THREE PERFORMANCE MANAGEMENT INVESTMENTS THAT KEEP CUSTOMERS COMING BACK

Product No. 10037

ResponseDesignCorporation
CREATING THE UNCOMMON CALL CENTER

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Abstract

Follow a three-pronged investment strategy to optimize the only asset your competitors can't copy—your people. Any number of companies can duplicate your processes, technology, products, pricing, and delivery. But when it comes to your people, you are truly unique. And this uniqueness can go a long way in ensuring customer satisfaction. Yet too often we forget that, like technology, products, and other tangible assets, our people need continual reinvestment too. Left unattended, their value may depreciate over time. Continually refreshed, they will sustain and even grow their contributions.

Make sure you invest in your valued employees. This article explains both how and why three key employee investment strategies—clear expectations, feedback, and development—can create a competitive difference for your company.

Three Performance Management Investments that Keep Customers Coming Back

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A new mega-hardware store opened in my community this weekend. Normally, I wouldn't pay much attention except it's been one of those fix-it-up summers that has kept me in constant contact with their competition.

This weekend as I set out to do my weekend errand thing, the difference was dramatic. The old hardware haunts looked like ghost towns. The new super store looked like a carnival. "Great," I thought, "another mega-store hype to draw all the customers from the poor little small town merchants." But, all it took was fifteen minutes in this new store for me to promise I would never enter a competitor's door again.

What was different? The people. Plain and simple. The people. They were actually happy when I asked questions. They knew about the products. They directed me to better buys after asking about my specific needs. They spent time with me. They spoke to me in English that was grammatically correct. They were courteous. They knew when to ask if I needed help (I'm sure by the look on my face), and they knew when to leave me alone. They sported nicknames like "Tony, the plant man." They were having fun!

I never did get the opportunity to ask about their training (I think I'll wait until the opening weekend frenzy calms down), but I guarantee you that this company is making a huge investment. And, I'll bet you they're doing it because they know they won't beat their competitors on products or pricing (believe me, I checked). However, they know they can beat them with their people.

Historically, competitors can copy our processes, technology, products, pricing, and delivery. What they find difficult to copy are the intangibles produced by well-cared for employees. Therefore, companies wanting to be profitably different mimic this mega store. They invest in their people.

Invest in People

Market leaders invest in their people by applying three strategies. They:

- Clearly communicate performance expectations. They have goals that are linked to the big picture, expectations that are clear and performance standards that are fair.
- Provide timely feedback on how employees are doing in relation to those expectations. They provide unbiased information in a format that is understandable, usable, and believable.
- Partner with employees for development, helping them grow in skill and knowledge.

Investment #1: Clearly Communicate Performance Expectations

In the contact center, agents need to know what they're supposed to do and why it's important to do it. They also need to know how to measure excellence while they're doing it.

Try the following test to see if you've clearly communicated your performance expectations. Ask your agent to:

1. Describe what they do.
2. Tell you why they think it's important.

3. Tell you how they know when they've done it excellently.

If you get a multitude of different answers (or a lot of blank stares) then you may need to clarify your expectations.

Start by getting your agents together and brainstorming answers to these questions:

- What do we do? (What is our job description? What activities do we do?)
- Why do we do it? (How does what we do link into the corporate goals? What contribution do we make to the success of the company?)
- How do we know when we've done it excellently? (How do we measure excellence?)

Measuring excellence

Once you figure out what you do and why you do it, you have to figure out how to measure excellence. Even though there are many different ways to measure excellence, studies have indicated that most companies look at five to seven different measures when analyzing individual performance. These five to seven measures usually fall into three categories: quality, productivity, and time utilization.

Quality

Quality reflects a person's ability to contribute excellence to each customer. One of the ways quality is often measured in a contact center is by call monitoring.

For call monitoring scores to truly reflect the quality delivered to customers, certain guidelines must be established for the monitoring process. By answering the following questions, you can build a comprehensive and fair monitoring process.

