ICMI™ EMPOWERING CONTACT CENTER EXCELLENCE

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ICMI CONTACT CENTER DEMO

Session 204:

A New World Order – Managing Your Contact Center as a Business!

Jeff Rumburg, *Managing Partner,* **MetricNet**

Download Today’s Presentation

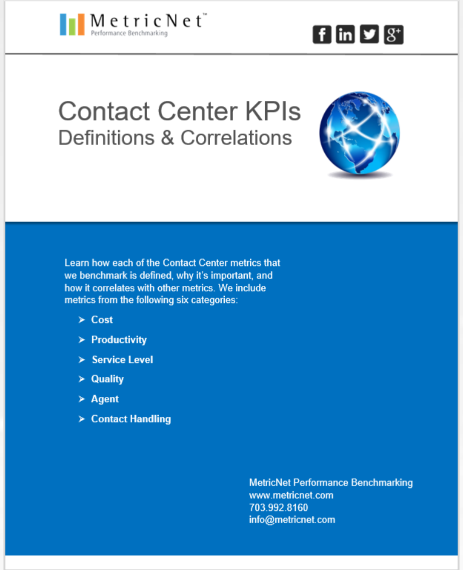
CONTACT CENTER DEMO

Session 204:

A New World Order – Managing Your Contact Center as a Business!

Jeff Rumburg, *Managing Partner,* MetricNet

Reaching the Peak of Customer Service Excellence #CCDemo


MetricNet Performance Benchmarking

Contact Center KPIs
Definitions & Correlations

Learn how each of the Contact Center metrics that we benchmark is defined, why it’s important, and how it correlates with other metrics. We include metrics from the following six categories:

- **Cost**
- **Productivity**
- **Service Level**
- **Quality**
- **Agent**
- **Contact Handling**

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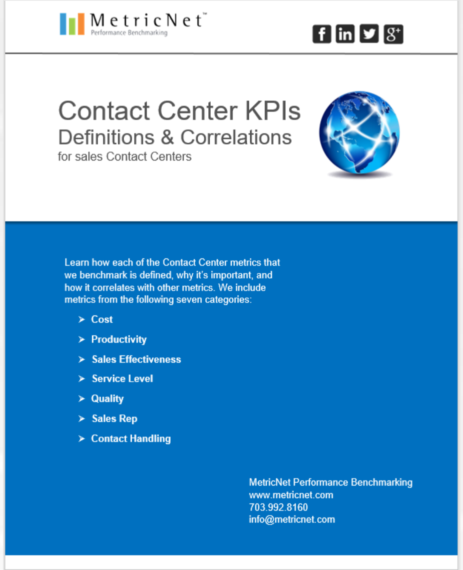
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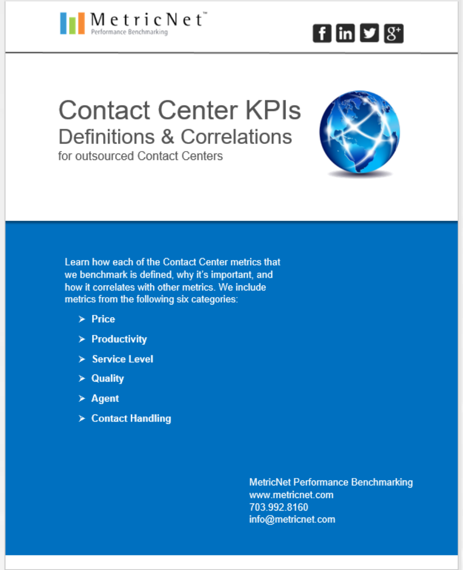
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Empirical Observations from Our Global Database

- Global Database
  - Nearly 4,000 Contact Center Benchmarks
  - 70+ Key Performance Indicators
- Nearly 120 Industry Best Practices

The Maturity Continuum in Customer Care

Reactive Stage

- Newer and less evolved contact centers are in this category
- A reactive “fire-fighting” culture prevails
- Focus tends to be almost exclusively on service levels
- The goal is mere Customer Satisfaction

Growth Stage

- Heavy investments in training, tools, and metrics characterize this stage
- A comprehensive knowledge base is typically established
- An expert network of problem solvers is developed within the contact center

Strategic Stage

- The primary purpose of a strategic customer service center is to Create Economic Value
- A preventive, proactive culture prevails
- Customer *enthusiasm* and *value creation* is the goal!

The Contact Center as a Business

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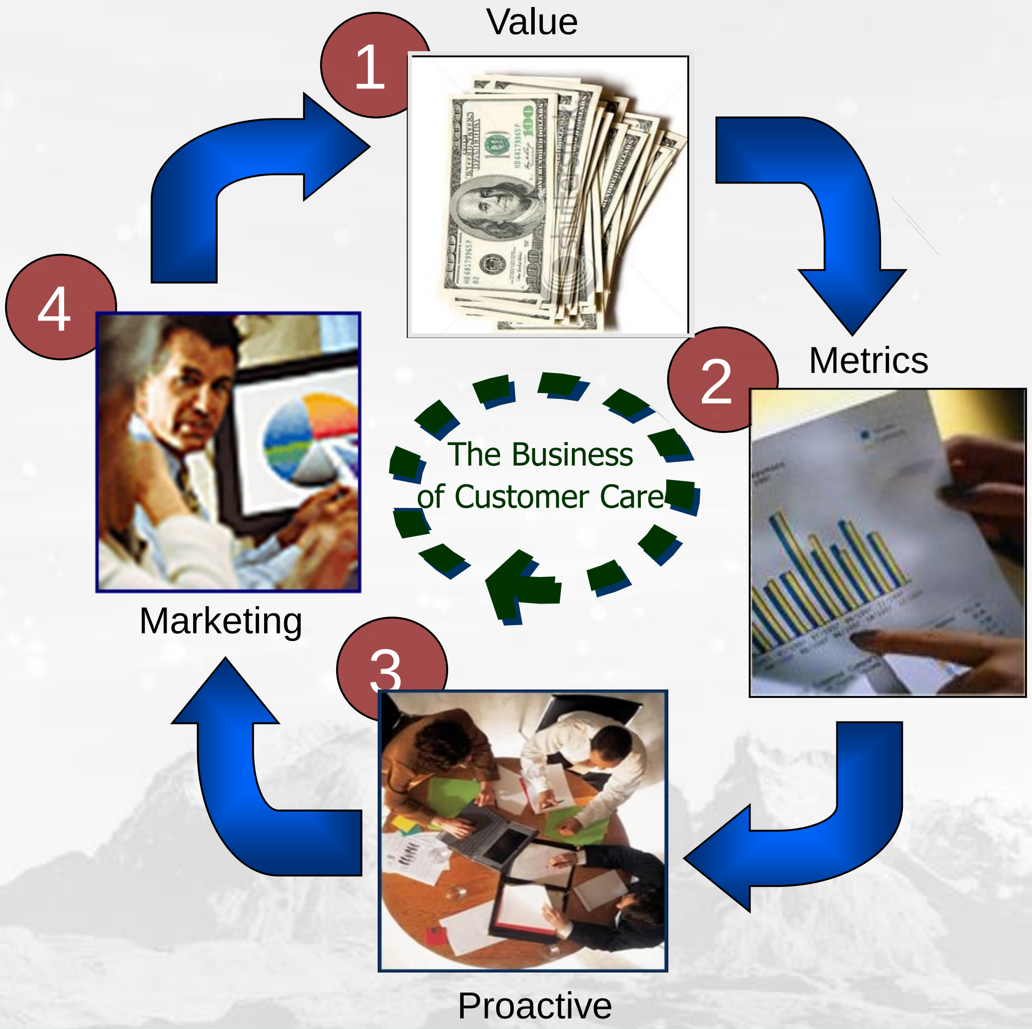
Create Value

Metrics Focused

Proactive

Marketing

A Business Model for the Contact Center


Value
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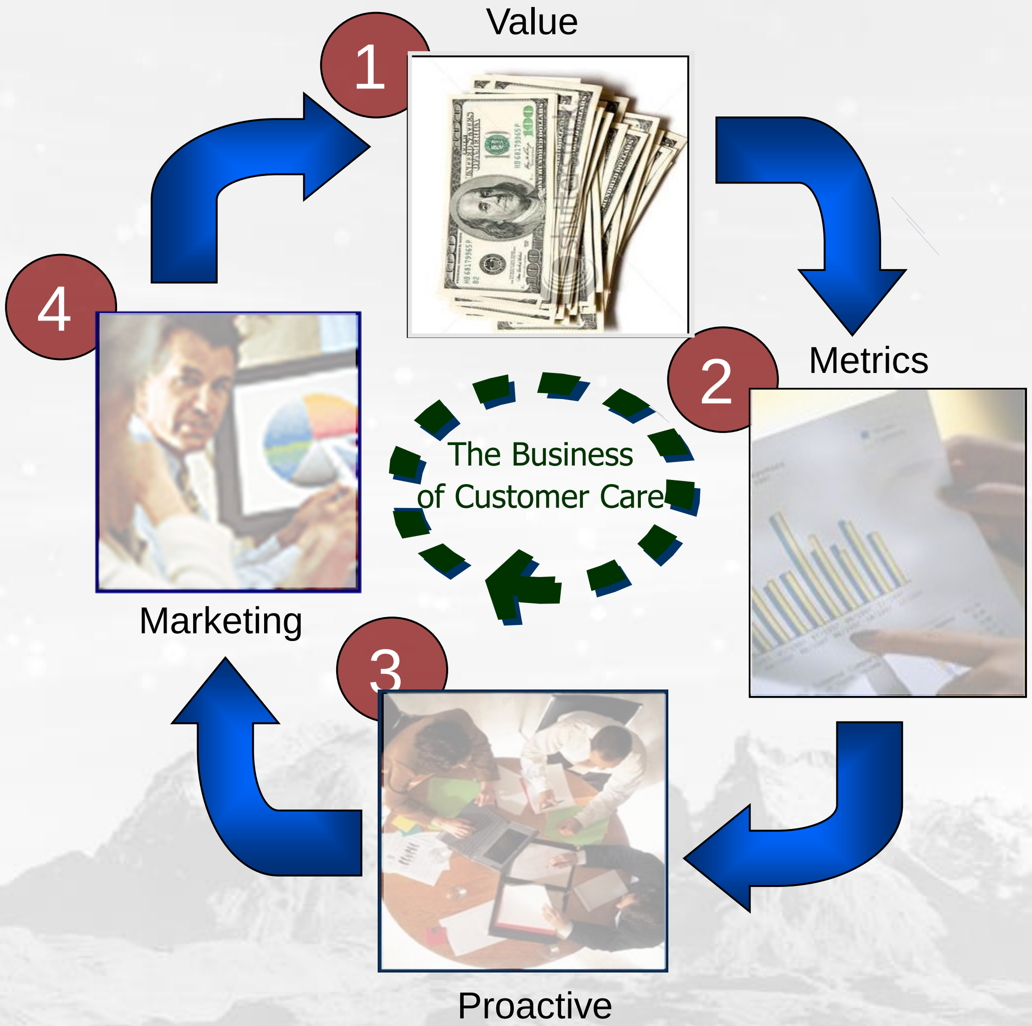
The Business of Customer Care

Model Component	Description
1. Value	Moving from Cost Center to Value Center
2. Metrics	Holistic and diagnostic application of KPIs
3. Proactive	Anticipate user needs and expectations
4. Marketing	Actively manage stakeholder perceptions

Value: A Business Model for the Contact Center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The Cost Center Dilemma in Customer Care

Cost Center

- Responsible for cost control
- Not responsible for…
  - Revenue generation
  - Profits
  - Investment decisions

VS.

