



Unleashing the Enormous Power of Call Center KPI's

Call Center Best Practices Series



MetricNetTM
Performance Benchmarking

27 Years of Call Center Benchmarking Data



Global Database

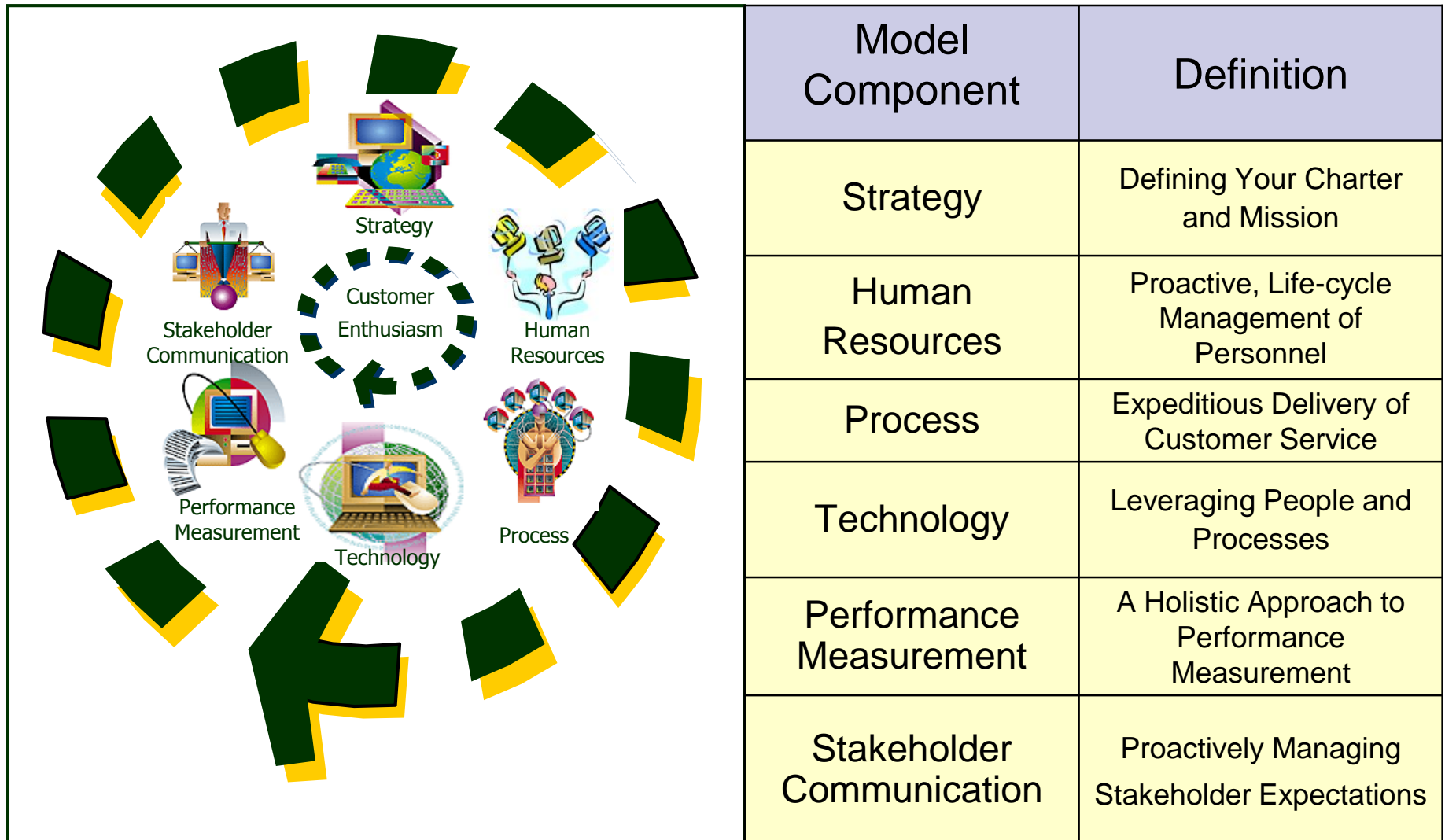
More than 3,700 Call Center Benchmarks

30 Key Performance Indicators

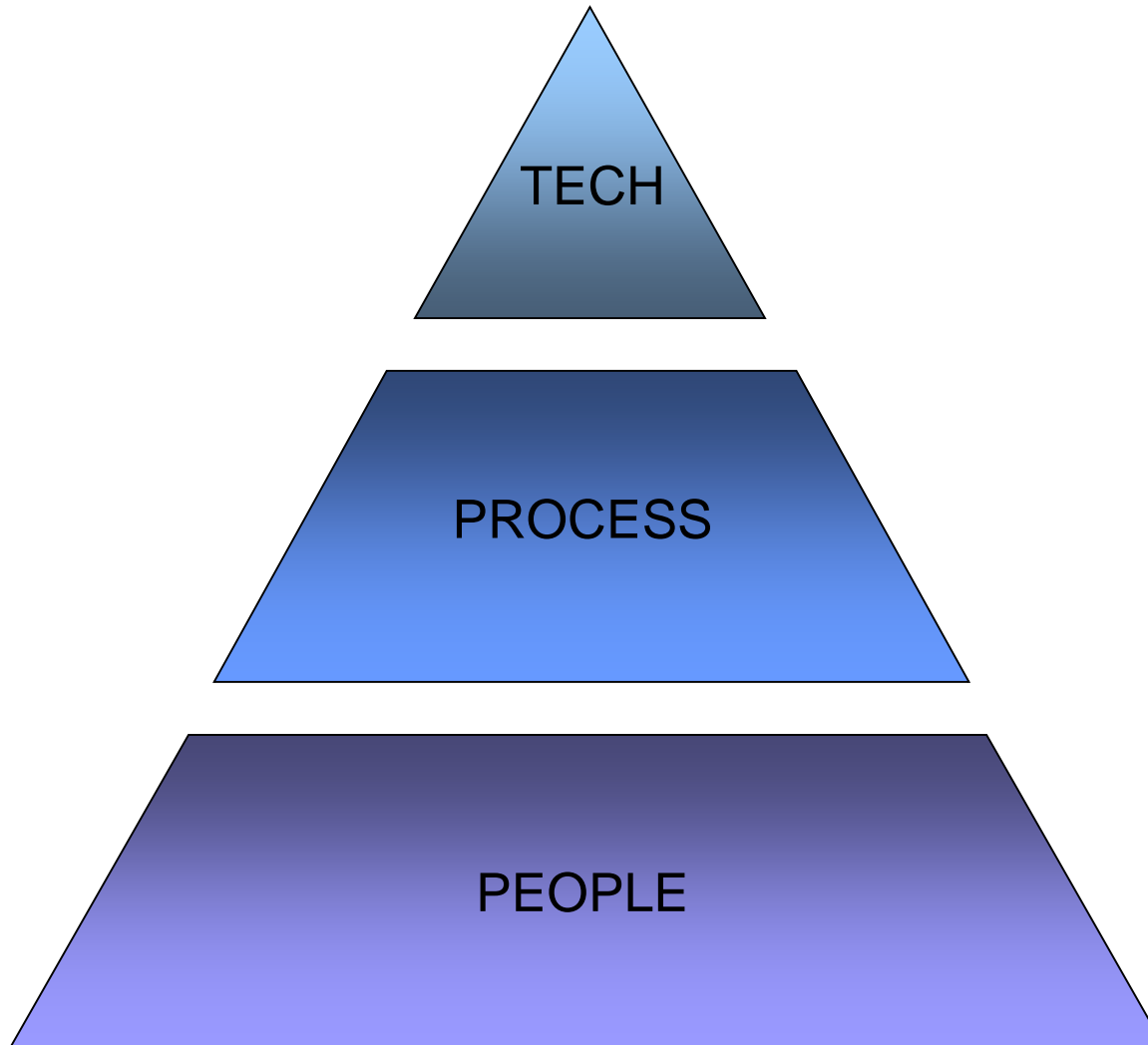
Nearly 80 Industry Best Practices



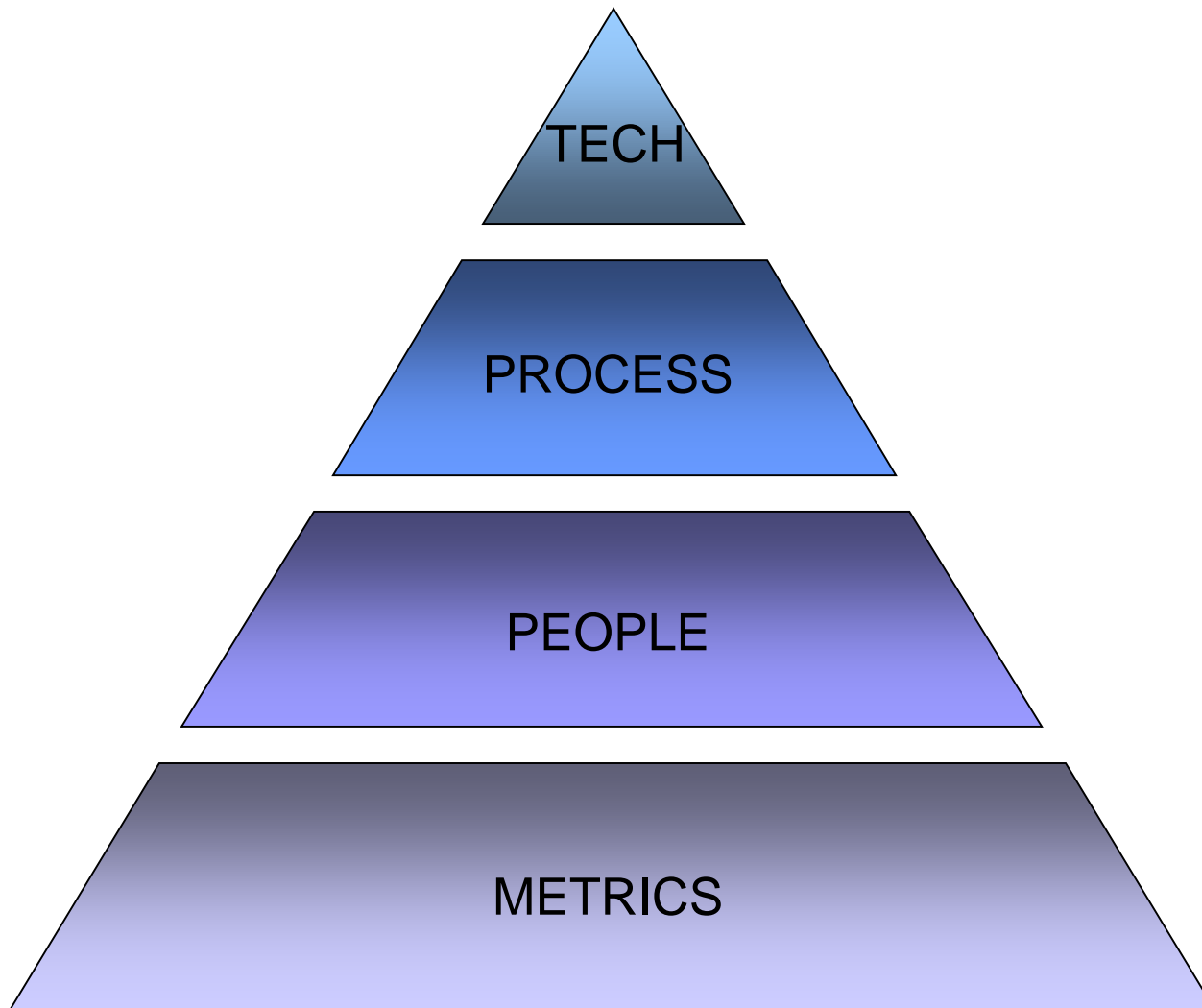
Six-Part Model for Call Center Best Practices



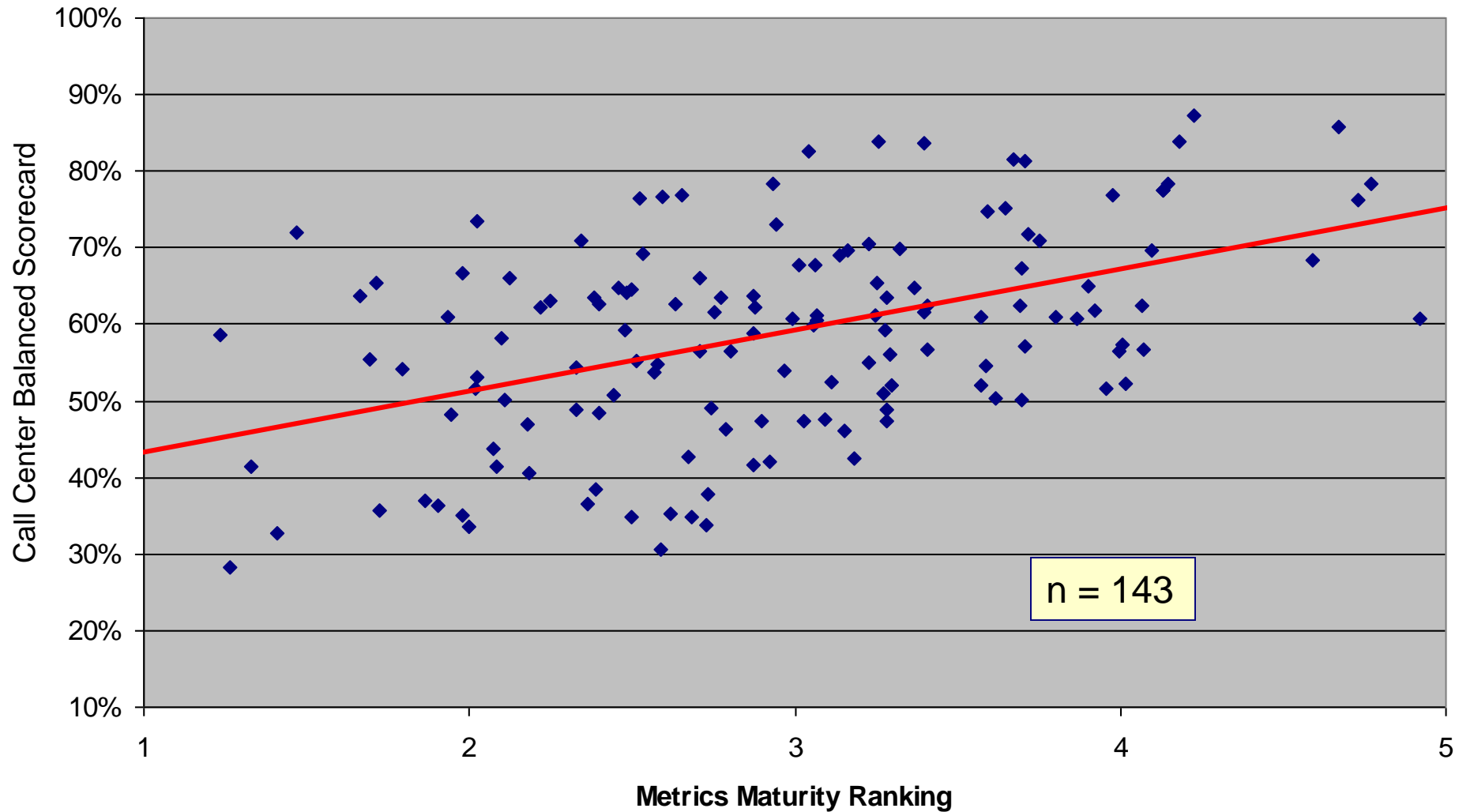
The Traditional Paradigm for Call Centers



METRICS: An Even More Fundamental Building Block!



The Evidence for Metrics as a Foundation Block



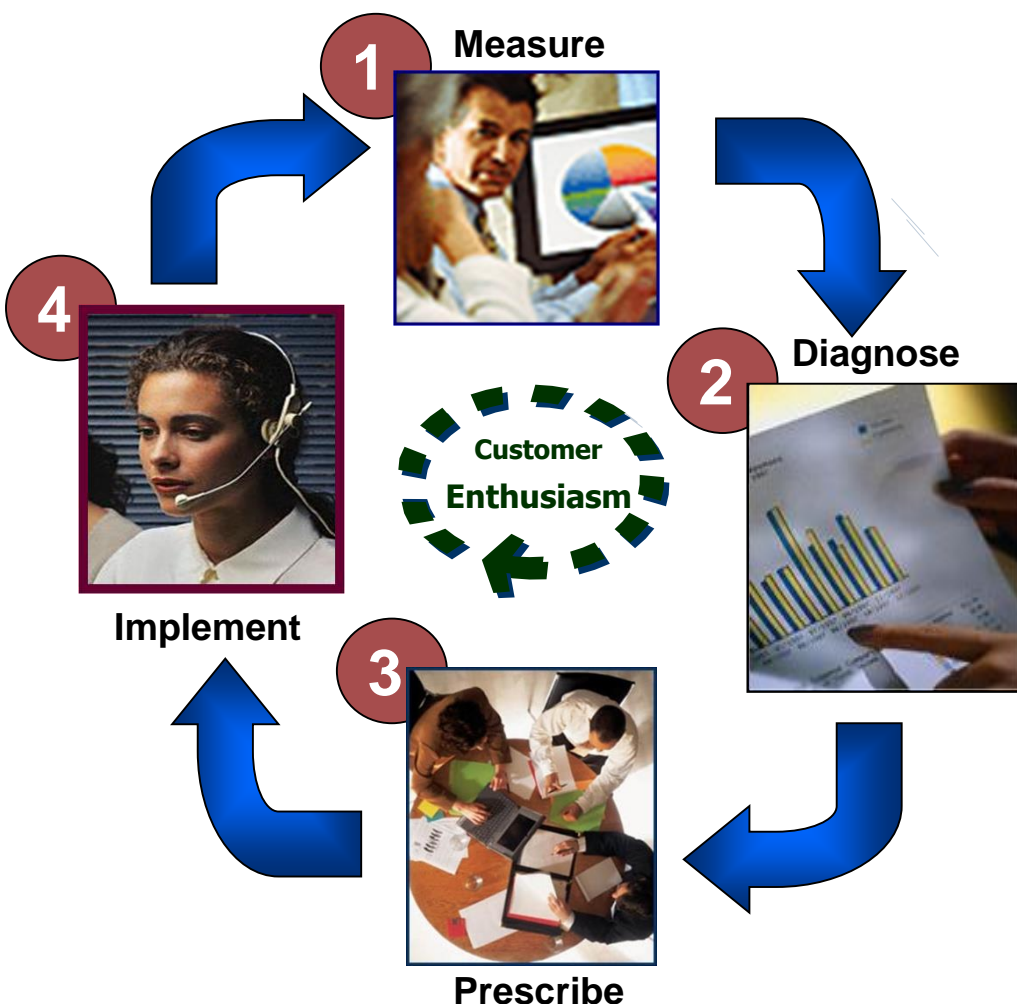


A Model for KPI Best Practices:

Measure, Diagnose, Prescribe, Implement!



