PROVIDING EXCELLENT SERVICE - BENCHMARKING DATA FOR SMALL CALL CENTERS

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Abstract

Capitalize on benchmarking data to compare and contrast the performance of small and large customer contact centers. Contact centers come in all sizes, and believe it or not, size does make a difference! A recent study indicates that in certain key performance areas there is a noticeable difference in how smaller centers are run compared to their larger counterparts.

You may think that customers don't care about the size of the center they are calling - and you are exactly right. What customers care about is receiving excellent service. That is why as a contact center manager, you need to understand how your center's performance measures up, so that you can provide customers with the same level of excellence they expect. This article identifies similarities and differences between small and large centers, and provides recommendations for addressing the key areas which small centers struggle.

Providing Excellent Service - Benchmarking Data for Small Call Centers

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Have you noticed there are a lot of new contact centers are being built these days? Not just as the second or third facilities for established corporations—but as totally new entities emerging from this new "dot COM" era. Many of these newer centers start small and ramp up using a phased in approach. Others stay small. Either way, it has become obvious that we need to understand the differences posed by size.

As customers, when we contact companies to place orders, ask technical questions or even complain we don't know if the people responding work in rooms the size of football fields or in facilities the size of living rooms. Typically, as customers, we are not concerned about the size differential—what we care about is receiving excellent service.

But, through research (using LeapFrog!™—Response Design's metric database and research conducted late in 1999 by the American Productivity & Quality Center), we found that there can be a big difference on the management side of this equation. In certain areas there is a noticeable difference in how smaller centers are run compared to their larger counterparts. However, in other areas large and small centers approach the issues alike.

As you read this article be careful not to "pigeon hole" yourself. Just because you now manage either a small or large center you may someday find yourself walking in those other shoes. Consider this. Most centers—large and small—are increasing in size (LeapFrog! reports that 54 percent of all centers surveyed are adding employees rather than shrinking or remaining stable). And the average tenure of someone on the customer contact management team is approximately two to three years. With as quickly as we change jobs in this industry, you might just be moving from one size to the next more often than you think.

Measuring Employee Satisfaction

Employees are one of a company's most expensive and most valuable assets. The success of all centers is dependent on front-line heroes, and managers spend vast resources assuring that the right person—properly prepared and empowered—is in place to interact with customers. Once the right people are in place, managers must then pay attention to keeping these people satisfied (since we all know how devastating turnover can be in our industry). To retain their loyalty, employees must feel that their perspective and concerns are taken seriously. Managers protect the company's investments by looking at their companies from the employees' point of view, and using employee survey results to constantly improve the working environments.

In our research we found that there is a 20-percentage point gap between large centers and small centers in measuring employee satisfaction. Managers of small organizations may be lulled into believing they know their employees so well that formal employee satisfaction surveys are not necessary. After all, the friendly smiles and the hearty hellos cannot be hiding mistrust of supervisors or frustration due to long hours worked—"If so, our employees deserve Academy Awards!" And many of them do! The anonymous employee satisfaction survey, in combination with other methods of employee communication, is a requirement for designing employee retention strategies.

Managers Who Measure Employee Satisfaction	
Small centers—≤100 seats (n=47)	57%
Large centers—>100 seats (n=59)	77%

Although small center managers are less likely to measure employee satisfaction, they do consider it important. Seventy-seven percent intend to invest in improving satisfaction during the year 2000.

Small centers	**Percentage**
We have a high level of employee satisfaction (n=51)	16%
We intend to improve our ability to provide employee satisfaction within the next year. (n=51)	77%
We do not consider employee satisfaction a priority (n=49)	8%

(Questions asked separately. Percentages not expected to equal 100%)

Controlling Turnover

LeapFrog! reports that small centers and large centers have the same rate of total turnover. However, all turnover is not equal. Turnover can be positive—employees moving from the center into other positions within the company, or it can be negative—employees leaving the company either voluntarily or involuntarily.

