

AN INTRO TO

Call Center Metrics

An introductory guide to Call Center Metrics including definitions, importance & key correlations.

MetricNet, LLC

- IT Service and Support Benchmarking -



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Introduction

Call Center Metrics

Many of us have heard the sage advice “You can’t manage what you don’t measure.” This is particularly true in the call center, where effective performance measurement is not just a necessity, but a prerequisite for effective decision-making. Despite the widespread belief in this statement, few call centers use KPI’s to their full potential.

The true potential of KPI’s can only be unlocked when they are used holistically, not just to measure performance, but also to:

- Track and trend performance over time
- Benchmark performance vs. industry peers
- Identify strengths and weaknesses in the call center
- Diagnose and understand the underlying drivers of performance gaps
- Prescribe actions to improve performance
- Establish performance goals for both individuals and the call center overall

In short, performance measurement and management is a critical discipline that must be mastered for any call center that aspires to world-class performance.



CHAPTER

1

Cost Metrics



Cost Metrics

Cost per Inbound Contact

Definition: Cost per Inbound Contact is the total annual operating expense of the Call Center divided by the annual inbound contact volume of the Call Center. Operating expense includes all employee salaries, overtime pay, benefits, and incentive compensation, contractor costs, facilities expense, telecom costs, desktop computing, software licensing, training, travel, office supplies, and miscellaneous expenses. Contact volume includes contacts from all sources: live voice, voice mail, Email, web, fax, etc.

Why it's Important: Cost per Contact is one of the most important Call Center metrics. It is a measure of how efficiently your Call Center conducts its business. A higher than average Cost per Contact is not necessarily a bad thing, particularly if accompanied by higher than average quality levels. Conversely, a low Cost per Contact is not necessarily good, particularly if the low cost is achieved by sacrificing Call Quality or service levels. Every Call Center should track and trend Cost per Contact on a monthly basis.

Key Correlations: Cost per Inbound Contact is strongly correlated with the following metrics:

- ✓ Agent Utilization
- ✓ First Contact Resolution Rate
- ✓ Inbound Contact Handle Time
- ✓ IVR Completion Rate
- ✓ Average Speed of Answer



Cost Metrics

Cost per Minute of Handle Time

Definition: Cost per Minute of Handle Time is simply the Cost per Contact divided by the average Contact Handle Time.

Why it's Important: Unlike Cost per Contact, which does not take into account the Contact Handle Time or call complexity, Cost per Minute of Handle Time is a measure of the per minute cost of providing customer service. It enables a more direct comparison of costs between contact centers because it is independent of the types of calls that come into the contact center and the complexity of those calls.

Key Correlations: Cost per Minute of Handle Time is strongly correlated with the following metrics:

- ✓ Agent Utilization
- ✓ First Contact Resolution Rate
- ✓ Agent-less Completion Rate
- ✓ Average Speed of Answer

CHAPTER

2

Productivity Metrics



Productivity Metrics

Agent Utilization

Definition: Agent Utilization is the average time that an agent spends handling both inbound and outbound contacts, divided by the number of hours spent at work.

Why it's Important: Agent Utilization is the single most important indicator of agent productivity. It measures the percentage of time that the average agent is in “work mode”, and is independent of Contact Handle Time or call complexity.

Key Correlations: Agent Utilization is strongly correlated with the following metrics:

- ✓ Contacts per Agent per Month
- ✓ Cost per Contact
- ✓ Agent Occupancy

Productivity Metrics

Agent Utilization (Cont.)