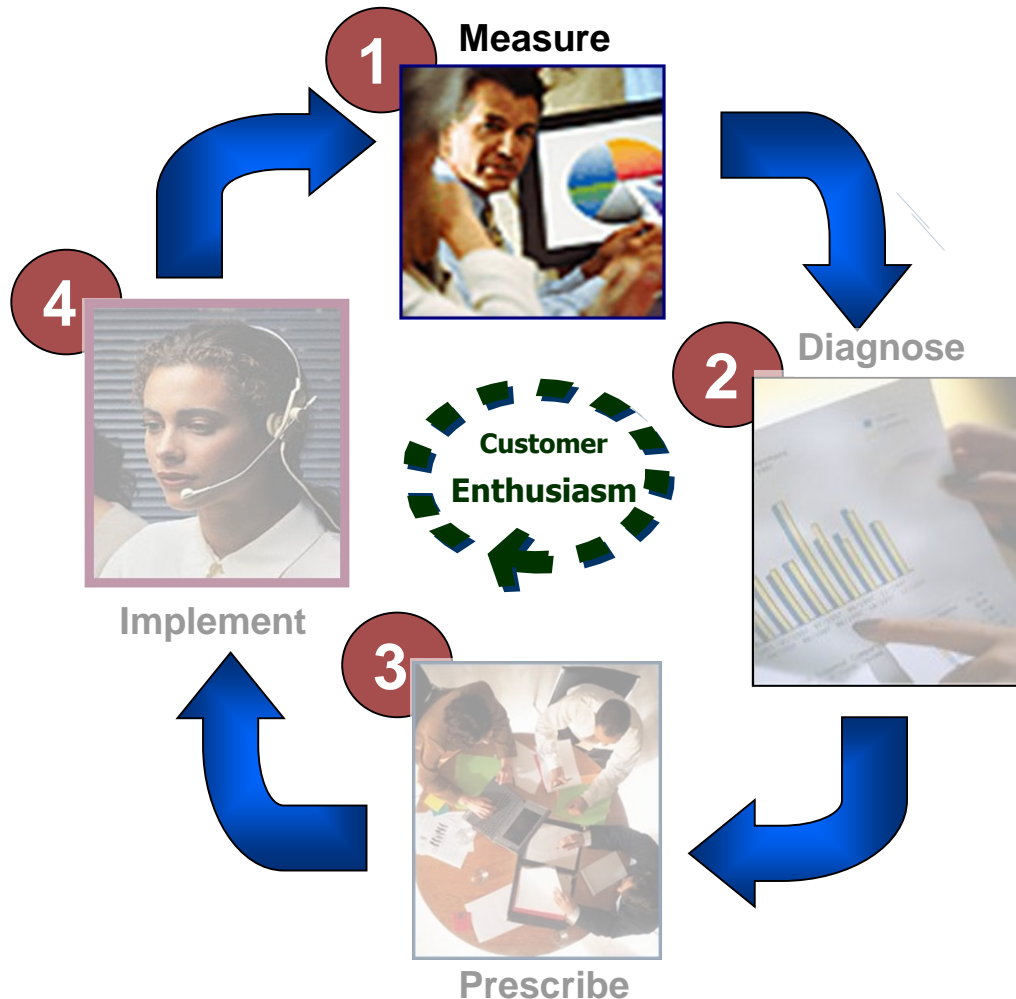
An Empirical Model for Call Center KPI Best Practices



Model Component	Description
1. Measure	Measure performance on an ongoing basis
2. Diagnose	Benchmark performance and conduct a gap analysis annually
3. Prescribe	Define actions to close the gaps
4. Implement	Implement your action plan and improve performance



Measure Your Performance!



Model Component	Description
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Two Types of Call Center Metrics

Operational Metrics

- Measures operational efficiency and effectiveness of the call center
- Internally focused
- Metrics include:
 - Cost per Contact
 - Customer Satisfaction
 - Speed of Answer
 - Agent Utilization
 - Etc.

Business Effectiveness

- Measures the call center's effectiveness in supporting the company's business mission
 - Typically P&L or revenue related
- Externally focused
- Metrics include:
 - Sales \$ per Call Center FTE
 - Collections \$ per Call Center FTE
 - Call Center Operating Expense as a % of Call Center revenue generated





Some Common Operational Metrics

Cost

- Cost per Contact
- Cost per Minute of Handle Time

Quality

- Customer Satisfaction
- Call Quality
- First Contact Resolution Rate

Productivity

- Agent Utilization
- Contacts per Agent per Month

Agent

- Agent Occupancy
- Agent Turnover
- Daily Absenteeism
- New Agent Training Hours
- Annual Agent Training Hours
- Agents as % of Total FTE's
- Schedule Adherence
- Agent Tenure
- Agent Job Satisfaction

Service Level

- Average Speed of Answer (ASA)
- Call Abandonment Rate
- % Answered Within 30 Seconds
- Percent of Calls Blocked

Call Handling

- Call Handle Time
- After Call Work Time
- IVR Completion Rate
- Agent-less Completion Rate
- % of Calls Transferred

And there are hundreds more!!





Business Effectiveness Metrics

- Business effectiveness metrics are highly dependent upon the services you are offering
 - No “standard” set of measures
 - Generally related to product sales, customer retention, and revenue production and/or recovery
 - Lots of room for creativity
- Business effectiveness often trumps operational effectiveness
 - Reflects a focus on revenue growth and recovery
 - Allows some “sloppiness” on the operational side if the call center
- “Crossover Metrics”
 - Cover both operational and business effectiveness
 - Operating cost as a % of revenue generated is common





Some Common Business Effectiveness Metrics

Credit Card

- Cross-sell/upsell conversion rate (%)
- Number of Payment plans established

Collections

- Average Balance Saved (ABS)
- Promises kept (%)

Cable TV

- Number of Appointments scheduled
- Product count for new accounts

Tech Support

- First Level Resolution Rate
- % Escalated Level 1 Resolvable

Lending

- Number of loans originated
- Average loan size and duration

Telecom

- Percent of billing inquiries resolved
- Customer cross-sell/upsell percentage

Retirement

- Rollover IRA conversion rate (%)
- Number of Variable annuity accounts opened





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- IVR Completion Rate
- Agent-less Completion Rate
- % of Calls Transferred

And there are hundreds more!!





Operational Metrics: Which Ones Really Matter?

Cost

- Cost per Contact

Quality

- Customer Satisfaction

Productivity

- Agent Utilization

Call Handling

- First Contact Resolution Rate
(or other driver of Customer Satisfaction)

Agent

- Agent Job Satisfaction

Aggregate

- Balanced Scorecard

Read MetricNet's whitepaper on ***Call Center Performance Metrics***. Go to www.metricnet.com to get your copy!





The Foundation Metrics: Cost and Quality

Cost

- Cost per Contact ←

Quality

- Customer Satisfaction ←

Productivity

- Agent Utilization

Call Handling

- First Contact Resolution Rate
(or other driver of Customer Satisfaction)

Agent

- Agent Job Satisfaction

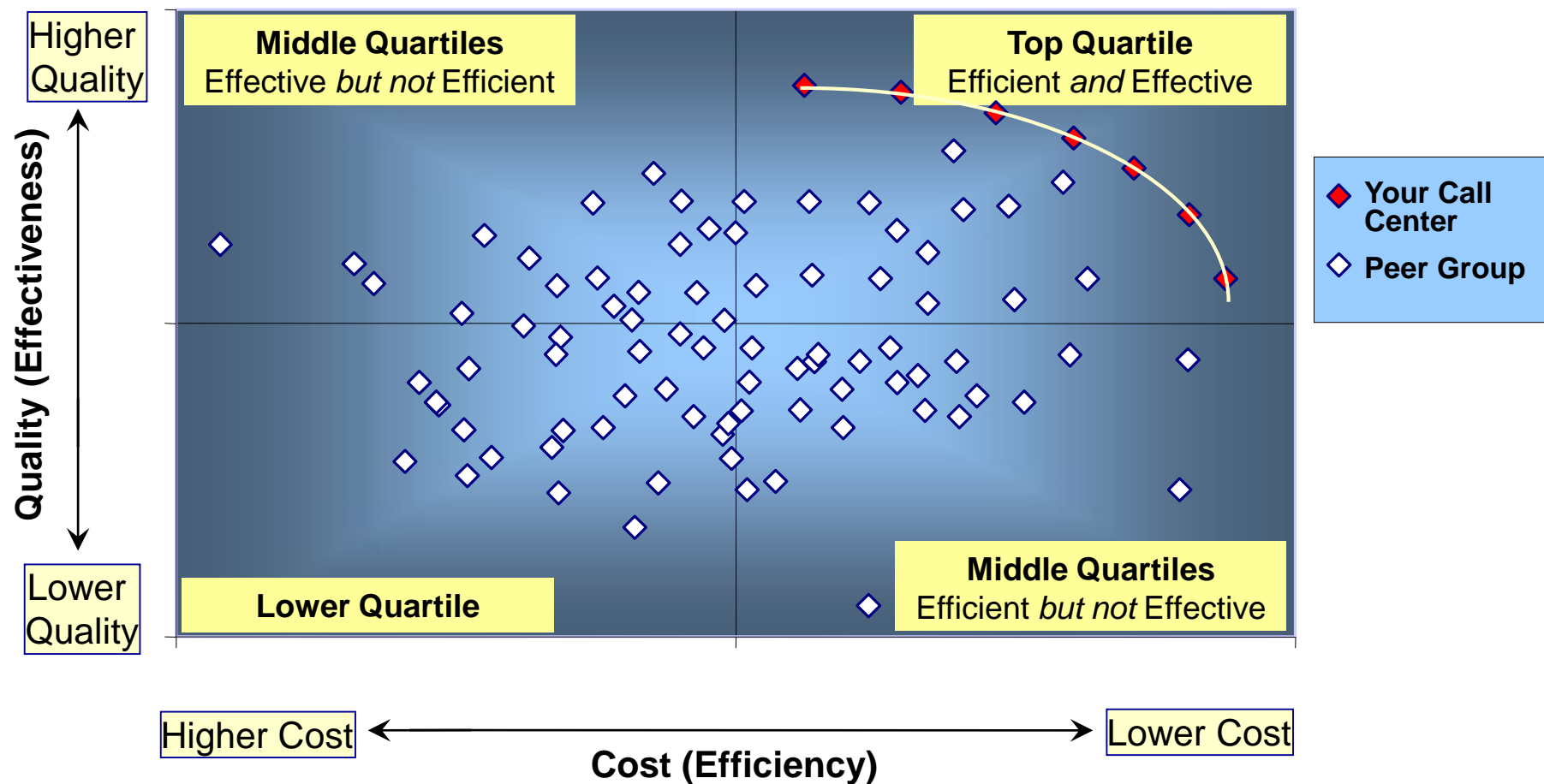
Aggregate

- Balanced Scorecard





Cost vs. Quality





Operational Metrics: The Balanced Scorecard

Cost

- Cost per Contact

Quality

- Customer Satisfaction

Productivity

- Agent Utilization

Call Handling

- First Contact Resolution Rate
(or other driver of Customer Satisfaction)

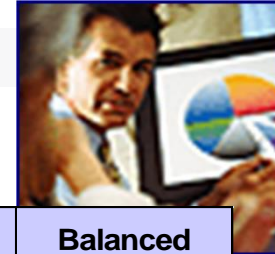
Agent

- Agent Job Satisfaction

Aggregate

- Balanced Scorecard ←





Aggregate Metrics: The Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost per Contact	25.0%	\$15.39	\$4.18	\$12.57	25.2%	6.3%
Customer Satisfaction	25.0%	56.2%	98.4%	98.4%	100.0%	25.0%
First Contact Resolution Rate	15.0%	43.8%	91.7%	67.2%	48.9%	7.3%
Agent Utilization	15.0%	25.4%	63.9%	25.4%	0.0%	0.0%
Agent Job Satisfaction	10.0%	57.0%	89.3%	76.8%	61.3%	6.1%
Average Speed of Answer (seconds)	10.0%	327	18	27	97.1%	9.7%
Total	100.0%	N/A	N/A	N/A	N/A	54.5%

Step 1

Six critical performance metrics have been selected for the scorecard

Step 2

Each metric has been weighted according to its relative importance

Step 3

For each performance metric, the highest and lowest performance levels in the benchmark are recorded

Step 4

Your actual performance for each metric is recorded in this column

Step 5

Your score for each metric is then calculated: $(\text{worst case} - \text{actual performance}) / (\text{worst case} - \text{best case}) \times 100$

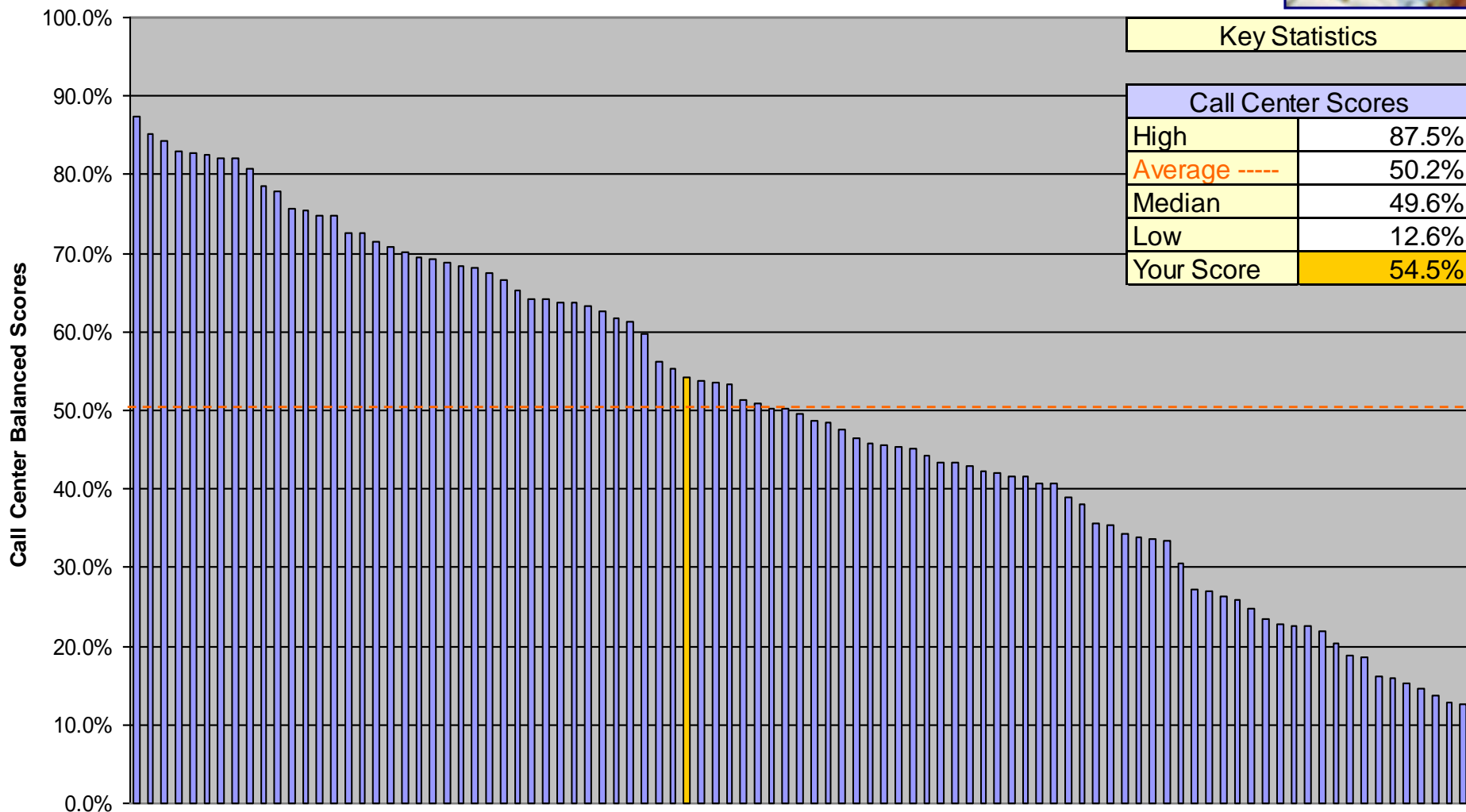
Step 6

Your balanced score for each metric is calculated: $\text{metric score} \times \text{weighting}$