Annual Turnover	Total	Positive	Negative
Small centers—≤100 seats (n=47)	**40%**	15%	25%
Large centers—>100 seats (n=59)	**39%**	19%	20%

Our study shows that while only one-half the turnover from large companies is negative, almost 2/3rds from small centers is negative.

Best-practice companies use positive turnover as a tool to recoup some portion of the cost of hiring and training, and to attract people to apply for positions in the center. Centers control the potential negative impact of positive turnover in two ways:

- They set agents' expectations when they are hired. Best practice managers tell new employees how long they are expected to work on the front line before they are to be considered for transfer or promotion.
- They allow customer needs to drive the rate of positive attrition. Managers never make the customer suffer by moving employees from the front line. In best-practice centers, promotions and lateral moves are delayed if their implementation threatens service levels.

In large centers, front-line agents are required to stay on the job for an average of 15 months, and in small centers, an average of 14 months. Our study shows that managers of small centers are moderately concerned about turnover. Fifty-one percent are ready to take action to control turnover during the next year.

Small centers	Percentage
We have an excellent level of turnover (n=51)	20%
We intend to decrease our level of turnover within the following year. (n=51)	51%
We do not consider changing our level of turnover a priority (n=49)	35%

(Questions asked separately. Percentages not expected to equal 100%)

Controlling Absenteeism

The contact center is one of the few areas in most corporations today that remains "volume managed." Contact center managers can be rated as successful without ever having to account for absenteeism. As long as managers remain unaccountable, absenteeism will continue to deprive contact centers of their productivity—and in its quietude, act more like a cat burglar than an armed robber.

LeapFrog! shows that absence (scheduled and unscheduled) in both large and small centers hovers around eight percent of agents' available time. Managers demonstrate only moderate energy regarding taking action on absenteeism. While forty-five percent of those we surveyed consider controlling absenteeism to be a high priority, only 20 percent believe they have achieved an optimum level of attendance. Twenty-seven percent of managers do not intend to take action on absenteeism at this time.

Recruiting, Hiring and Testing Agents

Several influences make the processes of recruiting, testing and hiring agents increase in importance—high employee turnover, a high rate of contact center growth, and the impact that front-line employees have on customer loyalty.

Recruiting the right people to work in the contact center is a specialized task. The company knows best the kind of people who will thrive in its culture. For this reason, companies rarely commission third parties to recruit—according to LeapFrog! only 3 percent of contact centers outsource this activity. Managers themselves work to identify and locate key attributes of potential employees that are the predictors of their success on the job. And best-practice managers work closely with human resource professionals to bring new people on board.

LeapFrog! reports that small centers perceive they have an advantage over large centers in recruiting new employees. Although recruiting is a challenge in 39 percent of small centers, it is an issue in 66 percent of large centers.