- Will we use taped and/or live calls?
- Will we monitor remotely and/or side by side?
- Will we monitor voice only or voice and data?
- How will we define a complete call presentation? Will we listen to and evaluate incomplete presentations?
- How many calls will be monitored to assess the level of excellence?
- What type of feedback will an agent receive and how soon after the monitoring will he receive it?
- When will the various calls be monitored (various times of the days, various days of the week)? The goal is to avoid monitoring all the calls at one time -- one right after another. This type of monitoring does not produce a valid indicator of excellence.
- Who will monitor the employee (coach, monitoring group, training department, supervisor, team leader)? By the way, recent benchmarking has indicated that many companies are moving away from a separate quality group to do all the monitoring. The studies say that the critical relationship developed when the coaches do the monitoring is lost if call observation is completely "farmed out". How many different people will monitor a single employee? (We highly recommend two or more people to ensure objectivity and fairness.)
- Must everyone who monitors be certified? (We recommend that each monitor go through a calibration and certification process. When people are calibrated, it means they can listen to the same call and evaluate the level of quality the same.)

Productivity

Productivity reflects a person's ability to contribute excellence to the company. Some companies are afraid to measure productivity because they are afraid agents will cut calls short just so they can "make the numbers." I've heard some managers say, "I don't want agents to think about the amount of time they spend with the customer; I want them to think about doing whatever it takes to resolve the problem."

I don't disagree with the intent but I do disagree with the result of that statement. What I want my agents to think about is excellence. I want them to think about how to provide excellence to the customer while also thinking about ways to be more efficient and effective. Excellent agents don't cut corners, and they are constantly improving their personal skills along with making suggestions to improve contact center processes and technology.

The problem I have with not measuring productivity is that it doesn't make good business sense. If my agents start doing weird things to make productivity numbers, the blame usually points back to me and/or the rest of management. I am either sending the wrong message, motivating the wrong behavior, or not balancing it with all the other business requirements. Our agents are smart. Just as we learned what it takes to run a profitable business, so can they. We simply have to make the commitment to help develop their understanding and provide the proper environment for them to succeed.

Some people say, "You just can't hurry a call and provide quality." When we measure productivity, we're not measuring how fast someone talks. Other people protest, "I just can't satisfy a customer if I decrease my talk time." Research indicates that there is no direct correlation between talk time and customer satisfaction.

You can perform your own research to prove this to yourself and your people. Chart your agent's talk time against their quality scores and you'll find people in all four quadrants. Some people will have high talk time with low quality, others will have low talk time with high quality. Still other agents will have both low talk time and low quality.

Productivity is a combination of three factors. They are: who is the caller, what is his request, and how skilled is the agent with both the caller and his request? For example: If the caller is a business person from the Northeast calling at 10:00 a.m., he is likely to drive a shorter talk time (caller type). If the caller is having difficulty troubleshooting a complex problem with his computer, talk time will be longer than if he were calling for a simple account balance (caller request). If an irate customer talks with a agent skilled in the art of defusing anger, the talk time will be a lot shorter than if he calls an unskilled agent (agent skill level).

Keep it balanced

Therefore, we have to be careful with productivity. The goals we set for productivity must always be balanced with quality. We can never sacrifice quality simply because we want to take more calls. Response Design has a video of an agent who says, "You know when there are a lot of calls in queue something has to give. Most of us in the contact center cut back on the courtesy type of things. We start assuming certain things for the customer. Courtesy kinds of things are nice to have -- but they take too much time." Think for a moment, do you know what actions your agents take to lower the queue or to increase their productivity?

For every company the balance between quality and productivity is different. Every management team wants quality to be as high as possible. The "trick" is to find the corresponding point of balanced productivity. If the management team tries to push productivity past this balance point, quality suffers and therefore the employees, customers, and company suffer.

