

icmi™ EMPOWERING CONTACT CENTER EXCELLENCE



TRAINING | EVENTS | RESOURCES | CONSULTING

icmiTM CONTACT CENTER DEMO

Session 406:

Contact Center Cause-and-Effect:

Leveraging the Full Potential of Your KPIs

Jeff Rumburg, *Managing Partner*, MetricNet, LLC

28 Years of Contact Center Benchmarking Data



- Global Database
- More than 3,700 Contact Center Benchmarks
- 70+ Key Performance Indicators
- Nearly 120 Industry Best Practices

What Do Business Results Look Like?

- ❑ Return on Investment

- ❑ Profit = Revenue – Cost

- ❑ Increase Revenue

- Grow market share
- Repeat business / Customer Loyalty
- Higher Product Count per Customer

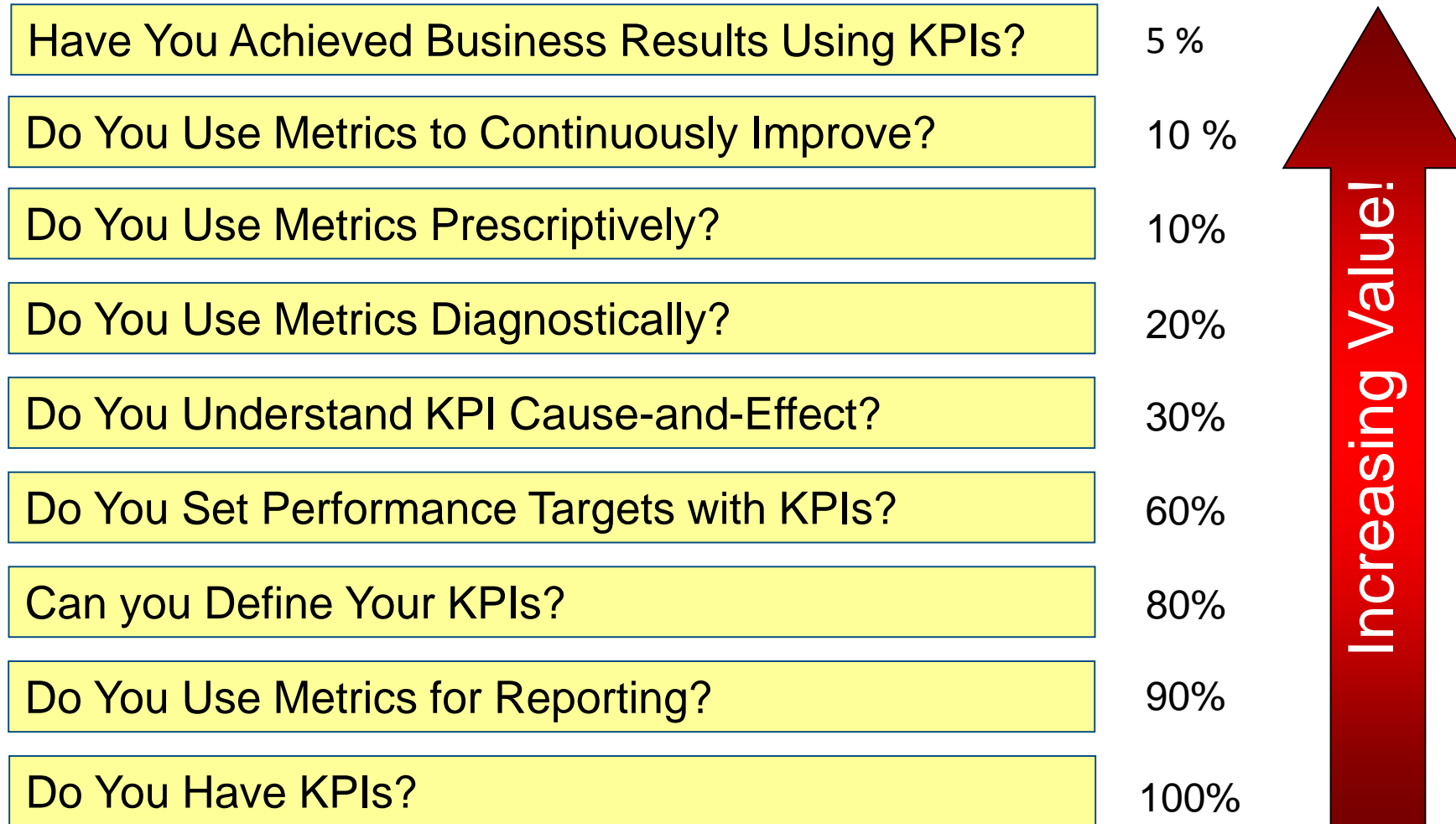
- ❑ Decrease Costs

- ❑ Reduce operational expense
- ❑ Reduce agent turnover and absenteeism
- ❑ Increase agent productivity

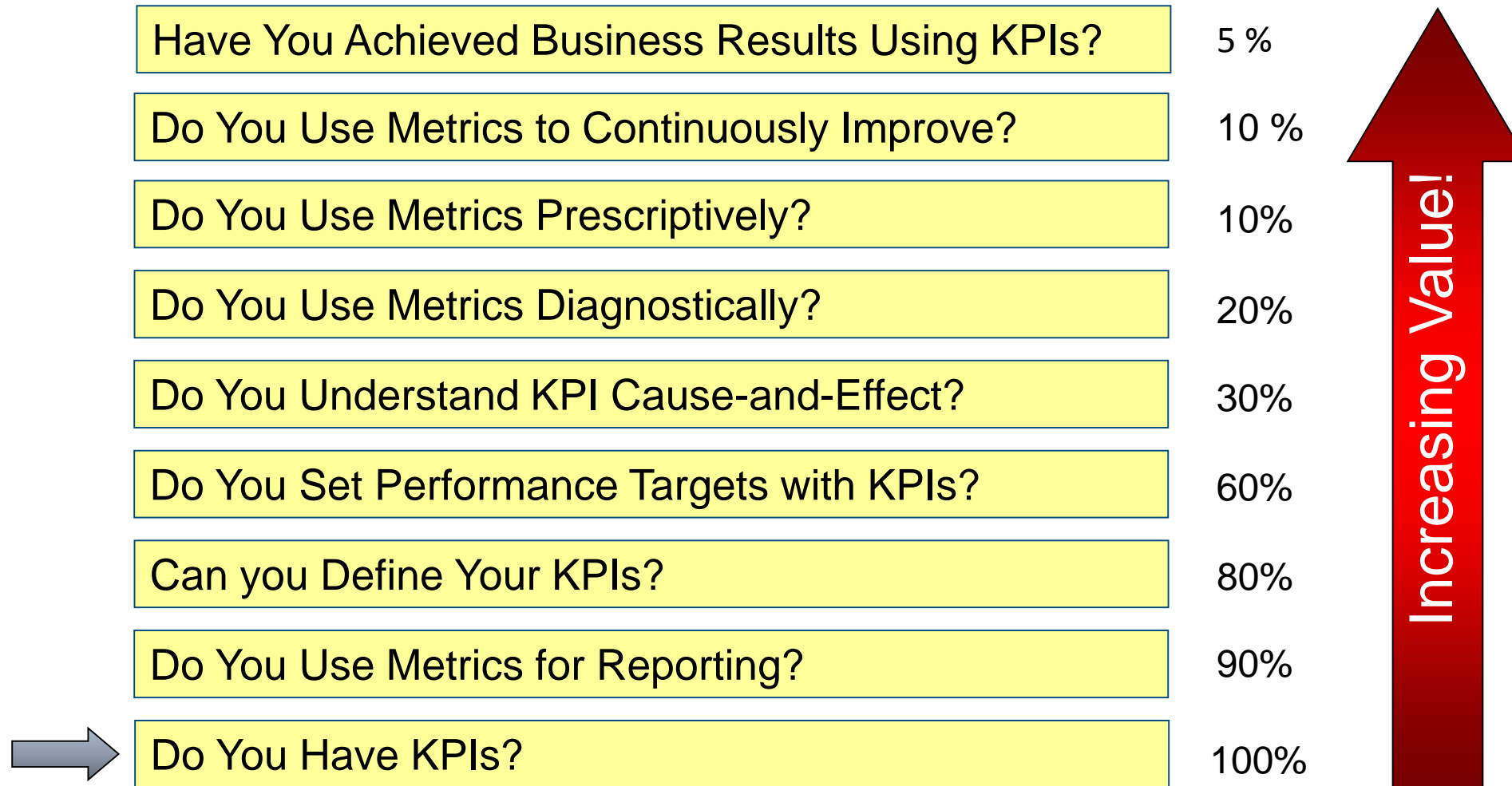
Some Important Questions to Ask About KPIs

| | |
|--|------|
| Have You Achieved Business Results Using KPIs? | 5 % |
| Do You Use Metrics to Continuously Improve? | 10 % |
| Do You Use Metrics Prescriptively? | 10% |
| Do You Use Metrics Diagnostically? | 20% |
| Do You Understand KPI Cause-and-Effect? | 30% |
| Do You Set Performance Targets with KPIs? | 60% |
| Can you Define Your KPIs? | 80% |
| Do You Use Metrics for Reporting? | 90% |
| Do You Have KPIs? | 100% |

The Dilemma with Contact Center KPIs



Achieving Business Results with Your KPIs!



Two Types of Contact Center Metrics

Operational Metrics

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

Business Effectiveness

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

The 80/20 Rule for Operational KPIs

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

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

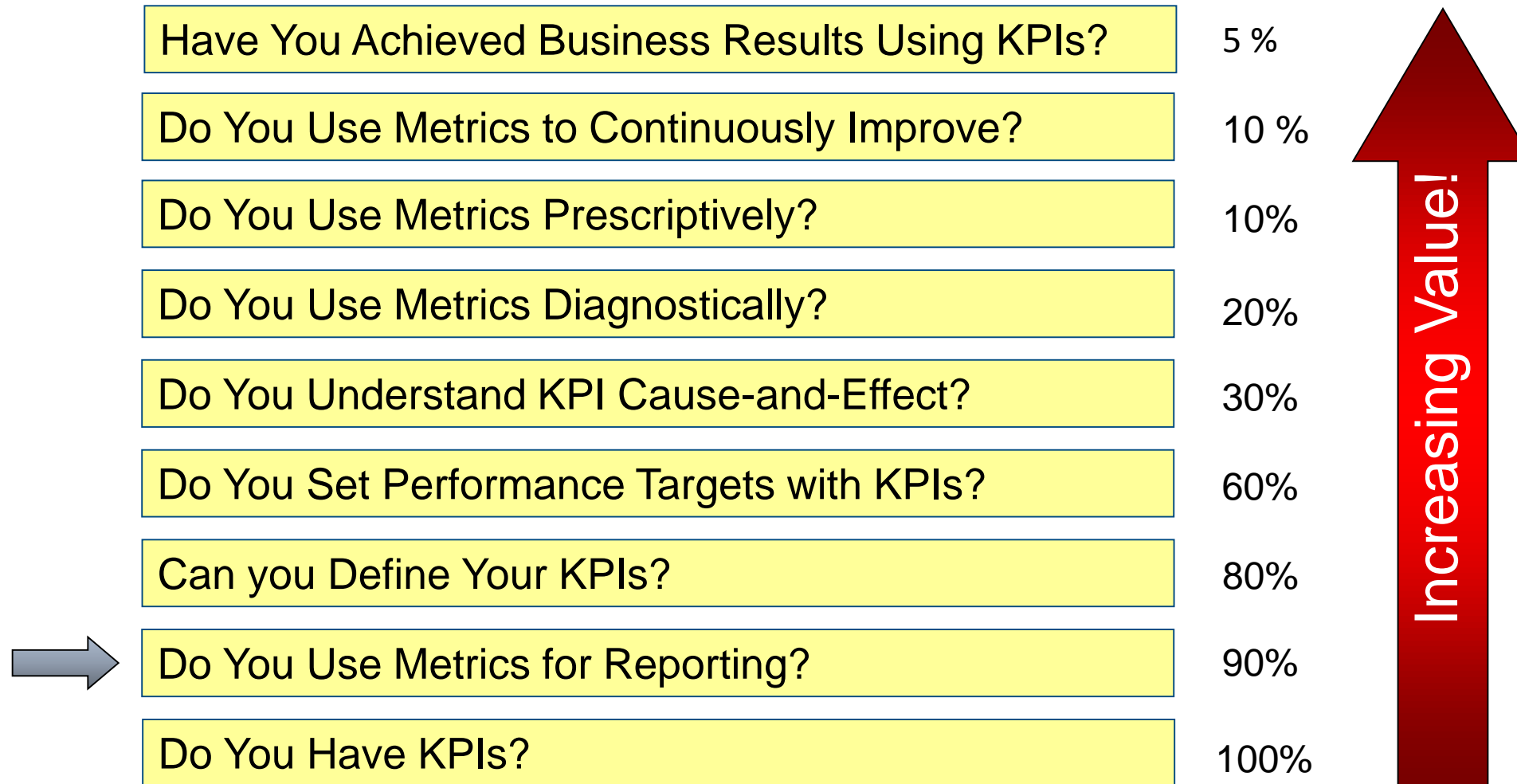
Telecom

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

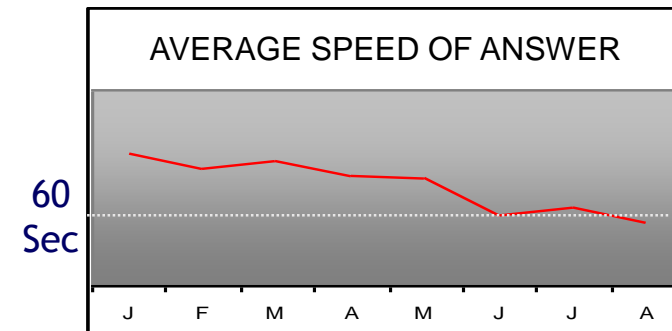
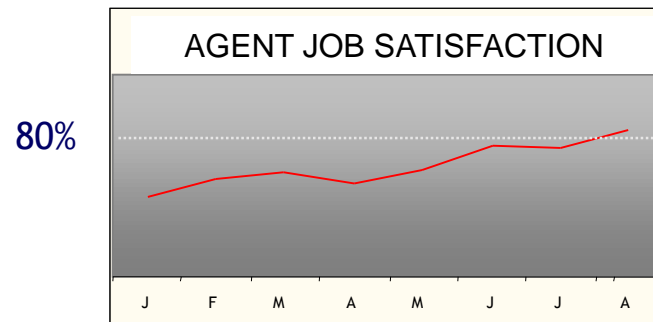
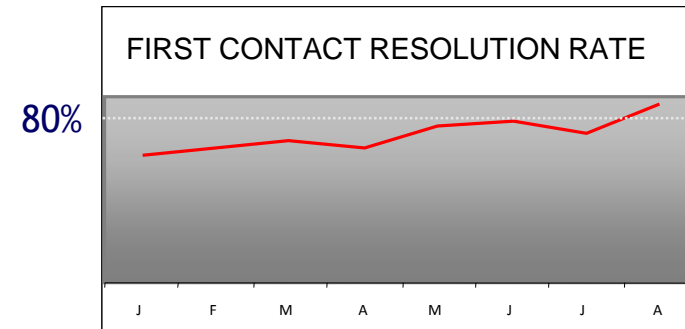
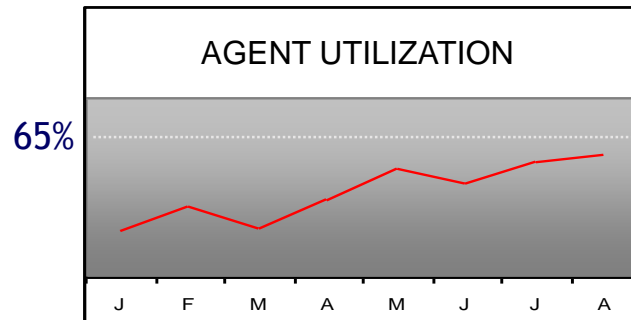
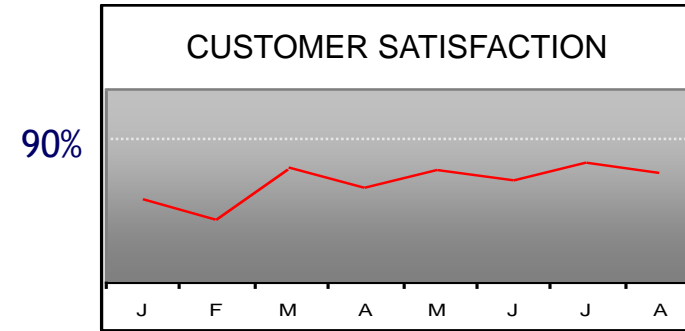
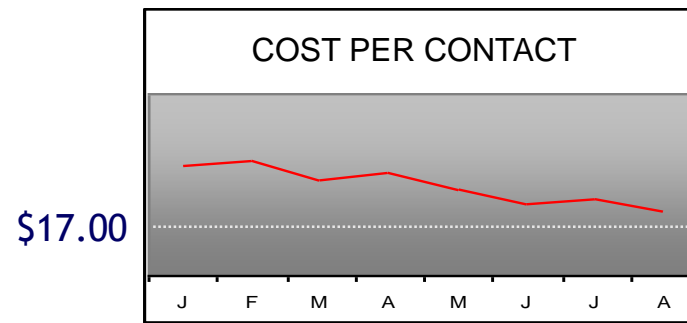
Retirement