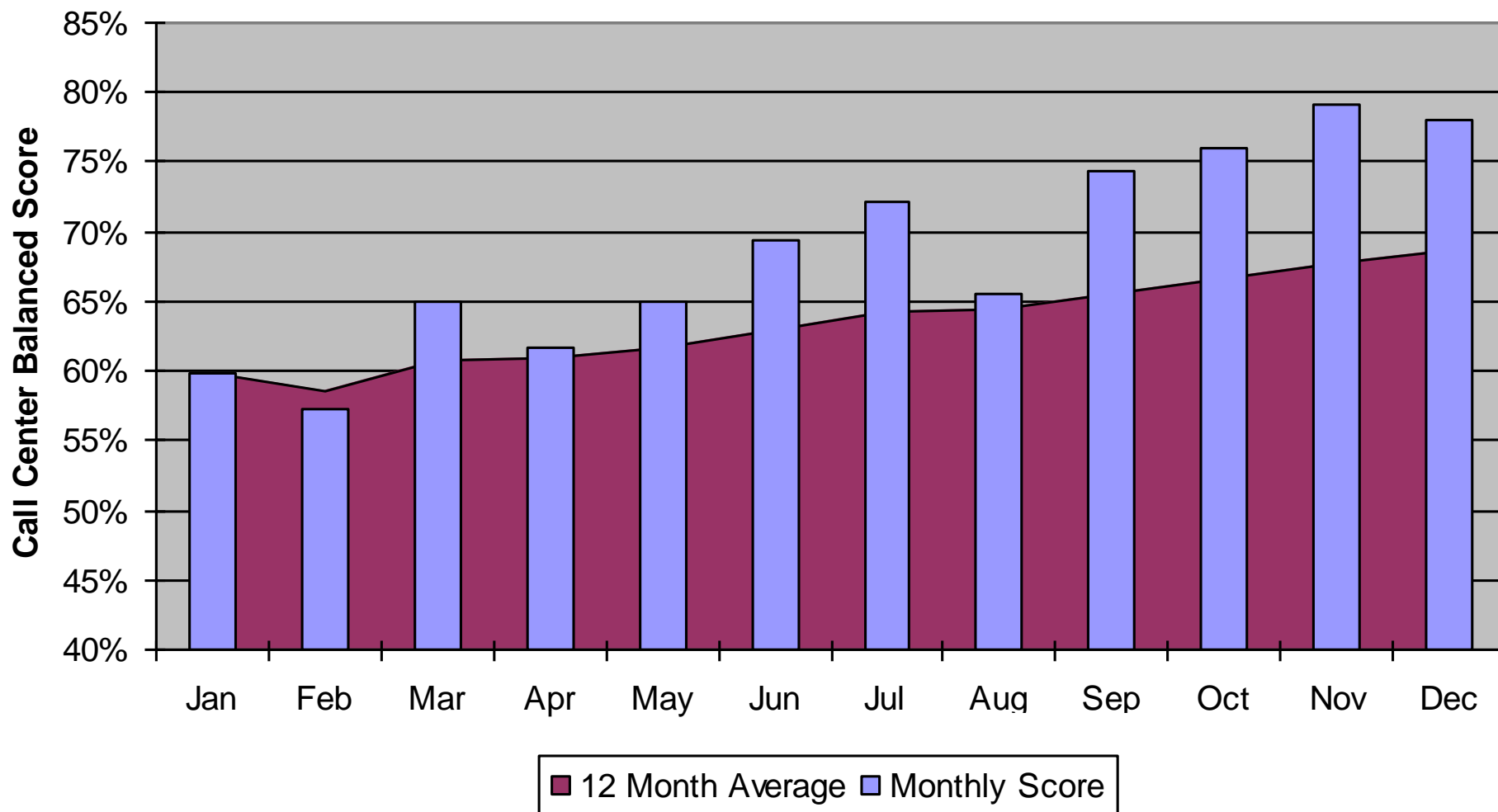


Balanced Scorecard Benchmark*





Overall Call Center Scorecard Trend

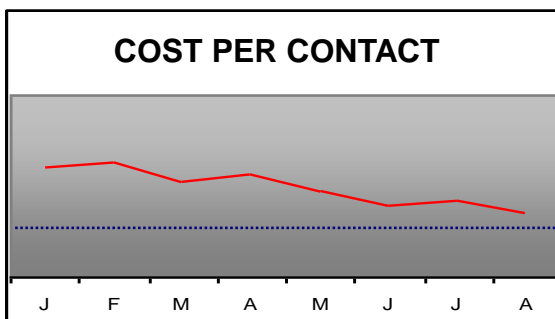




Now, Track and Trend Your Performance

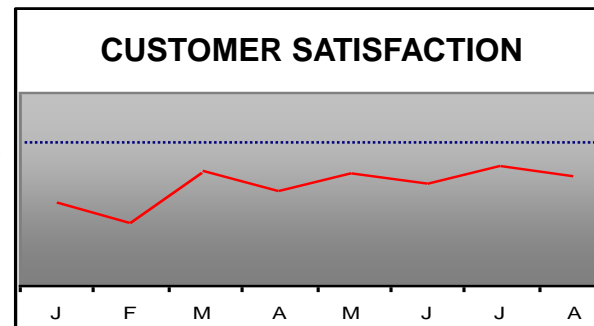
COST PER CONTACT

\$17.00



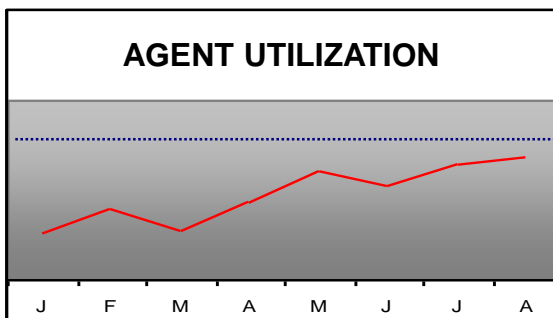
CUSTOMER SATISFACTION

90%



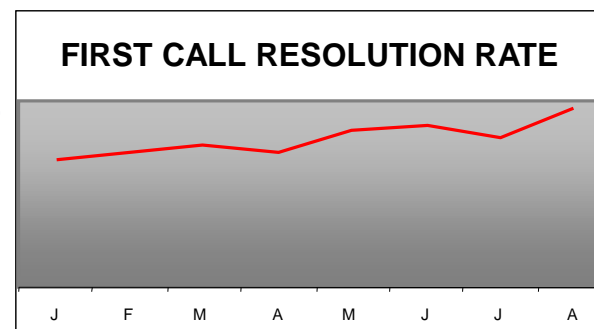
AGENT UTILIZATION

65%



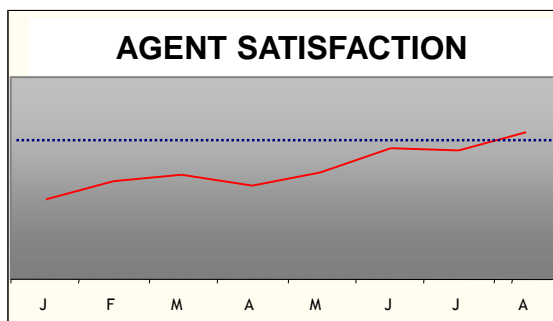
FIRST CALL RESOLUTION RATE

80%



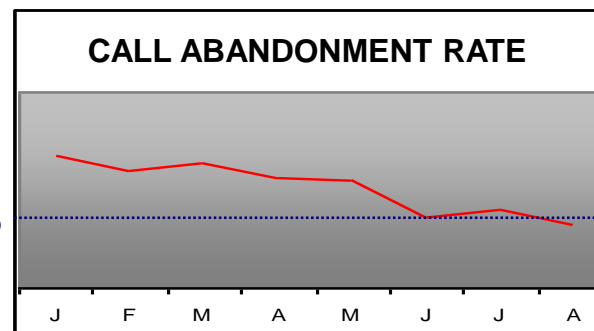
AGENT SATISFACTION

80%

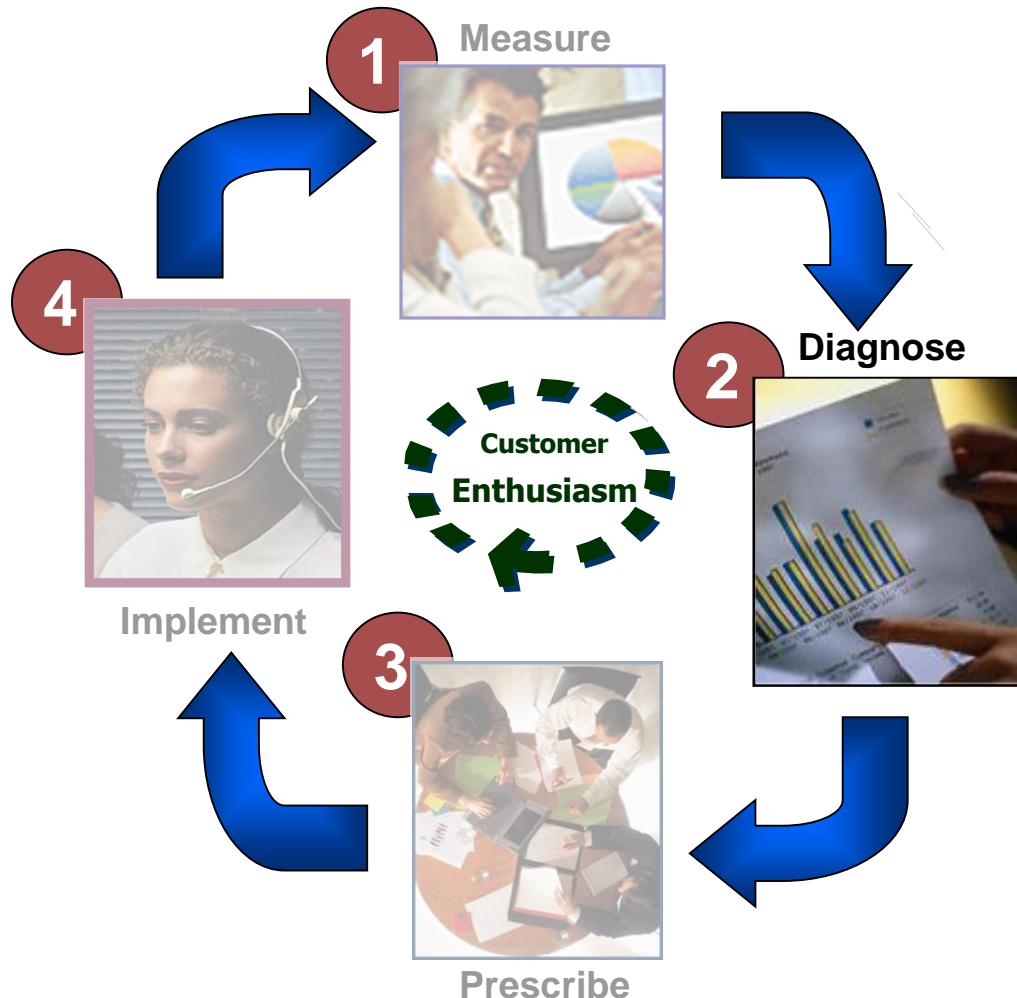


CALL ABANDONMENT RATE

5%



Diagnose Your Performance!



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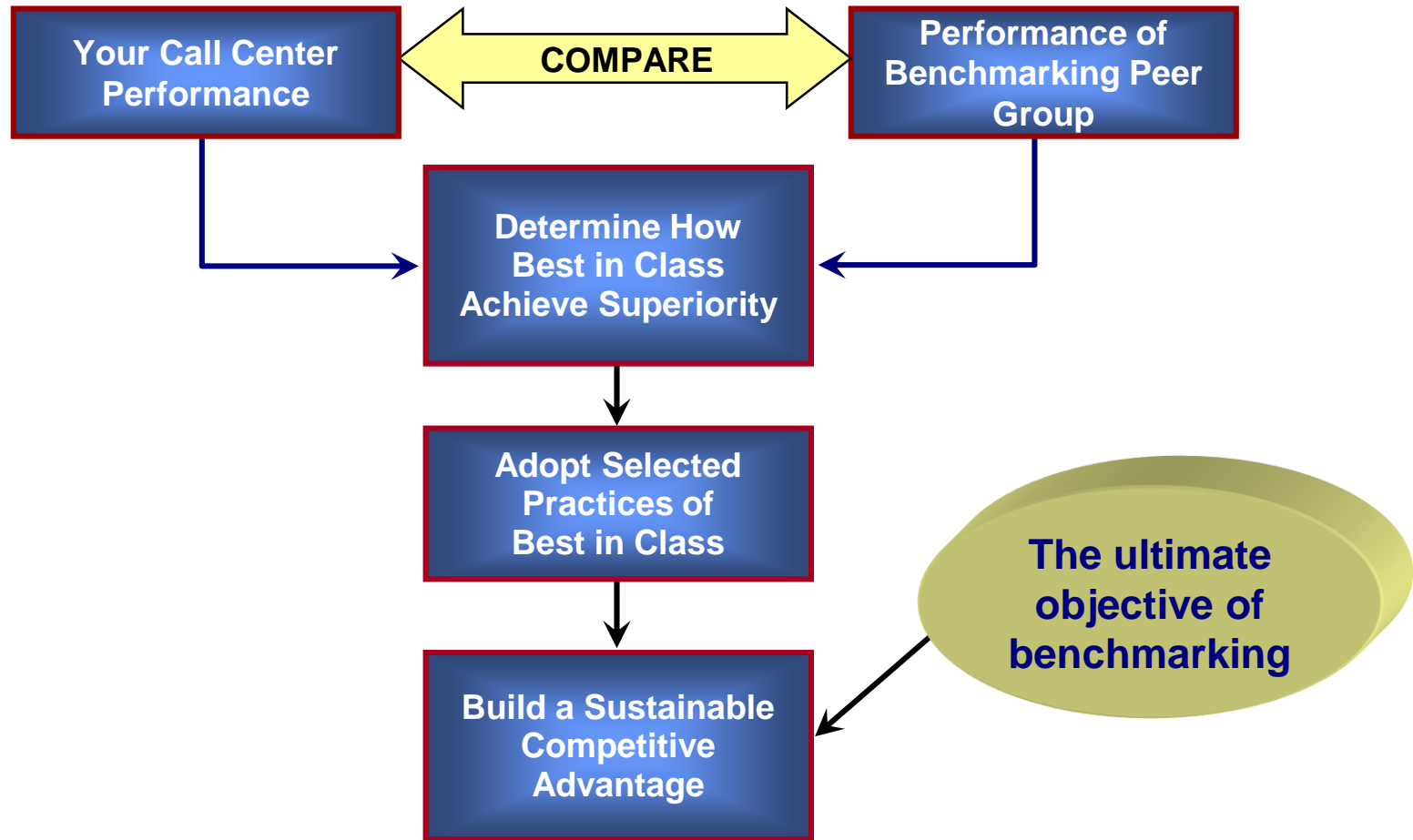
The Role of Benchmarking

**There is a 1:1 Correspondence
Between Benchmarking and
World-Class Performance!**

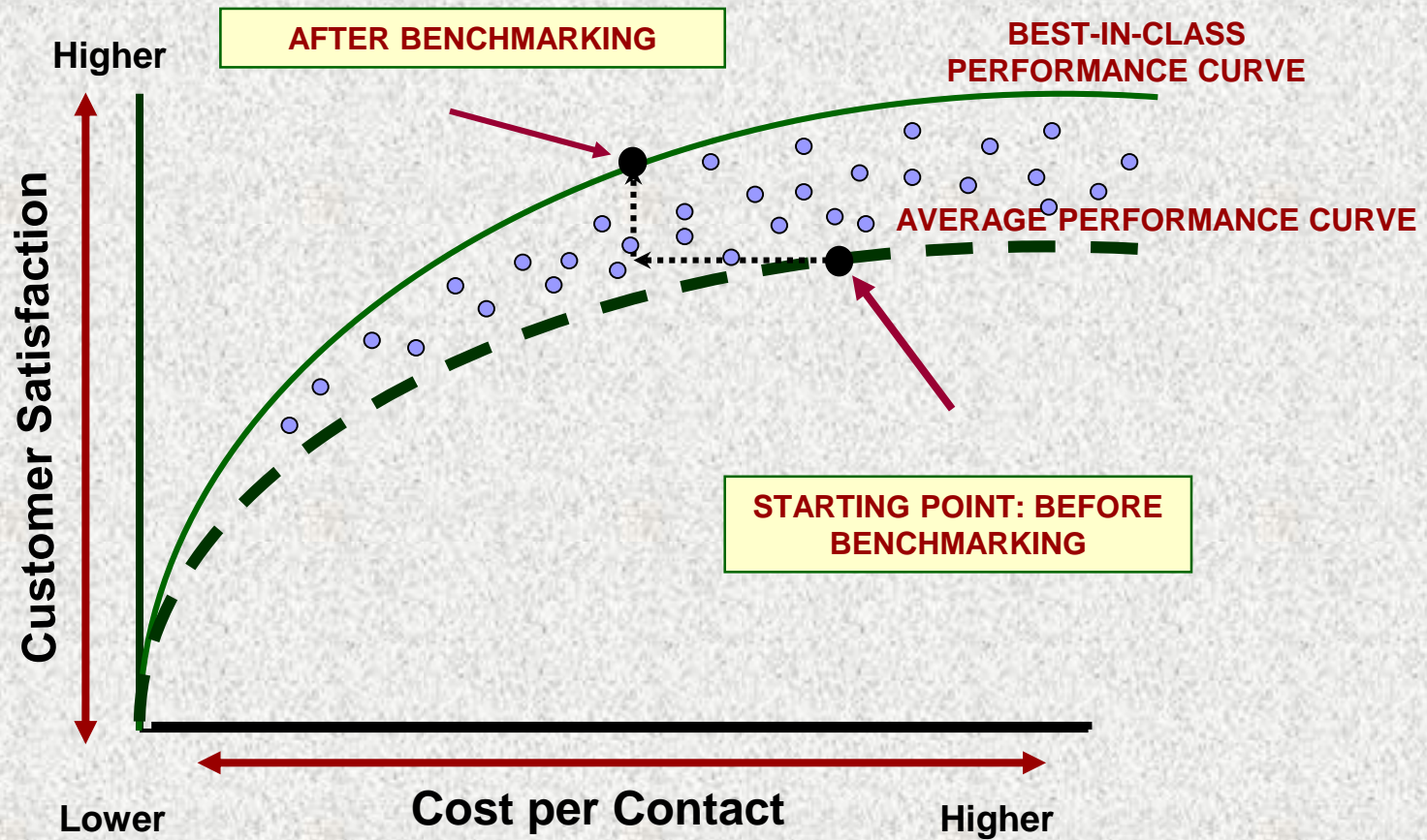
***Yet Fewer than 20% of all call
centers engage in benchmarking.***



Benchmarking Defined



The Goal of Benchmarking





The Remaining Operational Metrics

Cost

- Cost per Contact

Quality

- Customer Satisfaction

Productivity

- Agent Utilization ←

Call Handling

- First Contact Resolution Rate ←

Agent

- Agent Job Satisfaction ←

Aggregate

- Balanced Scorecard

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The Foundation Metrics: Cost and Quality



**Cost/Contact
(Efficiency)**

**Customer Satisfaction
(Effectiveness)**

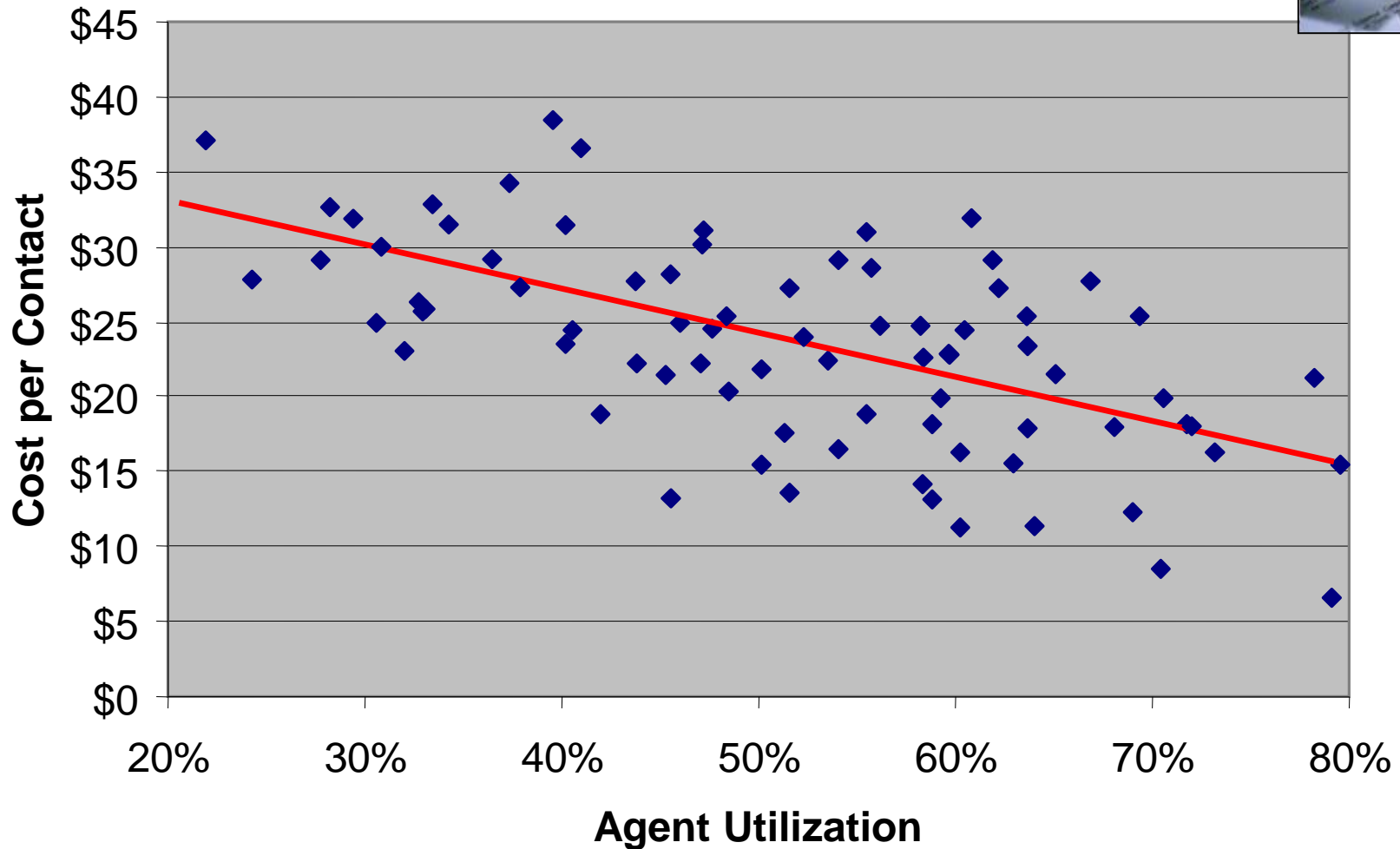




Agent Utilization and First Contact Resolution Rate



Agent Utilization Drives Cost per Contact





Agent Utilization Defined

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

- Agent Utilization is a measure of actual time worked by agents in a month, divided by total time at work during the month
- It takes into account both inbound and outbound contacts handled by the agents
- But it does not make adjustments for sick days, holidays, training time, project time, or idle time





Example: Call Center Agent Utilization

- Inbound Contacts per Agent per Month = 375
- Outbound Contacts per Agent per Month = 225
- Average Inbound Contact Handle Time = 10 minutes
- Average Outbound Contact Handle Time = 5 minutes

**Agent
Utilization =**

$$\frac{((\text{Average number of inbound Contacts handled by an Agent in a month}) \times (\text{Average inbound handle time in minutes}) + (\text{Average number of outbound Contacts handled by an Agent in a month}) \times (\text{Average outbound handle time in minutes}))}{(\text{Average number of days worked in a month}) \times (\text{Number of work hours in a day}) \times (60 \text{ minutes/hr})}$$