The balance point is not static--it changes each time we improve the skills of our people or make some process or technology more efficient. By continually improving, the contact center maintains a high level of quality while increasing the level of productivity.

For example, let's say you upgrade your computer system. What used to take agents 27 keystrokes now takes only two. This decreased work time will dramatically change the amount of quality work that can be completed in the same amount of time. The agent will be more productive without having to sacrifice quality. This means you have moved the productivity balance point to a higher level.

Productivity measure

Productivity in a contact center is often measured in calls per hour. (By the way, how you calculate calls per hour is important to ensure fair treatment during all shifts.) And, in a sales environment, you may have measures for sales contribution as well (for example, sales per hour, percent conversion, dollars per sale, etc.).

Time utilization

Time utilization reflects a person's ability to contribute excellence to the team. In the contact center, time utilization is often measured by sign-on-time (also called manned time or staffed time) and by schedule adherence.

Sign-on-time measures the amount of time, on average, an agent is available to take calls during his shift. Schedule adherence ensures he is signed on to the phone system at the time he is needed. Not only am I signed on the phone for 6.5 hours but I am signed on for the 6.5 hours designated by my schedule.

Both of these contribute to the team's success for meeting customer access demands (service level). Consider the agent who may have excellent productivity and quality but prefers to sign off the phone to do projects rather than stay on the phone to take calls. If the agent isn't on the phone to handle the calls, then he transfers the burden of answering those calls to the rest of the team (thereby decreasing service level and increasing team frustration).

Some companies hold individual agents accountable for meeting service level goals. Most agents I know struggle with this -- and for good reason. Many of the factors contributing to meeting service level goals are outside the agent's control (for example scheduling efficiency, call forecasting accuracy and contingency plan implementation). What they can contribute to meeting the service level goal is being signed on when they are scheduled to be (sign on time and schedule adherence) and being as efficient as possible (productivity) without sacrificing quality.

Performance standards and goals

Once you define your measures, it's time to define the acceptable and exceptional levels of performance. Since these levels are then linked to corresponding levels of reward and recognition, it's important to first set the ultimate performance goal and then set interim performance standards (or steps). These interim steps are set according to a baseline taken of actual current performance.

For example, let's say we are using the scores from call monitoring as our quality indicator. The best score possible for call monitoring is 100%. Therefore, one hundred percent would be our ultimate performance goal. Next we measure our group's current performance. Let's say our baseline group is performing at 70%. This means we have a 30% gap between our current performance and our ultimate goal (100% - 70% = 30%). Our performance standard team then sets an interim performance step of 75% so that anyone who meets or exceeds the quality score of 75% receives reward and recognition.

Once the baseline group average equals our interim standard of 75% the first thing we do is celebrate our success; the next thing we do is raise the performance bar. This “stair step” approach ensures our employees remain motivated and rewarded for their efforts while we constantly head toward our ultimate goal. (See the Performance Management Infrastructure Diagram at the end of this article.)

Investment #2: Provide Timely Feedback

The second investment is to provide timely feedback. This feedback lets agents know how they are doing in relationship to the expectations and standards. You can supply this feedback in multiple ways. For example:

Reports
You can provide feedback by producing periodic performance reports. These reports show how well an agent is doing in relationship to the performance expectations.

A report should be produced for each performance measure in each category: quality, productivity and time utilization.

When the performance of an agent falls below the performance standard it indicates they are struggling with some skill or knowledge required to contribute excellently. This person needs coaching.

Agents who meet or exceed the performance standard have mastered many or all of the skills and knowledge required to contribute excellently. This person receives reward and recognition (we call this reward and recognition a "Care of Expert" program).

Personal growth plans
You can also give performance feedback through personal growth plans. These plans map a course of action to ensure each struggling agent has the opportunity to master each of the skills required to contribute to the customer, the team and the company. These coaching plans include lesson assignments and meetings with the coach to ensure skill development. The coach and agent discuss the plan and both give input on what they feel is important. This type of on-going feedback is crucial to the agent's success.