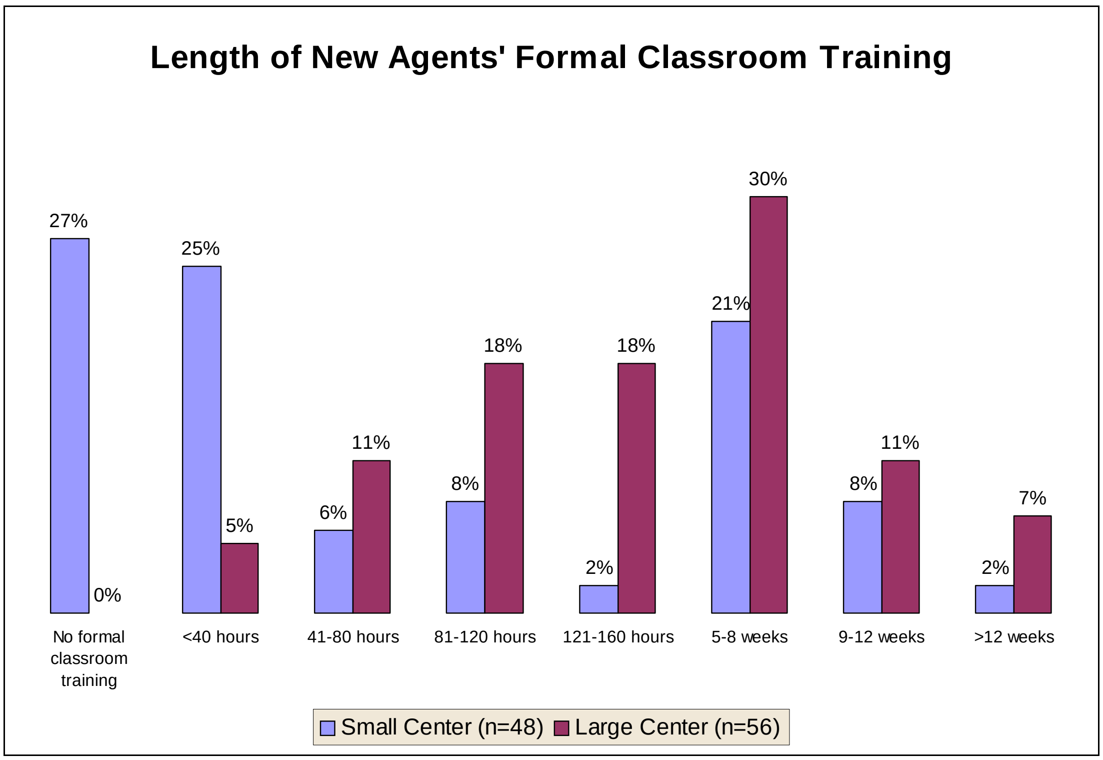
“Recruiting is a challenge in our contact center.”	
Small centers—≤100 seats (n=47)	**39%**
Large centers—>100 seats (n=59)	**66%**

Part of this perception may be due to the fact that small centers are not as systematic in pre-employment testing as large centers—possibly because of economies of scale and fairness considerations in large centers. Smaller contact centers may rely more on the interview process, and as they increase in size, they may be more inclined to implement formal testing.

“Do you require any pre-employment testing?”	
Small centers—≤100 seats (n=47)	57%
Large centers—>100 seats (n=59)	83%