**Agent
Utilization =**

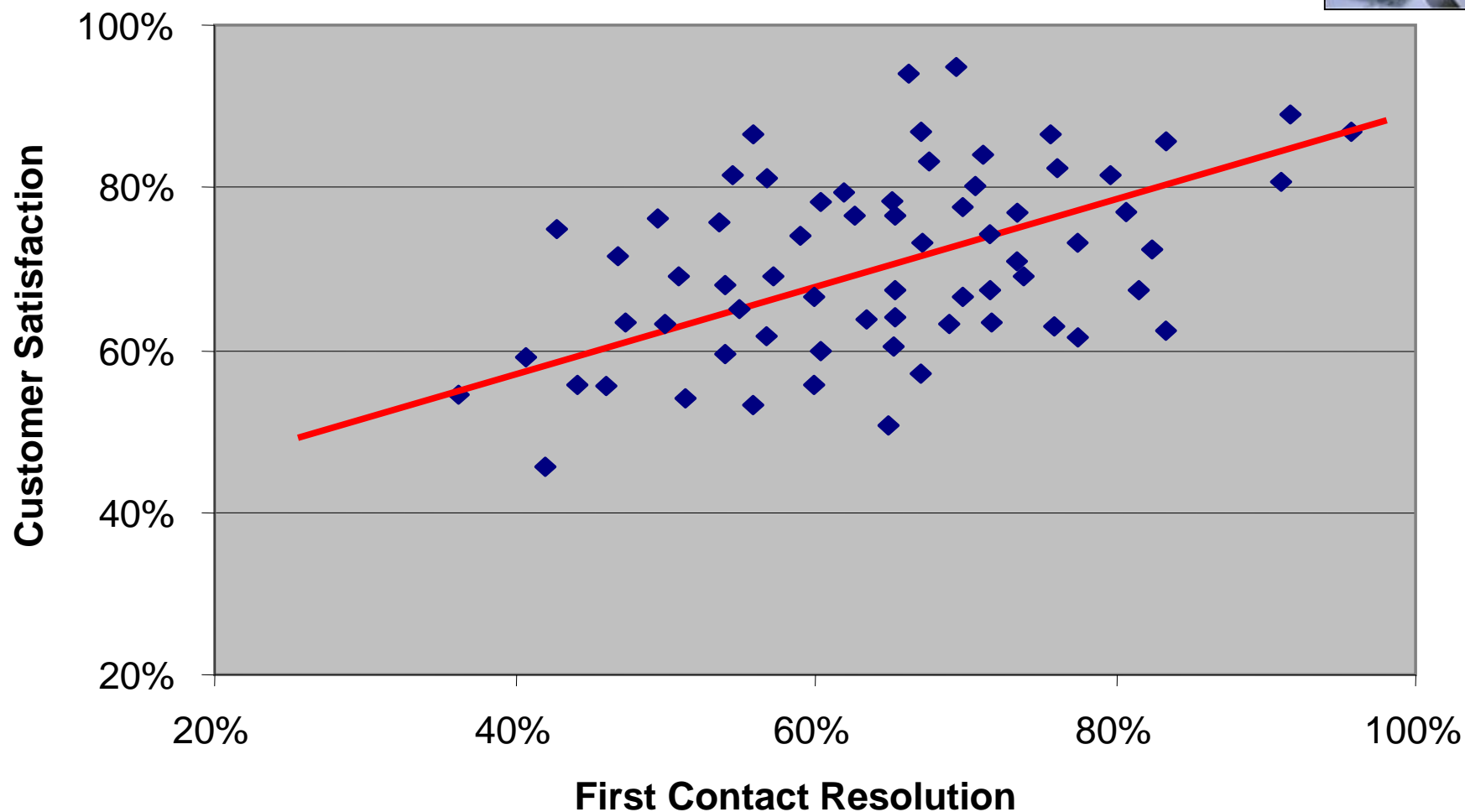
$$\frac{((375 \text{ Inbound Contacts per Month}) \times (10 \text{ minutes}) + (225 \text{ Outbound Contacts per Month}) \times (5 \text{ minutes}))}{(21.5 \text{ working days per month}) \times (7.5 \text{ work hours per day}) \times (60 \text{ minutes/hr})}$$