Informal feedback
In addition to the formal reports and personal growth plans, you can provide on-the-spot feedback as you interact with the agent on a daily basis.

Investment #3: The Opportunity to Learn and Grow

Investment number three provides the opportunity to learn and grow. This is accomplished through:
- A Care of Expert program (reward and recognition)
- Needs-focused coaching
- Morale improvement

Care of expert
Care of Expert provides the impetus to learn and grow. Agents who are motivated want to learn and grow. One way to encourage that motivation is through reward and recognition. At Response Design, we make sure the agents shape the reward and recognition process by telling us what motivates them. They do this by filling out a "wish list." This wish list helps the management team tailor reward and recognition to the desires of employees.

Before distributing a wish list to the employees, the management team tailors it to the needs of the company. For example, some companies can offer time off with pay as an incentive. Other companies can't. Therefore, the management team has to construct an appropriate set of options to be included on the wish list. If you would like a template for your reward and recognition wish list, please give Response Design a call.

The rewards do not have to be monetary in nature. We have seen very ingenious programs developed around very stringent business needs. The important factor is to get input from the front-line.

Once the Care of Expert program is developed, people receive reward and recognition by meeting or exceeding the performance standards.

Needs-focused coaching
Needs-focused coaching provides the vehicle to learn and grow. Agents can't grow until they focus on the specific areas in which they are struggling. This focus is called needs-focused coaching. When a first level manager develops "needs-focused coaching" he has made a commitment to focus on the specific needs of individuals. One agent may be struggling with knowing how to identify buying signals while another agent is struggling with how to handle an irate customer. When managers focus on need, they don't make the person struggling with sales skills go through training on defusing anger. These needs-focused coaching topics are included in the personal growth plan.

We've seen some contact centers that require everyone go through group training whether they need it or not. Other contact centers have people repeat lessons over and over simply because they have run out of coaching resources. We know some poor souls who have changed teams so often that their current coach has no idea what training they've been through so the new coach simply starts over from the beginning. With needs-focused coaching, I avoid all these pitfalls.

Morale Improvement
High morale provides the environment to learn and grow. To improve morale, you must first assess it. Most companies accomplish this through a survey. The survey determines which areas are causing the most concern. Action teams are formed to define what can be done to improve those areas. Once the action plans are complete, implementation teams are formed to make the changes.

Since morale improvement is a continual process, surveys are often distributed once a year. One caution, don't distribute a morale survey until you are prepared to make changes. There's nothing worse than asking for input and then not acting on it.

It Takes A Partnership

Diagram two illustrates the three investments: clear expectations, feedback, and development. However, every manager knows that he/she could deliver clear expectations, give timely feedback, and coach continually and not see any improvement until the employee makes a commitment to partner with him/her.
This partnership means that both the manager and the employee follow through on their responsibilities.
We've reviewed the manager's responsibilities in depth:

- to provide clear expectations
- to give timely feedback
- to evaluate performance
- to diagnose skill and knowledge struggles
- to write personal growth plans
- to present needs-focused coaching alternatives