Value Center

- Creates Economic Value
- Demonstrates Value
  - Cost savings
  - Revenue Generation
  - Return on Investment (ROI)

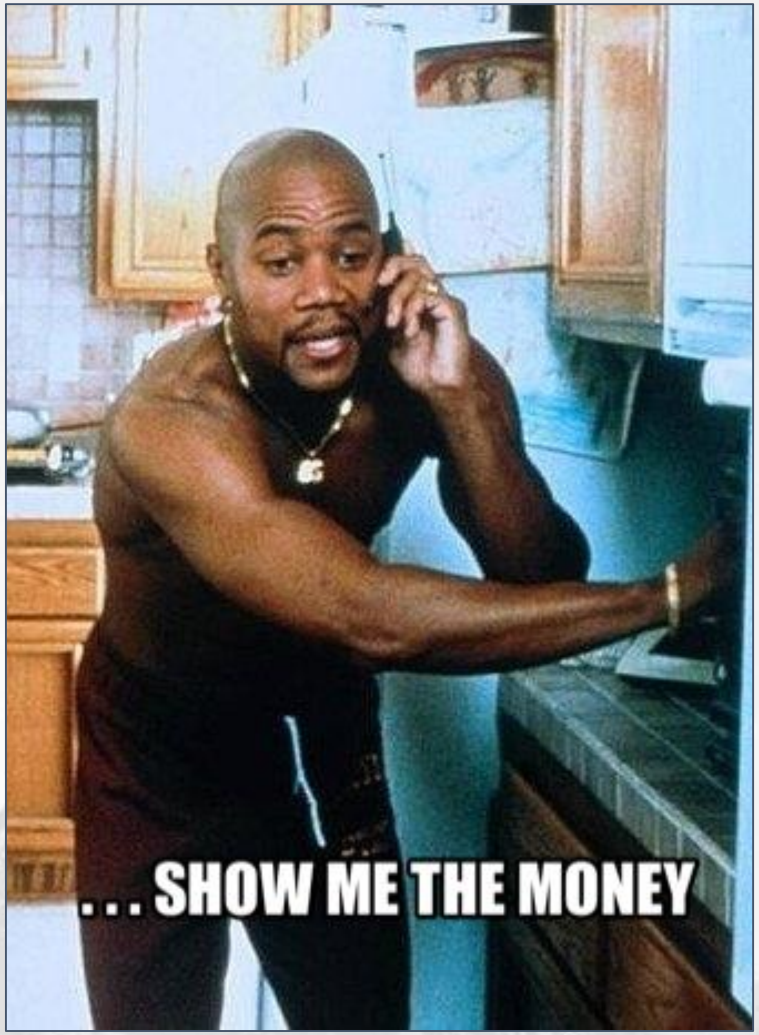
- The vast majority of customer care organizations operate as cost centers
  - They are expected to control costs, but are not expected to make any explicit financial contribution to the enterprise
- The focus in a cost center is on minimizing costs
- The focus in a Value Center is on maximizing value!

Creating Economic Value In Customer Care

- Repeat Business – Customer Loyalty
- Greater Customer Lifetime Value
- Higher Product Count per Customer
- Price Premiums Through Product Differentiation
- Upselling and Cross Selling – Sales at the Point of Service (SPOS)
- Positive Word-of-Mouth Referrals

Show Me the Money!

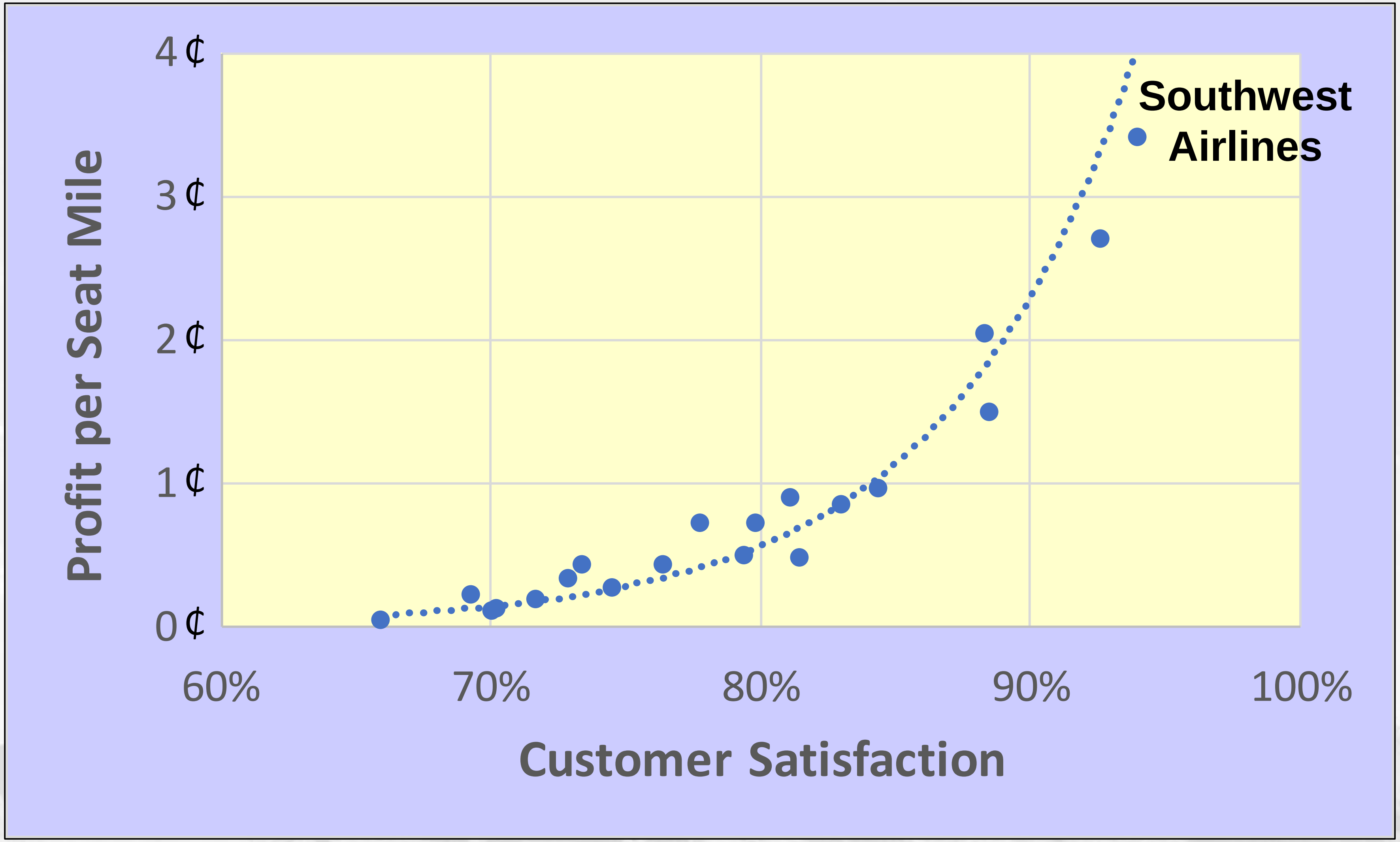
SHOW ME THE MONEY!