The formula for determining agent utilization is somewhat complicated. It factors in the hours in a work day, break times, vacation and sick days, training time and a number of other factors. But there is an easy way to approximate agent utilization without going to so much trouble:

$$\text{Agent Utilization} = \frac{(\text{Average number of calls handled by an agent in a month}) \times (\text{Average call handle time in minutes})}{(\text{Average number of days worked in a month}) \times (\text{Number of work hours in a day}) \times (60 \text{ minutes/hr})}$$

Let's say, for example that the agents in a particular call center handle an average of 500 contacts per month at an average handle time of 10 minutes per contact. Additionally, these agents work an average of 21 days per month, and their work day is 7.5 hours after subtracting lunch and break times. The simplified utilization formula above would work out to the following:

$$\text{Agent Utilization} = \frac{(500 \text{ contacts/month}) \times (10 \text{ minutes/call})}{(21 \text{ working days per month}) \times (7.5 \text{ work hours per day}) \times (60 \text{ minutes/hr})} = 52.9\%$$

Once again, this is not a perfect measure of agent utilization, but it is quick and easy, and gets you within 5% of the true agent utilization figure.



Productivity Metrics

Inbound Contacts per Agent per Month

Definition: Inbound Contacts per Agent per Month is the average monthly inbound contact volume divided by the average Full Time Equivalent (FTE) Agent headcount. Contact volume includes contacts from all sources: live voice, voice mail, Email, web, fax, etc. Agent headcount is the average FTE number of employees and contractors handling customer contacts.

Why it's Important: Inbound Contacts per Agent per Month is an important indicator of Agent productivity. A low number could indicate low Agent Utilization, poor scheduling efficiency or schedule adherence, or a higher than average Contact Handle Time. Conversely, a high number of Agent handled contacts may indicate high Agent Utilization, good scheduling efficiency and schedule adherence, or a lower than average Contact Handle Time. Every Call Center should track and trend this metric on a monthly basis.

Key Correlations: Inbound Contacts per Agent per Month is strongly correlated with the following metrics:

- ✓ Agent Utilization
- ✓ Inbound Contact Handle Time
- ✓ Cost per Inbound Contact
- ✓ Cost per Minute of Inbound Handle Time
- ✓ Agent Occupancy
- ✓ Average Speed of Answer



Productivity Metrics

Agents as a % of Total Headcount

Definition: This metric is the Full Time Equivalent agent headcount divided by the total Call Center headcount. It is expressed as a percentage, and represents the percentage of total Call Center personnel who are engaged in direct customer service activities.

Why it's Important: The agent headcount as a percent of total Call Center headcount is an important measure of management and overhead efficiency. Since non-agents include both management and non-management personnel (e.g., supervisors and team leads, QA/QC, trainers, etc.), this metric is not a pure measure of management span of control. It is, however, a more useful metric than management span of control because the denominator of this ratio takes into account all personnel that are not directly engaged in customer service activities.

Key Correlations: Agents as a % of Total Headcount is strongly correlated with the following metrics:

- ✓ Cost per Inbound Contact
- ✓ Cost per Minute of Inbound Handle Time

CHAPTER

3

Service Level Metrics



Service Level Metrics

Average Speed of Answer (ASA)

Definition: Average Speed of Answer is the total wait time that callers are in queue, divided by the number of calls handled. This includes both IVR-handled calls as well as calls handled by a live agent. Most ACD systems provide this number.

Why it's Important: ASA is a common service level metric in the contact center industry. It is an indication of how responsive a contact center is to incoming calls. Since most contact centers have an ASA service level target, the ASA is tracked to ensure service level compliance.

Key Correlations: Average Speed of Answer is strongly correlated with the following metrics:

- ✓ Call abandonment rate
- ✓ Percentage of calls answered within 30 seconds
- ✓ Agent Utilization

Service Level Metrics

% Answered in 30 Seconds

Definition: This metric is fairly self explanatory. It is the percentage of all incoming calls that are answered by a live agent within 30 seconds. For those who don't track this exact metric, but track a similar metric such as % answered within 20 seconds, MetricNet uses a conversion formula to calculate the equivalent percentage of calls answered within 20 seconds.

Why it's Important: The percentage of calls answered within 30 seconds is a common service level metric in the industry. It is an indication of how responsive a contact center is to incoming calls. Many contact centers have a service level target for the percentage of calls answered within 30 seconds, so the metric is tracked to ensure service level compliance.