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

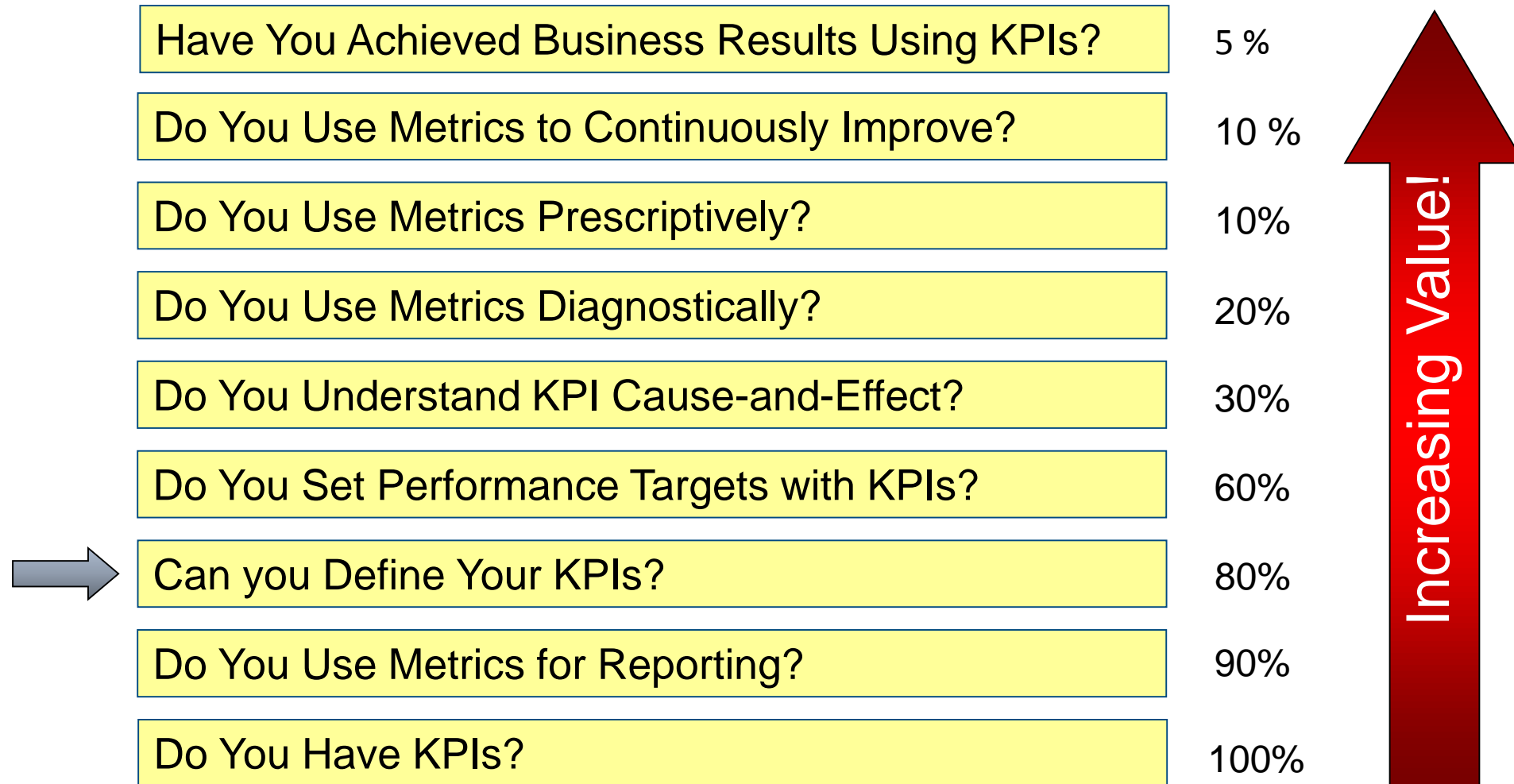
Achieving Business Results with Your KPIs!



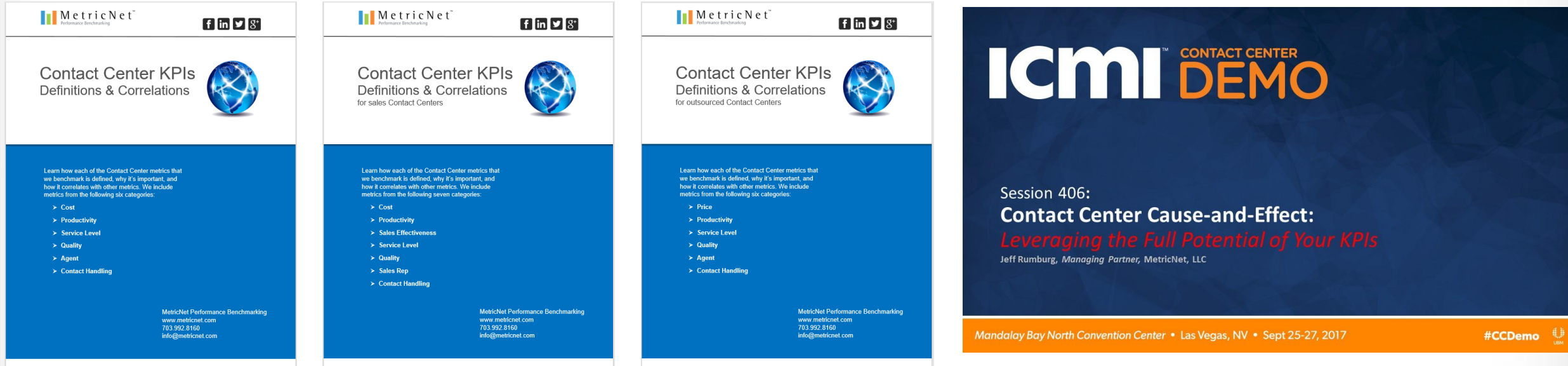
Reporting: A Good Start



Achieving Business Results with Your KPIs!

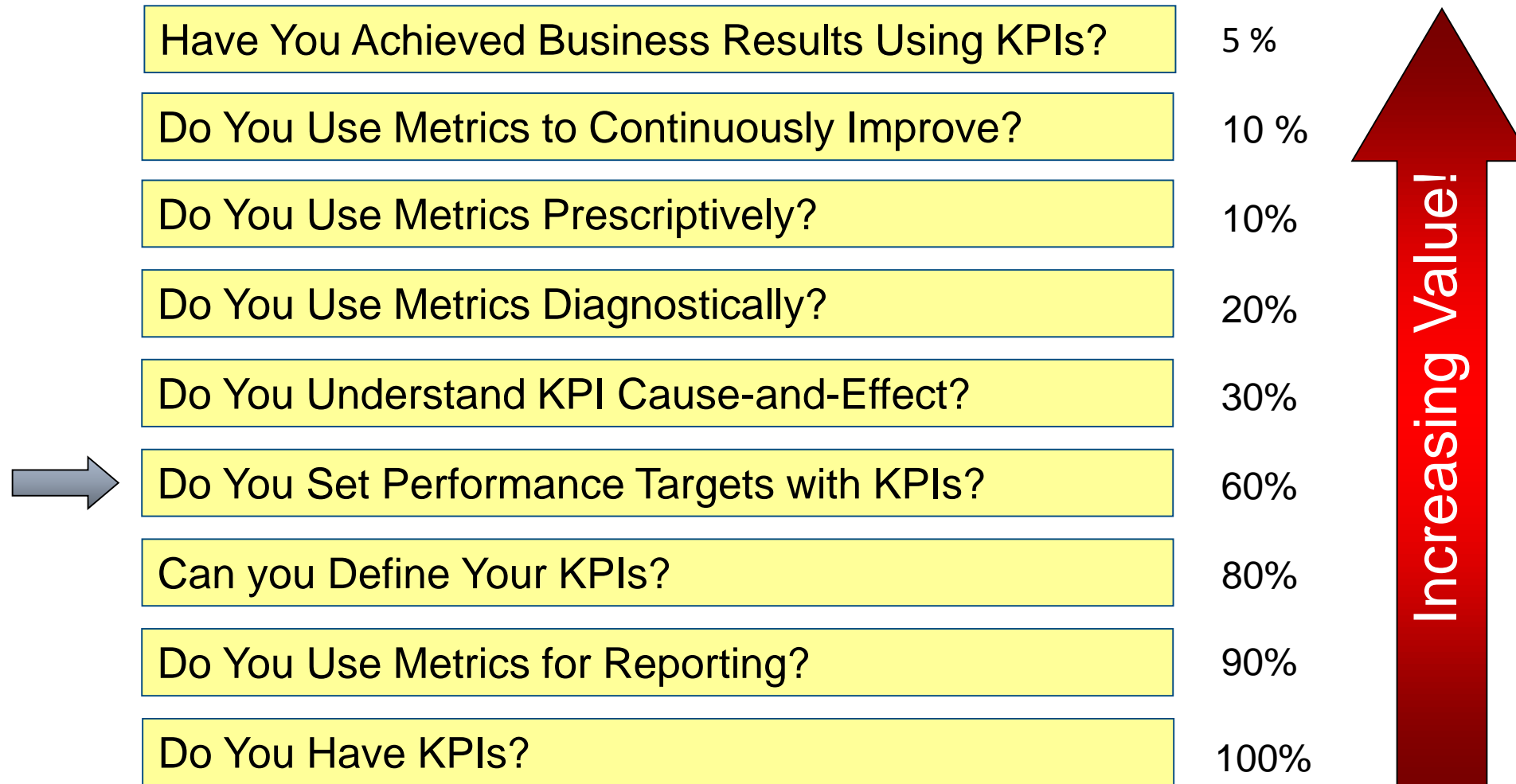


Download eBooks of KPI Definitions and the Presentation



<https://www.metricnet.com/icmi17/>

Achieving Business Results with Your KPIs!



2016 Contact Center Benchmarking Summary

| Metric Type | Key Performance Indicator (KPI) | Peer Group Statistics | | | |
|---------------------|--|-----------------------|--------|--------|---------|
| | | Average | Min | Median | Max |
| Inbound Channel Mix | Voice % of Total | 67.3% | 19.1% | 67.6% | 100.0% |
| | Chat % of Total | 5.9% | 0.0% | 3.8% | 33.2% |
| | IVR % of Total | 21.3% | 0.0% | 20.5% | 69.3% |
| | Web Ticket/Email % of Total | 3.8% | 0.0% | 3.5% | 11.8% |
| | Other % of Total | 1.5% | 0.0% | 1.4% | 4.4% |
| Cost | Average Cost per Voice Contact | \$6.57 | \$2.12 | \$5.79 | \$20.82 |
| | Average Cost per Chat Session | \$7.85 | \$3.51 | \$7.07 | \$17.94 |
| | Average Cost per Web Ticket/Email Contact | \$6.65 | \$2.71 | \$6.08 | \$22.21 |
| | Average Cost per Agent-Assisted Contact | \$6.66 | \$2.12 | \$5.85 | \$20.97 |
| | Average Cost per Contact (incl. IVR) | \$4.78 | \$2.12 | \$4.62 | \$9.03 |
| | Average Cost per Voice Minute | \$0.87 | \$0.55 | \$0.86 | \$1.27 |
| | Average Cost per Chat Minute | \$0.80 | \$0.35 | \$0.75 | \$1.54 |
| | Average Cost per Web Ticket/Email Minute | \$0.87 | \$0.54 | \$0.86 | \$1.27 |
| Handle Time | Voice Handle Time (minutes) | 7.56 | 3.17 | 6.44 | 19.26 |
| | Chat Handle Time (minutes) | 10.48 | 4.42 | 8.85 | 27.15 |
| | Web/Email Handle Time (minutes) | 7.65 | 3.16 | 6.73 | 17.42 |
| Voice Quality | Voice Customer Satisfaction | 82.5% | 46.2% | 82.1% | 98.9% |
| | Net First Contact Resolution Rate | 55.7% | 39.5% | 53.2% | 97.5% |
| | Call Quality | 87.0% | 65.4% | 88.6% | 99.0% |
| Voice Productivity | Voice Agent Utilization | 49.2% | 35.8% | 49.8% | 63.1% |
| | Inbound Voice Contacts per Agent per Month | 781 | 226 | 748 | 1,634 |
| | Voice, Chat, and Email Agents as a % of Total Contact Center Headcount | 83.6% | 68.2% | 83.6% | 95.9% |

2016 Contact Center Benchmarking Summary (Contd.)

| Metric Type | Key Performance Indicator (KPI) | Peer Group Statistics | | | |
|-------------|--|-----------------------|-------|--------|-------|
| | | Average | Min | Median | Max |
| Voice SLA | Average Speed of Answer (seconds) | 93 | 21 | 80 | 395 |
| | Call Abandonment Rate | 6.1% | 1.7% | 5.2% | 27.2% |
| | % Answered in 30 Seconds | 28.1% | 0.2% | 27.1% | 82.8% |
| Agent | Annual Agent Turnover | 44.6% | 12.3% | 41.1% | 89.7% |
| | Daily Agent Absenteeism | 8.3% | 3.9% | 8.1% | 16.8% |
| | Agent Schedule Adherence | 89.0% | 79.1% | 89.3% | 98.8% |
| | Agent Occupancy | 81.5% | 66.8% | 81.0% | 96.6% |
| | New Agent Training Hours | 155 | 68 | 158 | 274 |
| | Annual Agent Training Hours | 16 | 0 | 9 | 79 |
| | Agent Tenure (months) | 25.0 | 8.7 | 22.1 | 69.8 |
| | Agent Job Satisfaction | 70.6% | 53.6% | 71.7% | 82.5% |
| | | | | | |
| Chat | % of Contacts Originating in Chat | 5.9% | 0.0% | 3.8% | 33.2% |
| | % of Contacts Resolved in Chat | 2.6% | 0.0% | 1.6% | 16.5% |
| | Chat First Contact Resolution Rate | 46.3% | 26.5% | 45.8% | 71.9% |
| | % Failover Rate from Chat to Voice | 53.6% | 28.0% | 54.1% | 73.4% |
| | Customer Satisfaction in Chat Channel | 79.7% | 60.8% | 81.0% | 96.8% |
| | Average Concurrent Chat Sessions | 0.86 | 0.41 | 0.87 | 1.52 |
| | Max Concurrent Chat Sessions | 2.8 | 1.0 | 3.0 | 5.0 |
| | Number of Chat Sessions per Chat Agent per Month | 638 | 208 | 592 | 1,255 |

North American Performance Quartiles

| | Best Performers | | | Worst Performers | |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
| | 1 st Quartile | 2 nd Quartile | 3 rd Quartile | 4 th Quartile | |
| Cost per Contact | < \$3.85 | \$3.85 - \$4.62 | \$4.62 - \$5.70 | > \$5.70 | |
| Voice Customer Satisfaction | > 94.2% | 94.2% - 82.1% | 82.1% - 75.1% | < 75.1% | |
| Voice Agent Utilization | > 53.2% | 53.2% - 49.8% | 49.8% - 46.5% | < 46.5% | |
| Net First Contact Resolution Rate | > 60.2% | 60.2% - 53.2% | 53.2% - 46.9% | < 46.9% | |
| Agent Job Satisfaction | > 74.4% | 74.4% - 71.7% | 71.7% - 67.7% | < 67.7% | |
| Average Speed of Answer (seconds) | < 57 | 57 - 80 | 80 - 105 | > 105 | |
| Contact Center Balanced Score | > 68.1% | 68.1% - 61.3% | 61.3% - 55.6% | < 55.6% | |

