - ▶ CSAT (Management of the Metric)
- ▶ New Program/Product Implementation
 - ▶ Call Center Mgmt Skills (Supervisor Level)
- ▶ Organizations Ability to Improve
 - ▶ Vendor Management
 - ▶ Training (Refresh/Skills Gap)
- ▶ Call Handling Process (Flow)
- ▶ Customer Feedback/Complaint Mgmt
- ▶ Attrition (External)
- ▶ Skills Verification



Typical = What COPC Inc. has found in most of the 1000+ Centers audited across 35 countries.
 Note: Typical does not mean **good**.

Solution

- Benchmark Review
 - Comparison of performance/processes to call center peers
 - Short Term and Long Term activities identified
- Plan for improvement
 - Detailed joint plan designed to implement change
- Definition of approaches to gain consistency and deployed
 - All movement required this step before improvement could be made
 - Agreed upon “foundational” decisions
 - Agreed upon Roles and Responsibilities
- Definition and delivery of metrics
 - Establishment of targets based on benchmark, service, quality and cost
- Delivery of training to drive consistency
 - “Call Center 101” type training for all managers and support personnel
 - Vendor Manager 101
 - Work Force Management 101



Thank you

Questions
& Answers