Key Correlations: The Percentage of Calls Answered Within 30 Seconds is strongly correlated with the following metrics:

- ✓ Average Speed of Answer
- ✓ Call abandonment rate
- ✓ Agent Utilization

Service Level Metrics

Call Abandonment Rate

Definition: Call abandonment rate is the percentage of calls that were connected to the ACD, but were disconnected by the caller before reaching an agent, or before completing a process within the IVR.

Why it's Important: Call abandonment rate is a common service level metric in the contact center industry. An abandoned call is an indication that a caller has given up, and hung up the phone before receiving service from a live agent or from an IVR. Since most contact centers have an abandonment rate service level target, the call abandonment rate is tracked to ensure service level compliance.

Key Correlations: Call abandonment rate is strongly correlated with the following metrics:

- ✓ Average Speed of Answer
- ✓ Percentage of calls answered within 30 seconds
- ✓ Agent Utilization

CHAPTER

4

Quality Metrics



Quality Metrics

Customer Satisfaction

Definition: Customer Satisfaction is the percentage of customers who are either satisfied or very satisfied with their contact center experience. This metric can be captured in a number of ways including automatic after-call IVR surveys, follow-up outbound (live agent) calls, follow-up Email surveys, etc.

Why it's Important: Customer Satisfaction is perhaps the single most important measure of contact center performance. Any successful contact center will have consistently high Customer Satisfaction ratings. Some contact center managers are under the impression that a low Cost per Contact may justify a lower level of Customer Satisfaction. But this is not true. MetricNet's research shows that even contact centers with a very low Cost per Contact can achieve consistently high Customer Satisfaction ratings.

Key Correlations: Customer Satisfaction is strongly correlated with the following metrics:

- ✓ First Contact Resolution Rate
- ✓ Call Quality

Quality Metrics

Net First Contact Resolution Rate

Definition: Net First Contact Resolution applies only to live (telephone) contacts. It is the percentage of calls that are resolved on the first interaction with the customer divided by all calls that are potentially resolvable on first contact. Calls that cannot be resolved on first contact, such as a product break/fix, are not included in the denominator of Net First Contact Resolution Rate. Calls that require a customer callback, or are otherwise unresolved on first contact for any reason, do not qualify for Net First Contact Resolution.

Why it's Important: Net First Contact Resolution is perhaps the single biggest driver of Customer Satisfaction. A high Net First Contact Resolution Rate is almost always associated with high levels of Customer Satisfaction. Contact centers that emphasize training (i.e., high training hours for new and veteran agents) generally enjoy a higher than average Net First Contact Resolution Rate.

Key Correlations: Net First Contact Resolution is strongly correlated with the following metrics:

- ✓ New Agent Training Hours
- ✓ Veteran Agent Training Hours
- ✓ Customer Satisfaction
- ✓ Contact Handle Time
- ✓ Contacts per Agent per Month



Quality Metrics

Call Quality

Definition: Although there is no consistent methodology for measuring Call Quality in the contact center industry, most contact centers have developed their own scoring system for grading the quality of a call. Most will measure call quality on a scale of 0 to 100%, and include such things as agent courtesy, professionalism, empathy, timeliness of resolution, quality of resolution, following the script, etc. in their Call Quality evaluations.

Why it's Important: Call Quality is the cornerstone of Customer Satisfaction. Good Call Quality takes into account agent knowledge and expertise, call efficiency (i.e. Call Handle Time), and agent courtesy and professionalism. Unless Call Quality is consistently high, it is difficult to achieve consistently high levels of Customer Satisfaction. When measured properly, Call Quality and Customer Satisfaction should track fairly closely.

Key Correlations: Call Quality is strongly correlated with the following metrics:

- ✓ Customer Satisfaction
- ✓ First Contact Resolution Rate

CHAPTER

5

Agent Metrics

Agent Metrics

Annual Agent Turnover

Definition: Annual Agent Turnover is the percentage of agents (tier 1 and tier 2) that leave the contact center (voluntarily or involuntarily) on an annual basis.

Why it's Important: Agent turnover is costly. Each time an agent leaves the contact center, a new agent needs to be hired to replace the outgoing agent. This results in costly recruiting, hiring, and training expenses. Additionally, it is typically several weeks or even months before an agent is fully productive, so there is lost productivity associated with agent turnover as well. High agent turnover is generally associated with low agent morale in a contact center.