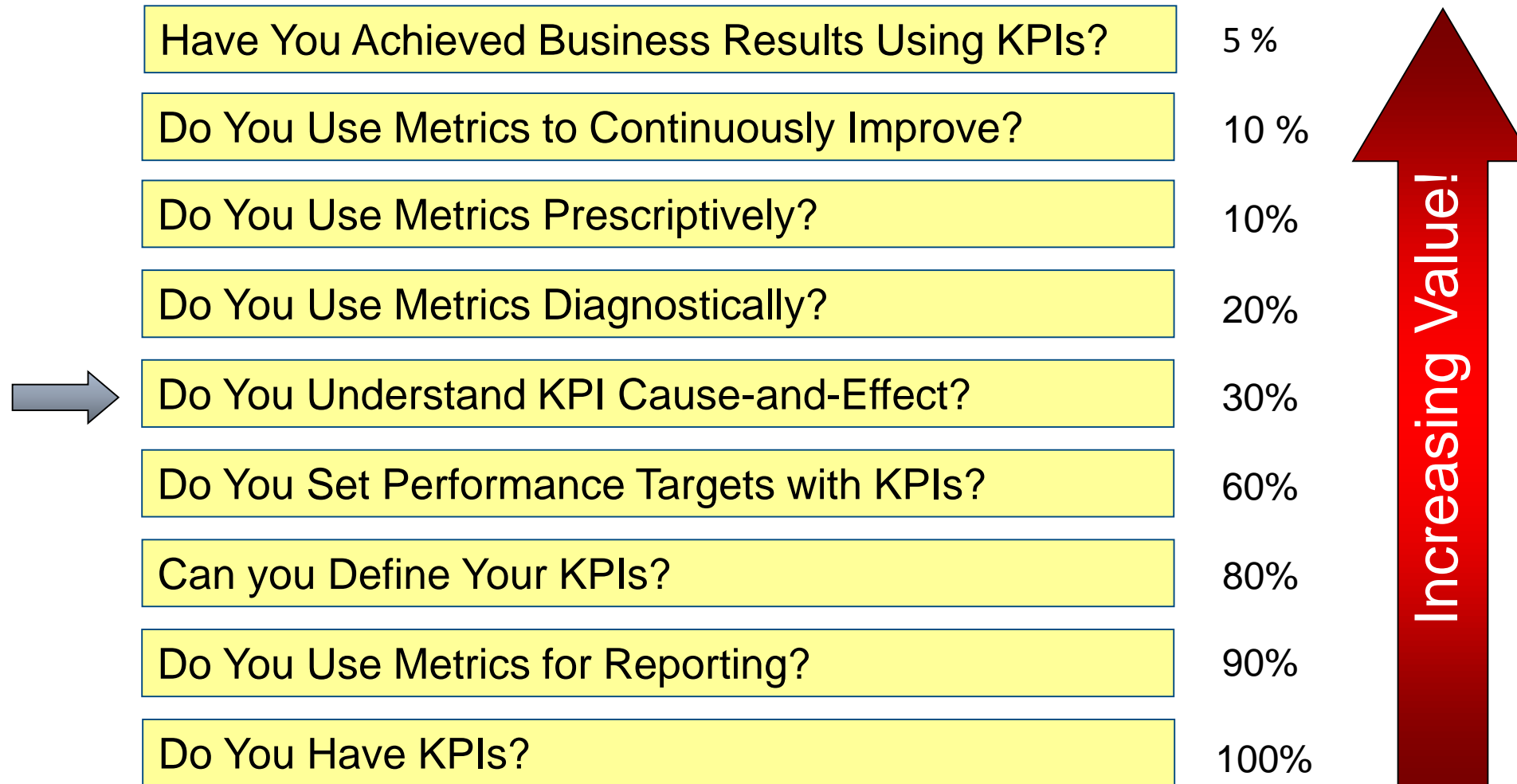
Establishing Contact Center Performance Targets

| Performance Metric | Your Score | Target Performance |
|---|--------------|--------------------|
| Cost per Contact | \$6.71 | \$4.50 |
| Agent Utilization | 42.3% | 55.0% |
| Average Speed of Answer (ASA) (seconds) | 20.8 | 60 |
| Call Abandonment Rate | 1.9% | 5.0% |
| Customer Satisfaction | 70.3% | 85.0% |
| First Contact Resolution Rate | 54.0% | 80.0% |
| New Agent Training Hours | 68 | 120 |
| Annual Agent Training Hours | 0 | 25 |
| Annual Agent Turnover | 70.2% | 30.0% |
| Agent Job Satisfaction | 53.6% | 75.0% |
| Contact Center Balanced Score | 37.1% | 72.2% |

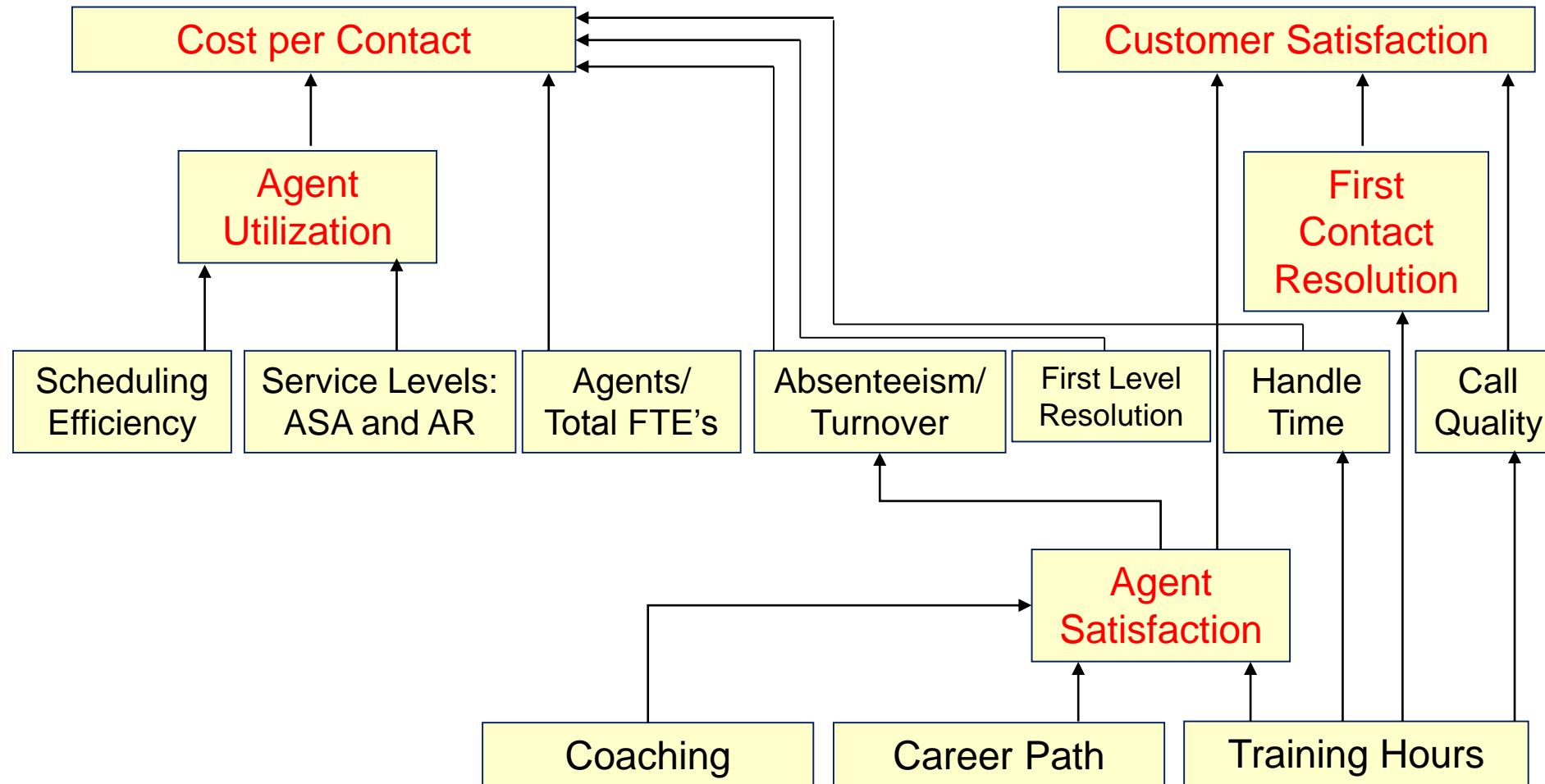
Establishing Individual Performance Targets

| Performance Metric | Agent Performance | Target Performance |
|---|-------------------|--------------------|
| Contacts Handled per Month | 647.5 | 575 |
| Customer Satisfaction by Agent | 70.3% | 85.0% |
| First Contact Resolution by Agent | 54.0% | 80.0% |
| Monthly Contributions to Knowledge Base | 0 | 5 |
| Leadership | 1 | 4 |
| Initiative | 2 | 4 |
| Agent Balanced Score | 54.2% | 79.6% |

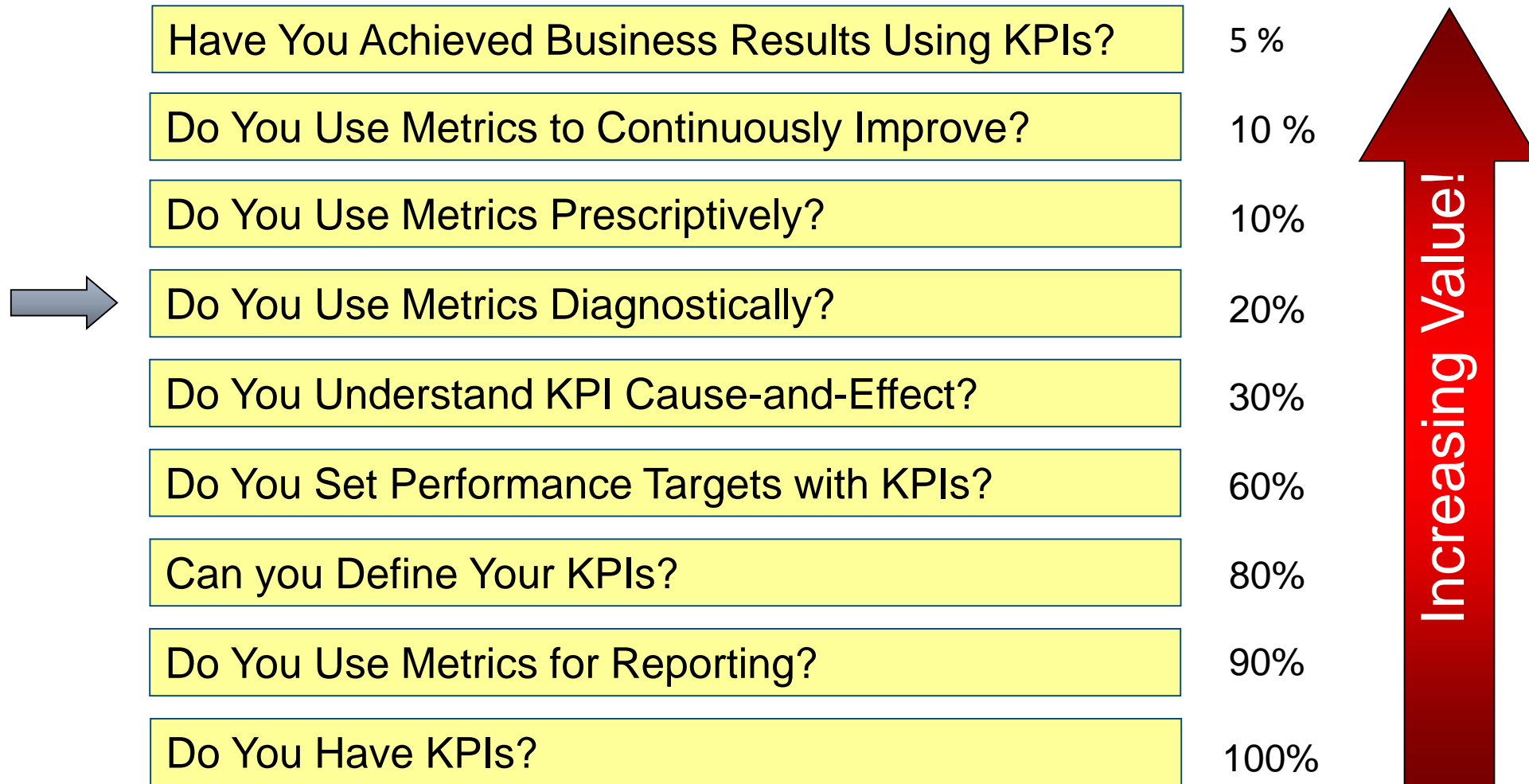
Achieving Business Results with Your KPIs!



KPI Cause-and-Effect Diagram



Achieving Business Results with Your KPIs!

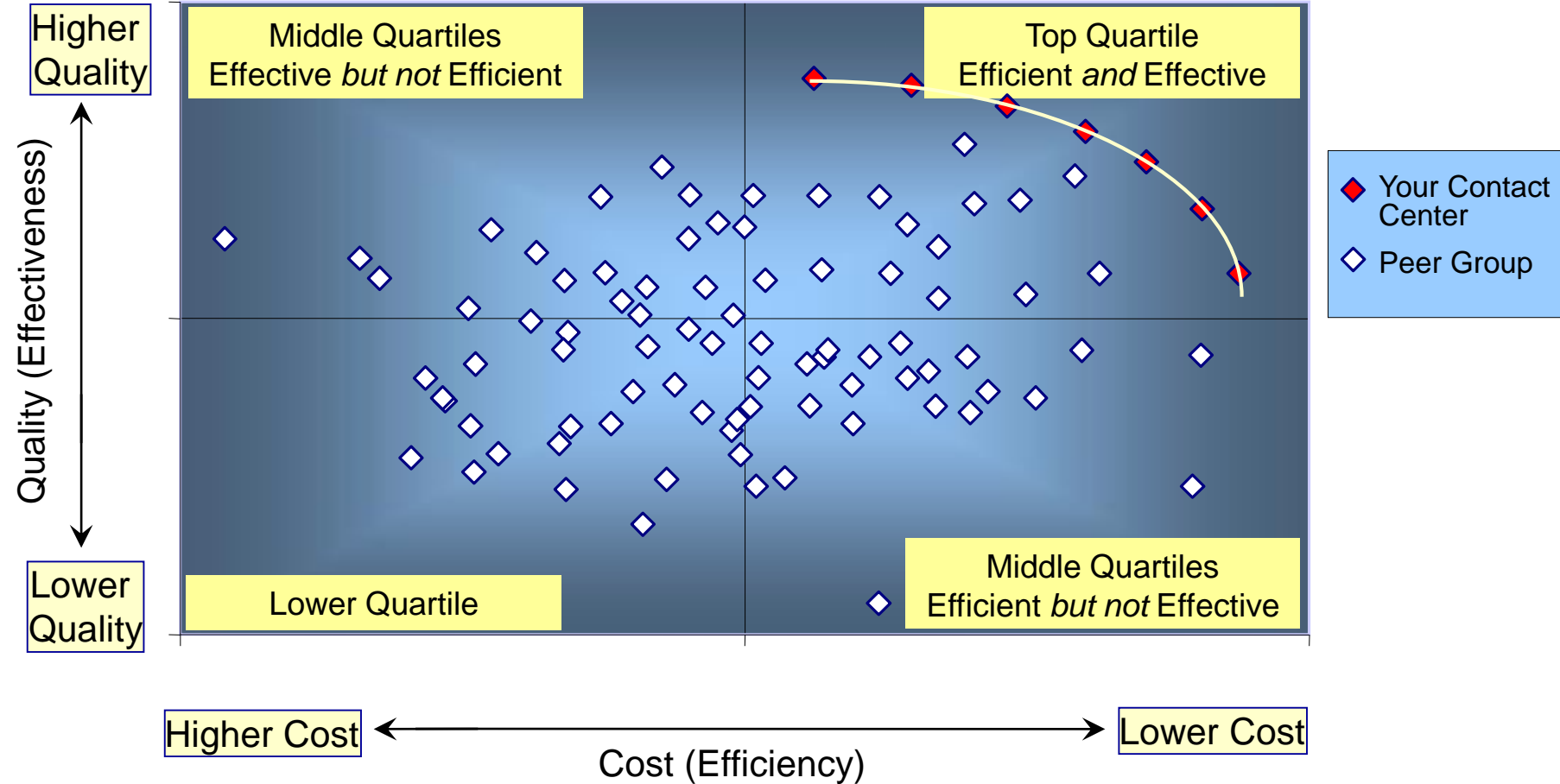


The Foundation Metrics: Cost and Quality

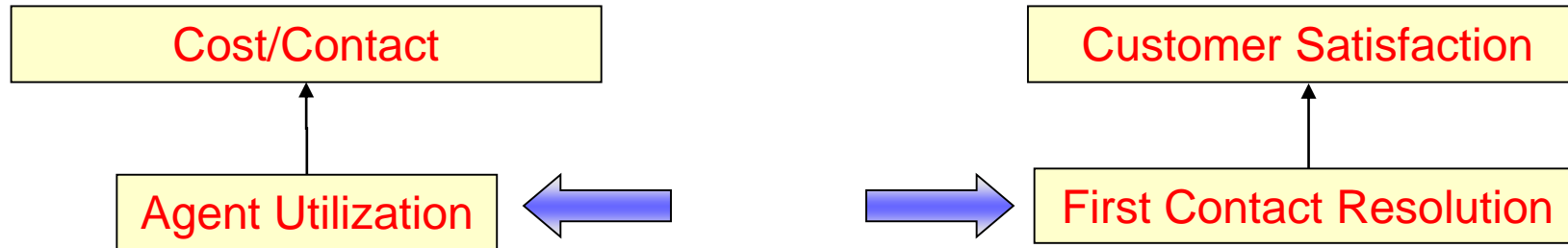
Cost/Contact
(Efficiency)