. . . SHOW ME THE MONEY

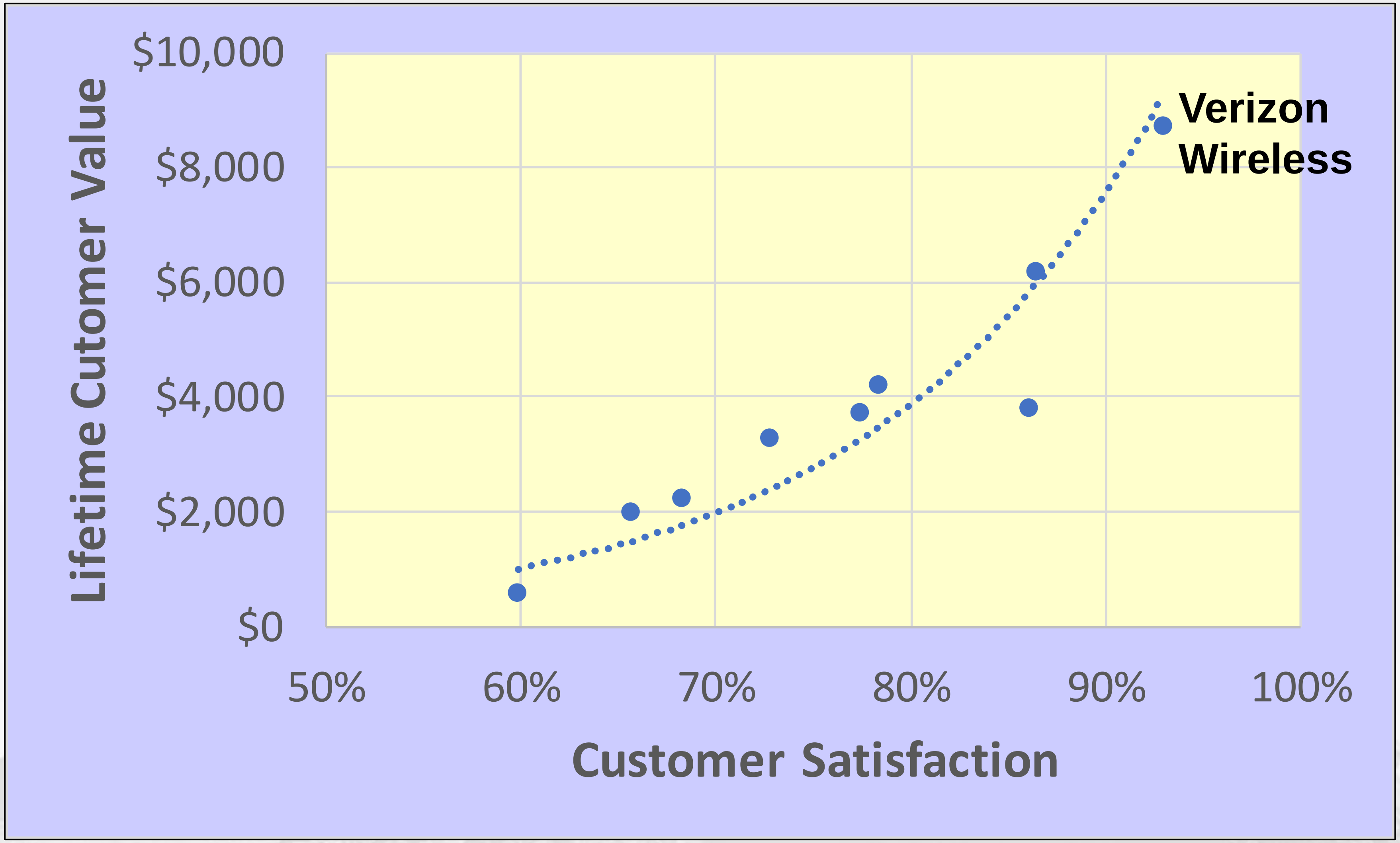
Five Industries, and Five Measures of Success

Industries	**Success Metric**
Airlines	Profit per Seat Mile
Wireless Telco	Lifetime Customer Value
Cable and Internet	Product Count per Customer
Credit Card	Monthly Customer Spend
Retail Banks	5 Year Stock Return

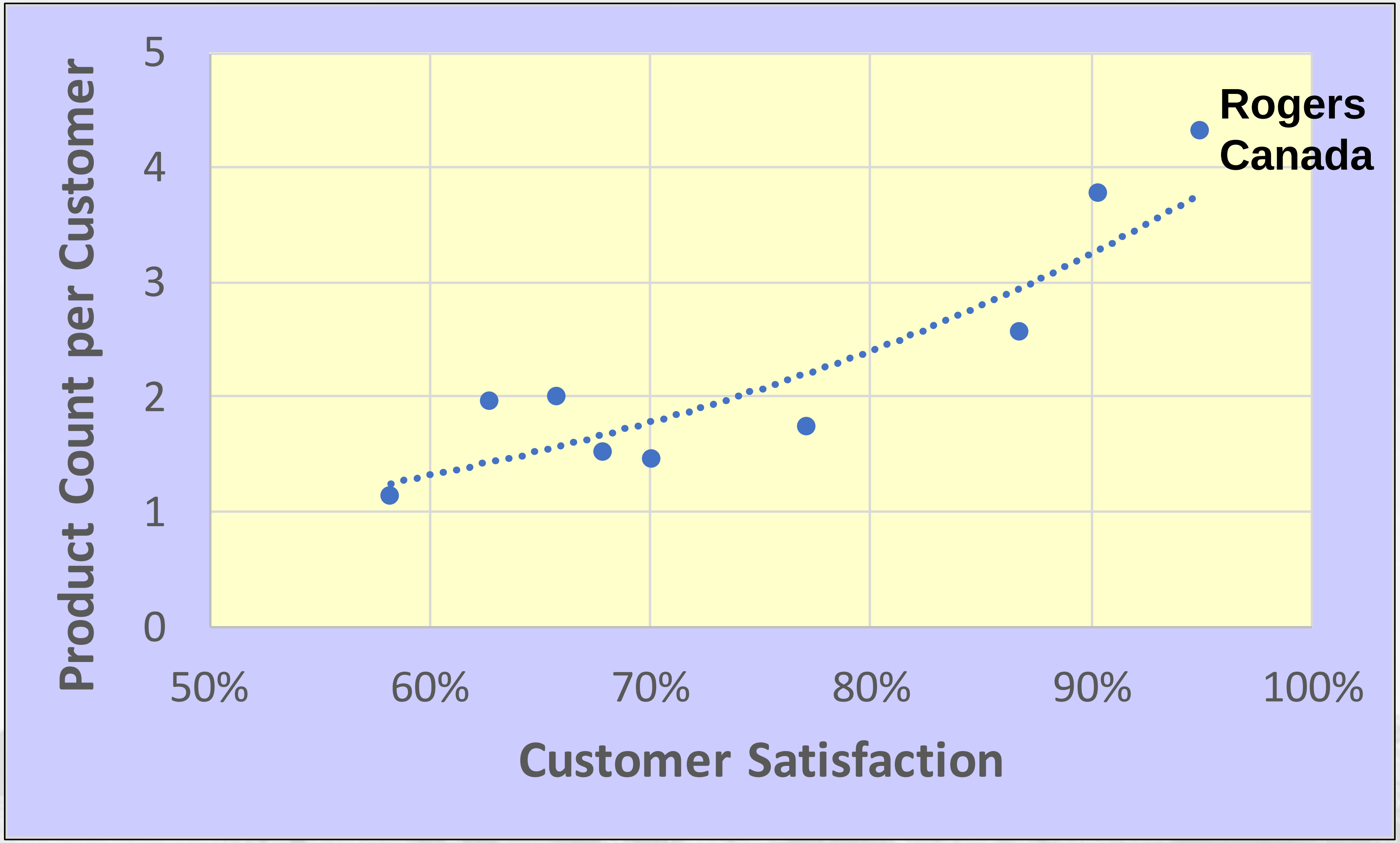
Airlines – Profit per Seat Mile



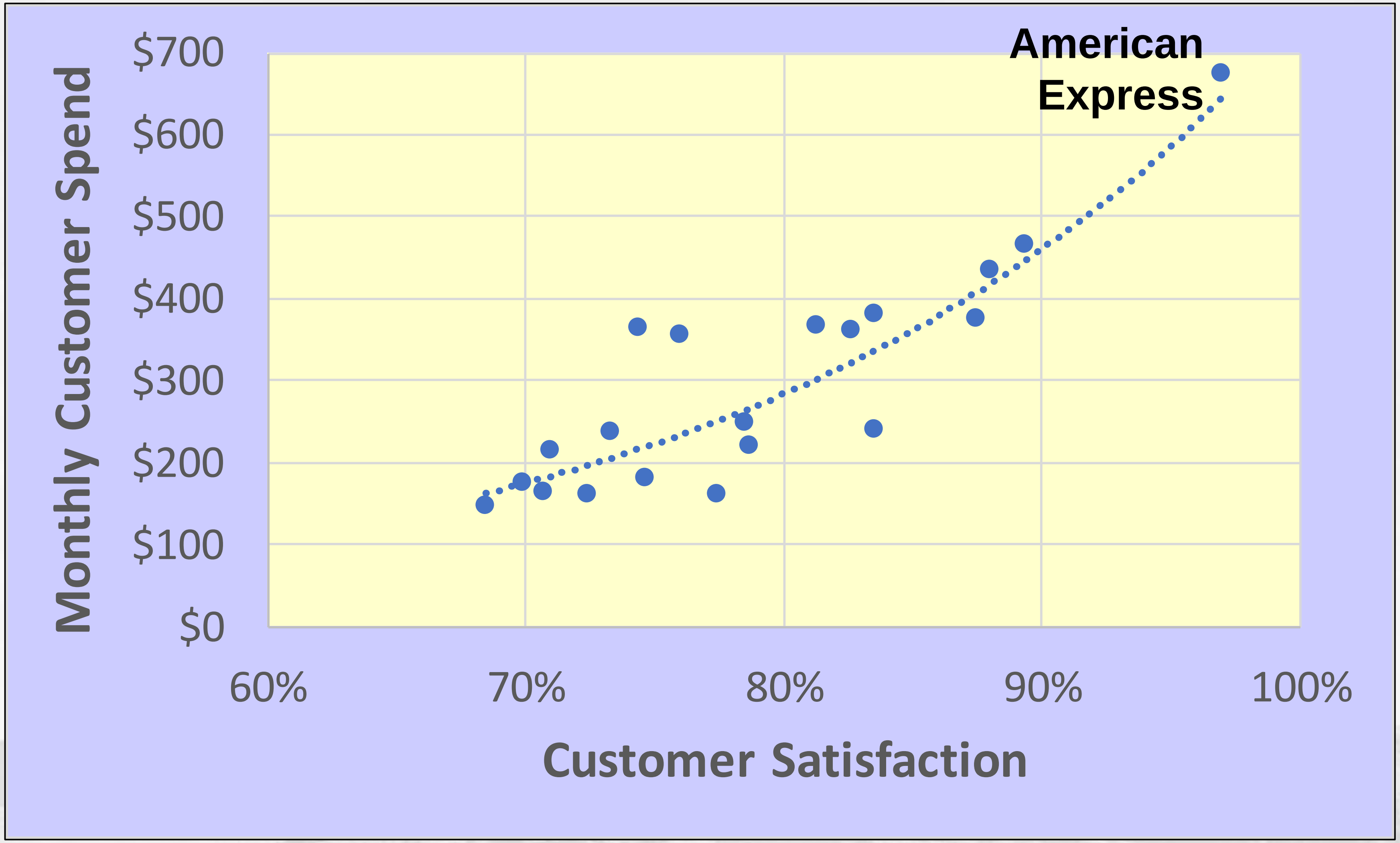
Wireless Telco – Lifetime Customer Value