Key Correlations: Annual Agent Turnover is strongly correlated with the following metrics:

- ✓ Daily Agent Absenteeism
- ✓ Customer Satisfaction
- ✓ Annual Agent Training Hours
- ✓ Cost per Contact
- ✓ Agent Job Satisfaction

Agent Metrics

Daily Agent Absenteeism

Definition: Daily absenteeism is the average percentage of agents with an unexcused absence on any given day. It is calculated by dividing the number of absent agents by the total number of agents that are scheduled to be at work.

Why it's Important: High absenteeism is problematic because it makes it difficult for a contact center to schedule resources efficiently. High absenteeism can severely impact a contact center's operating performance, and increase the likelihood that service level targets will be missed. A contact center's ASA and Call Abandonment Rate typically suffer when absenteeism is high. Also, chronically high absenteeism is often a sign of low agent morale.

Key Correlations: Daily Agent Absenteeism is strongly correlated with the following metrics:

- ✓ Annual Agent Turnover
- ✓ Agent Job Satisfaction
- ✓ Agent Utilization
- ✓ Cost per Contact
- ✓ Contacts per Agent per Month

Agent Metrics

Agent Occupancy

Definition: Agent Occupancy is the percentage of time that an Agent is in their seat connected to the ACD, and either engaged in a call or ready to answer a call, divided by the total number of hours at work (excluding break time and lunch time).

Why it's Important: Agent Occupancy is an indirect measure of Agent productivity and Schedule Adherence. High levels of Agent Occupancy are indicative of an orderly, disciplined work environment. Conversely, low levels of Agent Occupancy are often accompanied by a chaotic, undisciplined work environment. Agent Occupancy and Utilization are sometimes confused. Although Agent Occupancy and Agent Utilization are correlated, they are very different metrics. It is possible to have a high Occupancy (when Agents are logged into the ADC a large percentage of the time) but a low Agent Utilization (when few calls are coming in).

Key Correlations: Agent Occupancy is strongly correlated with the following metrics:

- ✓ Agent Utilization
- ✓ Agent Schedule Adherence
- ✓ Contacts per Agent per Month
- ✓ Cost per Inbound Contact

Agent Metrics

Agent Schedule Adherence

Definition: Agent Schedule Adherence is a measure of whether agents are in their seats ready to accept calls as scheduled. It measures how well a Call Center's agents are "adhering" to the schedule. Agent Schedule Adherence is equal to the actual time that an agent is logged in to the system ready to accept calls, divided by the total time the agent is scheduled to be available to accept calls.

Why it's Important: Effective agent scheduling is critical to achieving a Call Center's service level goals and maximizing Agent Utilization. However, a work schedule, no matter how well constructed, is only as good as the adherence to the schedule. It is therefore important for agents to adhere to the schedule as closely as possible to ensure that these productivity and service level goals are met.

Key Correlations: Agent schedule adherence is strongly correlated with the following metrics:

- ✓ Agent Utilization
- ✓ Inbound Contacts per Agent per Month
- ✓ Agent Occupancy
- ✓ Average Speed of Answer

Agent Metrics

New Agent Training Hours

Definition: The name of this metric is somewhat self explanatory. New Agent Training Hours are the number of training hours (including classroom, CBT, self-study, shadowing, being coached, and OJT) that a new agents receives before he/she is allowed to handle calls independently.

Why it's Important: New Agent Training Hours are strongly correlated with Call Quality, particularly during an agent's first few months on the job. The more training a new agent receives, the higher the Call Quality will typically be. This, in turn, has a positive effect on many other performance metrics including Customer Satisfaction, and Net First Contact Resolution. Perhaps most importantly, training levels have a strong impact on agent morale: agents who receive more training typically have higher levels of job satisfaction.