Customer Satisfaction
(Effectiveness)

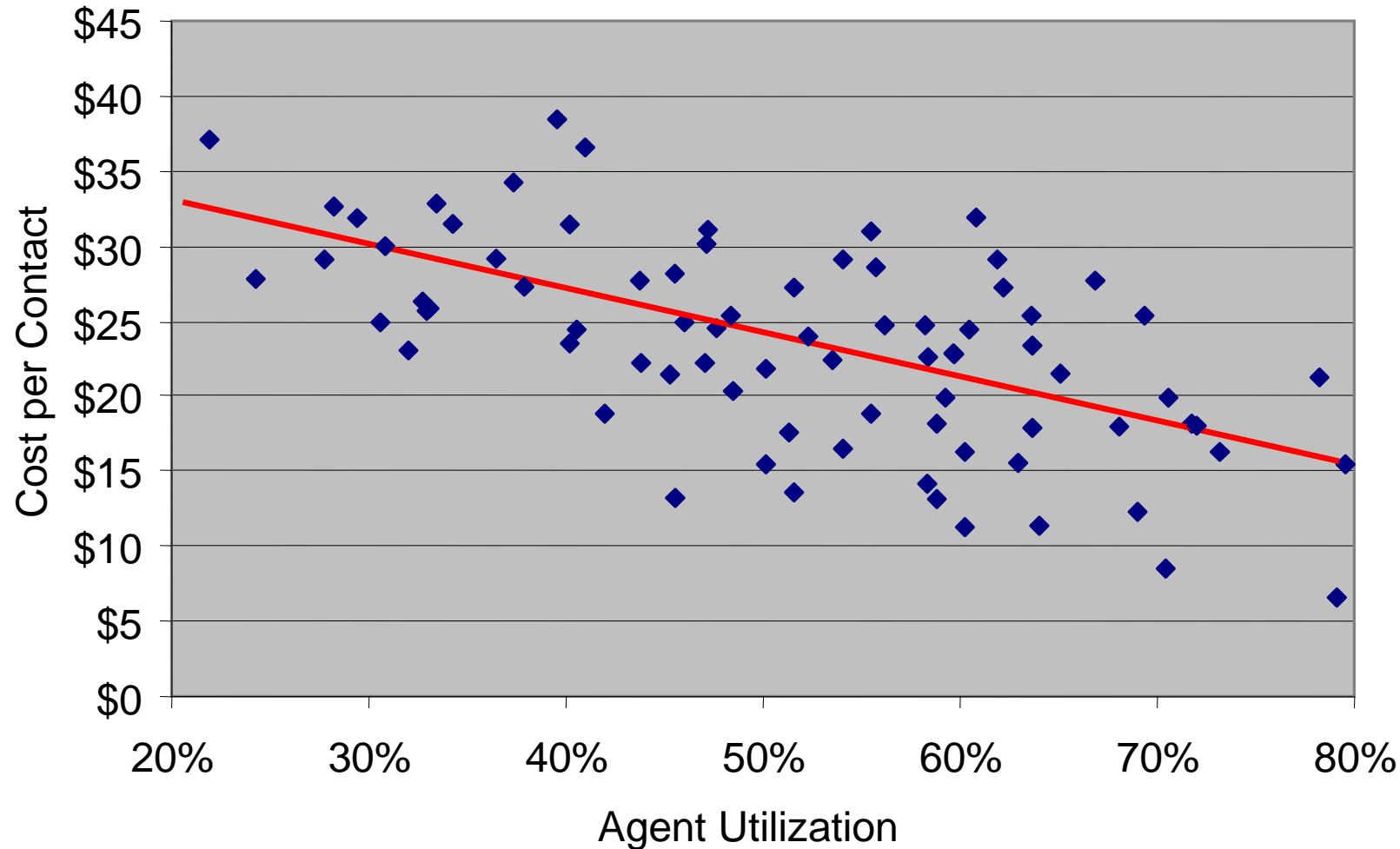
Cost vs. Quality



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

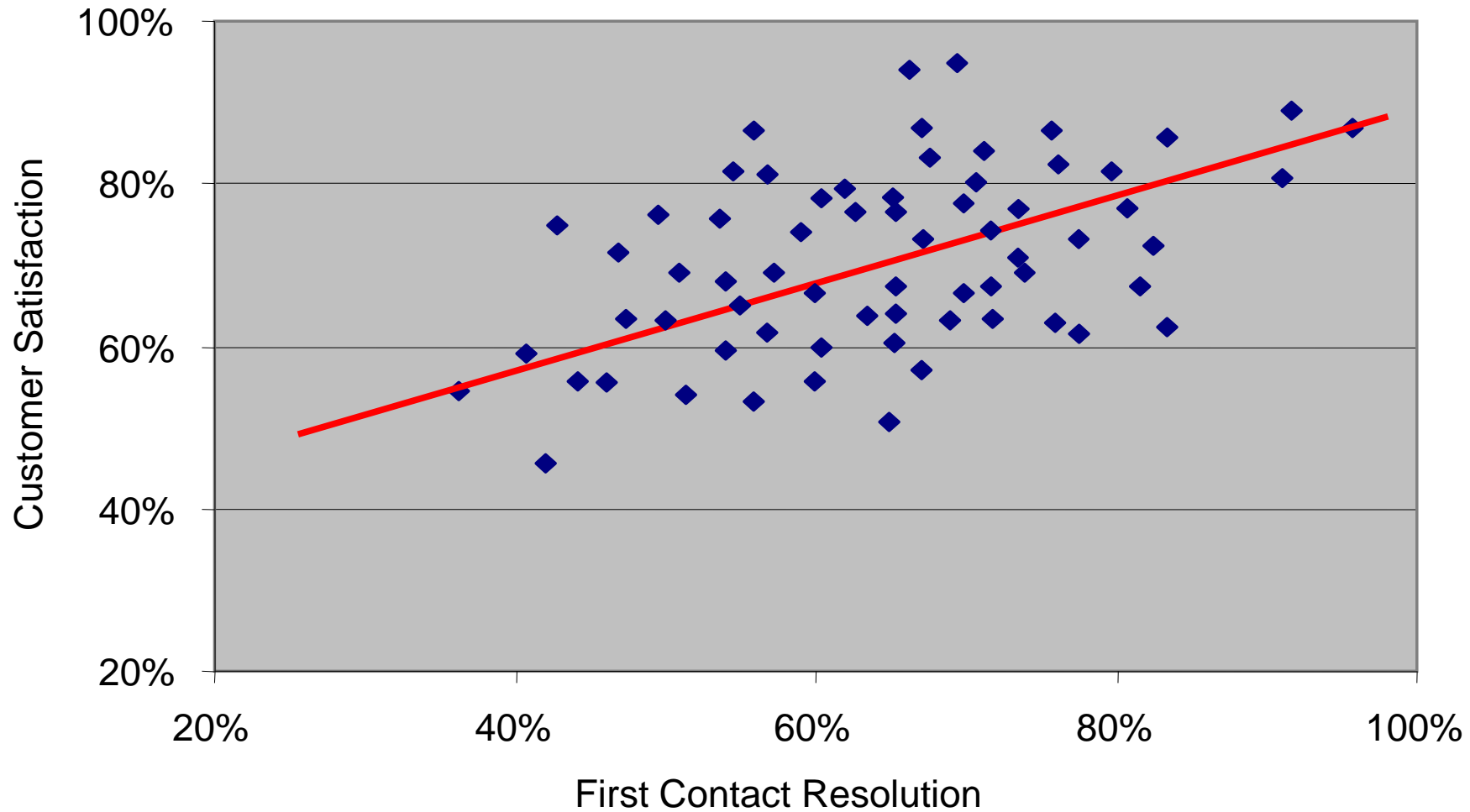
Example: Contact Center Agent Utilization

- 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

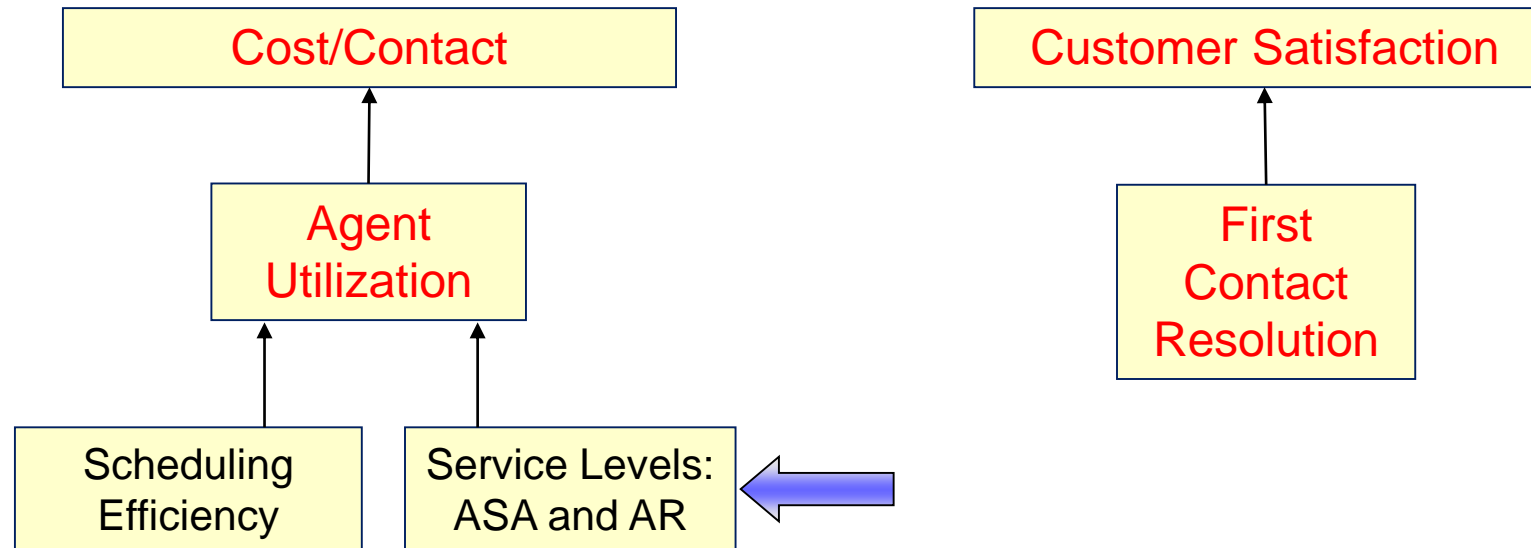
$$\text{Agent Utilization} = \frac{((\text{Average number of inbound Contacts handled by an Agent in a month}) \times (\text{Average inbound handle time in minutes}) + (\text{Average number of outbound Contacts handled by an Agent in a month}) \times (\text{Average outbound handle time in minutes}))}{(\text{Average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

$$\text{Agent Utilization} = \frac{((375 \text{ Inbound Contacts per Month}) \times (10 \text{ minutes}) + (225 \text{ Outbound Contacts per Month}) \times (5 \text{ minutes}))}{(21.5 \text{ working days per month}) \times (7.5 \text{ work hours per day}) \times (60 \text{ minutes/hr})} = 50.4\% \text{ Agent Utilization}$$

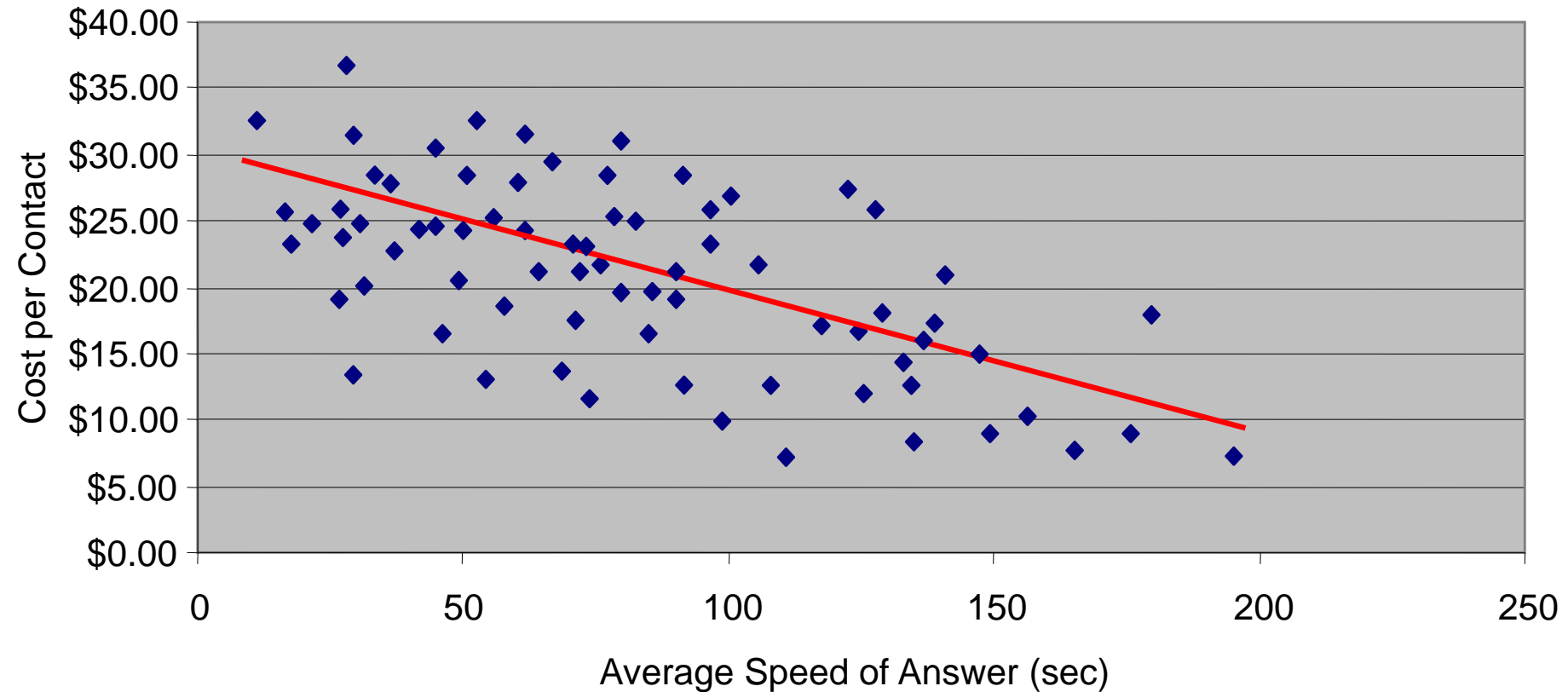
First Contact Resolution Drives Customer Satisfaction