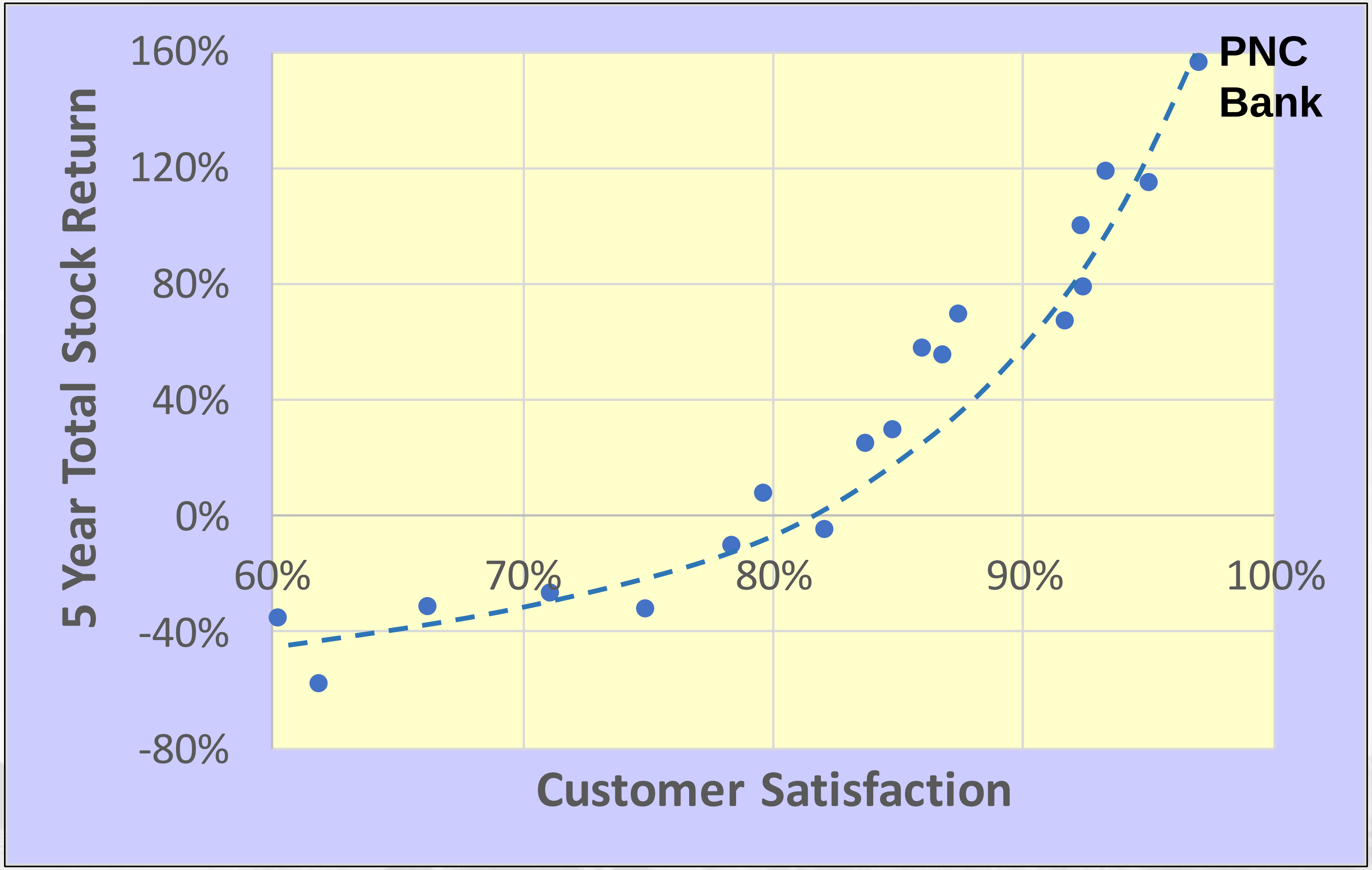
Cable and Internet – Product Count per Customer



Credit Card – Monthly Customer Spend



Retail Banks – 5 Year Stock Returns



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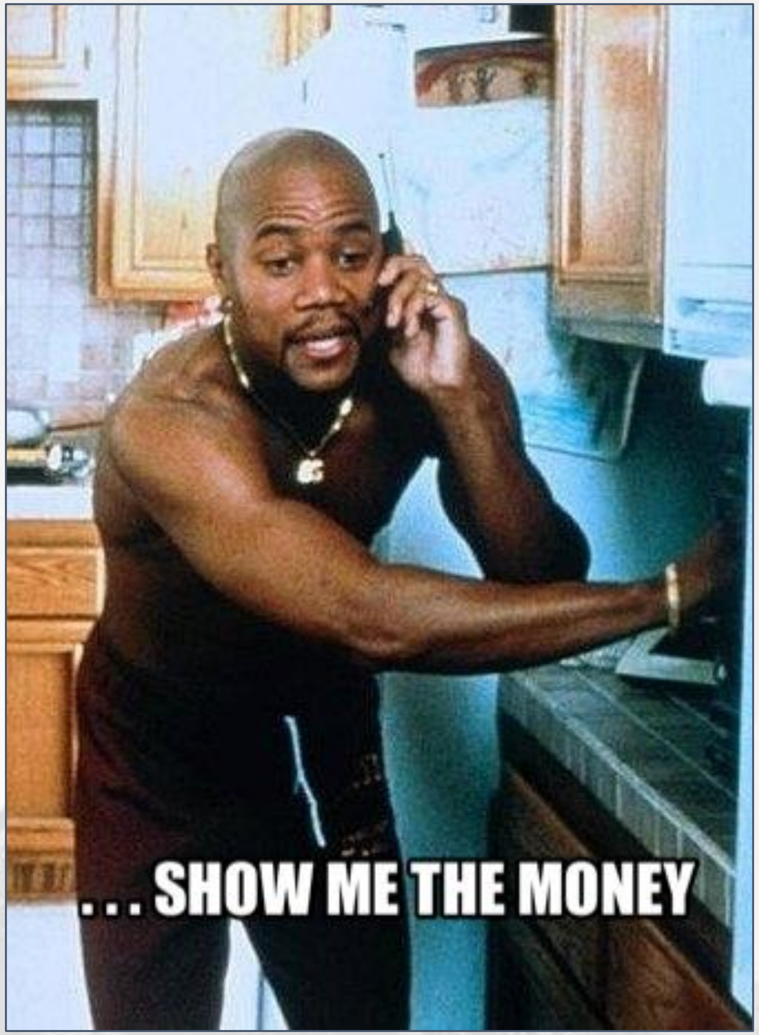
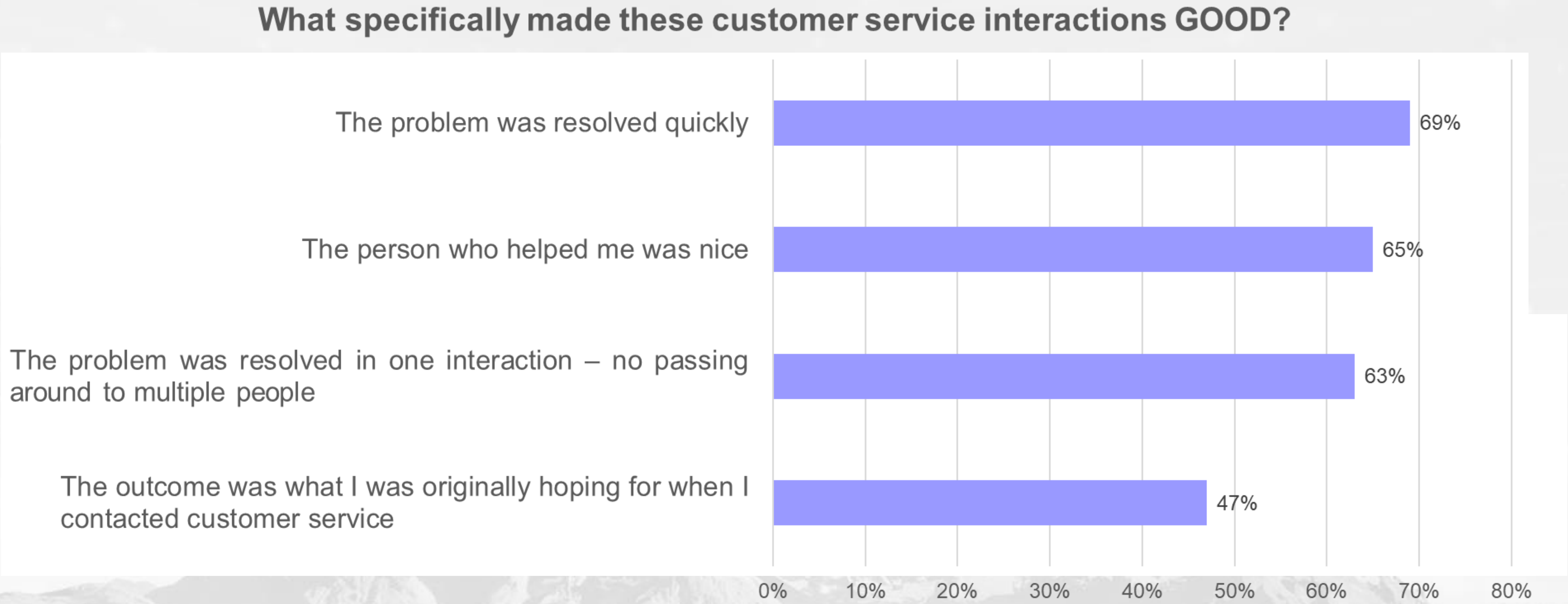