**= 50.4%
Agent
Utilization**



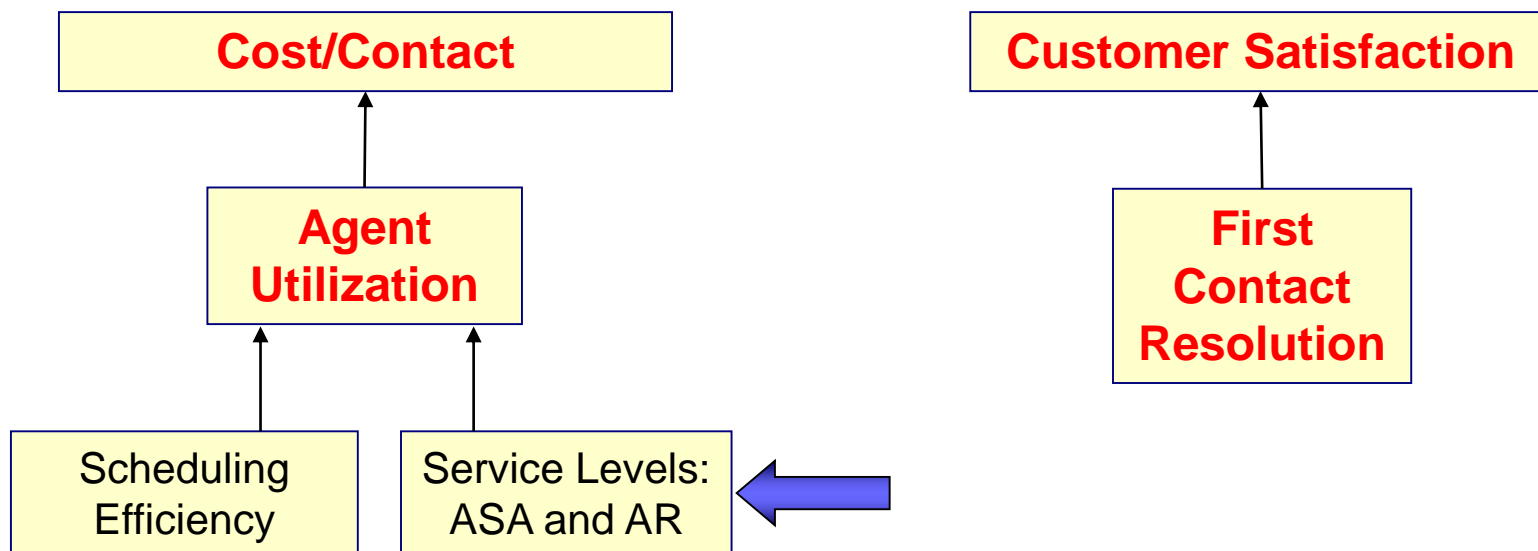


First Contact Resolution Drives Customer Satisfaction



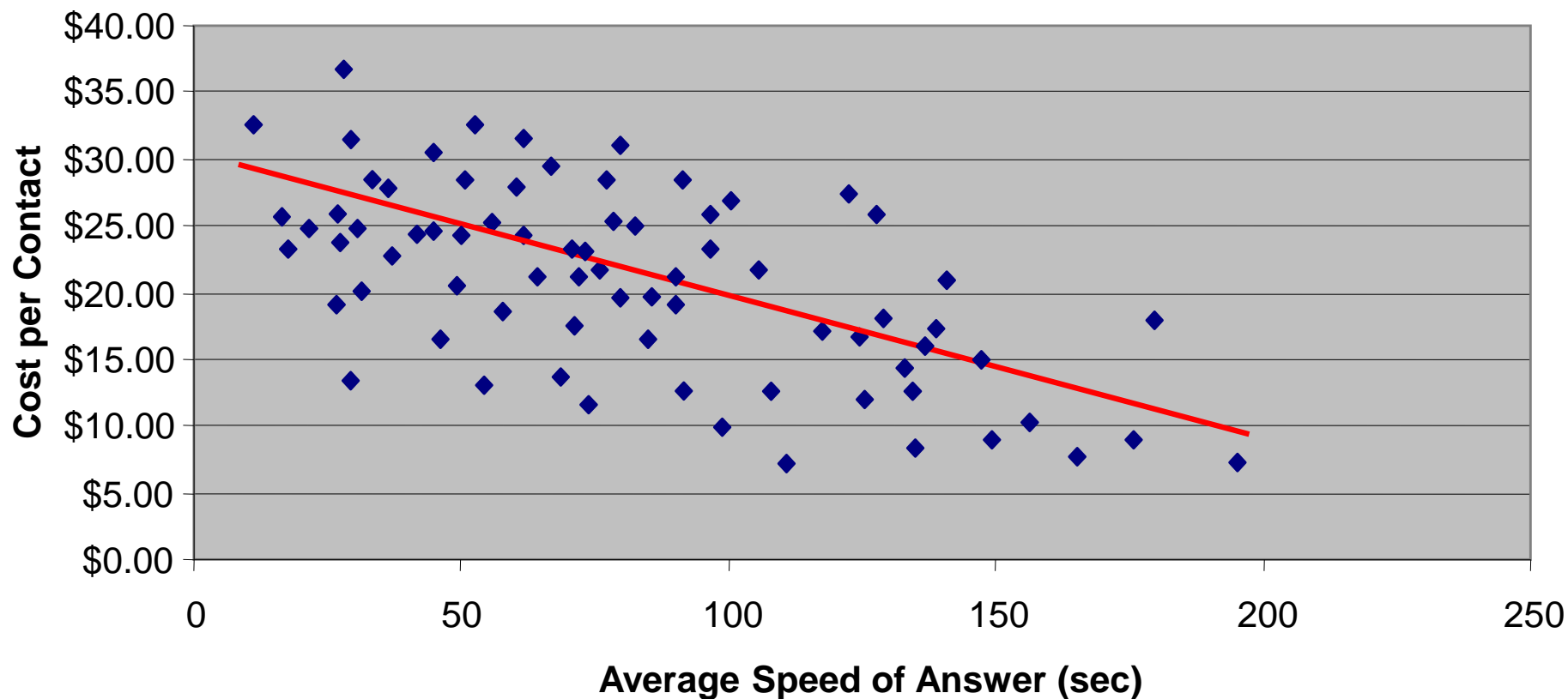


Service Levels: ASA and Abandonment Rate

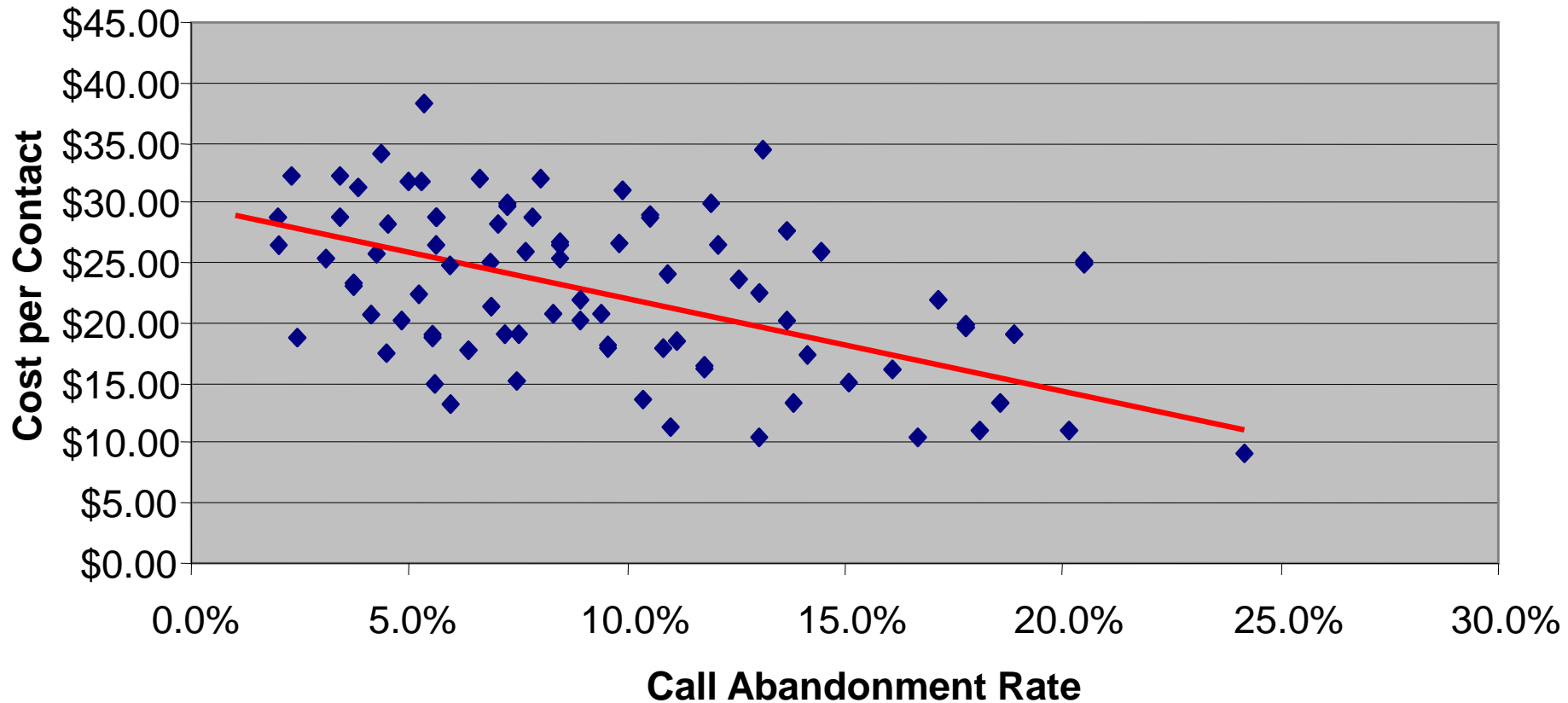




ASA Drives Cost per Contact

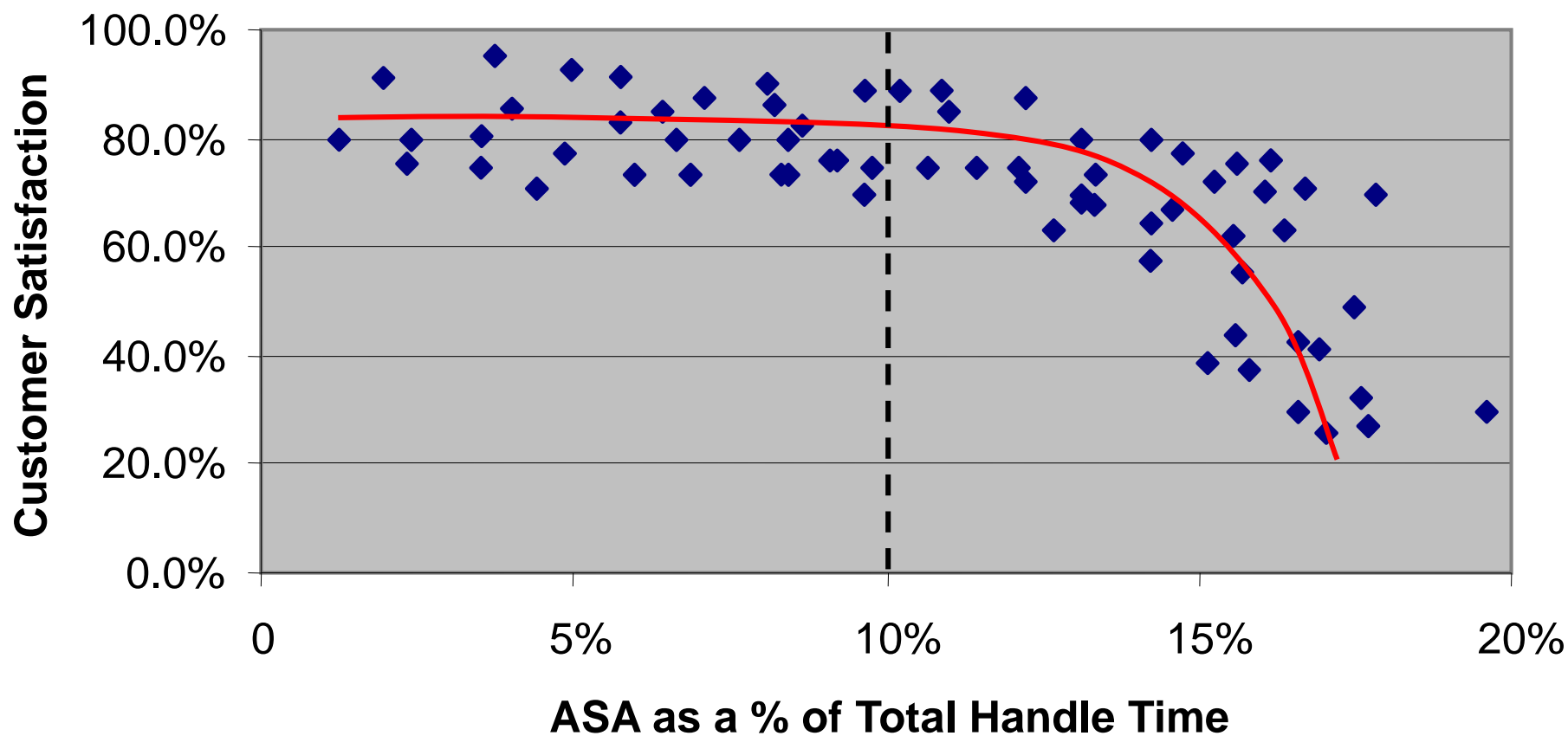


Call Abandonment Rate Also Drives Cost per Contact

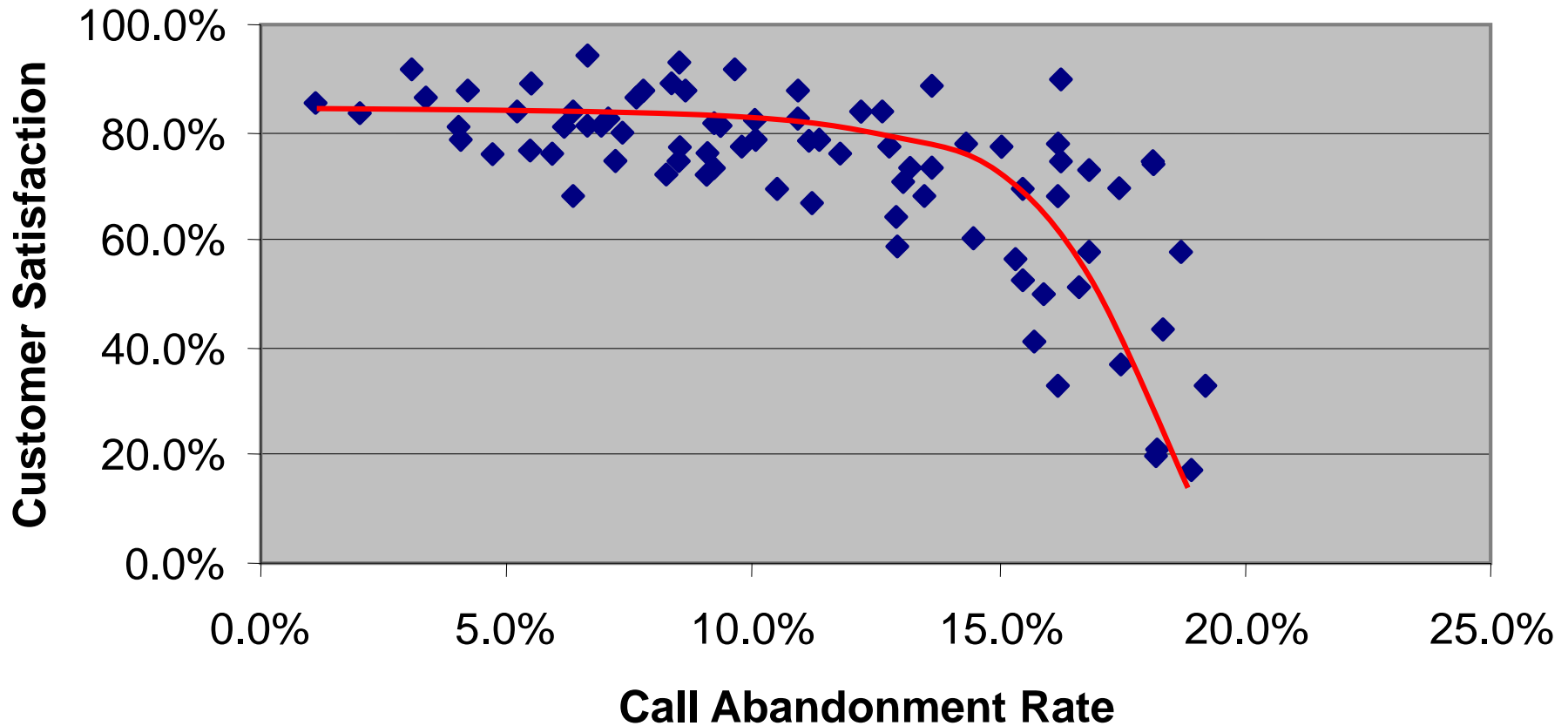




ASA vs. Customer Satisfaction

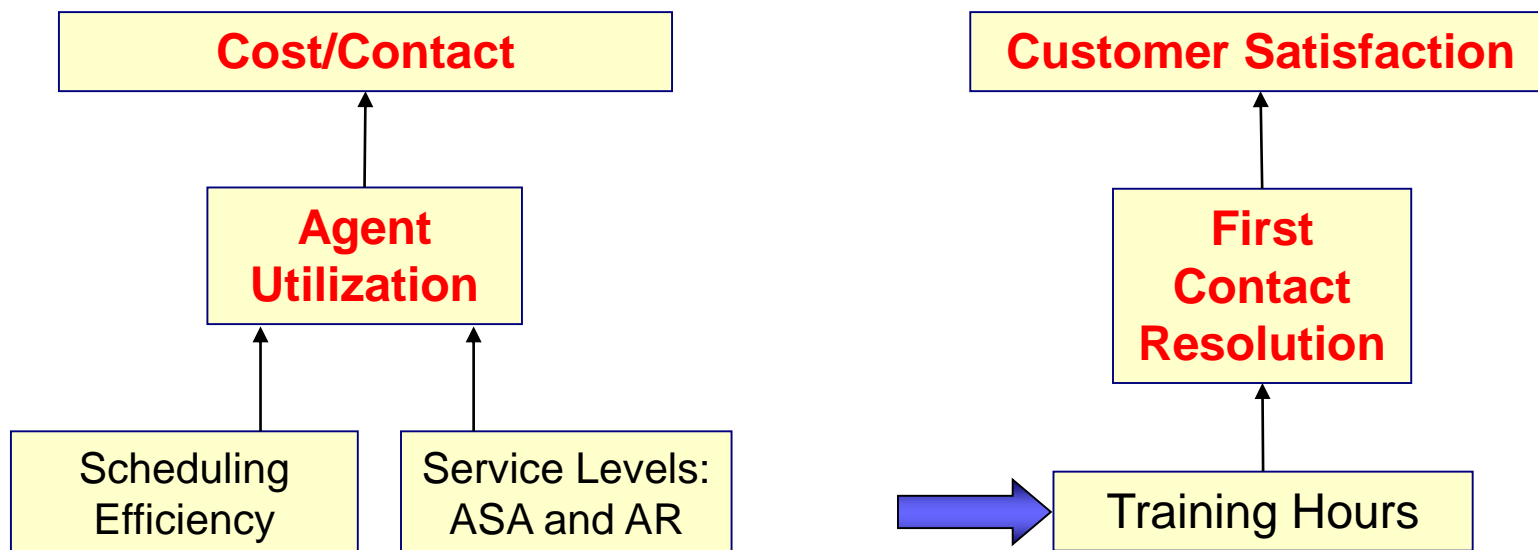


Call Abandonment Rate vs. Customer Sat



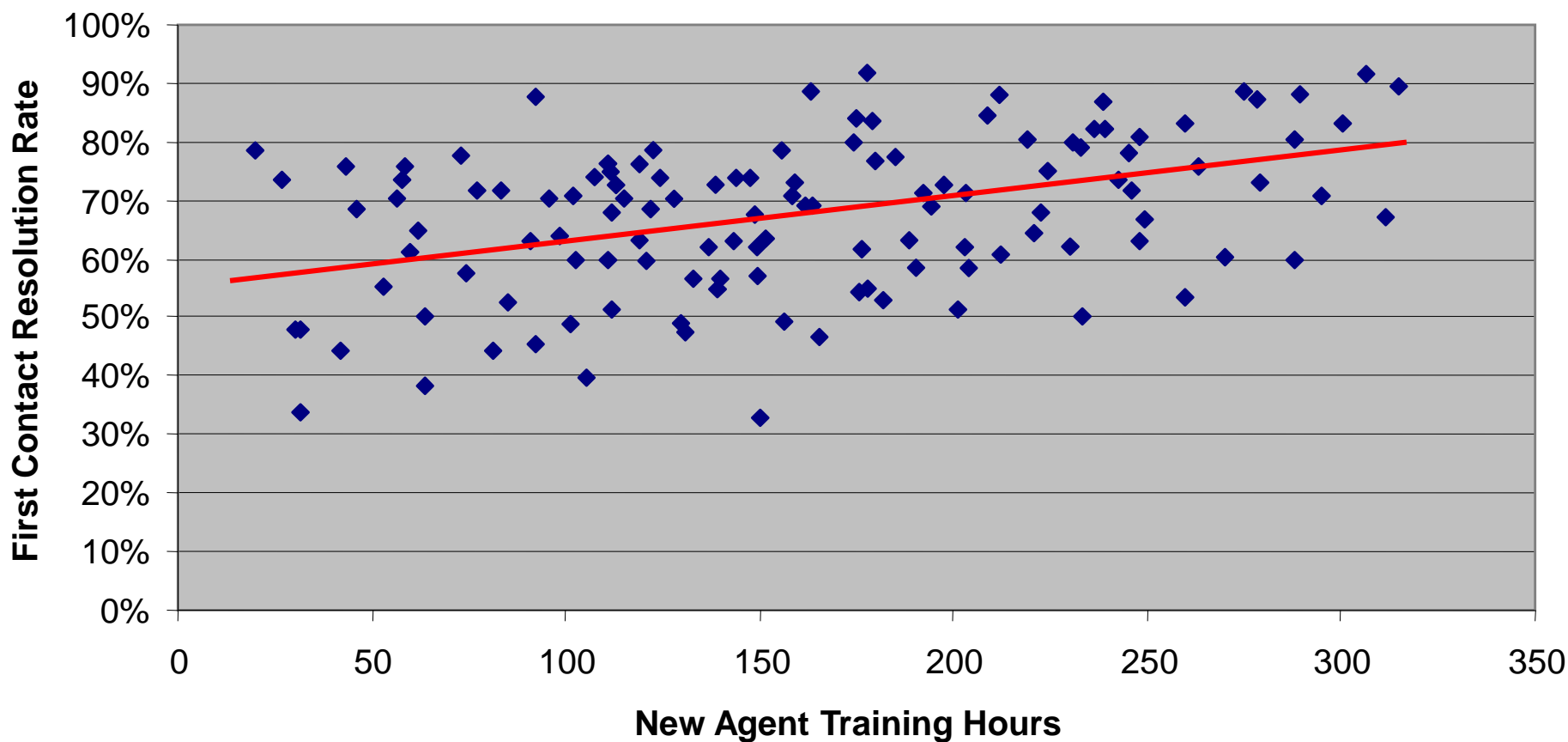


Training Hours Impact First Contact Resolution Rate



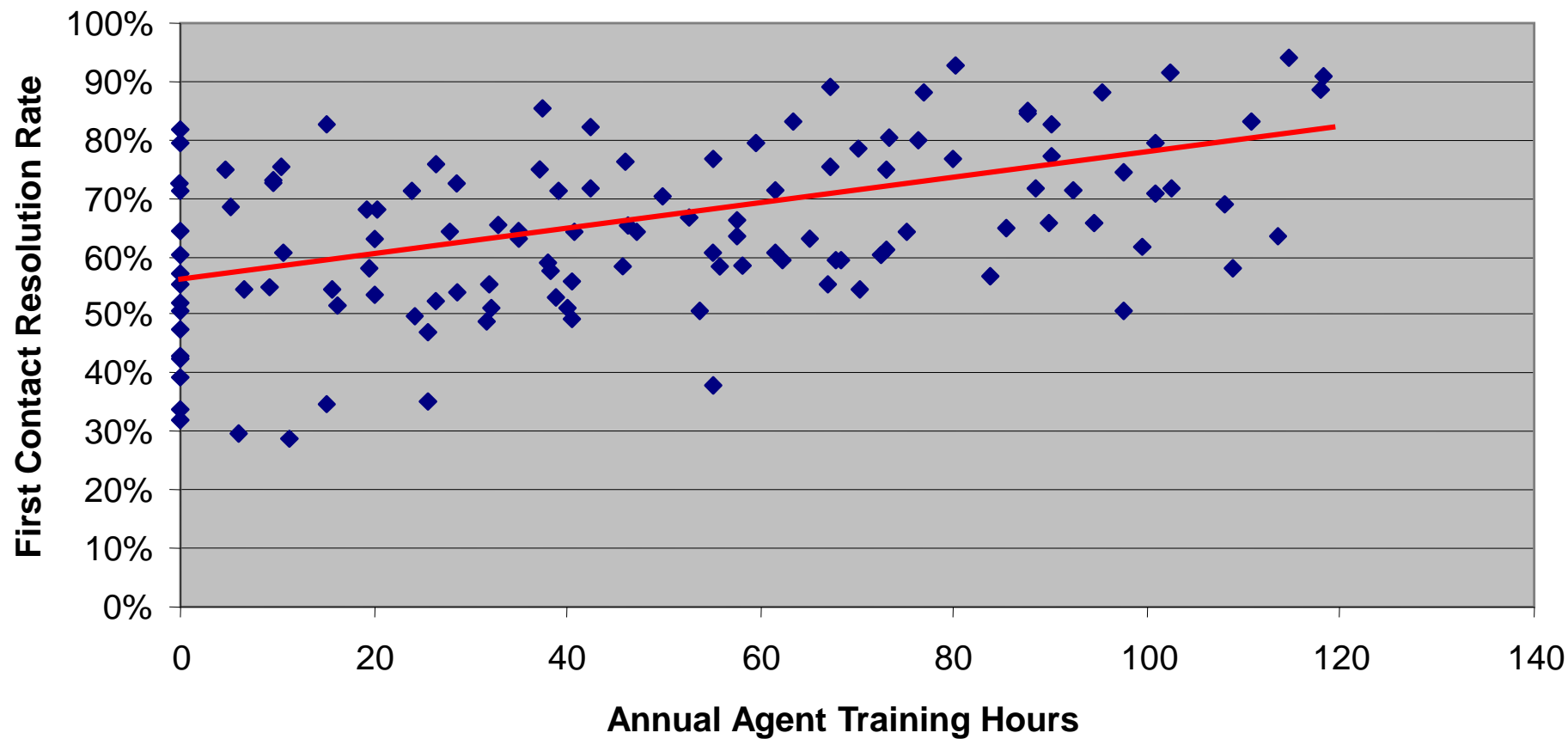


New Agent Training Hours vs. First Contact Resolution



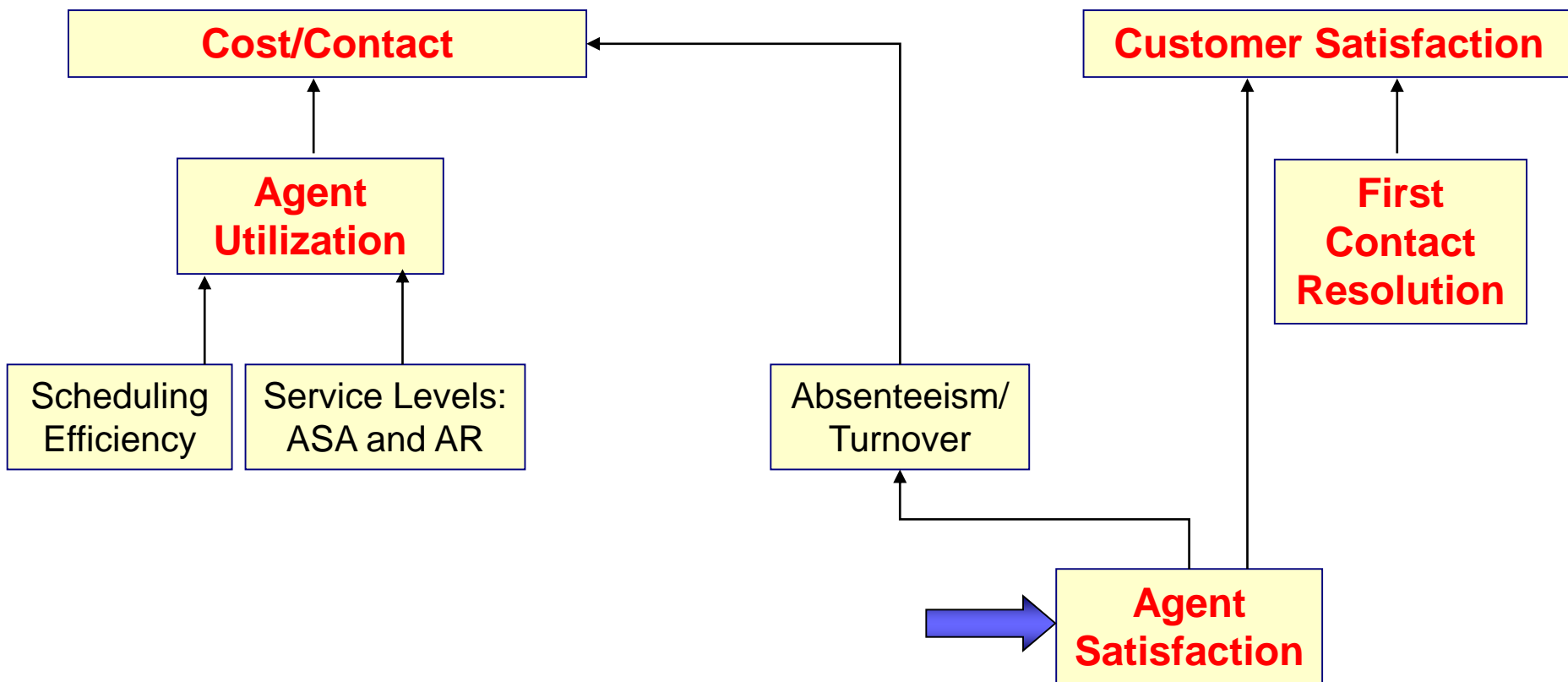


Veteran Agent Training vs. First Contact Resolution

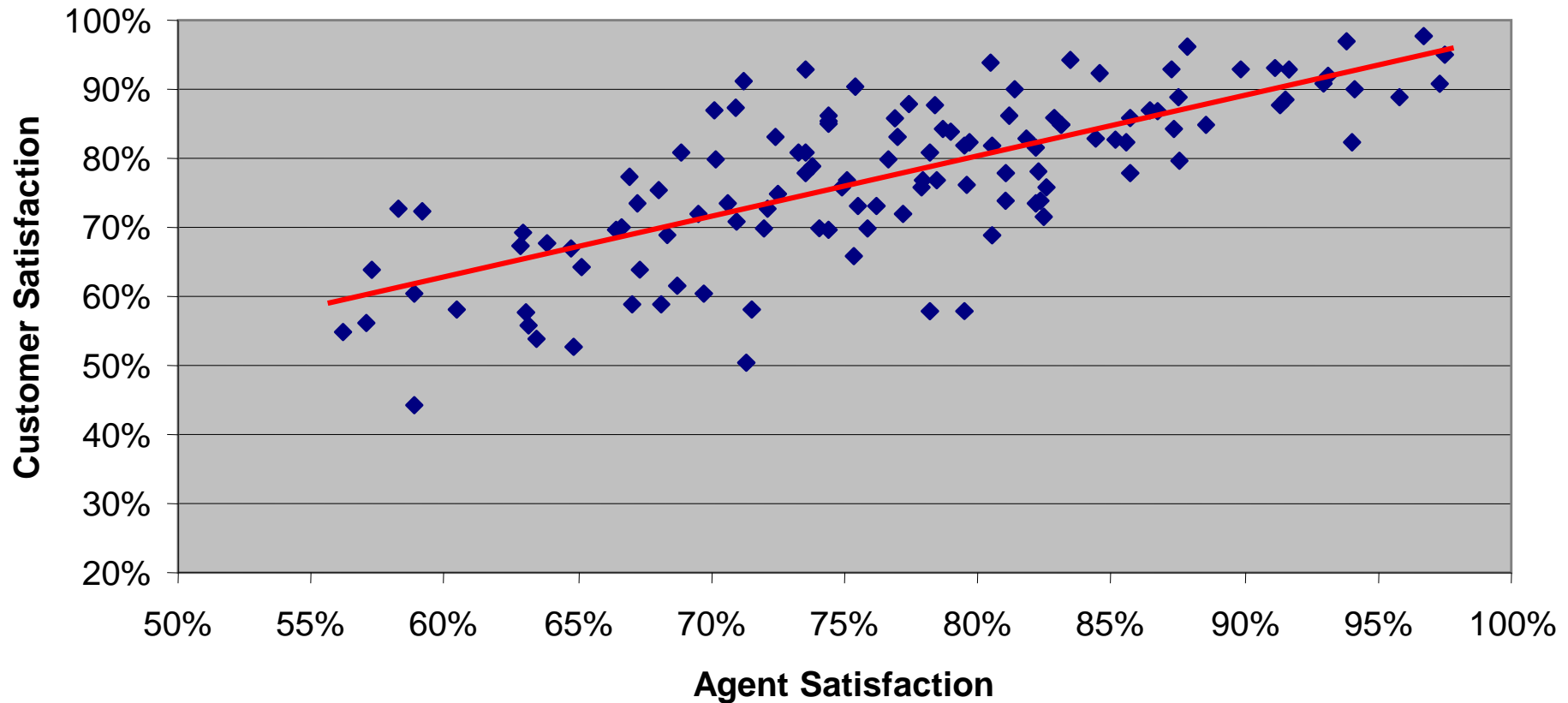




Agent Satisfaction

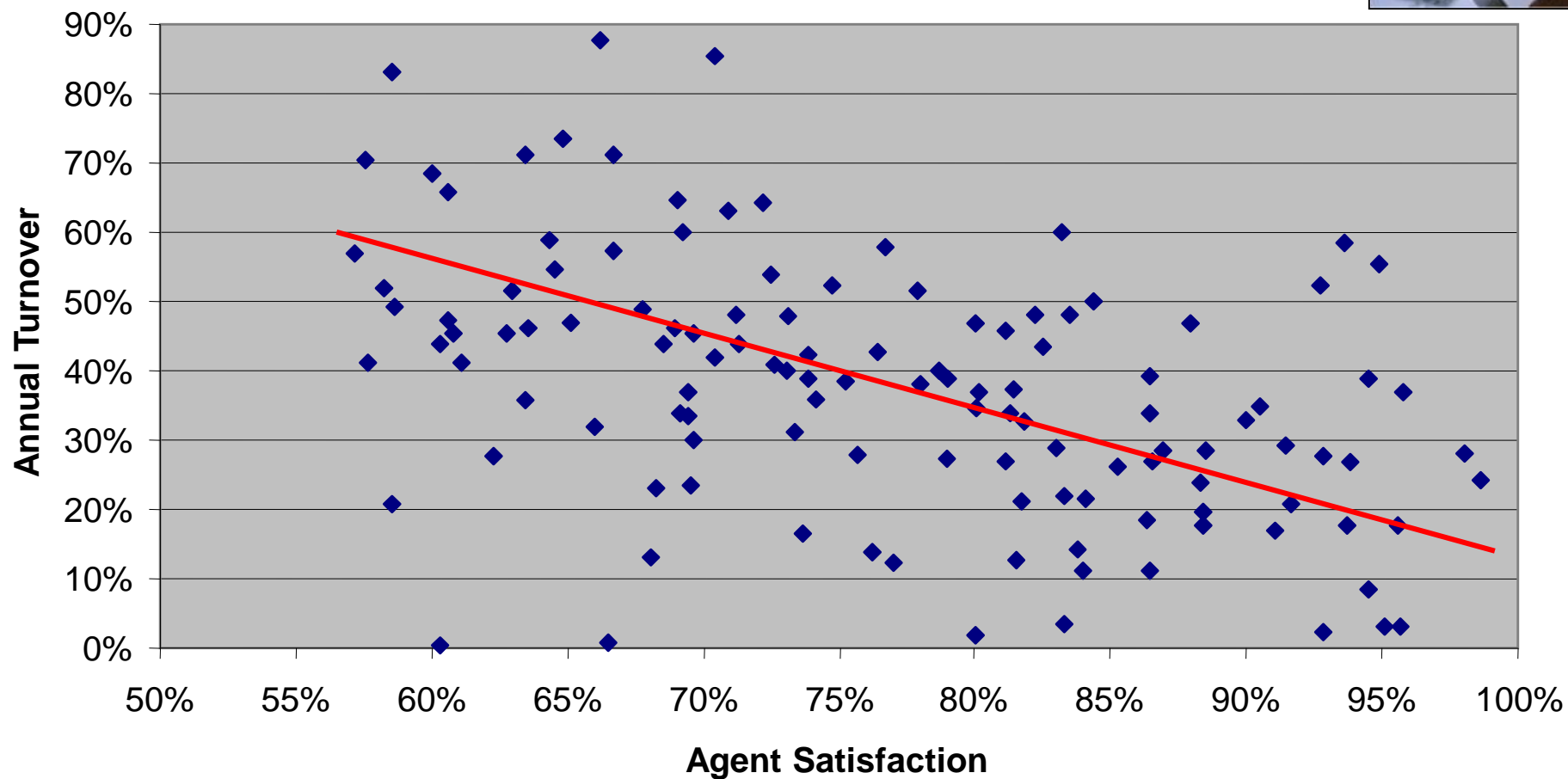


Agent Satisfaction Impacts Customer Satisfaction



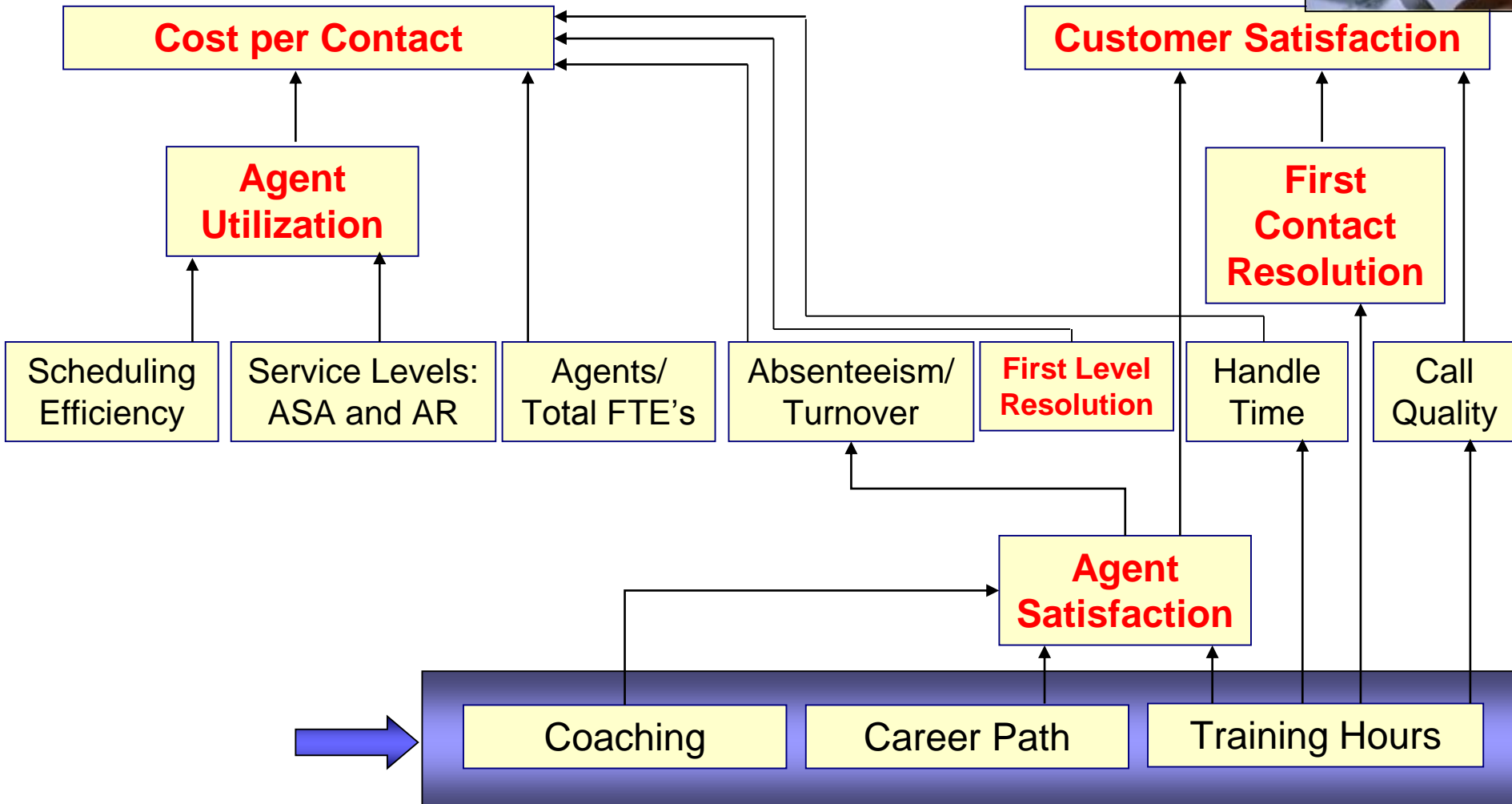


Agent Satisfaction Drives Agent Turnover



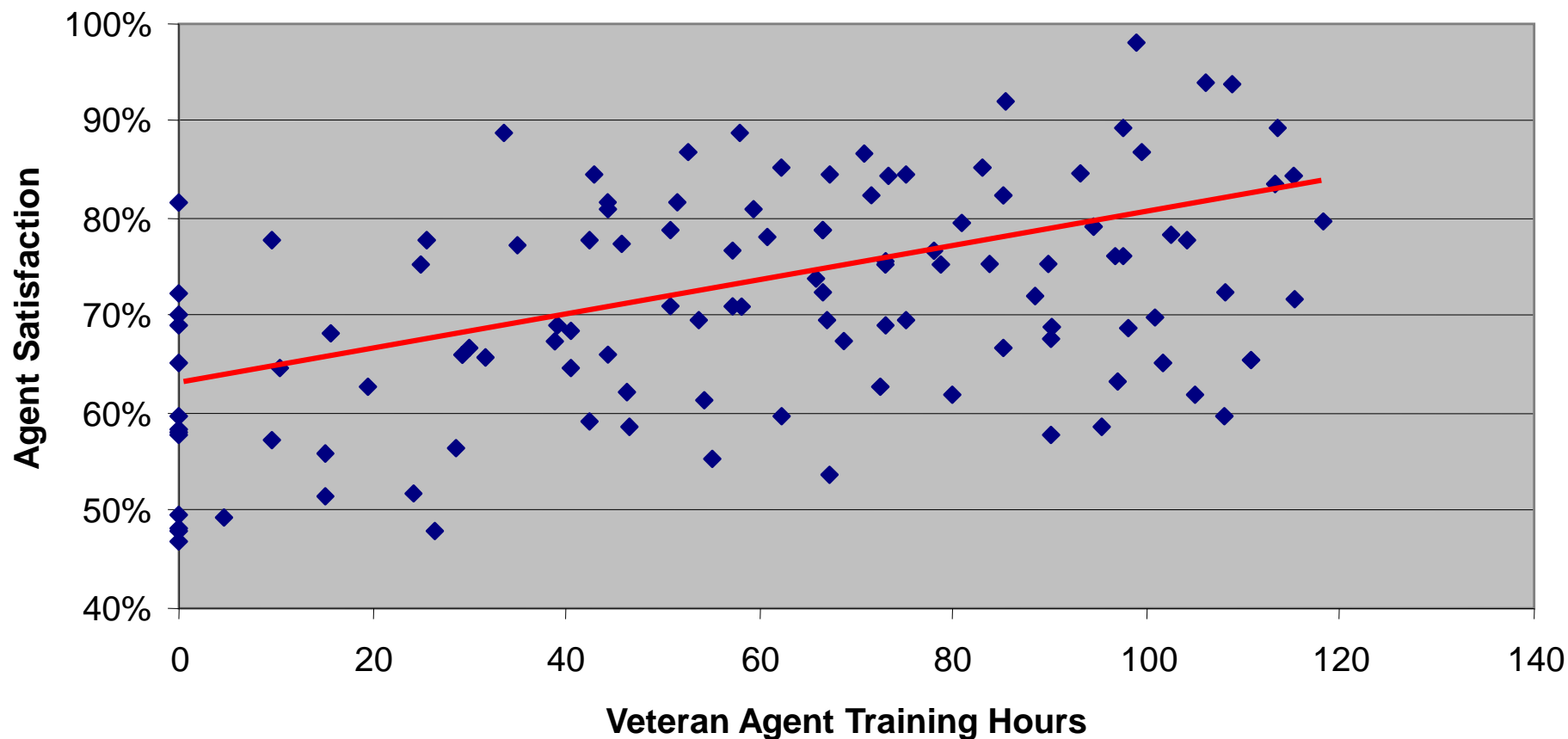


Managing Agent Morale and Job Satisfaction

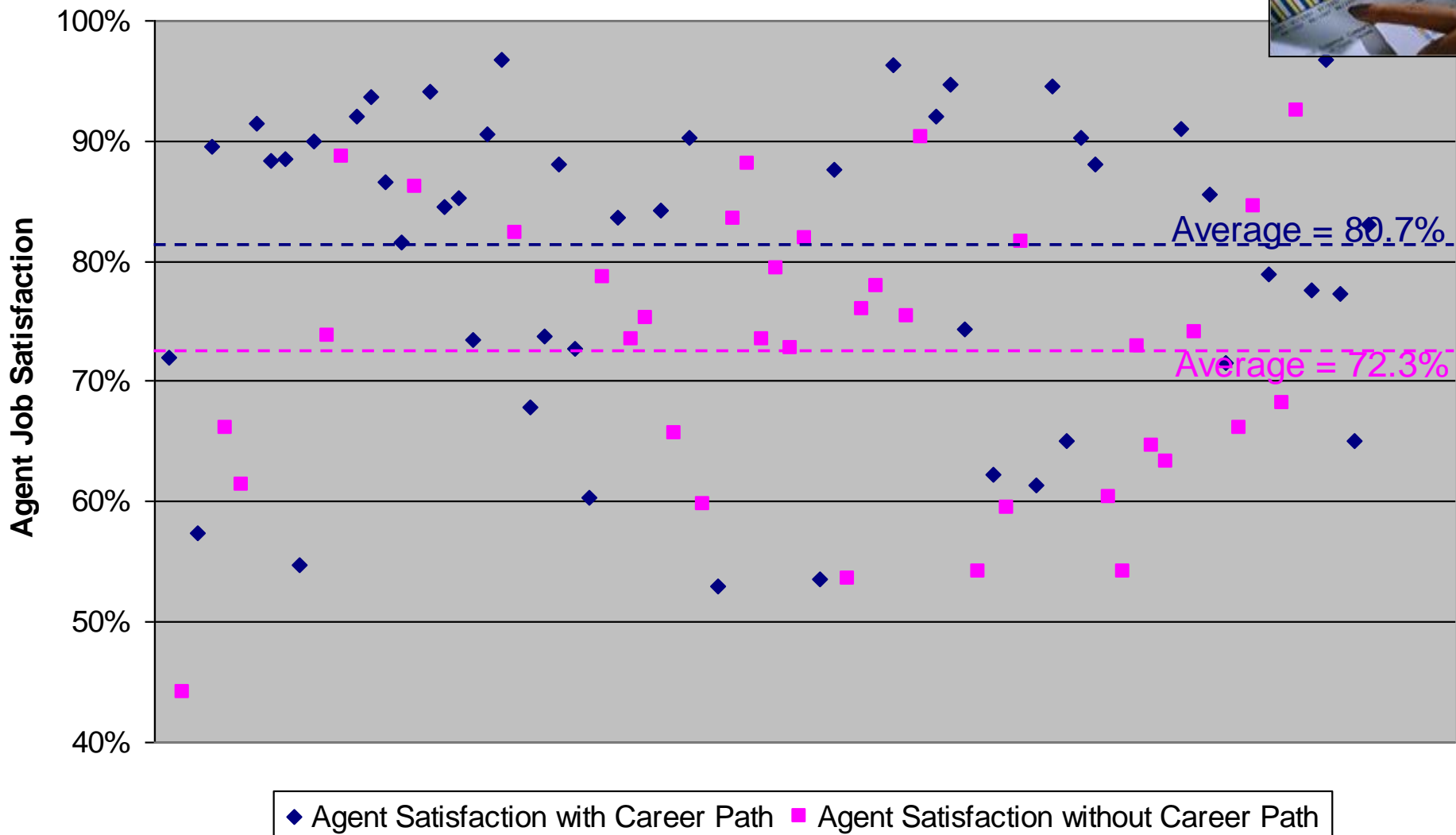




Training Hours Drive Agent Job Satisfaction

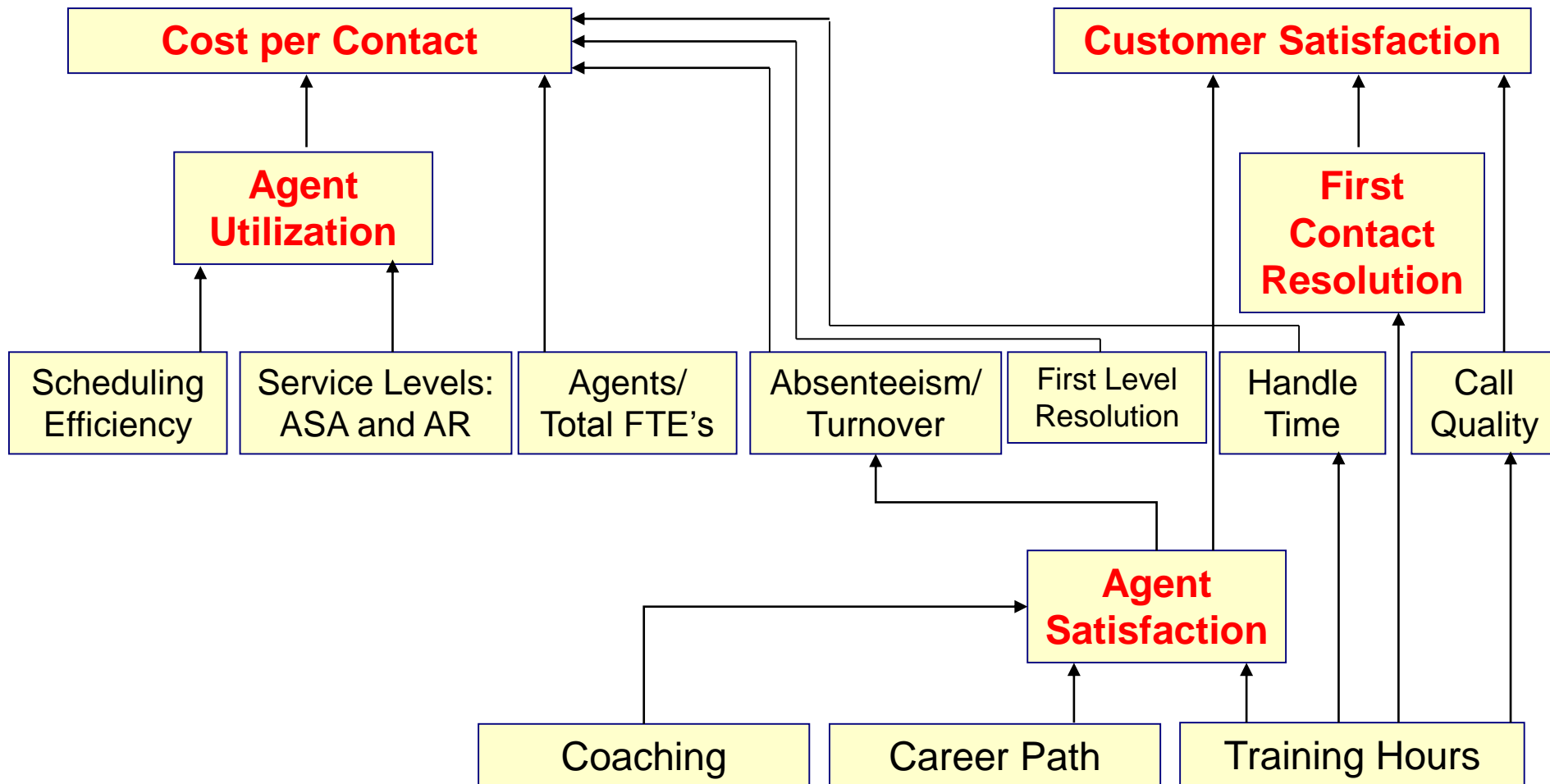


The Impact of Career Path on Agent Job Satisfaction

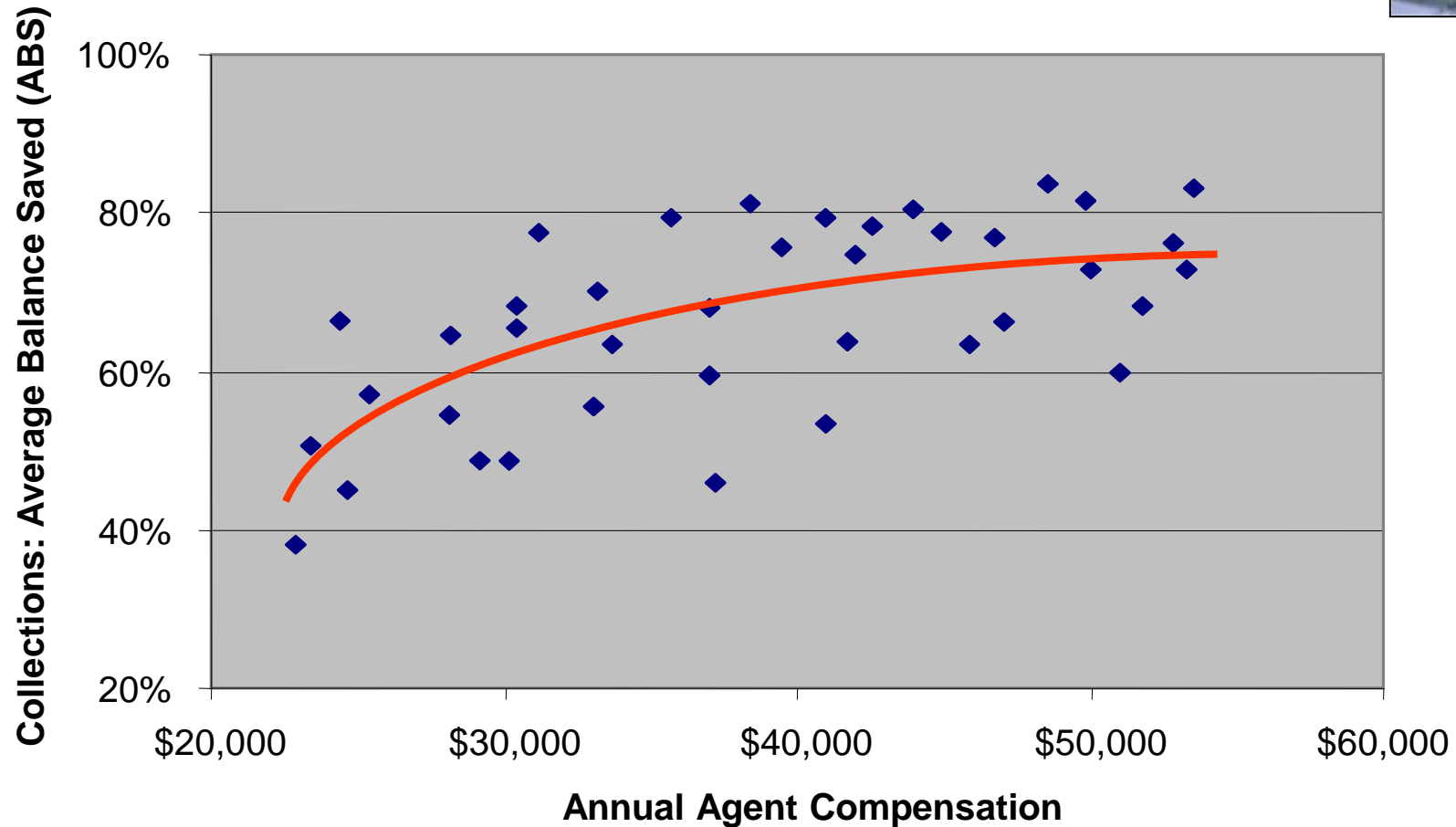




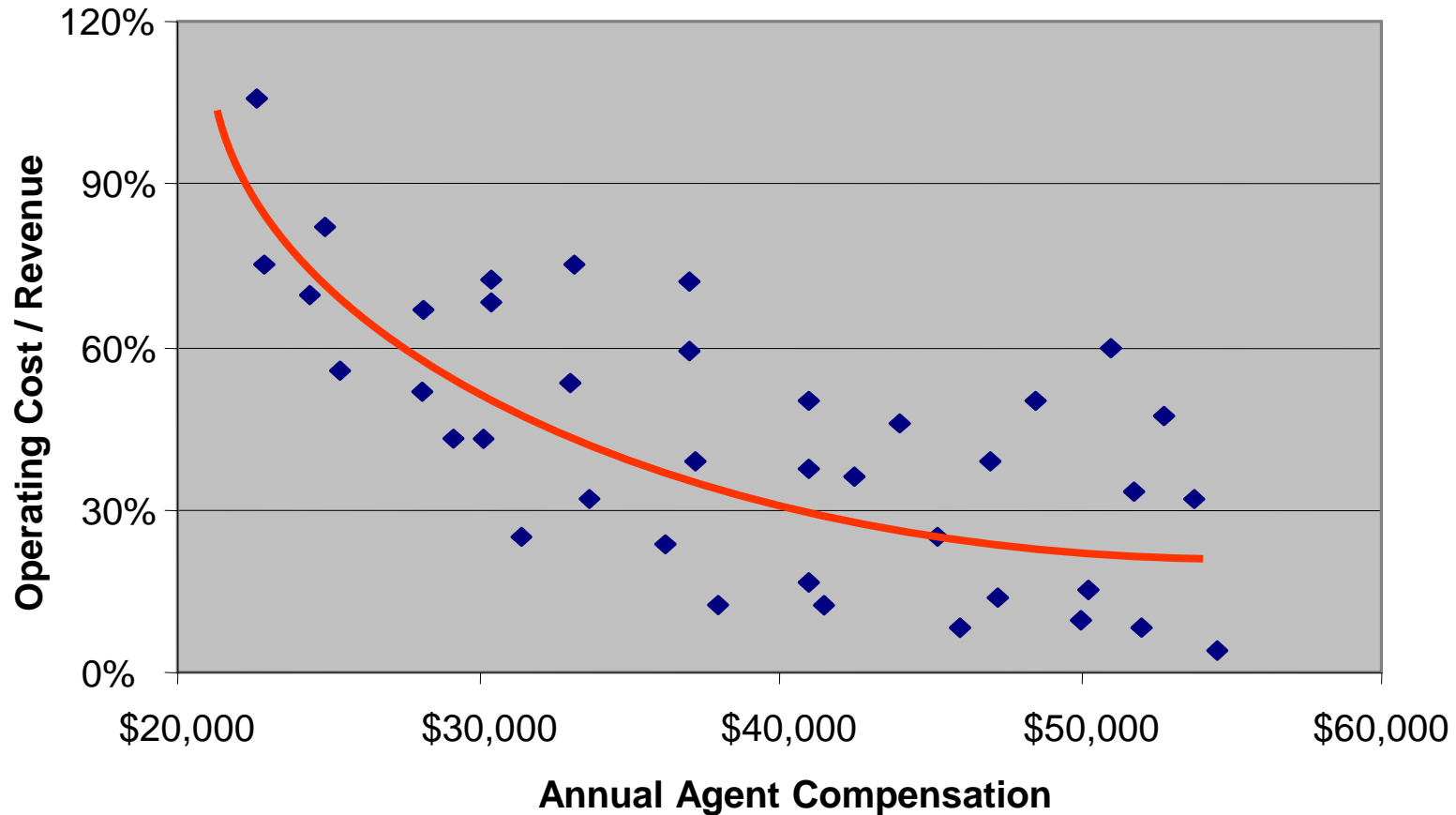
Summary of Operational KPI Correlations



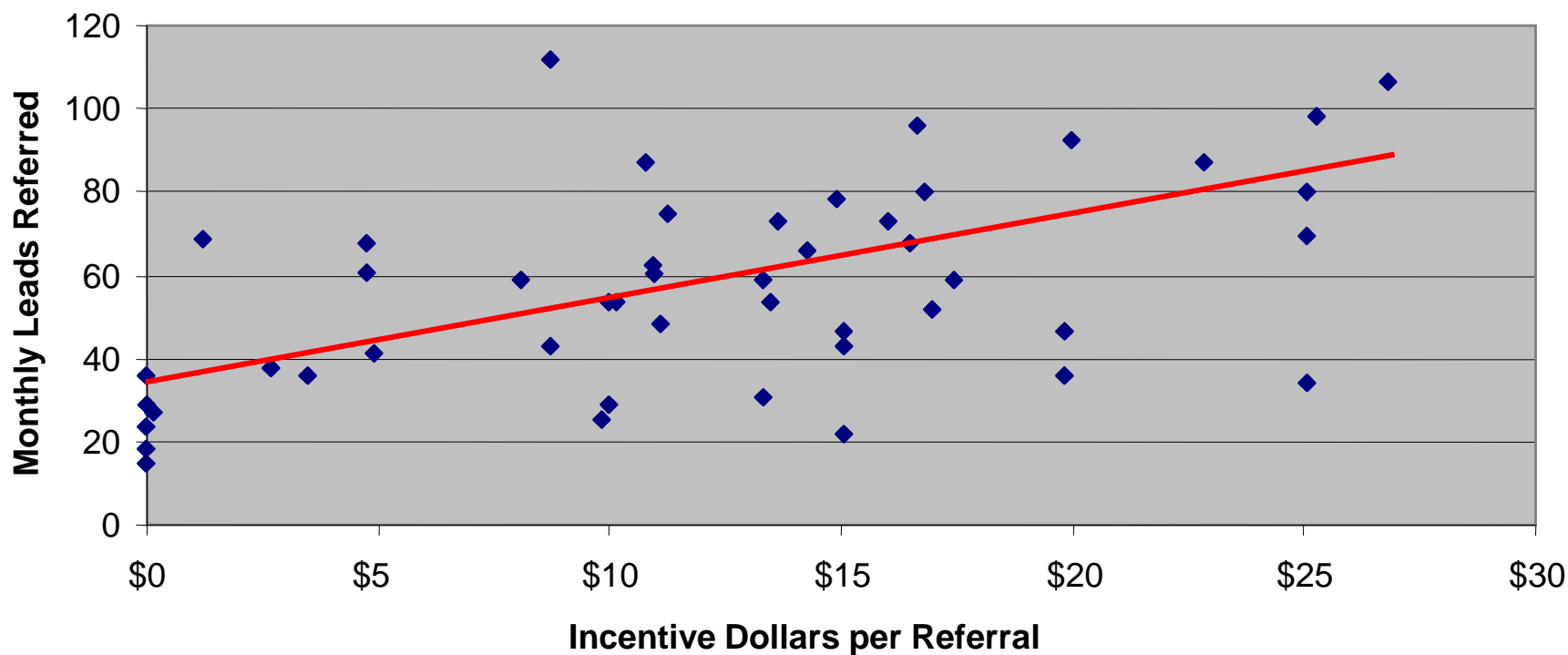
Agent Salary vs. Average Balance Saved (ABS)



Agent Salary vs. Operating Cost/Revenue



CSR Lead Referrals

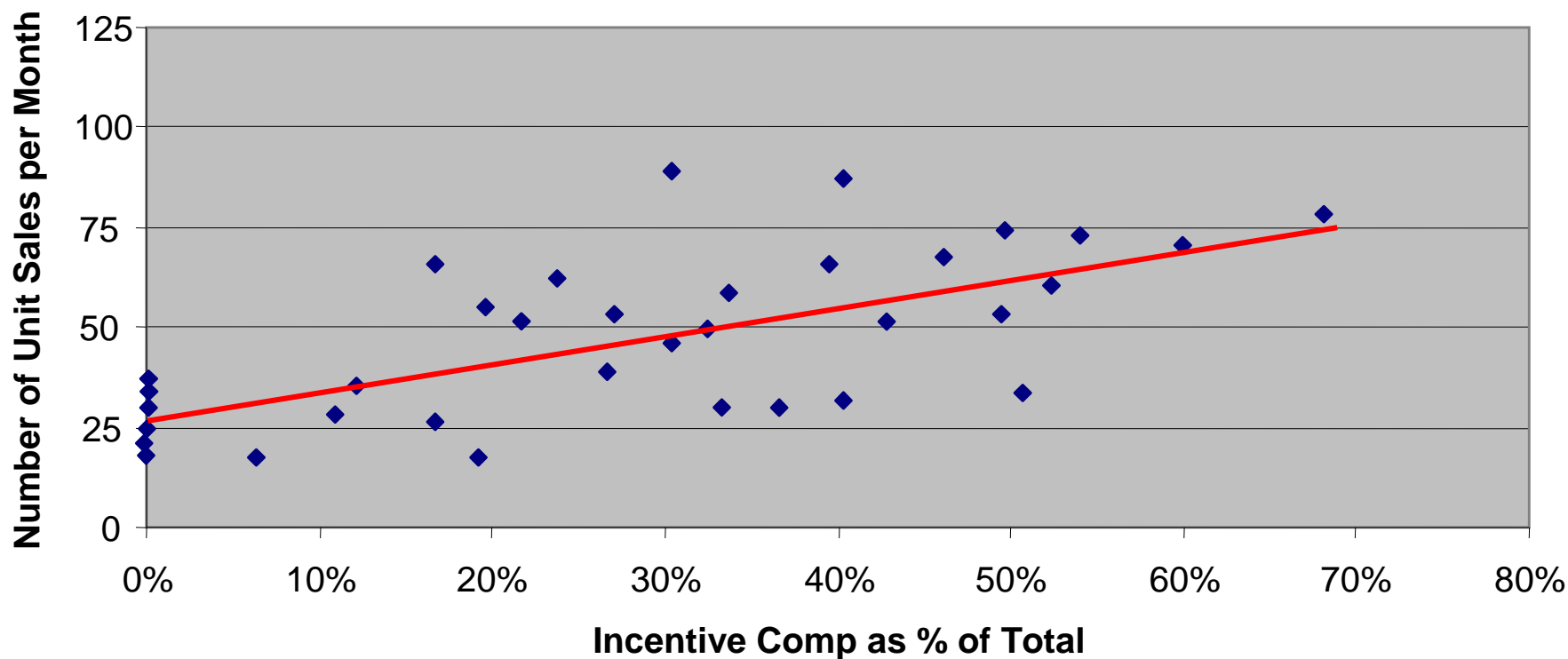


Lead referrals are strongly influenced by incentive dollars





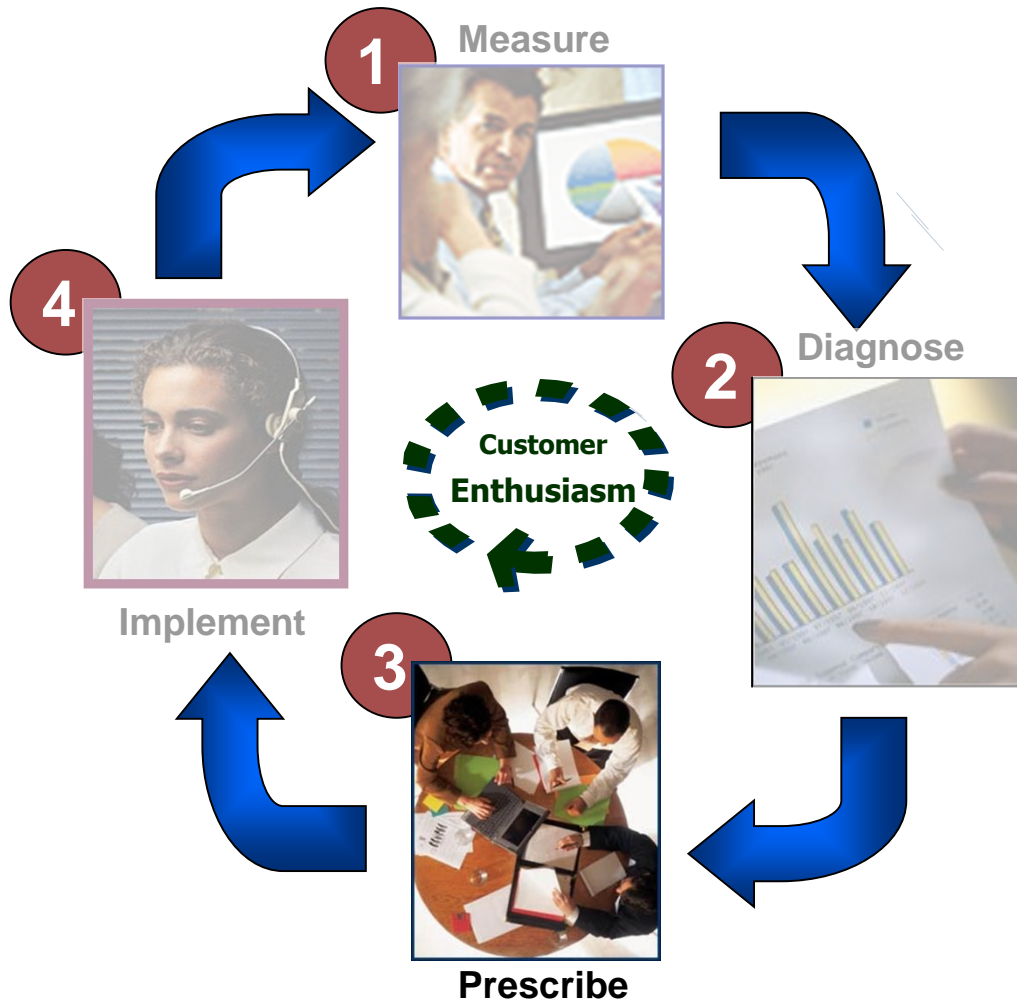
Direct Channel Sales Incentive



Incentive Compensation is strongly linked to sales consultant productivity



Prescribe Actions to Close the Gap!