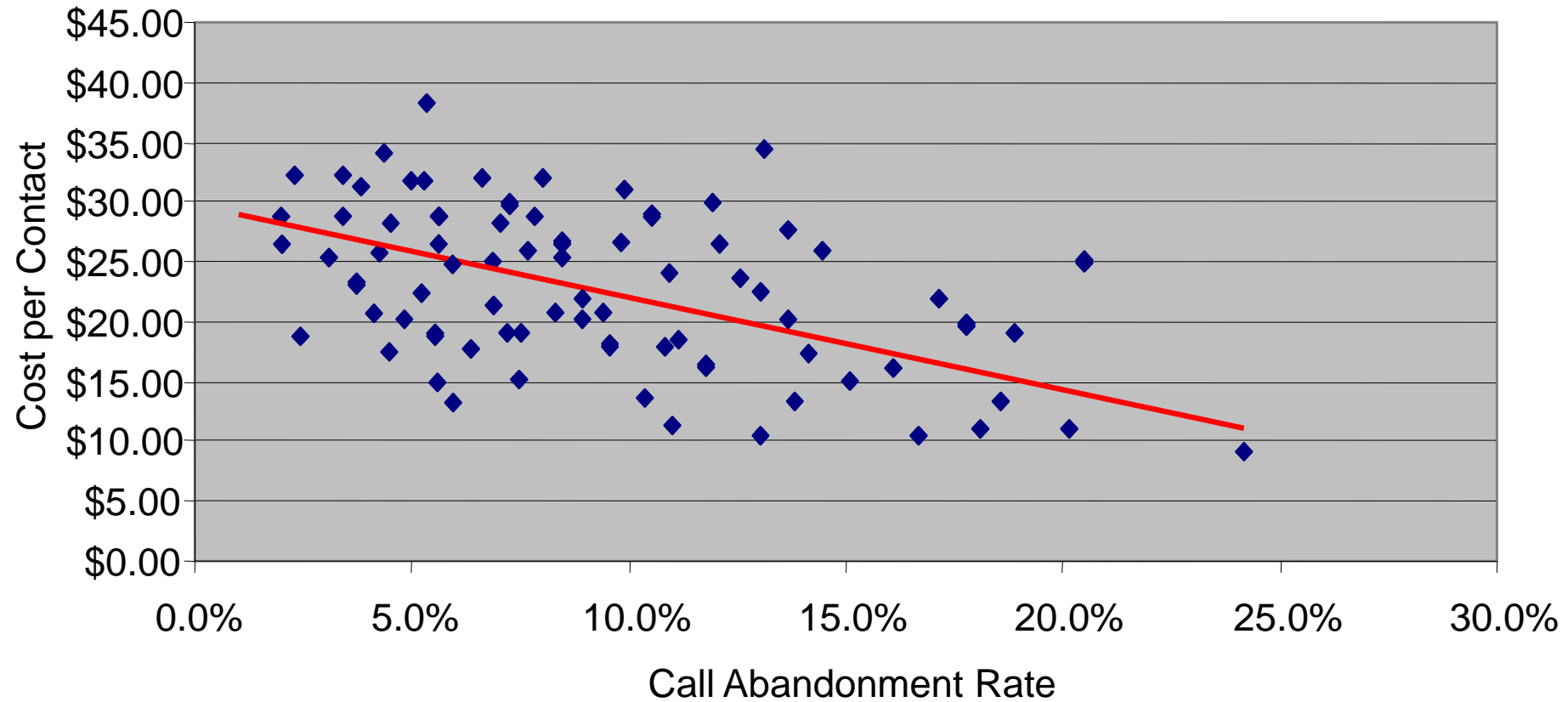
Service Levels: ASA and Abandonment Rate



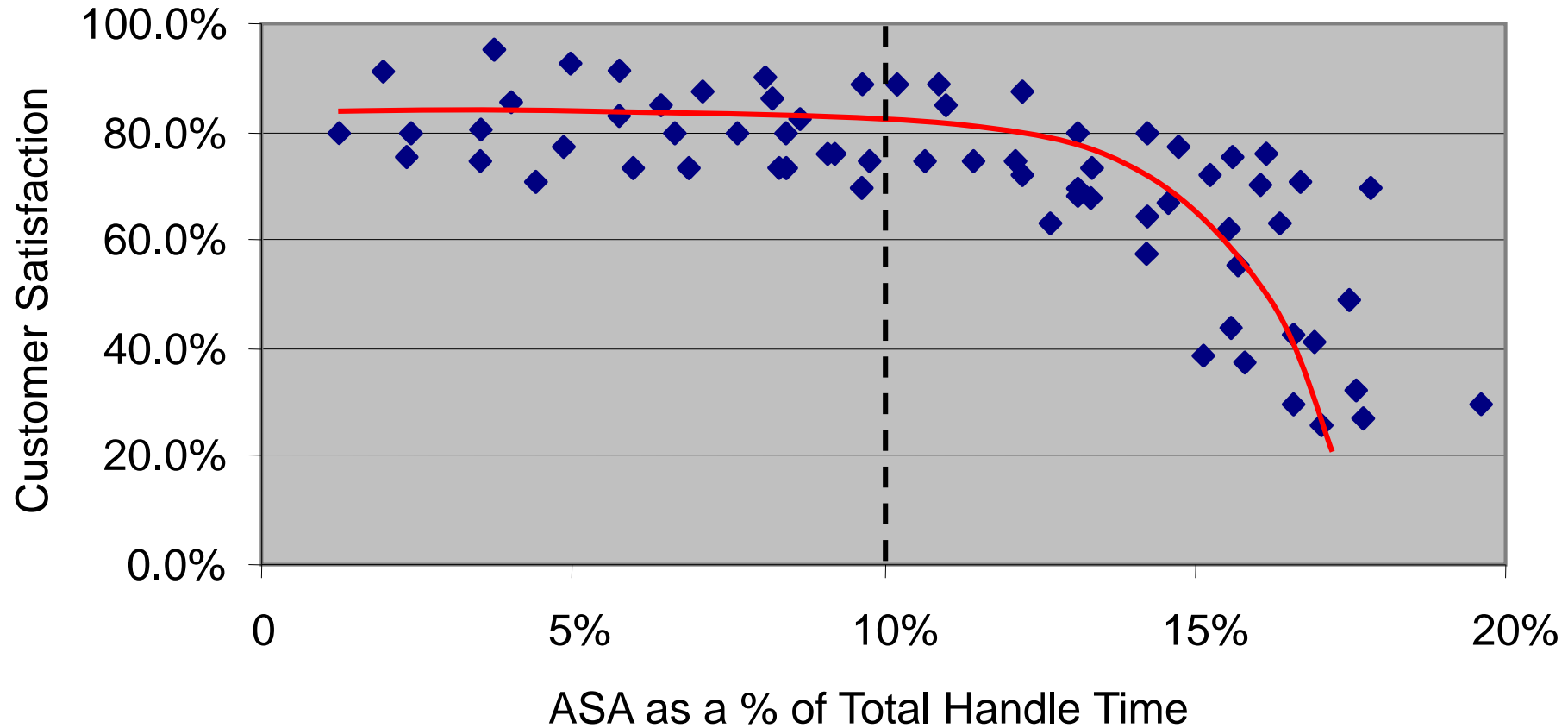
ASA Drives Cost per Contact



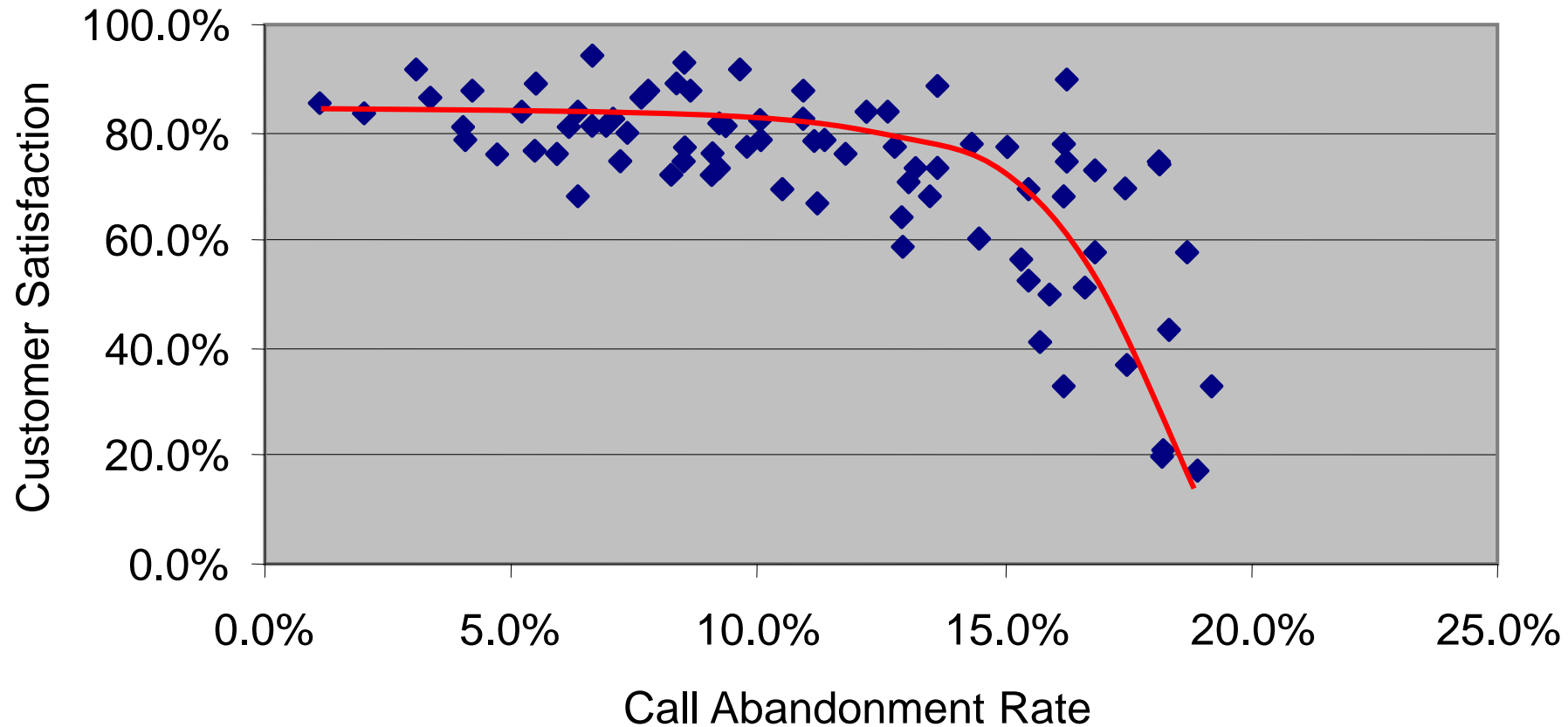
Call Abandonment Rate Also Drives Cost per Contact