. . . SHOW ME THE MONEY

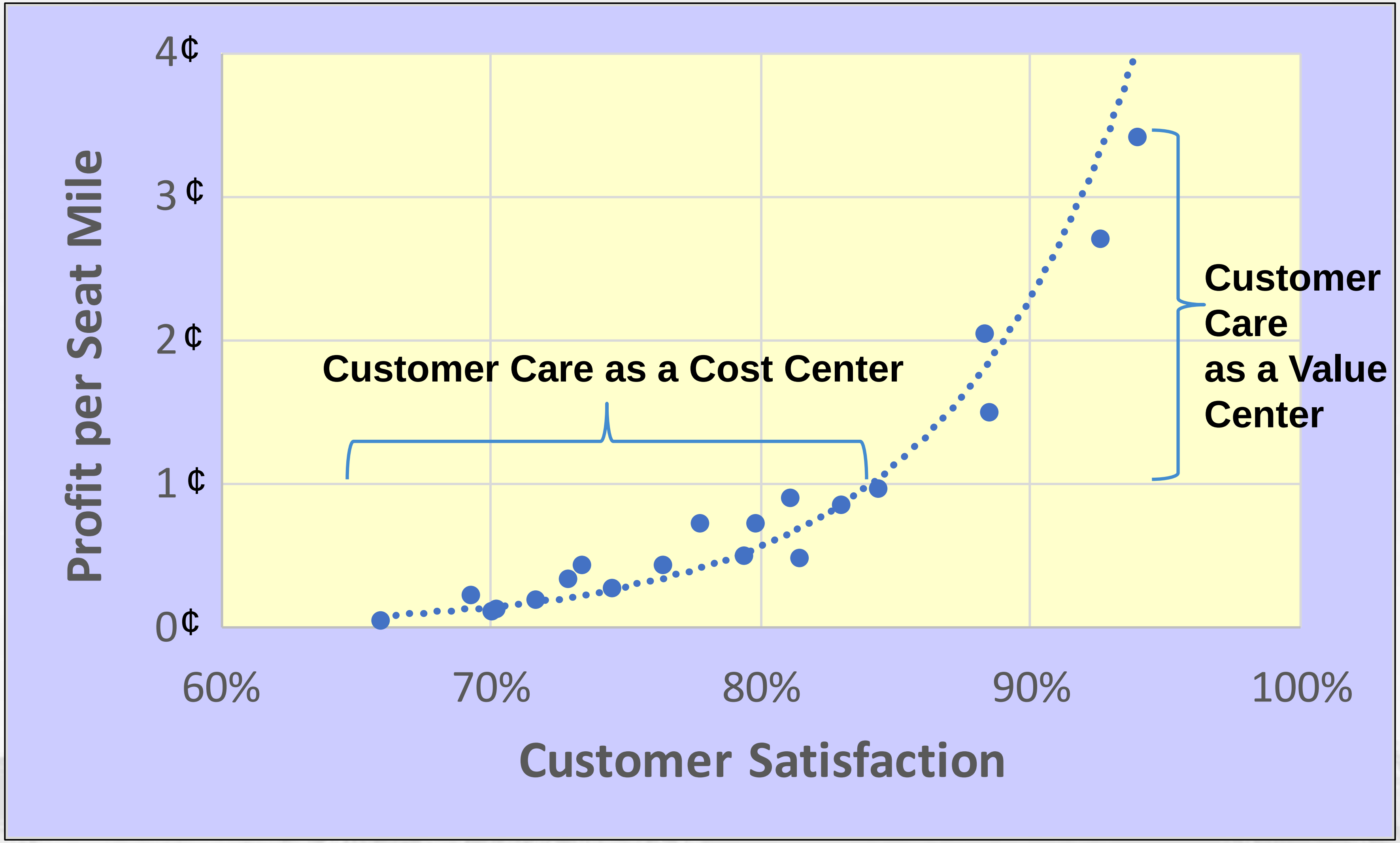
The Financial Benefit for the Top Performers

Company	Financial Benefit vs. Industry Average
Southwest Airlines	$2.6 billion greater profitability in 2017
Verizon Wireless	$13 billion greater profitability in 2017
Rogers Canada	$3.1 billion greater profitability in 2017
American Express	$1.9 billion greater profitability in 2017
PNC Bank	$36.3 billion increase in market value over 5 years

Speed + Courtesy + Competency = Customer Satisfaction



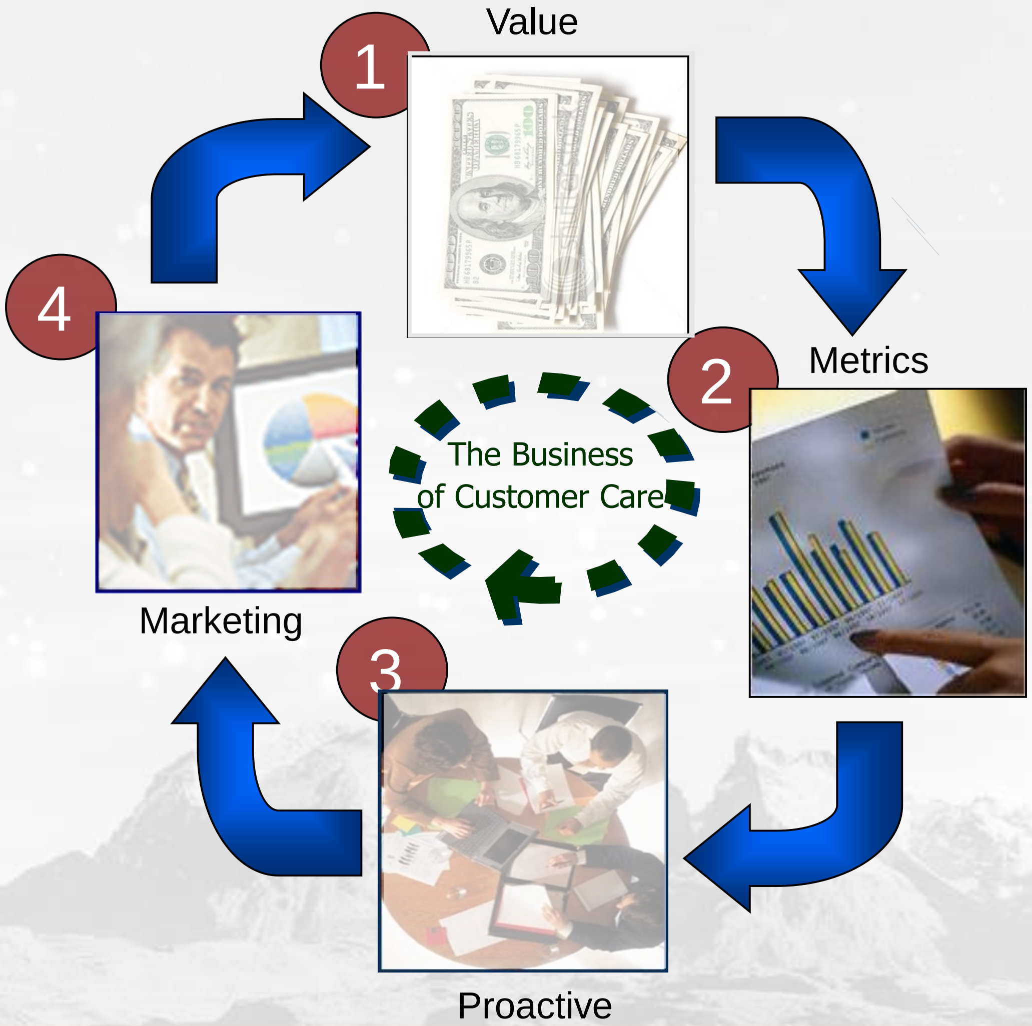
Customer Care as a Value Center



The Value-Centric Contact Center

1. A Good Business Creates Economic Value
2. Customer Satisfaction Has a Direct Impact on Economic Value
3. Customer Satisfaction is Driven by FCR and Agent Courtesy
4. Higher CSAT is Rewarded Disproportionately by Customers
5. Customer Care is an Investable Asset – A Value Center!

Metrics: A Business Model for the Contact Center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The Call Center Metrics Hierarchy

Have You Leveraged KPIs for World-Class Performance?	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%

Increasing Value!

The 80/20 Rule for Contact Center KPIs

Cost	Cost per Contact
Quality	Customer Satisfaction
Productivity	Agent Utilization
Call Handling	First Contact Resolution Rate
Agent	Agent Job Satisfaction
Service Level	Average Speed of Answer
Aggregate	Balanced Scorecard

Some Common Contact Center 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

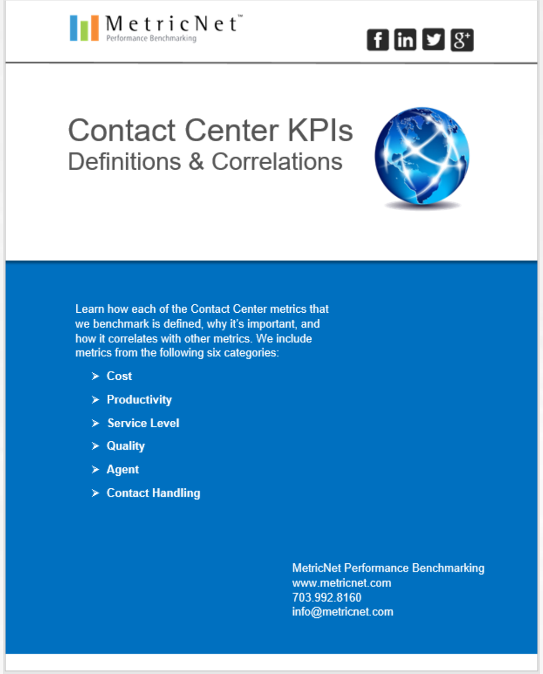
- Average Speed of Answer (ASA)
- Call Abandonment Rate
- % Answered Within 30 Seconds
- Percent of Calls Blocked

Call Handling

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

And there are hundreds more!!