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Best Practices: Performance Measurement

Performance Measurement: Best Demonstrated Practices		Affected KPI's						
		Cost per Call	Customer Sat	Agent Utilization	First Call Res	Call Quality	Handle Time	Agent Turnover
Metrics, goals, diagnosis and accountability	Performance metrics and goals drive individual accountability and facilitate diagnosis of performance strengths, issues, gaps and call quality improvements.							
Cost and customer satisfaction	Cost and customer satisfaction results measure efficiency and effectiveness, and are two critical indicators for call center operations.							
Formal measurements & performance compliance	Performance measurement is a rigorous discipline assigned to a particular individual or individuals in the call center to ensure service level compliance and consistency in the delivery of customer service .							
Balanced scorecard	A balanced scorecard provides an aggregate measure of call center performance.							
Management Reporting	Reporting is targeted and timed to have maximum impact on key individuals and stakeholder groups in the company.							





Best Practices: Human Resources

Human Resources: Best Demonstrated Practices		Affected KPI's						
		Cost per Call	Customer Sat	Agent Utilization	First Call Res	Call Quality	Handle Time	Agent Turnover
Recruitment	Recruiting is a rigorous and holistic process that measures specific agent competencies, and matches those competencies to the needs of the call center.							
Training	Rigorous and formalized training is available for both new and seasoned agents. Training is customized to meet the needs of each agent, and is designed to meet the strategic goals of the call center.							
Career Pathing	Career paths have been formalized and documented, and often include vertical as well as lateral promotion opportunities. Performance levels required for advancement are clearly articulated. Agents are encouraged to take charge of their own career and skills development.							