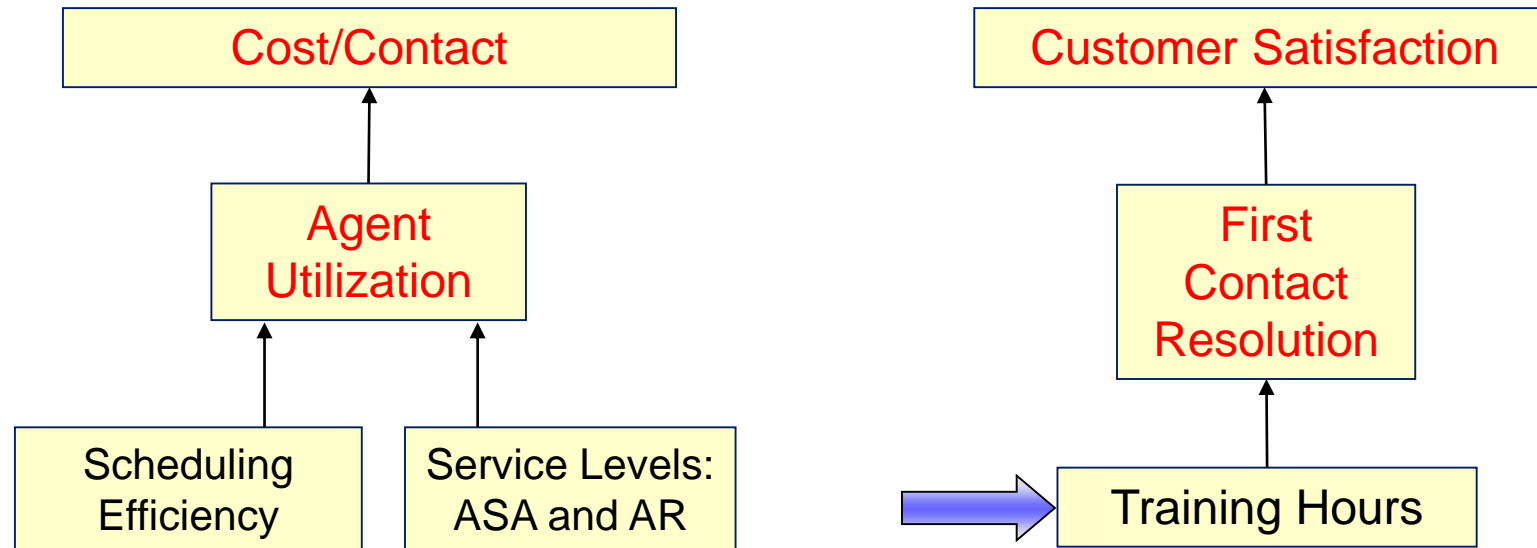
ASA vs. Customer Satisfaction



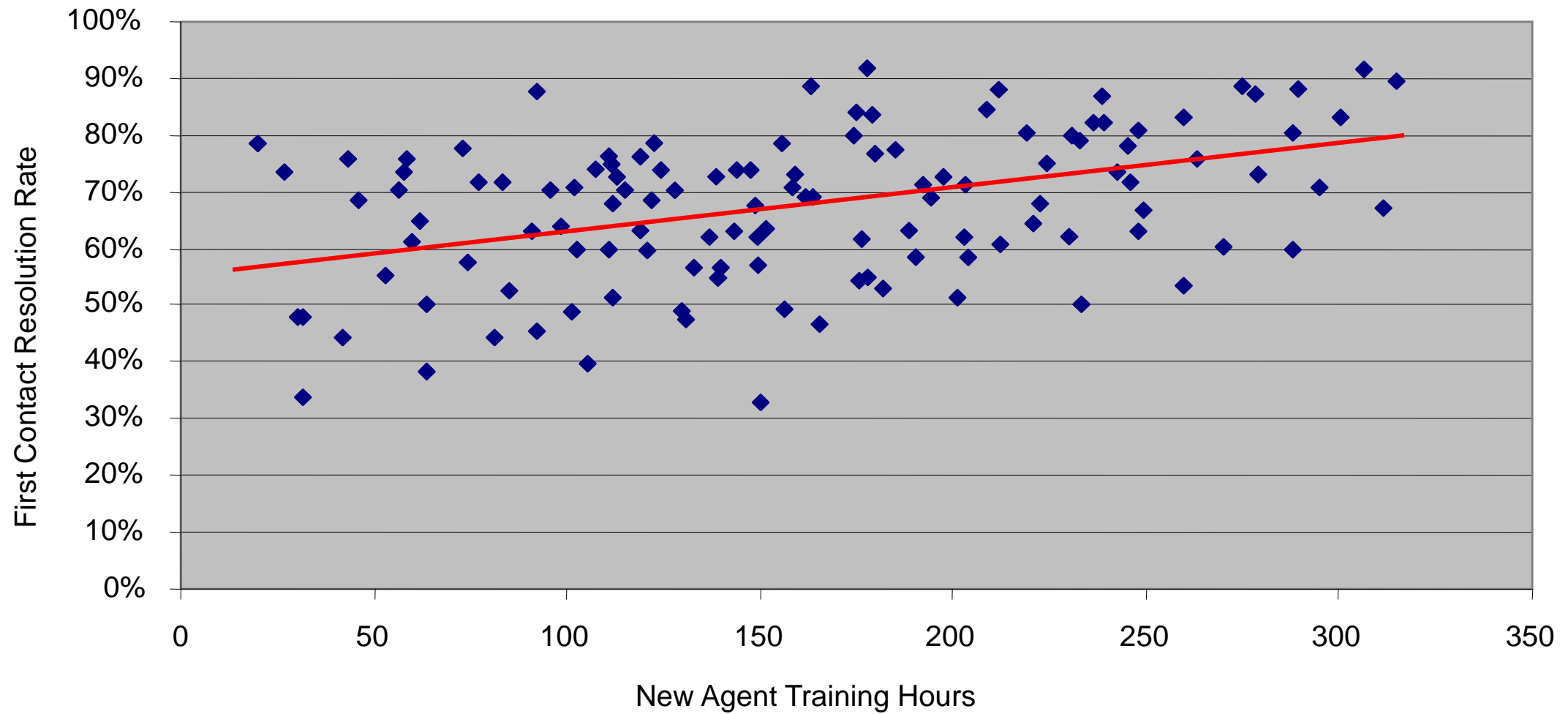
Call Abandonment Rate vs. Customer Sat



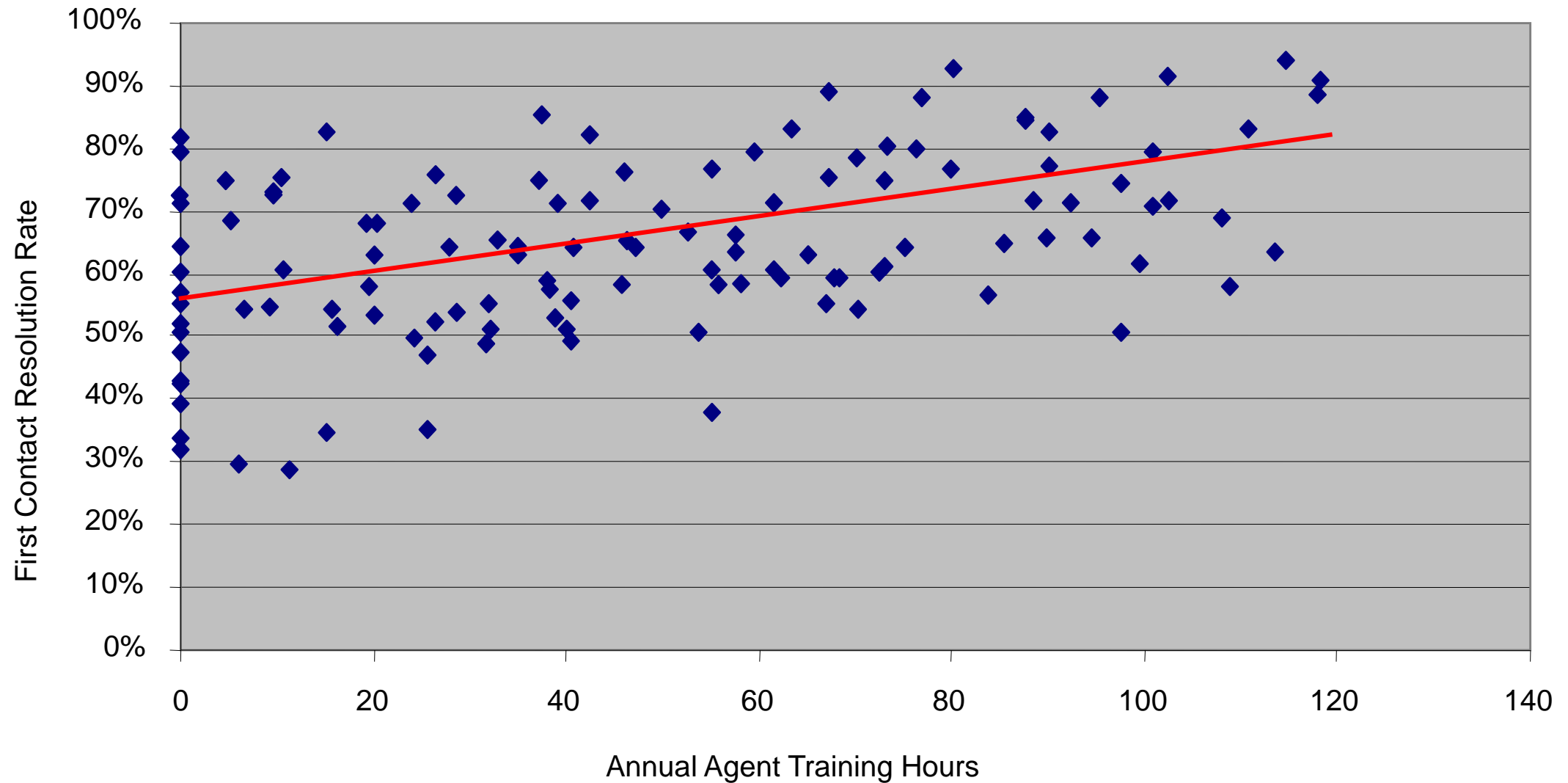
Training Hours Impact First Contact Resolution Rate



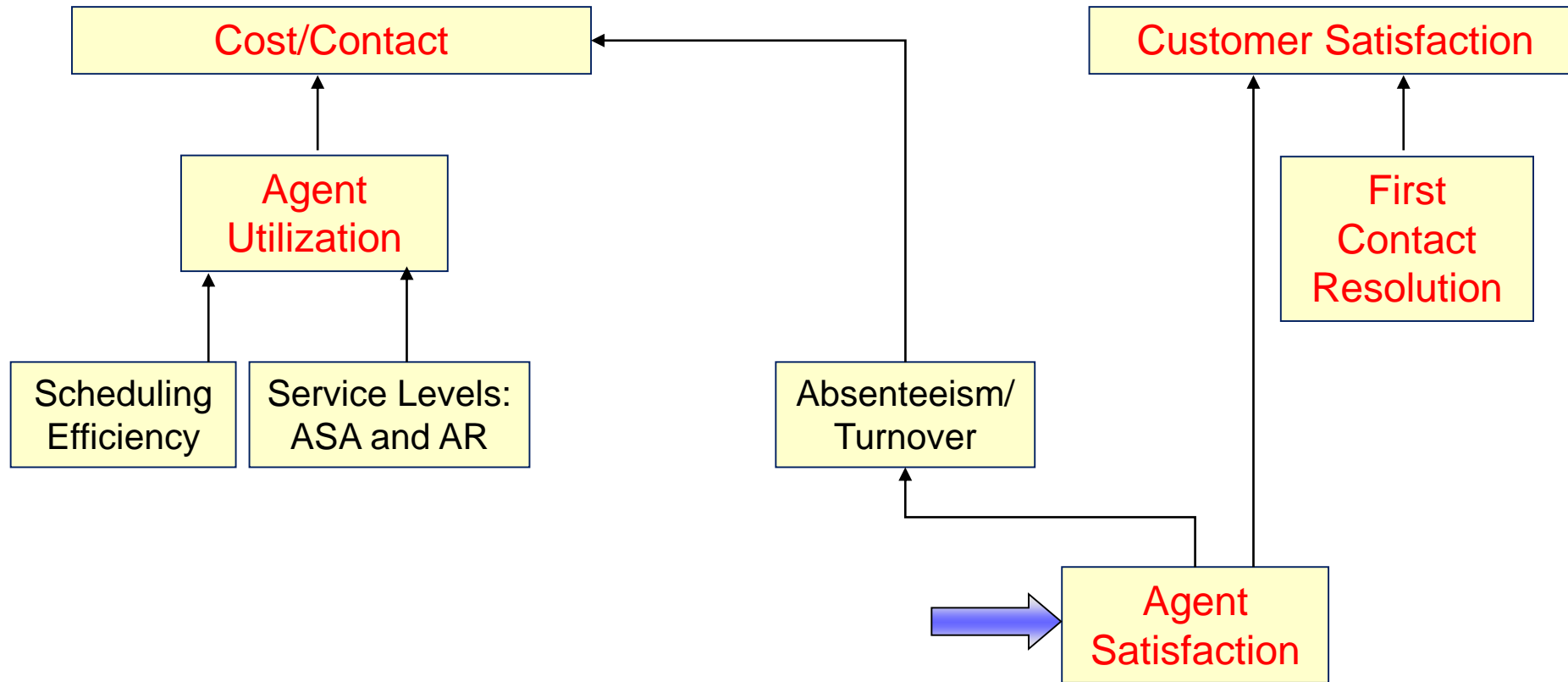
New Agent Training Hours vs. First Contact Resolution



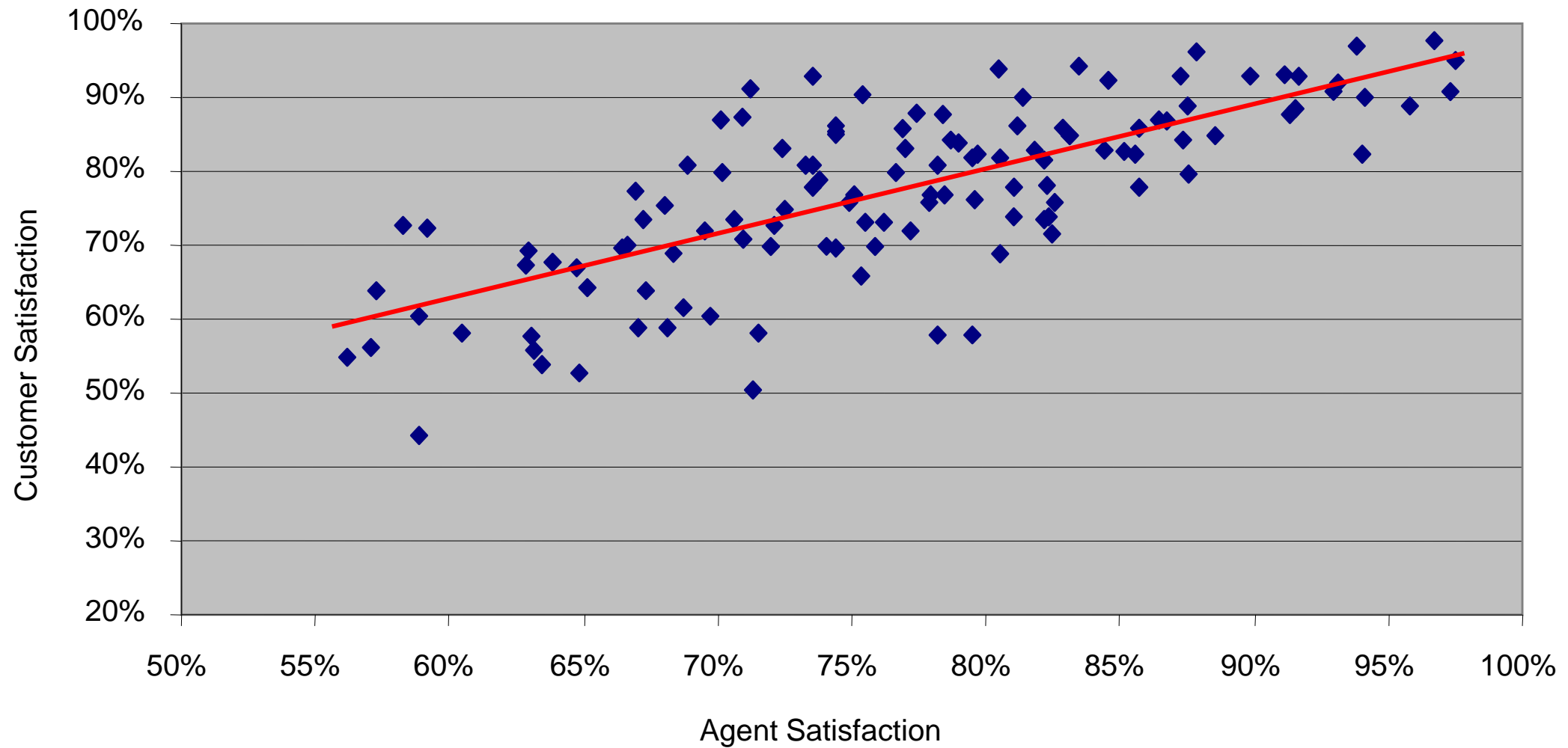
Annual Agent Training vs. First Contact Resolution



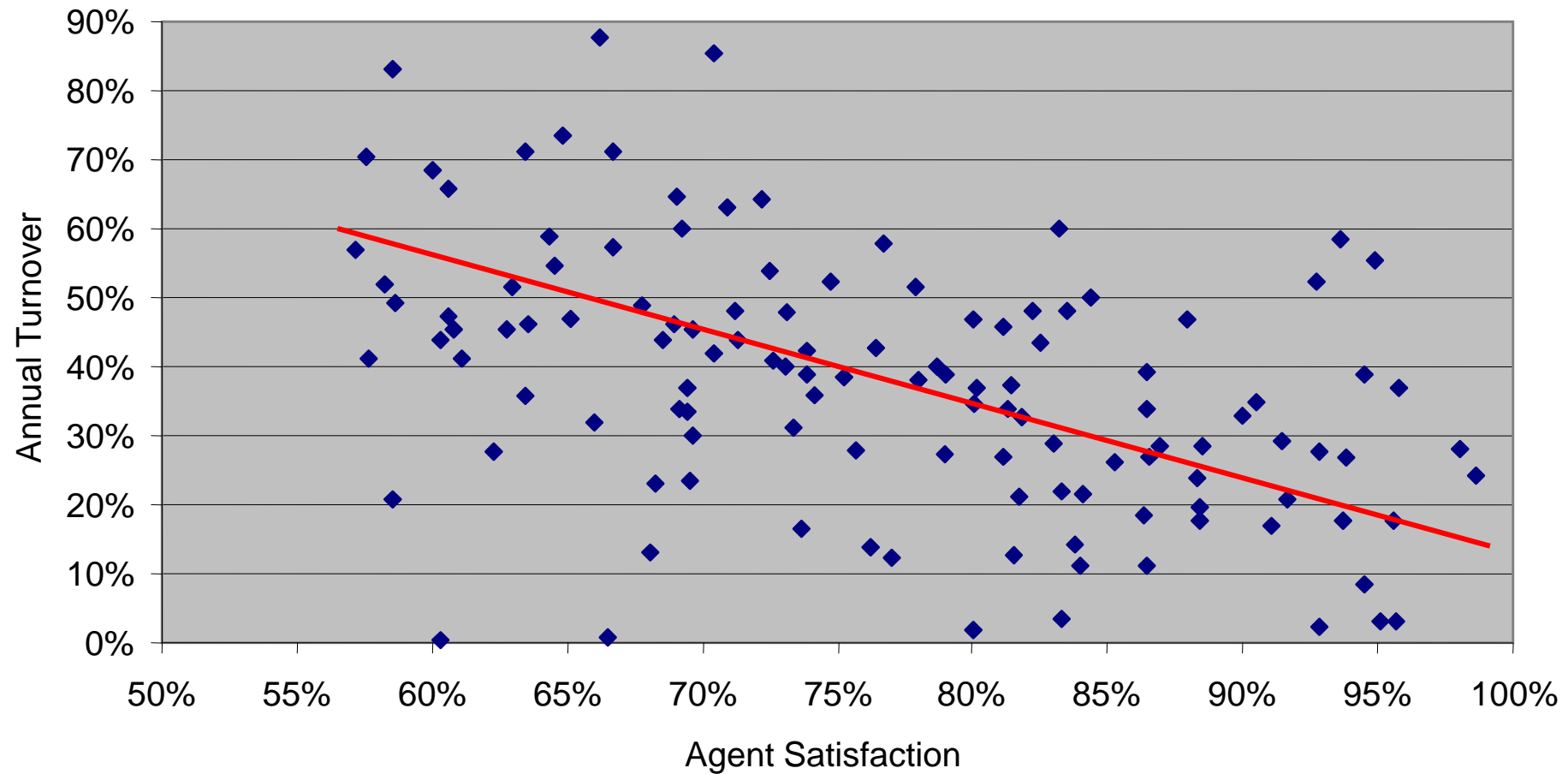
Agent Job Satisfaction



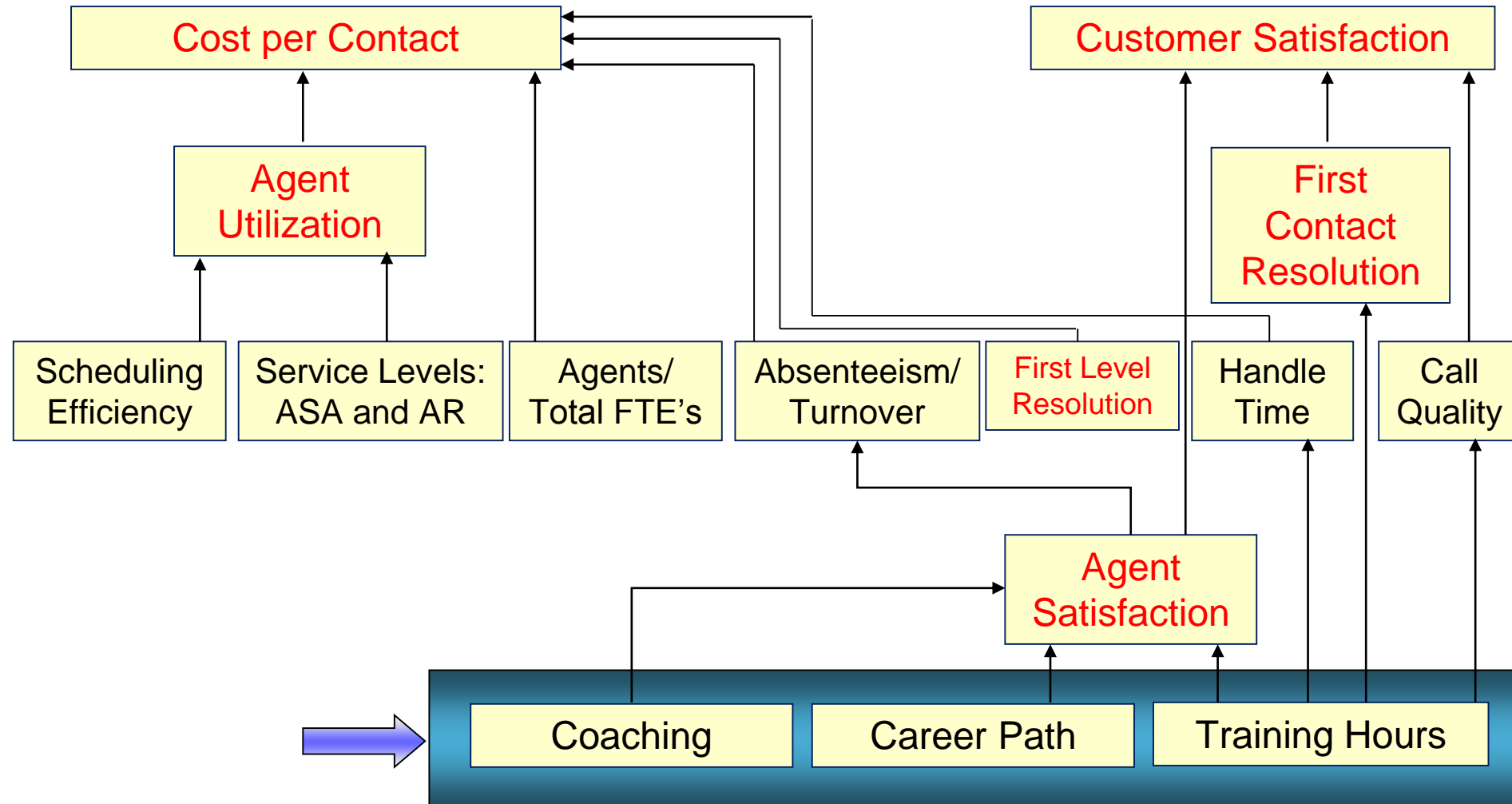
Agent Satisfaction Impacts Customer Satisfaction