Download eBooks of KPI Definitions



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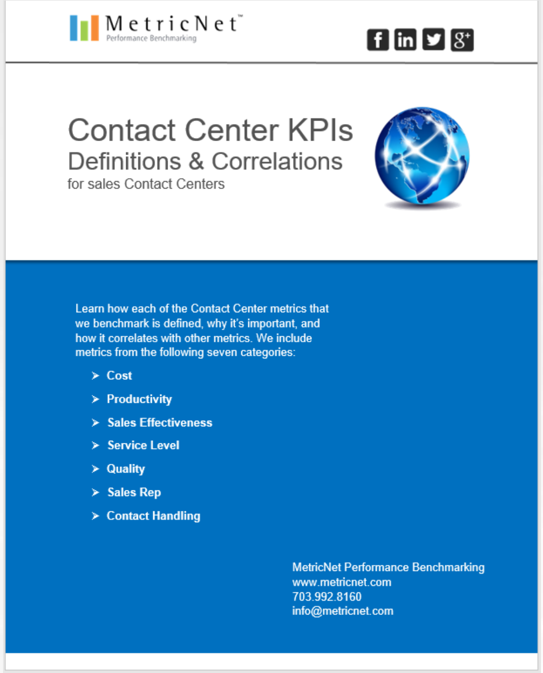

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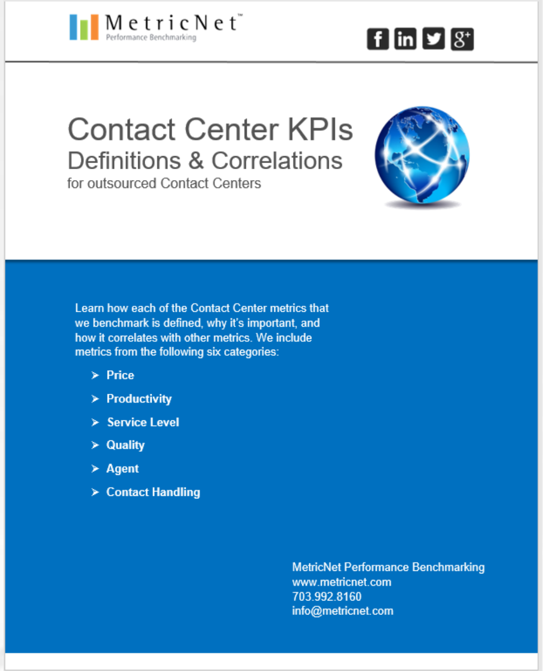

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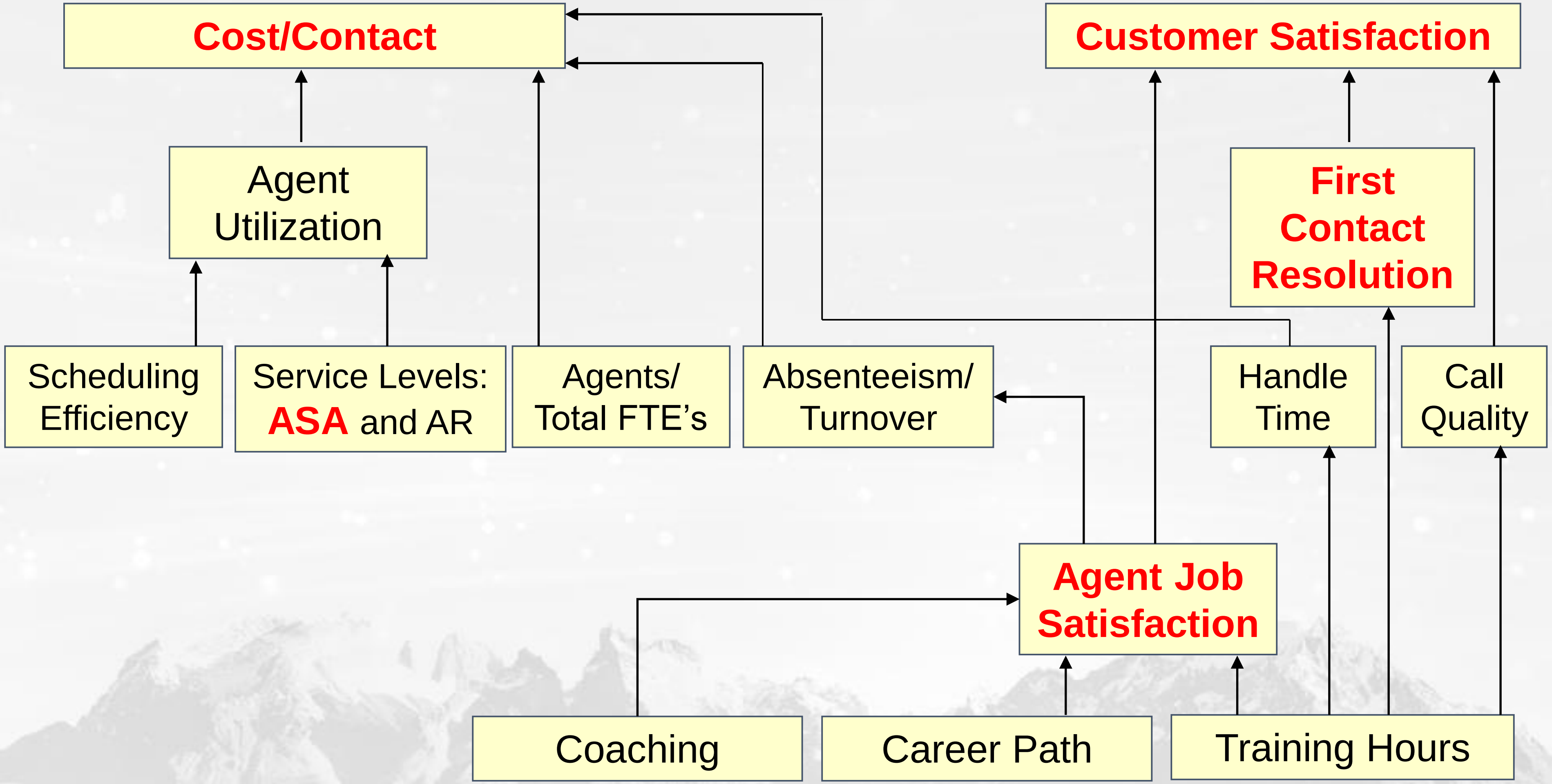
Summary of Contact Center KPI Correlations