Retention	Formal strategies are employed to maximize employee retention. These strategies are designed to improve employee job satisfaction and loyalty, thereby maximizing agent morale and minimizing turnover.							
Coaching and Feedback	Call center management demonstrates commitment to continuous improvement by conducting frequent, one-on-one coaching to each agent, and by providing specific suggestions for improvement and setting attainable goals.							
Performance Standards	Call center agents are held accountable for minimum performance standards with incentives for surpassing, and disincentives for falling short of the standard. Performance goals cover both quality and productivity.							





Best Practices: Call Handling Processes

Call Handling Processes: Best Demonstrated Practices

Affected KPI's

Business Effectiveness
Agent Turnover
Handle Time
Call Quality
First Call Res
Agent Utilization
Customer Sat
Cost per Call

Standardization

Call handling processes are repeatable and standardized, while still allowing for agent judgment and experience.

Call Volume Management

Call handling strategies, such as call reduction through "Load Shedding," call "Channeling," forecasting and aggressive staffing strategies are utilized to predict and proactively handle the variance in call volumes.

Measurement Management

Call centers must aggressively pursue and identify meaningful performance indicators, measure and report against them and analyze the results for significant trend analysis.

Continuous Improvement

Call center has a true culture of excellence through continuous improvement in the delivery of customer services.

Customer-Centricity

Improved customer satisfaction, accessibility and usability are the primary design drivers in the call center.