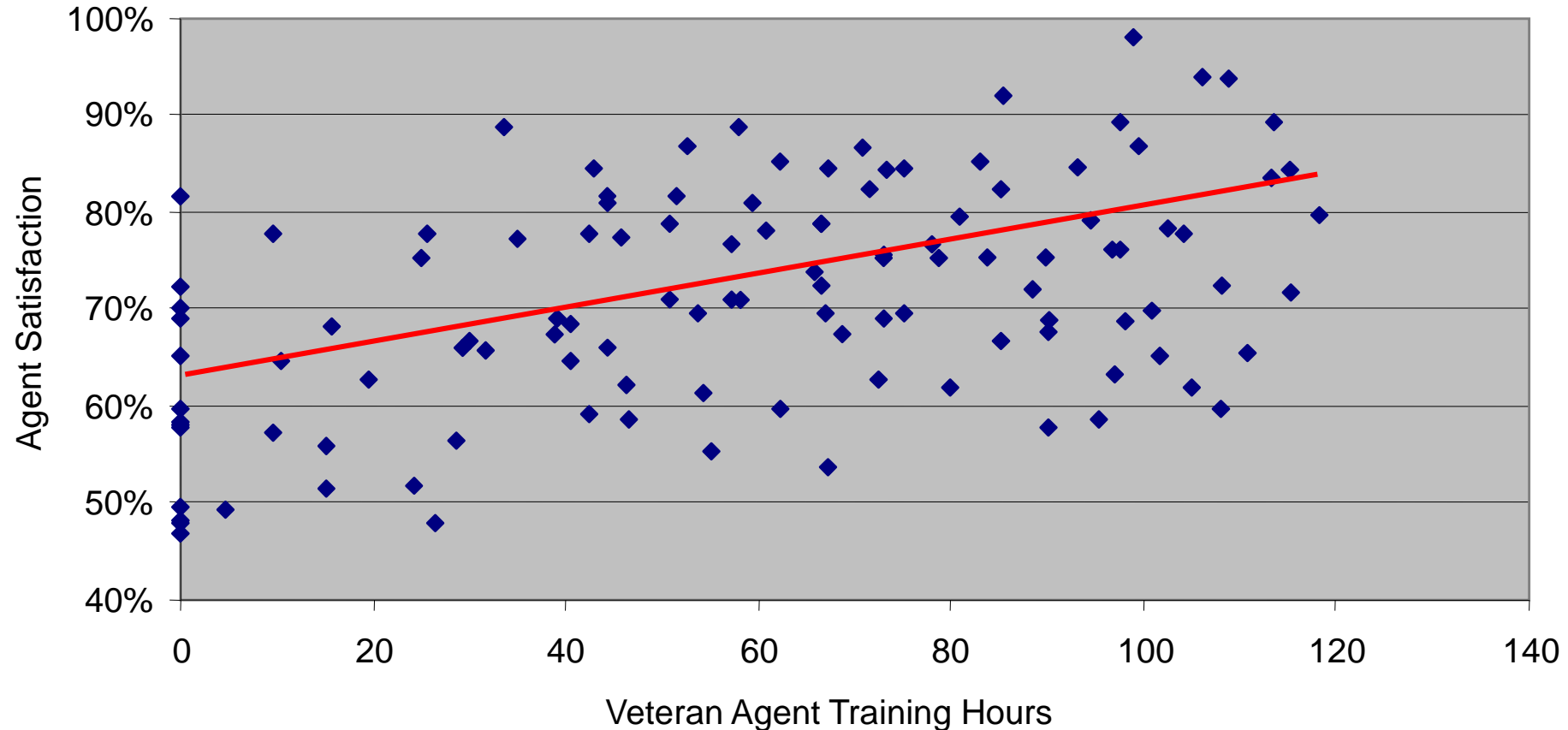
Agent Satisfaction Drives Agent Turnover



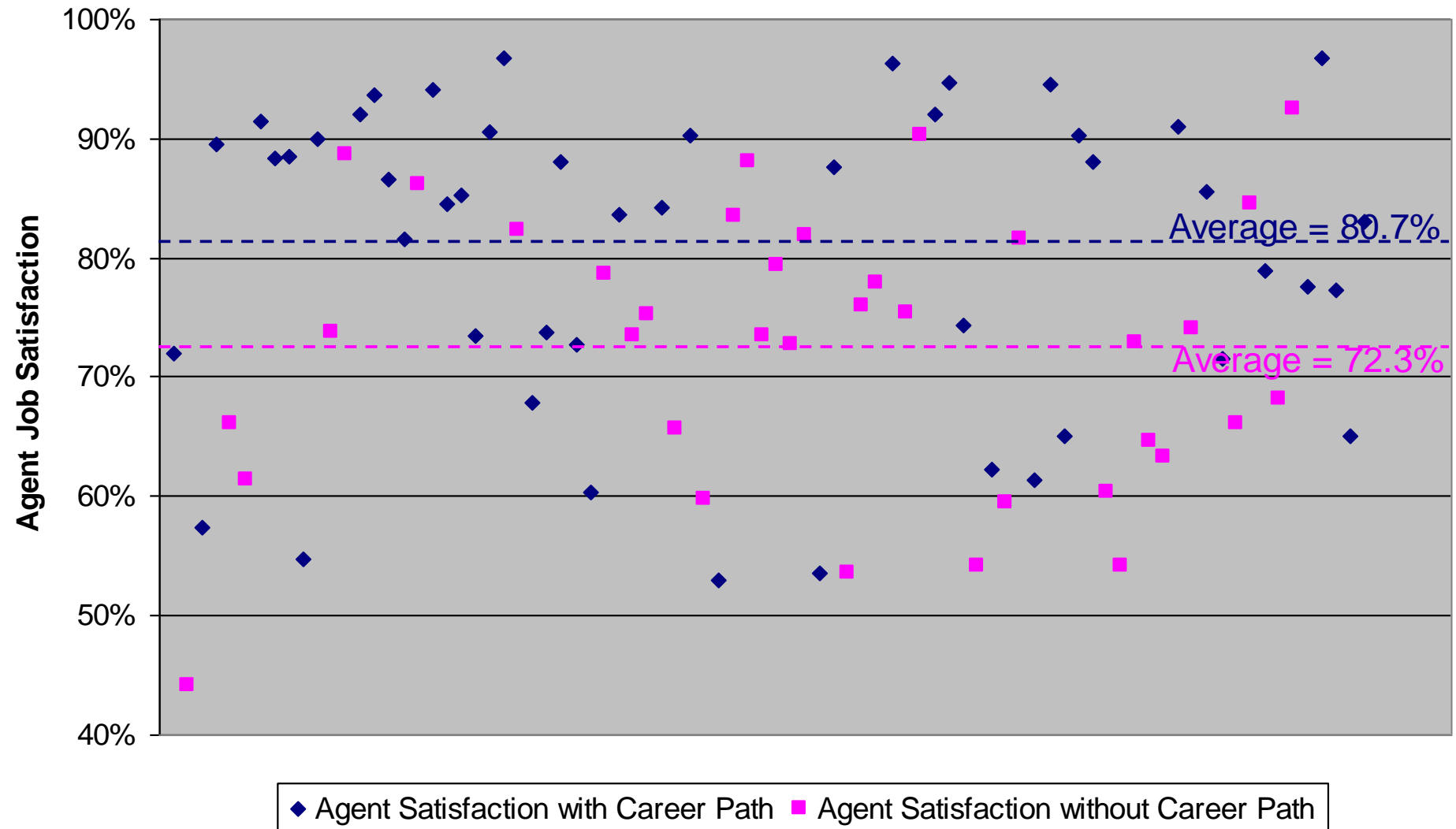
Managing Agent Morale and Job Satisfaction



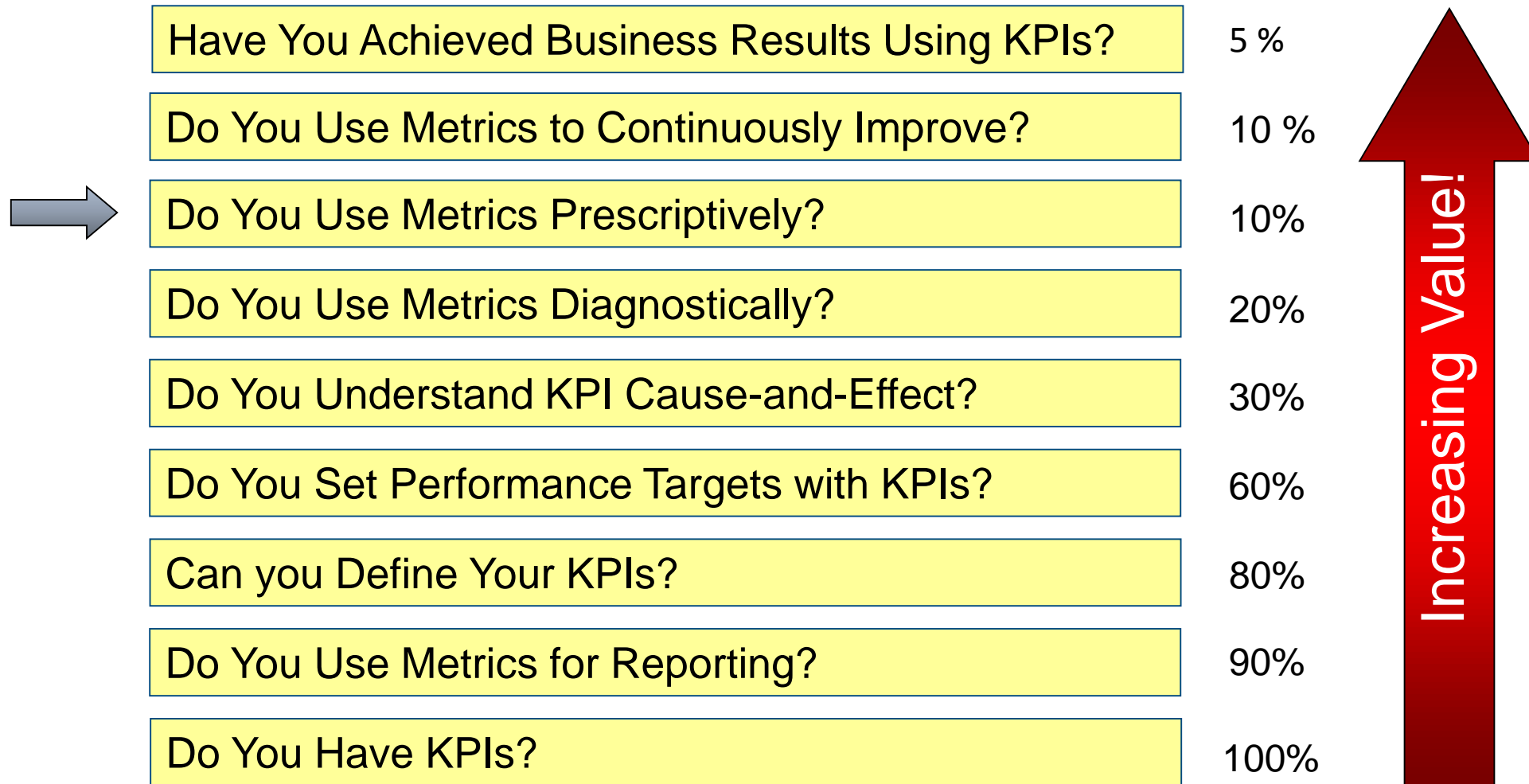
Training Hours Drive Agent Job Satisfaction



The Impact of Career Path on Agent Job Satisfaction



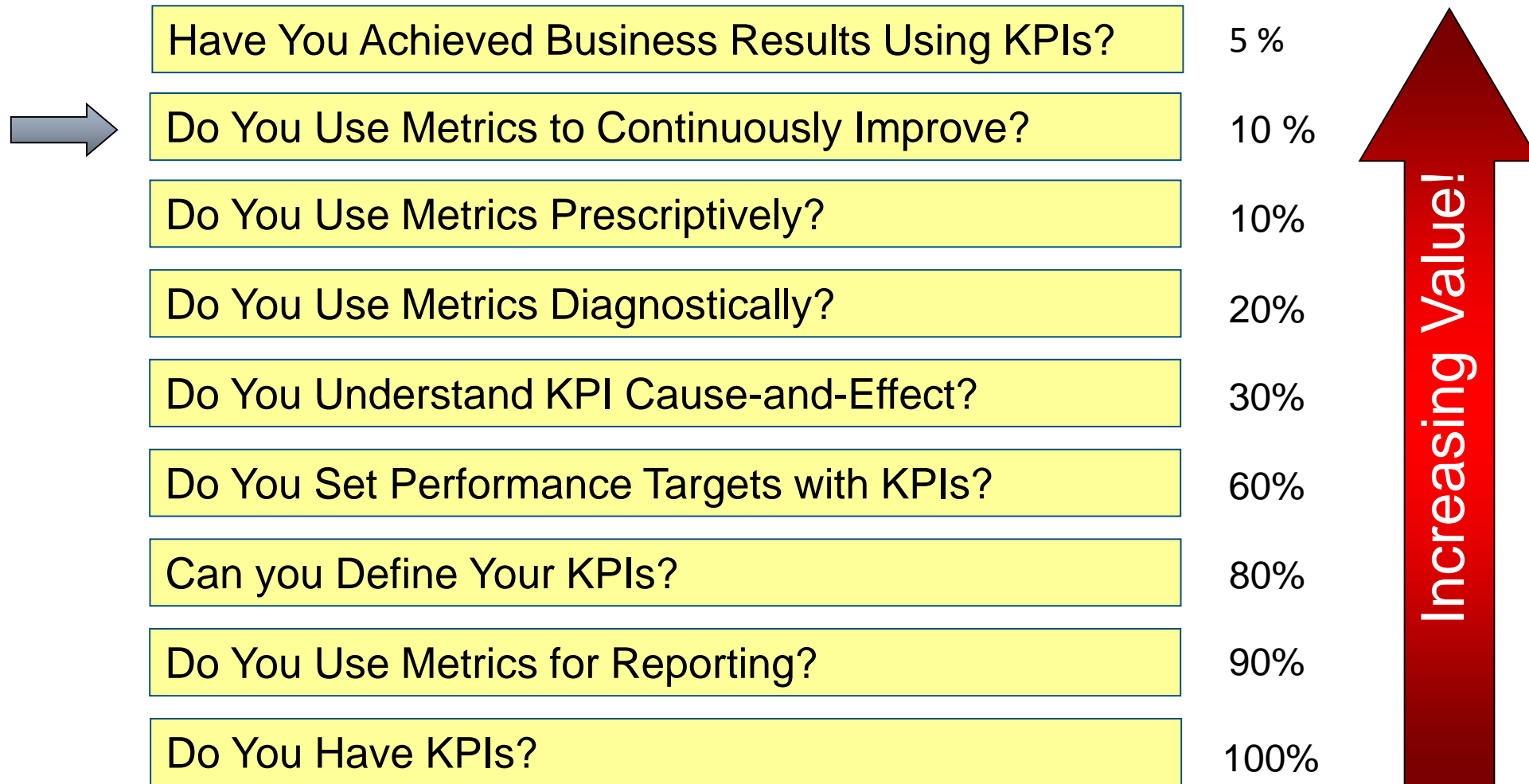
Achieving Business Results with Your KPIs!