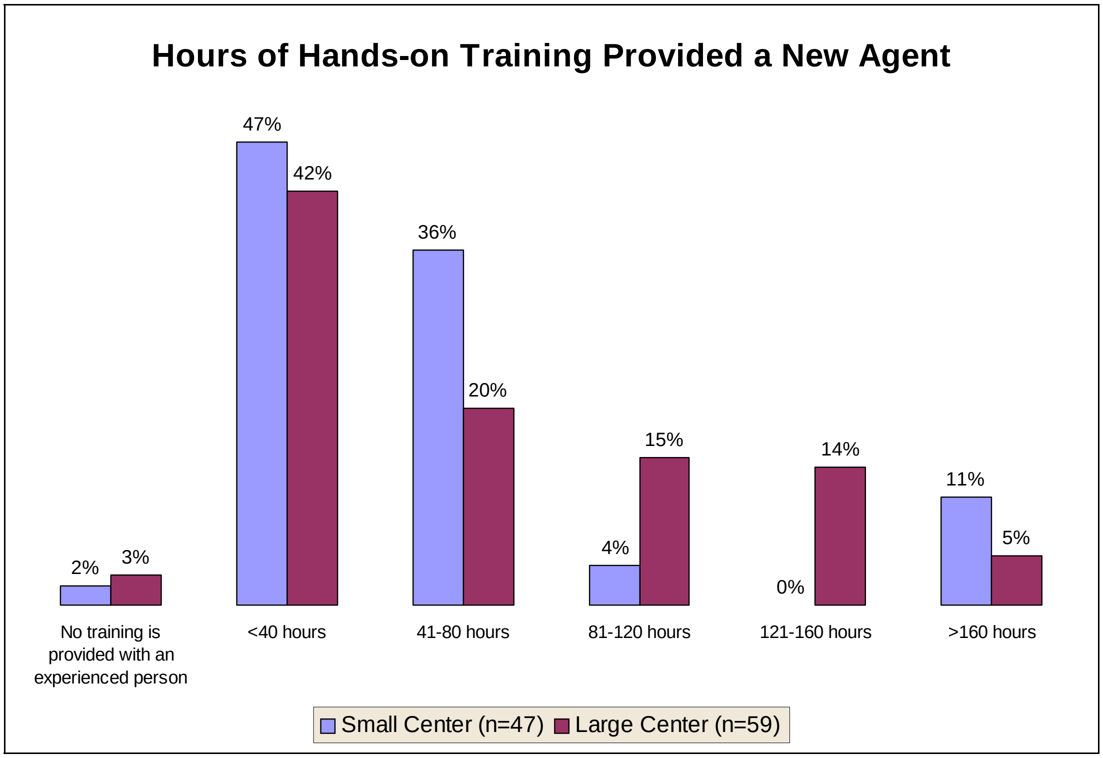
Training

Nowhere in our study was the variance between large and small centers more obvious than in the length of formal classroom training provided new agents (Figure 1). Twenty-seven percent of the small centers report having no classroom training at all.



Classroom training may be the most efficient method of handling larger numbers of new agents coming into the centers. However, we wondered if person-to-person hands-on training of the new agent by an experienced person—a mentor—could have made up for the dearth of classroom training in small companies. Figure 2 demonstrates that it does not. Both large and small centers mirror each other in providing hands-on training and mentoring.

Small centers do not have understaffed training departments. Approximately 94 percent of all centers—large and small—report that their staffs include full-time, permanent trainers.



No large center does without classroom training entirely. And even with the possible economy of scale provided by training people all at once in a classroom setting, large centers spend $1,270 or 31 percent more to train each new agent than do small centers.

What is the average cost to train a new agent?	
Small centers—≤100 seats (n=47)	$4,130
Large centers—>100 seats (n=59)	$5,400
Gap	$1,270

Utilizing Quality Monitoring Effectively

Assessing performance through monitoring is a staple of the large contact center. Fully 95 percent of large contact centers use monitoring to maintain quality—and small centers (at 71 percent) are not far behind. Yet managers of small centers see quality monitoring as an Achilles heel, with only 8 percent believing that they have optimized their use of this quality tool. Therefore, if you are a small center manager researching voice and data monitoring technology and reorganizing your management team to provide more formal, consistent and fair monitoring—you are in good company.

Small centers	**Percentage**
We have excellent quality monitoring (n=51)	8%
We intend to improve our performance in quality monitoring within the next year. (n=51)	77%
We do not consider quality monitoring a priority (n=49)	6%

(Questions asked separately. Percentages not expected to equal 100%)

Empowering Agents to Provide First Contact Resolution

A minority of contact center managers (approximately 40 percent in both large and small centers) track the time it takes to resolve a call. However, all centers—large and small—feel pressure to provide first contact resolution. And, from experience, we know this is not easy. Each call that comes into the center has a different level of complexity, and a different customer expectation attached to it. Customers coming into the company through e-mail, web form and fax are demanding exactly the same level of first-contact resolution as their fellow telephone customers.

Contact center managers have been trying to understand what it means to solve a request or issue within the parameter of the customers' time and quality expectations. Definitions of first-contact resolution vary. We report that there is no magic first-contact resolution pill—no technology, no training, and no cultural change—that provides the complete solution. By being intent on providing first-contact resolution at any cost, managers could be making decisions that are not fiscally responsible. First contact resolution is a process that must be managed with a capital "M." Managers must segment calls, determine the expectations of customer groups, and calculate return on investment with customer loyalty in the calculation. Our study shows that few small centers—approximately one center in six—have done this.