Cost/Contact

Agent Utilization

Scheduling Efficiency

Service Levels: **ASA** and AR

Agents/ Total FTE's

Absenteeism/ Turnover

Customer Satisfaction

First Contact Resolution

Handle Time

Call Quality

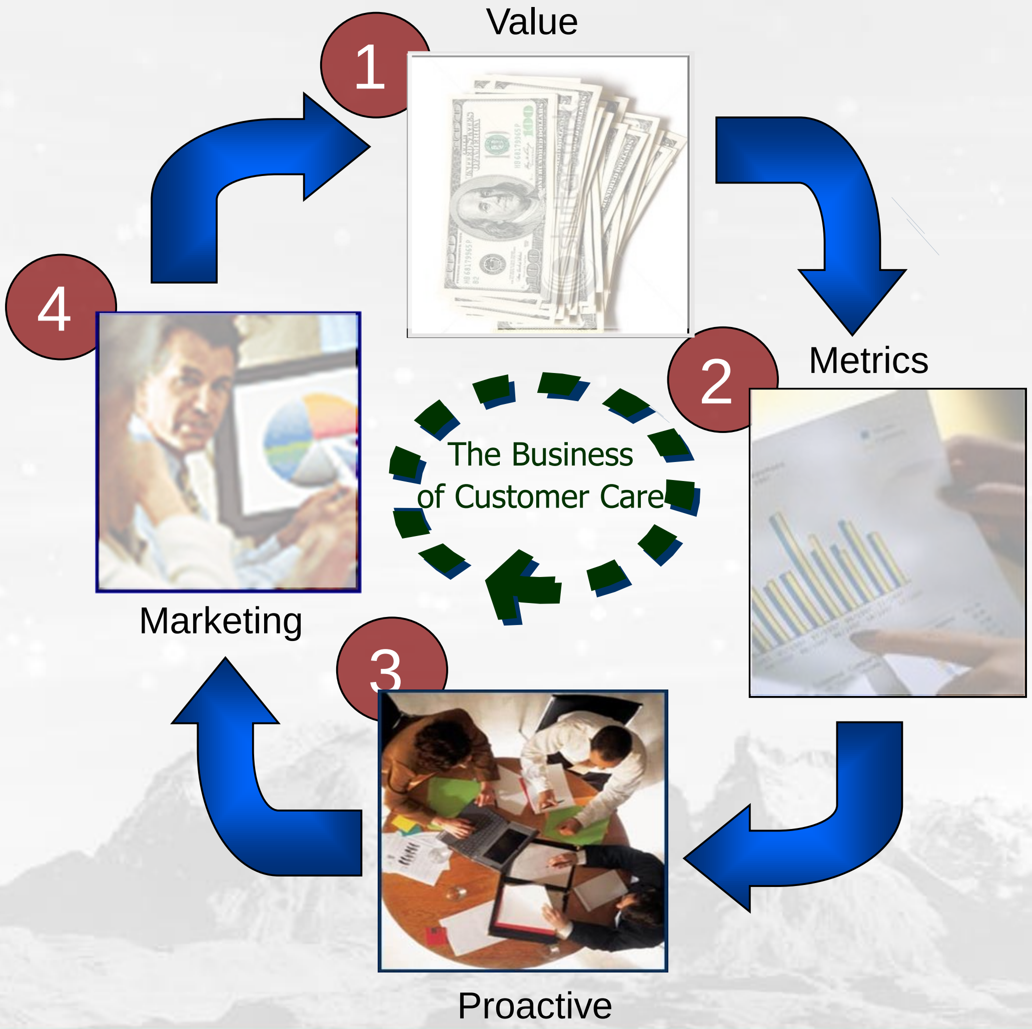
Agent Job Satisfaction

Coaching

Career Path

Training Hours

Proactive: A Business Model for the Contact Center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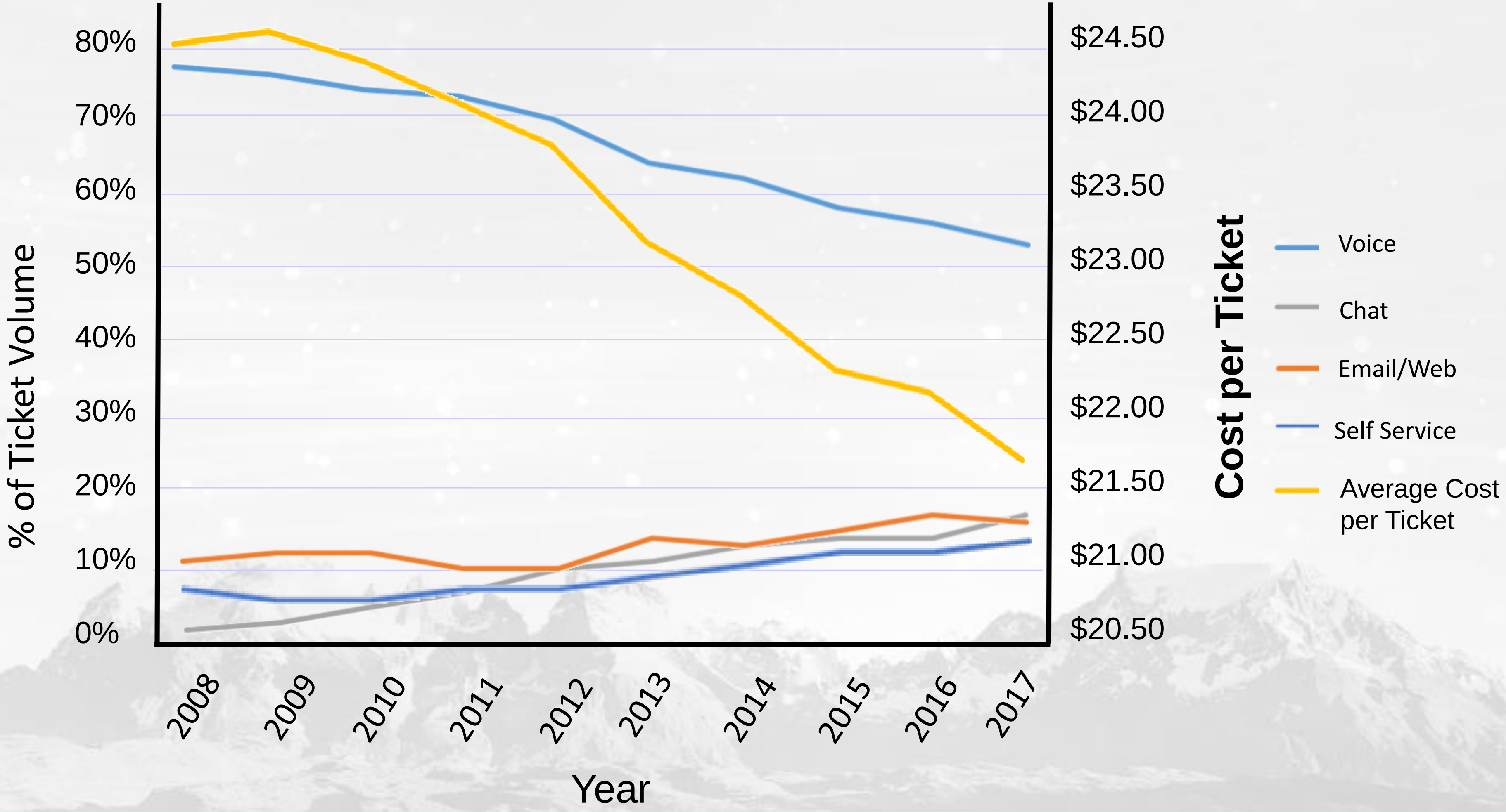
A Proactive Culture in the Contact Center

Some Common Proactive Behaviors

- ❑ Identify Opportunities for Contact Deflection
- ❑ Marketing / Brand Management
- ❑ Business Case Analysis for New Investments
- ❑ Benchmarking
- ❑ Goal-based Training
- ❑ Cause-and-Effect Decision-making
- ❑ Manage Agent Morale / Agent Job Satisfaction
- ❑ Agent Scorecards

Contact Deflection into Lower Cost Channels



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The Agent Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Contacts Handled per Month	40.0%	784	1,200	784	0.0%	0.0%
Customer Satisfaction	40.0%	70.5%	98.4%	98.4%	100.0%	40.0%
First Contact Resolution Rate	20.0%	63.6%	84.0%	80.6%	83.3%	16.7%
Total	**100.0%**	**N/A**	**N/A**	**N/A**	**N/A**	**56.7%**

Step 1

Seven 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

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

Step 5

The agent's score for each metric is then calculated: (worst case – actual performance) / (worst case –best case) X 100

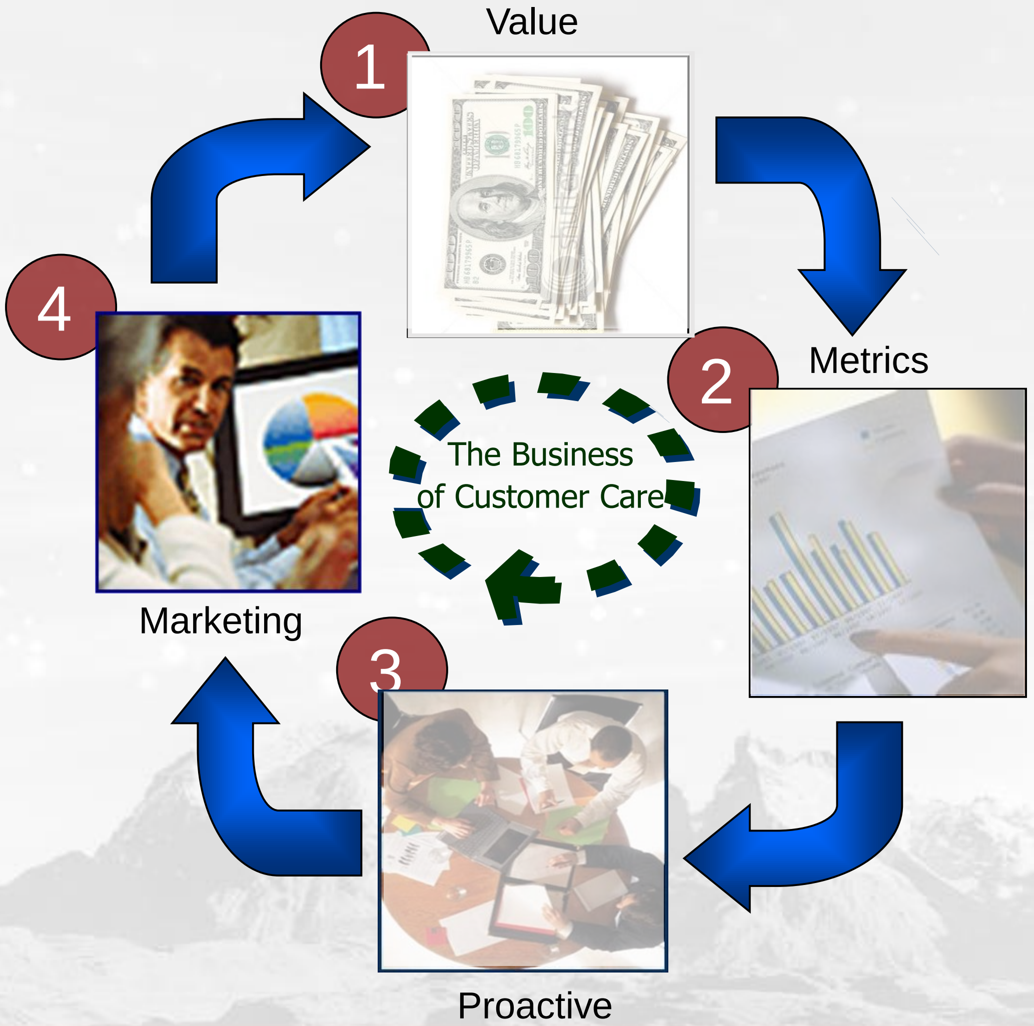
Step 6

The agent's balanced score for each metric is calculated: metric score X weighting

Agent Performance Rankings

Technician 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%	80.6%
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%
Your Score	14	56.6%	54.1%	62.9%	64.8%	50.7%	51.2%	56.7%
13	15	52.2%	34.9%	61.0%	52.8%	58.9%	48.7%	51.4%
24	16	48.9%	66.7%	86.9%	87.7%	83.6%	74.5%	74.7%
28	17	46.4%	45.5%	19.3%	40.3%	28.8%	32.4%	35.5%
27	18	43.7%	26.5%	31.5%	24.3%	22.2%	17.2%	27.6%
17	19	41.5%	28.4%	50.1%	48.1%	71.1%	81.0%	53.4%
23	20	39.1%	52.3%	57.1%	86.4%	87.7%	88.9%	68.6%
22	21	36.8%	18.7%	19.3%	52.9%	66.4%	64.3%	43.1%
12	22	36.6%	43.2%	33.1%	65.7%	69.0%	86.0%	55.6%
30	23	36.3%	22.6%	23.5%	85.8%	81.5%	70.3%	53.3%
29	24	34.1%	44.9%	50.2%	28.3%	48.9%	36.9%	40.6%
34	25	33.4%	37.9%	23.1%	21.7%	29.7%	22.6%	28.1%
18	26	32.6%	68.4%	80.4%	88.4%	83.8%	91.6%	74.2%
Monthly Average		**57.7%**	**56.8%**	**56.7%**	**64.3%**	**64.0%**	**66.6%**	**61.0%**

Marketing: A Business Model for the Contact Center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The Role of Marketing in The Contact Center