Key Correlations: New Agent Training Hours are strongly correlated with the following metrics:

- ✓ Call Quality
- ✓ First Contact Resolution Rate
- ✓ Customer Satisfaction
- ✓ Contact Handle Time

Agent Metrics

Annual Agent Training Hours

Definition: Annual Agent Training Hours are the average number of training hours (including classroom, CBT, self-study, shadowing, etc.) that an agent receives on an annual basis. This number includes any training hours that an agent receives that are not part of the agent's initial (new agent) training.

Why it's Important: Annual Agent Training Hours are strongly correlated with Call Quality, Customer Satisfaction, and Net First Contact Resolution. Perhaps most importantly, training levels have a strong impact on agent morale: agents who train more typically have higher levels of job satisfaction.

Key Correlations: Annual Agent Training Hours are strongly correlated with the following metrics:

- ✓ Call Quality
- ✓ First Contact Resolution Rate
- ✓ Customer Satisfaction
- ✓ Contact Handle Time

Agent Metrics

Agent Tenure

Definition: Agent tenure is the average number of months the agents have worked in a particular call center.

Why it's Important: Agent tenure is a measure of agent experience. Virtually every measure related to call center cost and quality is impacted by the tenure of a call center's agents.

Key Correlations: Agent tenure is strongly correlated with the following metrics:

- ✓ Cost per Contact
- ✓ Agent Turnover
- ✓ Contact Handle Time
- ✓ Call Quality
- ✓ Training Hours
- ✓ First Contact Resolution
- ✓ Rate
- ✓ Customer Satisfaction
- ✓ Coaching Hours
- ✓ Agent Job Satisfaction

Agent Metrics

Agent Job Satisfaction

Definition: Agent Job Satisfaction is the percent of agents in a Call Center that are either satisfied or very satisfied with their jobs.

Why it's Important: Agent Job Satisfaction is a proxy for agent morale. And morale, while difficult to measure, is a bellwether metric that affects almost every other metric in the call center. High performance call centers almost always have high levels of Agent Job Satisfaction. Perhaps more importantly, this metric can be controlled and improved through training, coaching, and career pathing.

Key Correlations: Agent Job Satisfaction is strongly correlated with the following metrics:

- ✓ Agent Turnover
- ✓ Daily Agent Absenteeism
- ✓ Agent Training Hours
- ✓ Agent Coaching Hours
- ✓ Customer Satisfaction
- ✓ Net First Contact Resolution Rate
- ✓ Contact Handle Time
- ✓ Cost per Contact

CHAPTER

6

Contact Handling Metrics

Contact Handling Metrics

Inbound Contact Handle Time

Definition: Inbound Contact Handle Time for a live (telephone) contact is the average time that an Agent spends on the contact, including Talk Time, wrap time, and After Call Work Time. For non-live contacts, such as Email, voice mail, and faxes, the Inbound Contact Handle Time is the average time that an Agent spends resolving the contact.

Why it's Important: A contact is the basic unit of work in a Call Center. Contact Handle Time, therefore, represents the amount of labor required to complete one unit of work.

Key Correlations: Inbound Contact Handle Time is strongly correlated with the following metrics:

- ✓ Cost per Inbound Contact
- ✓ Inbound Contacts per Agent per Month
- ✓ Net First Contact Resolution Rate

Contact Handling Metrics

IVR Completion Rate

Definition: The IVR Completion Rate is the percentage of contacts that are contained within the IVR, and resolved without the assistance of a live agent.

Why it's Important: The Cost per Contact for IVR completed calls is significantly less than for agent assisted calls. By increasing the number of contacts resolved at the IVR, the average Cost per Contact can be reduced. Many call centers, recognizing the potential to reduce their costs, constantly strive to increase their IVR usage and resolution rates.

Key Correlations: IVR Completion Rate is strongly correlated with the following metrics:

- ✓ Cost per Contact

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What We Do

MetricNet is the leading source of benchmarks, scorecards, and performance metrics for Information Technology and Call Center Professionals worldwide. Our mission is to provide you with the benchmarks you need to run your business more effectively.

MetricNet has pioneered a number of innovative techniques to ensure that you receive fast, accurate benchmarks, with a minimum of time and effort.

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