Some Common Prescriptions for Business Results

| Business Goal | Common Prescriptions |
|--|--|
| Increase Sales and Repeat Business | Increase Customer Satisfaction Increase Sales per Contact |
| Increase Customer Satisfaction | Increase First Contact Resolution Rate Treat the Customer with Courtesy |
| Increase First Contact Resolution Rate | Increase Training Hours Improve Knowledge Management |
| Reduce Costs | Improve Agent Utilization Reduce Service Levels |
| Reduce Agent Turnover and Absenteeism | Increase Training and Coaching Hours Implement an Agent Career Path |
| Increase Sales per Contact | Train in Upselling and Cross Selling Establish Sales Goals and Incentives |

Achieving Business Results with Your KPIs!

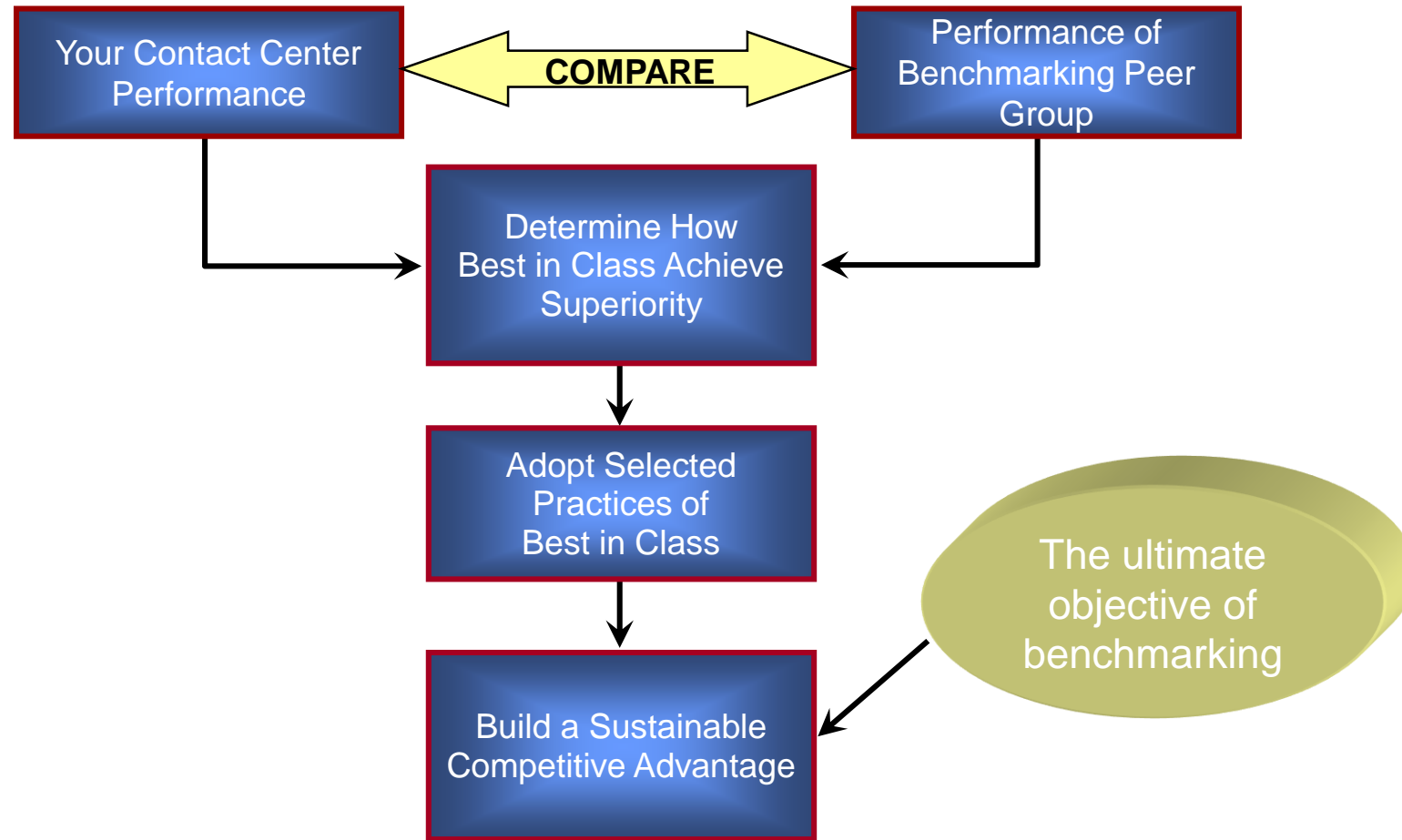


The Role of Benchmarking

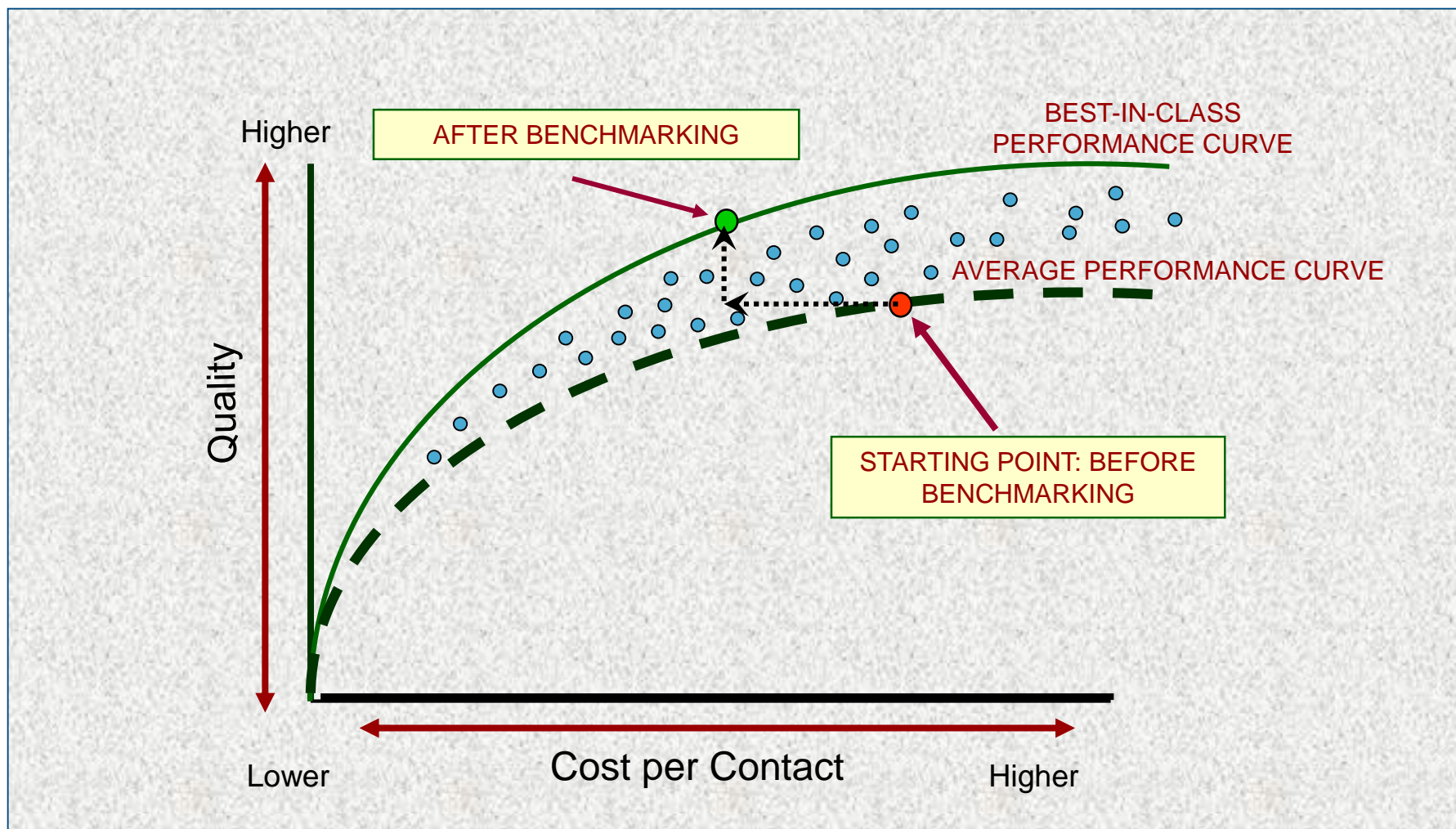
There is a 1:1 Correspondence
Between Benchmarking and
World-Class Performance.

*Yet fewer than 20% of all Contact
Centers engage in benchmarking!*

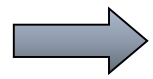
The Benchmarking Methodology



The Goal of Benchmarking



Achieving Business Results with Your KPIs!



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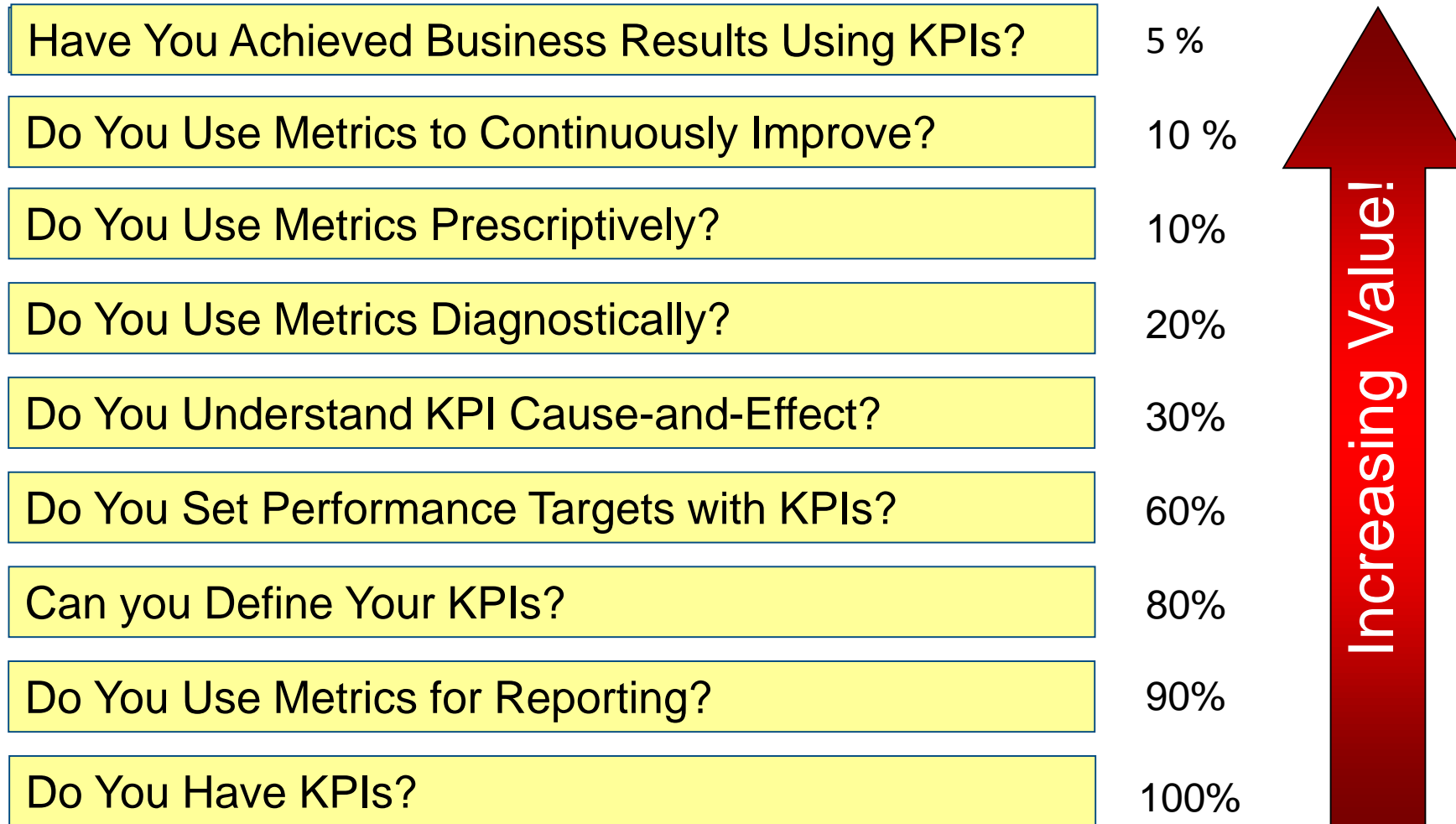
- ❑ Decrease Costs

- ❑ Reduce operational expense
- ❑ Reduce agent turnover and absenteeism
- ❑ Increase agent productivity

Characteristics of a World-Class Contact Center

- Contact center consistently exceeds customer expectations – regardless of the transaction type
 - Result is high levels of customer satisfaction
 - Top Quartile Customer Satisfaction
- Business value is managed at or above industry average levels
 - Cost per contact is below industry average levels – bottom quartile on Cost per Contact
 - Revenue generated is above industry average levels
 - Telemarketing and Telesales
 - Debt collections
- Contact Center follows industry best practices
 - Industry best practices are defined and documented
 - Contact Center follows industry best practices
- Every transaction adds value
 - A positive customer experience
 - Improves customer loyalty, repeat business, and positive word-of-mouth referrals
 - ROI > 100%

The Opportunity for Contact Center KPIs!

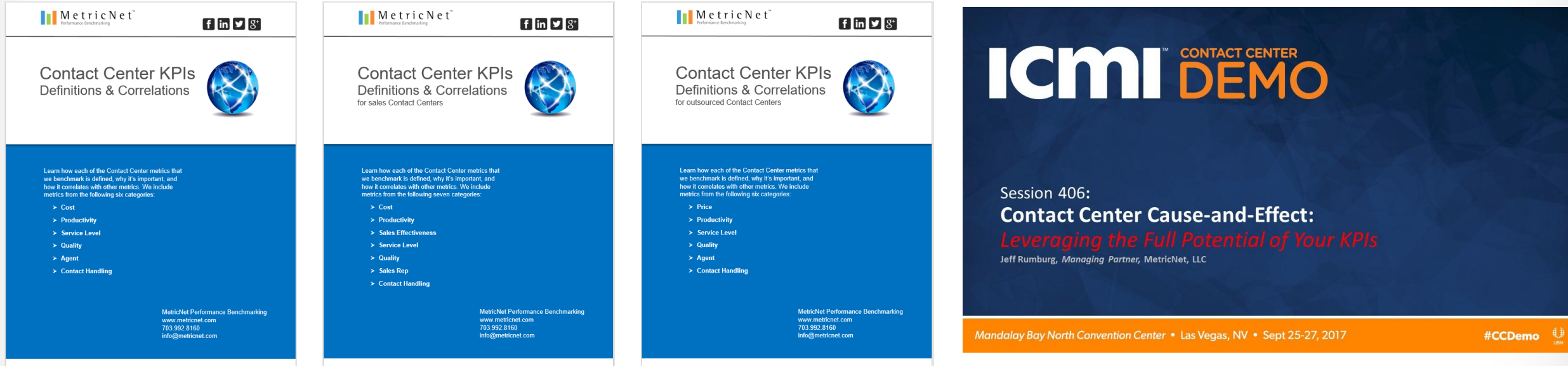


QUESTIONS?

Thank you for attending this session!

Please complete the short evaluation for this session on your mobile device. It is available in your email or through the conference app.

Download eBooks of KPI Definitions and the Presentation



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THANK YOU!

QUESTIONS?

THANK YOU!

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

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participate.



Share thoughts,
key points,
questions or just
follow along!

THANK YOU!