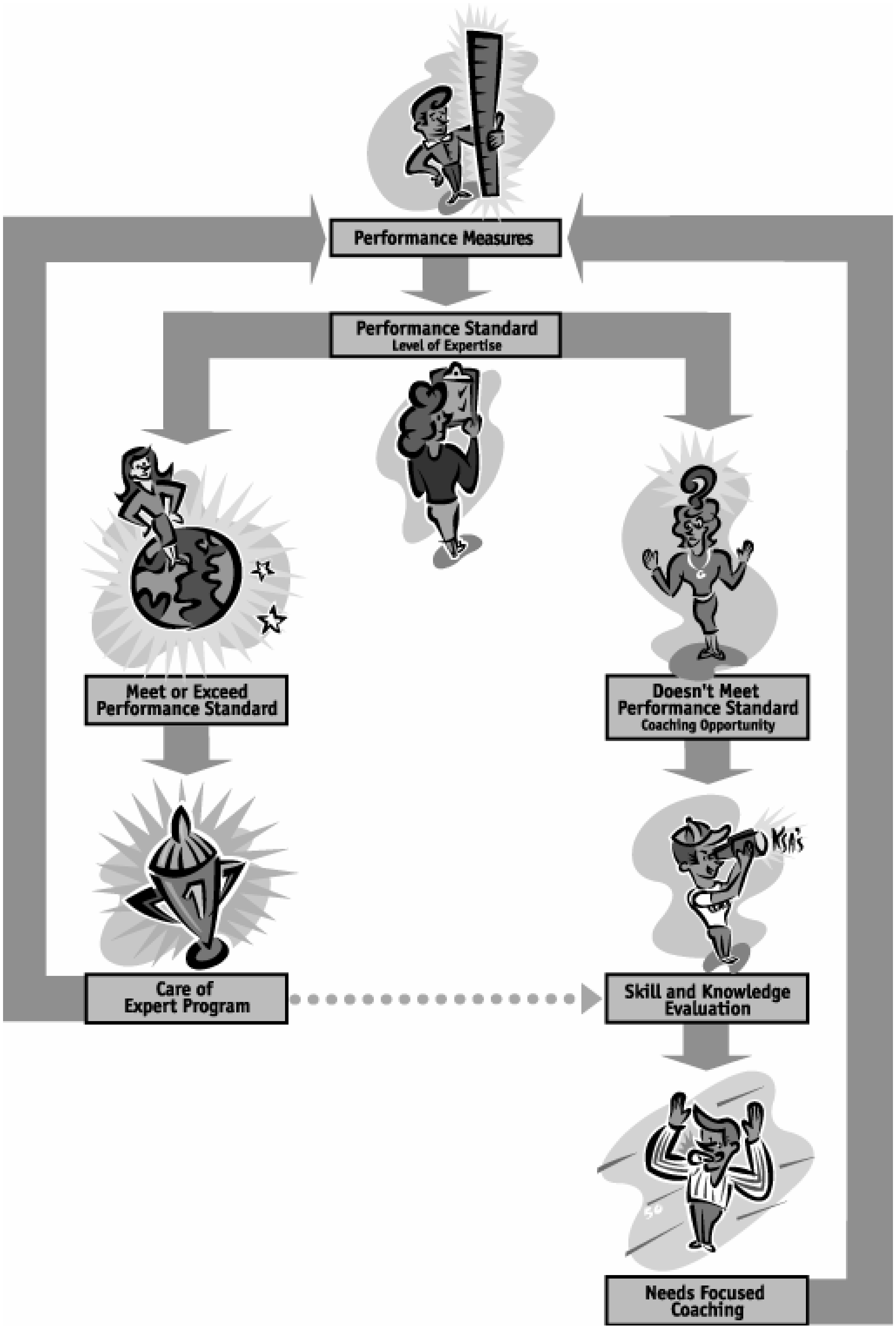
Once these are complete, the "baton" is handed to the agent for him to follow through on his responsibilities. The agent's responsibilities are to:

- buy-in to the personal growth plan
- complete the personal growth plan
- apply himself to learn and grow

What's In It For You?

Wouldn't it be great if, after hanging up the phone, your customers made a silent promise never to frequent one of your competitors ever again because of your marvelous people? Make these investments -- they will!

Diagram: The Performance Management Infrastructure



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Kathryn Jackson, co-founder of Response Design Corporation (RDC) and call center expert helps professionals get more from their call center. Response Design is the how-to source for integrating the call center into the customer relationship. Its independent consultants use call center web seminars, contact center consulting, call center tutorials, call center benchmarking, world class customer service articles, and best-in-class customer service practices to ensure you get the most from your call center investment.