	Measure and manage calls resolved on initial contact
Small centers—≤100 seats (n=47)	16%
Large centers—>100 seats (n=59)	26%

	Those who do measure, reported the following percentage of calls resolved on initial contact
Small centers—≤100 seats (n=8)	71%
Large centers—>100 seats (n=15)	74%

Rewarding and Recognizing Excellence

Managers of small centers know they do not reward and recognize excellent employees to the extent that they should. Only 14 percent of them give themselves high marks for doing so, and 41 percent admit they fall short. However, this does not make the small center unique. Although an optimum level of expenditure has not been defined, it is interesting to note that both large and small centers dedicate approximately 3 percent of their budgets to reward and recognition programs.

Large centers are more likely to have formal incentive programs that reward agent performance above base compensation.

Percentage with an incentive program above base compensation that rewards performance	**For management**	**For agents**
Small centers—≤100 seats (n=47)	61%	50%
Large centers—>100 seats (n=59)	68%	69%

Optimizing Internet Use

The Internet is affecting every aspect of the customer contact business, and causing change in both large and small centers. Customers now expect immediate response no matter how they choose to access the company. They are wiser and have more choices to make. The Internet has put power directly into customers' hands, and emboldened them to make demands of the companies who serve them. The demands fall equally on the shoulders of small and large companies.

Small Centers	**Percentage**
We strongly agree that we optimize Internet use (n=51)	10%
We do not optimize Internet use (n=51)	57%
We intend to improve our performance in optimizing Internet use within the next year. (n=51)	51%
We do not consider optimizing Internet use a high priority (n=49)	20%

(Questions asked separately. Percentages not expected to equal 100%)

Small centers intend to optimize the Internet (our study shows 51 percent are). However, we were surprised at the relatively high number of managers—20 percent—who do not consider optimizing the use of the Internet a high priority.

Summary

So, from start up to grown up—how do centers measure up? Our study found that small centers mirror large centers in several important areas. The study found little difference between the two groups in:

- Level of monitoring real-time schedule adherence: approximately 65 percent.
- Percentage of full-time agents: approximately 82 percent.
- Number of applicants screened before one is hired: approximately 11 applicants.
- And the average salary of the front-line agent in small centers ($24,602 with 44 centers responding) could hardly be closer to the average salary of the front-line agent in large centers ($24,073 with 59 centers responding).
- First contact resolution is baffling both small and large contact centers these days.

Our study revealed however that there are differences. Small contact centers struggle more with the following key management areas: turnover, monitoring, Internet and employee investments.

- Turnover. If you are a small center manager, seek internal opportunities for your agents (such as skill enhancement, department promotion, or moves to other departments). Tear down the roadblocks for agent advancement, and then closely control the positive attrition. Remember to manage to customer satisfaction—postponing personnel moves until you are properly staffed to maintain your service level.

- Monitoring. If you are a small center manager, continue to enhance your ability to monitor agents fairly and regularly. Invest not only in technology, but also in training supervisors to mentor and encourage. Base monitoring criteria on the mission of your center, and on customer feedback.

- Internet. Small center managers should continue to optimize their use of the Internet—concentrating on training employees and tearing down interdepartmental walls that block responsibility for the Internet site. We believe that every employee must be trained to understand the power of the Internet. There is no longer a limit to the extent an innocently prepared communication can travel with your company name on it—representing your organization to scores of individuals throughout the world.

- Employee investments. In the future, small center managers may be faced with formalizing pre-employment testing, implementing various methods of training, and formalizing employee satisfaction measurement. We have no doubt that the small center manager is up to the challenge!

Remember, whether you're a start up or a grown up your customer expects the same level of excellence from your team. So, how do you measure up?

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.

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