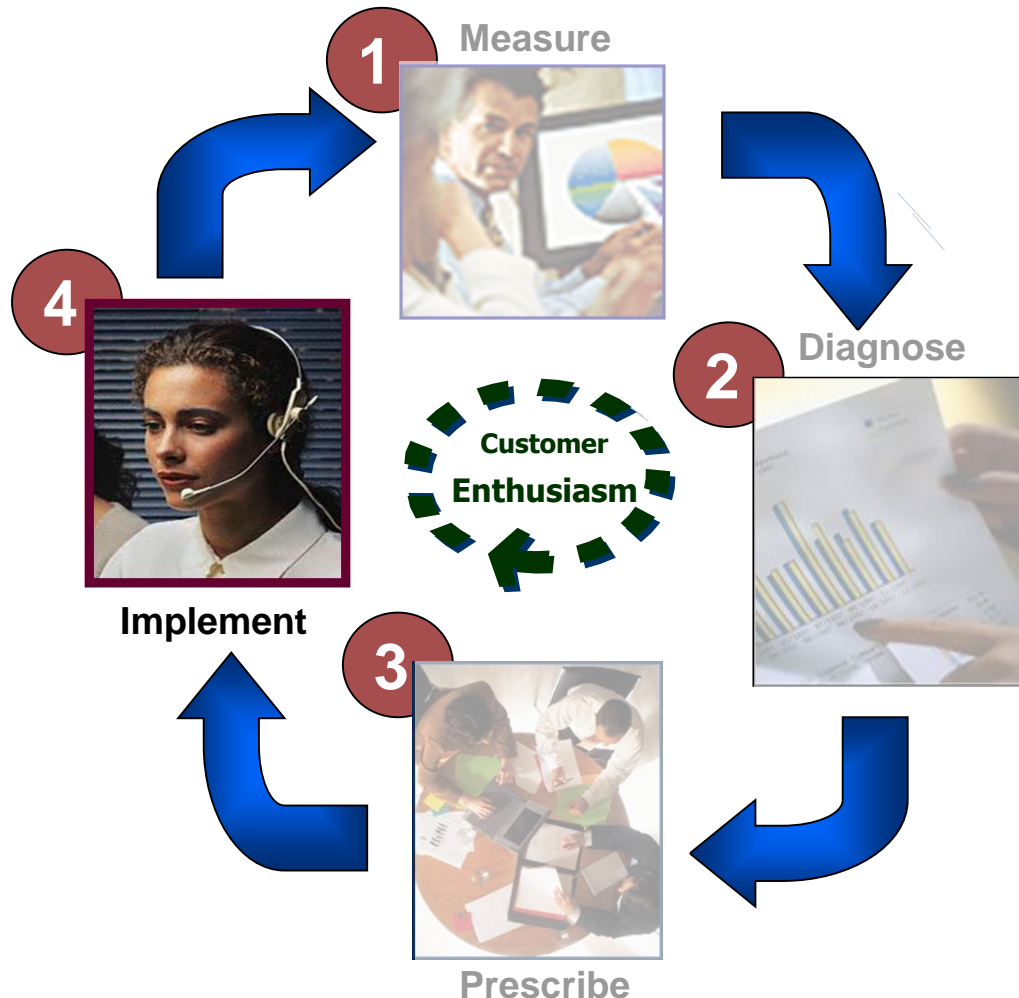
Best Practices: Technology

Technology: Best Demonstrated Practices

		Affected KPI's						
		Cost per Call	Customer Sat	Agent Utilization	First Call Res	Call Quality	Handle Time	Agent Turnover
Technology Hierarchy	Technology enhances the speed and quality of each transaction. It supplements people and process, but does not replace them.							
Strategic Alignment of Technology	Call center technology is consistent with, and supports the strategies of the call center and the enterprise overall.							
Vendor Management	Vendors are actively managed to ensure the adoption of appropriate technology, and good value in technology purchases. The buyer drives the vendor relationship.							
Call Management Customer Tools	The call center and its agents have access to real-time tools that optimize call flow management, call logging and tracking to achieve resolution.							
Knowledge Management	Knowledge capture and customer history are used to enhance the value of each customer interaction .							

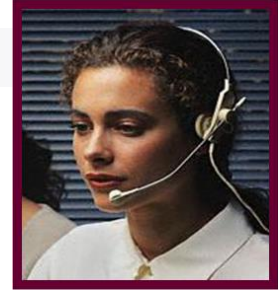


Implement Your Action Plan!

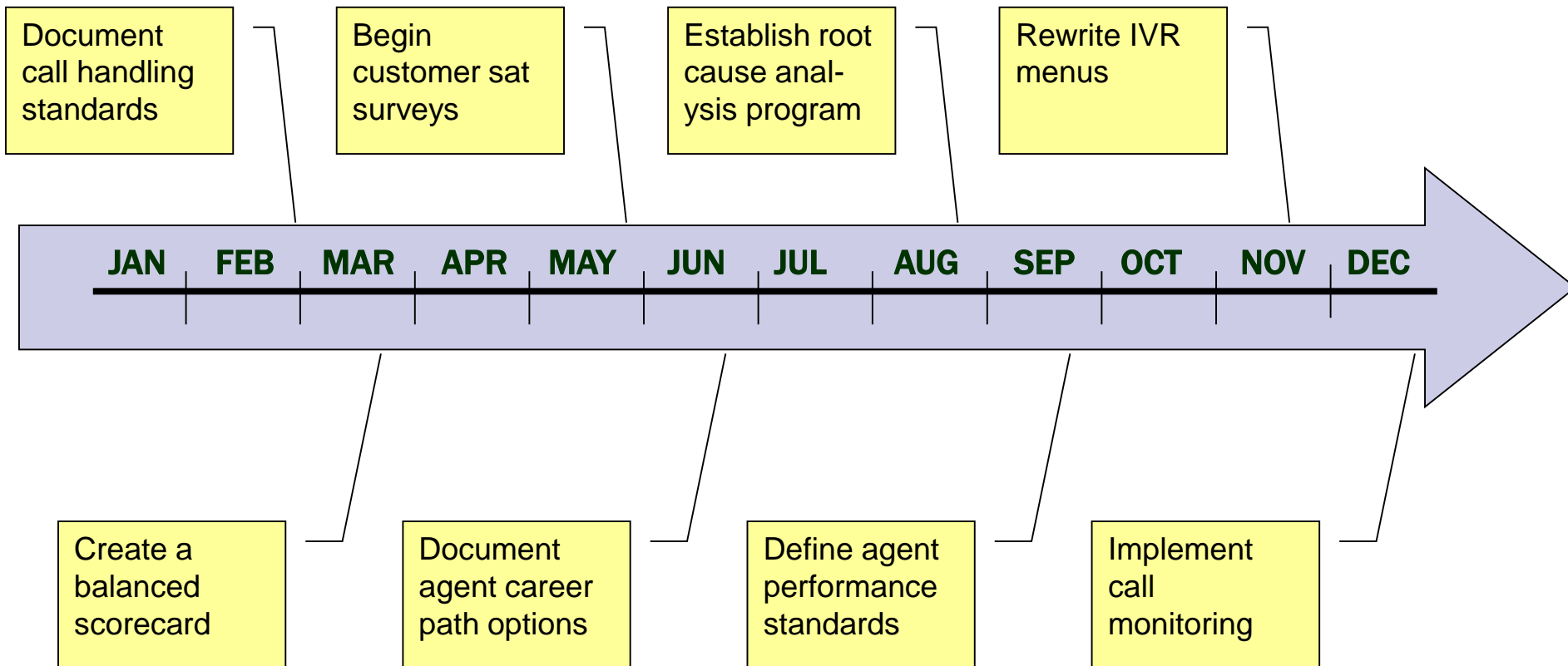


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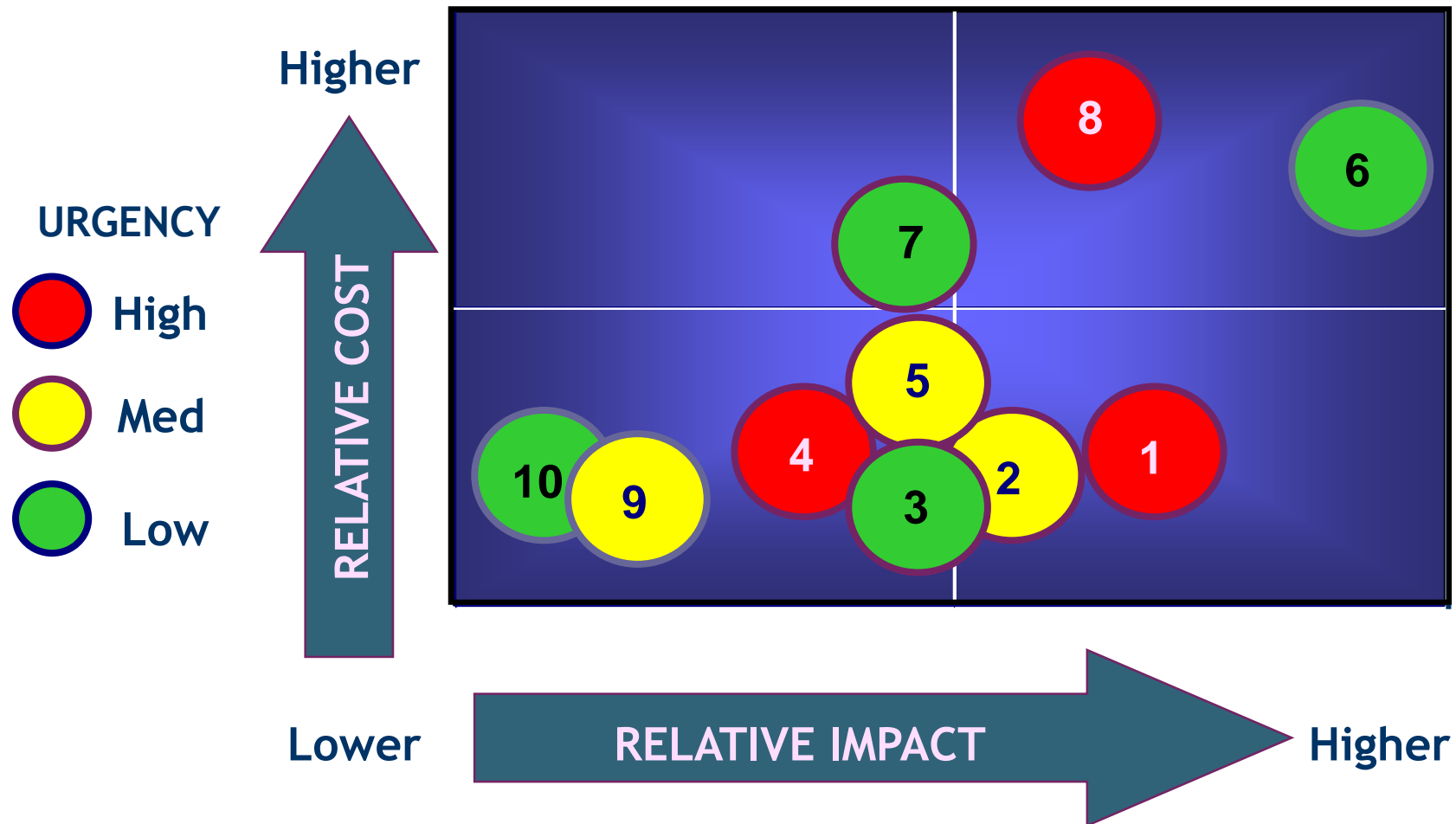


Now Implement Your Action Plan!





Prioritizing Your Action Plan





And Establish Performance Goals

DOMAIN	PERFORMANCE METRIC	CURRENT PERFORMANCE	PERFORMANCE GOAL
CALL CENTER	Cost per Contact	\$7.90	\$6.00
	Customer satisfaction	71%	80%
	Agent Utilization	49%	60%
	First contact resolution	61%	70%
	Agent Satisfaction	56%	75%
	Balanced Score	52%	70%
AGENT	Customer satisfaction	By individual	85%
	Number of contacts handled per month	By individual	650
	Call quality	By individual	90 out of 100
	First Contact Resolution	By individual	75%

- Define KPI's to track and trend
- Measure baseline performance
- Establish “stretch” goals for each KPI
- Measure performance at least monthly
- Post performance trends and periodically reset goals





The CSR Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Customer Satisfaction	20.0%	67.0%	94.0%	83.0%	59.3%	11.9%
First Contact Resolution Rate (Incidents)	20.0%	38.0%	84.0%	61.0%	50.0%	10.0%
Incidents Closed this Month	15.0%	19.9	76.9	59.8	69.9%	10.5%
Service Requests Closed This Month	15.0%	15.6	42.2	28.5	48.6%	7.3%
Unplanned Absenteeism	7.5%	0.0%	22.0%	19.0%	86.4%	6.5%
Teamwork	7.5%	0.0	5.0	3.5	69.9%	5.2%
Initiative	7.5%	0.0	5.0	5.0	100.0%	7.5%
Mentoring	7.5%	0.0	5.0	4.5	90.0%	6.7%
Total	100.0%	N/A	N/A	N/A	N/A	43.7%

Step 1

Eight critical performance metrics have been selected for the agent scorecard

Step 3

For each performance metric, the highest and lowest performance levels in the benchmark are recorded

Step 5

Your score for each metric is then calculated:

$$(\text{worst case} - \text{actual performance}) / (\text{worst case} - \text{best case}) \times 100$$

Step 2

Each metric has been weighted according to its relative importance

Step 4

Each agent's actual performance for each metric is recorded in this column

Step 6

Your balanced score for each metric is calculated: metric score X weighting

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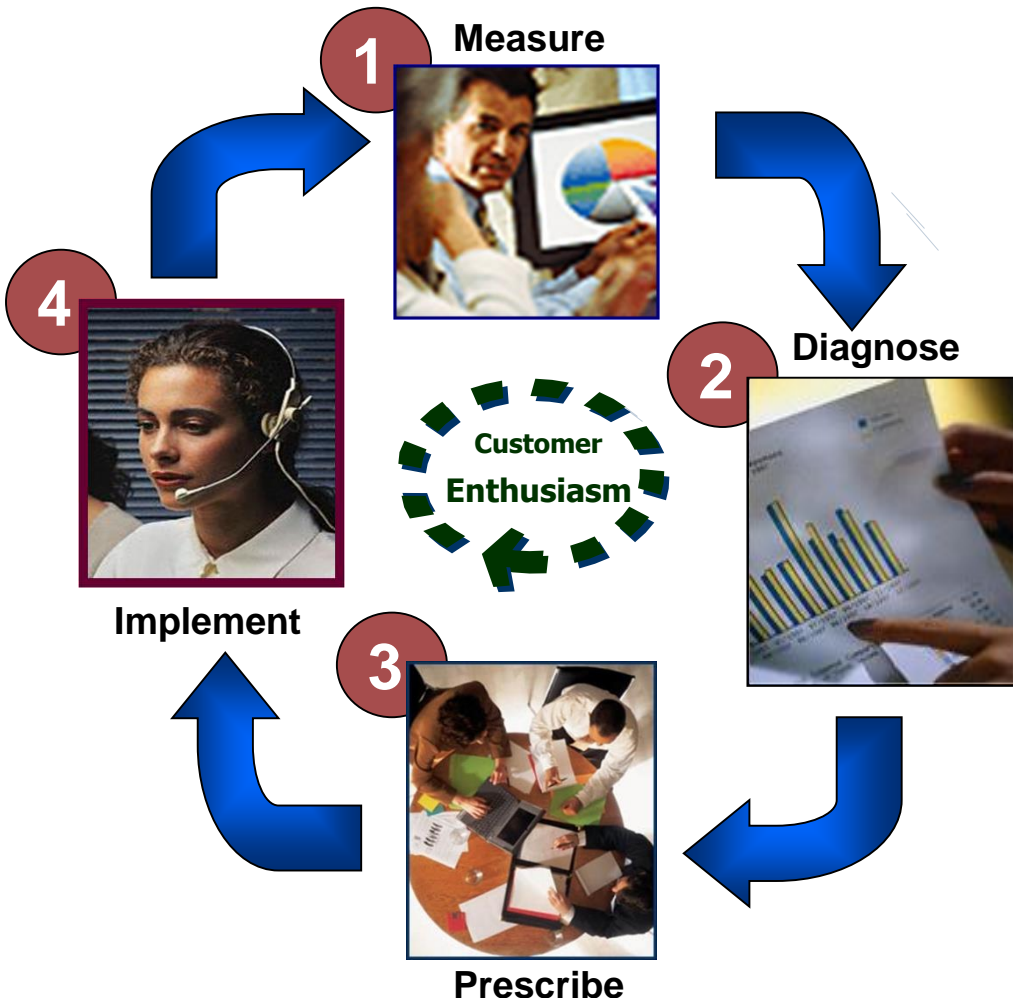


Monthly Agent Performance Postings

Agent Number	Monthly Ranking	Monthly Scorecard Performance						Six Month Average
		Sep	Aug	Jul	Jun	May	Apr	
11	1	95.8%	98.0%	97.1%	95.7%	98.3%	97.3%	97.0%
32	2	92.8%	92.1%	90.3%	89.3%	84.6%	92.2%	90.2%
21	3	91.5%	88.5%	83.2%	94.0%	93.7%	93.5%	90.7%
35	4	91.0%	86.8%	85.2%	78.5%	80.5%	68.2%	81.7%
14	5	89.5%	89.1%	90.0%	90.1%	92.3%	92.1%	90.5%
26	6	83.8%	84.4%	90.2%	86.5%	77.8%	63.9%	81.1%
25	7	83.0%	73.6%	81.9%	72.1%	84.8%	87.9%	80.5%
15	8	70.4%	66.6%	53.3%	56.3%	56.6%	39.0%	57.0%
20	9	64.9%	66.5%	70.1%	56.9%	40.9%	72.7%	62.0%
31	10	62.3%	47.4%	22.7%	38.4%	26.0%	93.0%	48.3%
16	11	61.0%	62.8%	54.5%	45.9%	41.7%	62.7%	54.8%
17	12	57.9%	42.1%	32.3%	71.6%	60.3%	60.3%	54.1%
33	13	56.8%	75.5%	64.8%	80.3%	79.7%	73.5%	71.8%
13	14	52.2%	34.9%	61.0%	52.8%	58.9%	48.7%	51.4%
24	15	48.9%	66.7%	86.9%	87.7%	83.6%	74.5%	74.7%
28	16	46.4%	45.5%	19.3%	40.3%	28.8%	32.4%	35.4%
27	17	43.7%	26.5%	31.5%	24.3%	22.2%	17.2%	27.6%
19	18	41.5%	28.4%	50.1%	48.1%	71.1%	81.0%	53.4%
23	19	39.1%	52.3%	57.1%	86.4%	87.7%	88.9%	68.6%
22	20	36.8%	18.7%	19.3%	52.9%	66.4%	64.3%	43.1%
12	21	36.6%	43.2%	33.1%	65.7%	69.0%	86.0%	55.6%
30	22	36.3%	22.6%	23.5%	85.8%	81.5%	70.3%	53.3%
29	23	34.1%	44.9%	50.2%	28.3%	48.9%	36.9%	40.5%
34	24	33.4%	37.9%	23.1%	21.7%	29.7%	22.6%	28.0%
18	25	32.6%	68.4%	80.4%	88.4%	83.8%	91.6%	74.2%
Monthly Average		59.3%	58.5%	58.0%	65.5%	66.0%	68.4%	62.6%



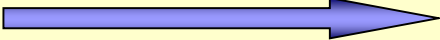

Call Center KPI Summary



Model Component	Description
1. Measure	Measure performance on an ongoing basis
2. Diagnose	Benchmark performance and conduct a gap analysis annually
3. Prescribe	Define actions to close the gaps
4. Implement	Implement your action plan and improve performance



Your Opportunity to Excel!

- Performance Measurement in the Call Center Should be a Holistic Discipline
- Successful Measurement Goes Well Beyond Tracking and Trending to Produce Actionable Insights
- Near Term Goal  Improved Performance
- Ultimate Goal  World-Class Performance
- Effective Performance Measurement and Management is the Key to Becoming World-Class
- The Key to Getting Results is to Take Action!

Just Do It!!





Questions?



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Thank You!



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Contact MetricNet...



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Questions?



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Thank You!



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Your Benchmarking Partner



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Your Speaker: Jeff Rumburg



- Co Founder and Managing Partner, MetricNet, LLC
- Winner of the 2014 Ron Muns Lifetime Achievement Award
- Former CEO, The Verity Group
- Former Vice President, Gartner
- Founder of the Service Desk Benchmarking Consortium
- Author of *A Hands-On Guide to Competitive Benchmarking*
- Harvard MBA, Stanford MS



Benchmarking is MetricNet's Core Business

Information Technology

- Service Desk
- Desktop Support
- Field Support

Call Centers

- Customer Service
- Technical Support
- Telemarketing/Telesales
- Collections

Telecom

- Price Benchmarking

Satisfaction

- Customer Satisfaction
- Employee Satisfaction



27 Years of Call Center Benchmarking Data



Global Database

More than 3,700 Call Center Benchmarks

30 Key Performance Indicators

Nearly 80 Industry Best Practices



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