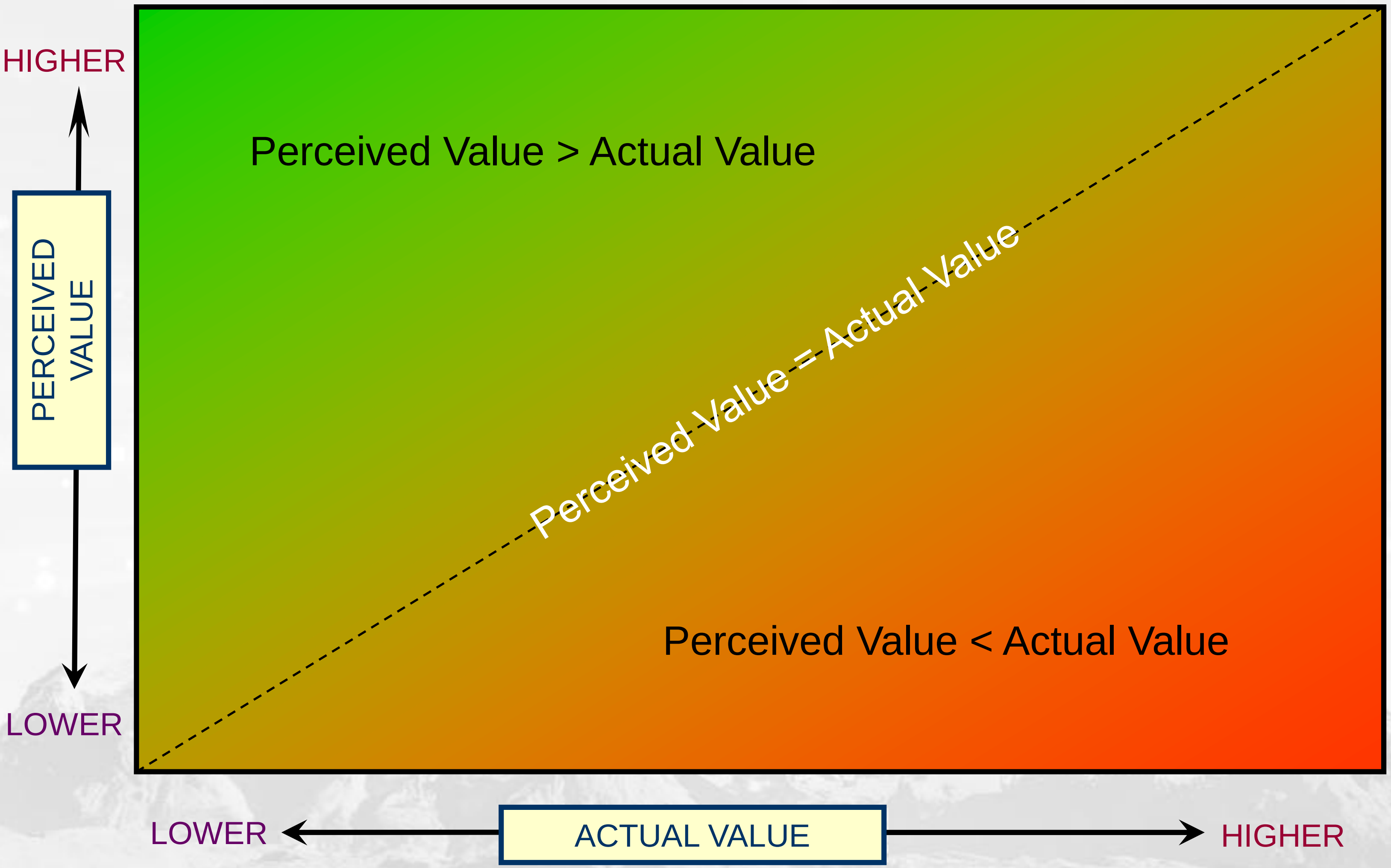
We’ve all heard the expression…

“Expectations Not Set…

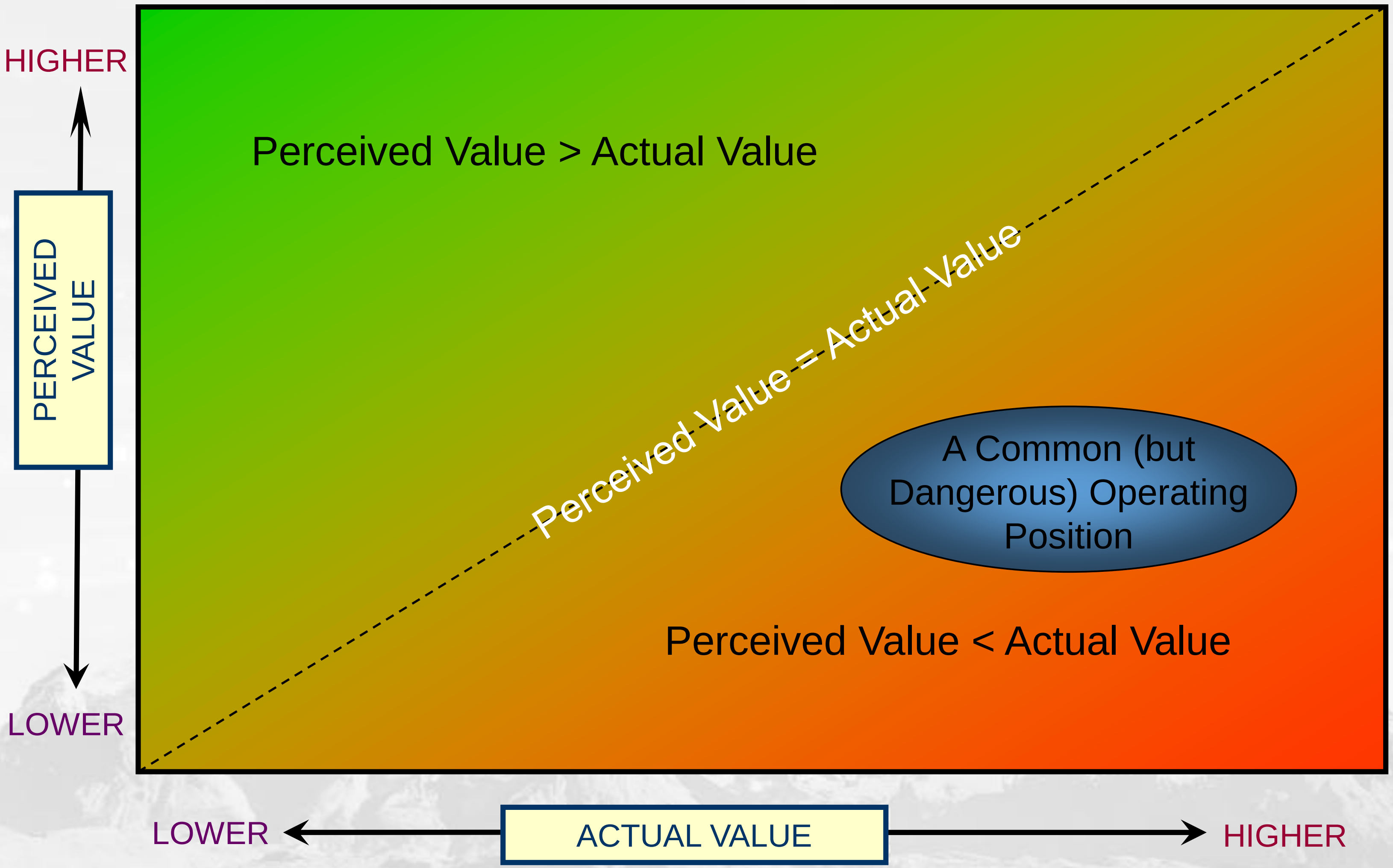
are Expectations Not Met!

So, let’s get serious about proactively managing expectations!

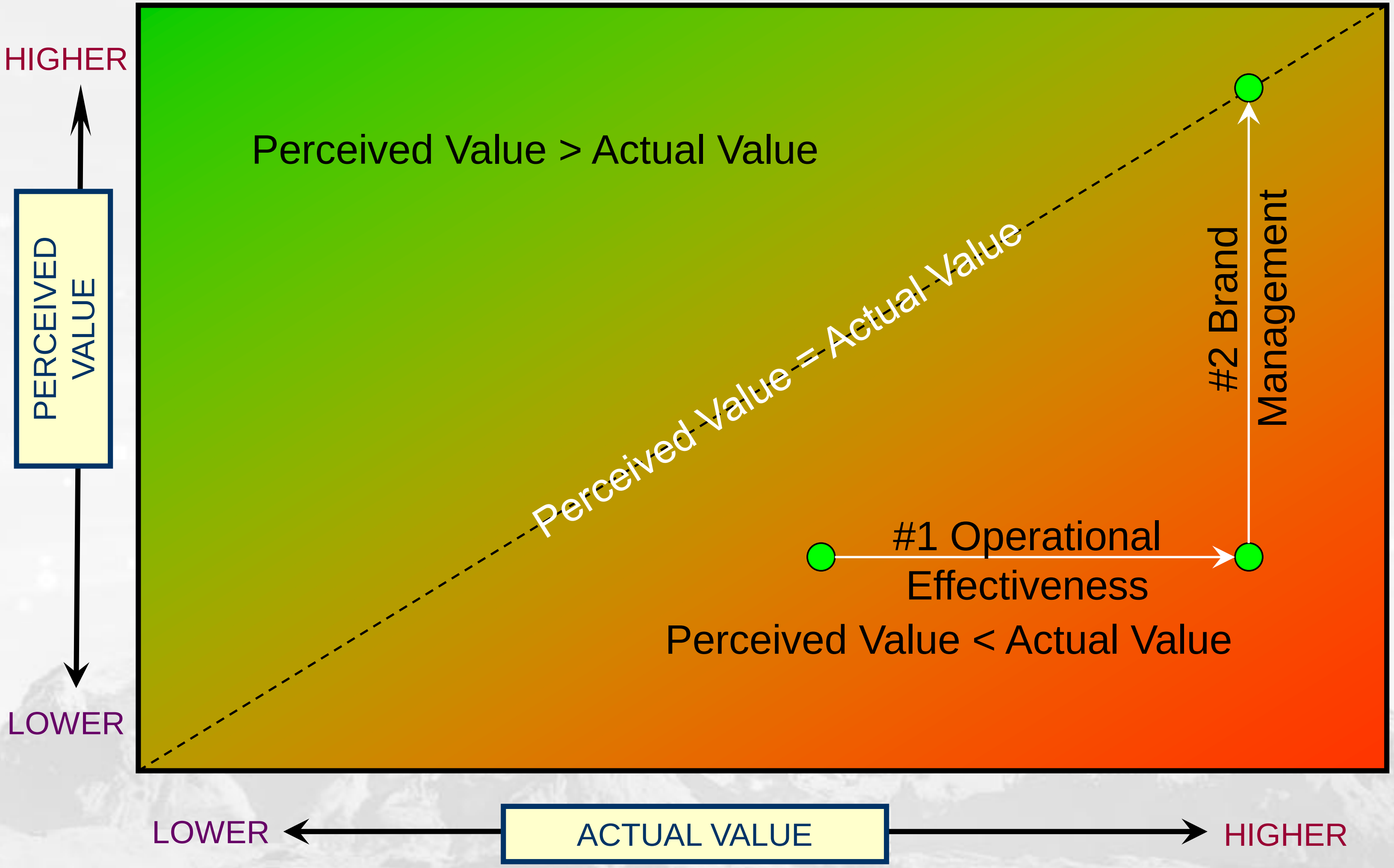
Perception vs. Reality in The Contact Center


HIGHER
PERCEIVED VALUE
LOWER
Perceived Value > Actual Value
Perceived Value = Actual Value
Perceived Value < Actual Value
LOWER
ACTUAL VALUE
HIGHER

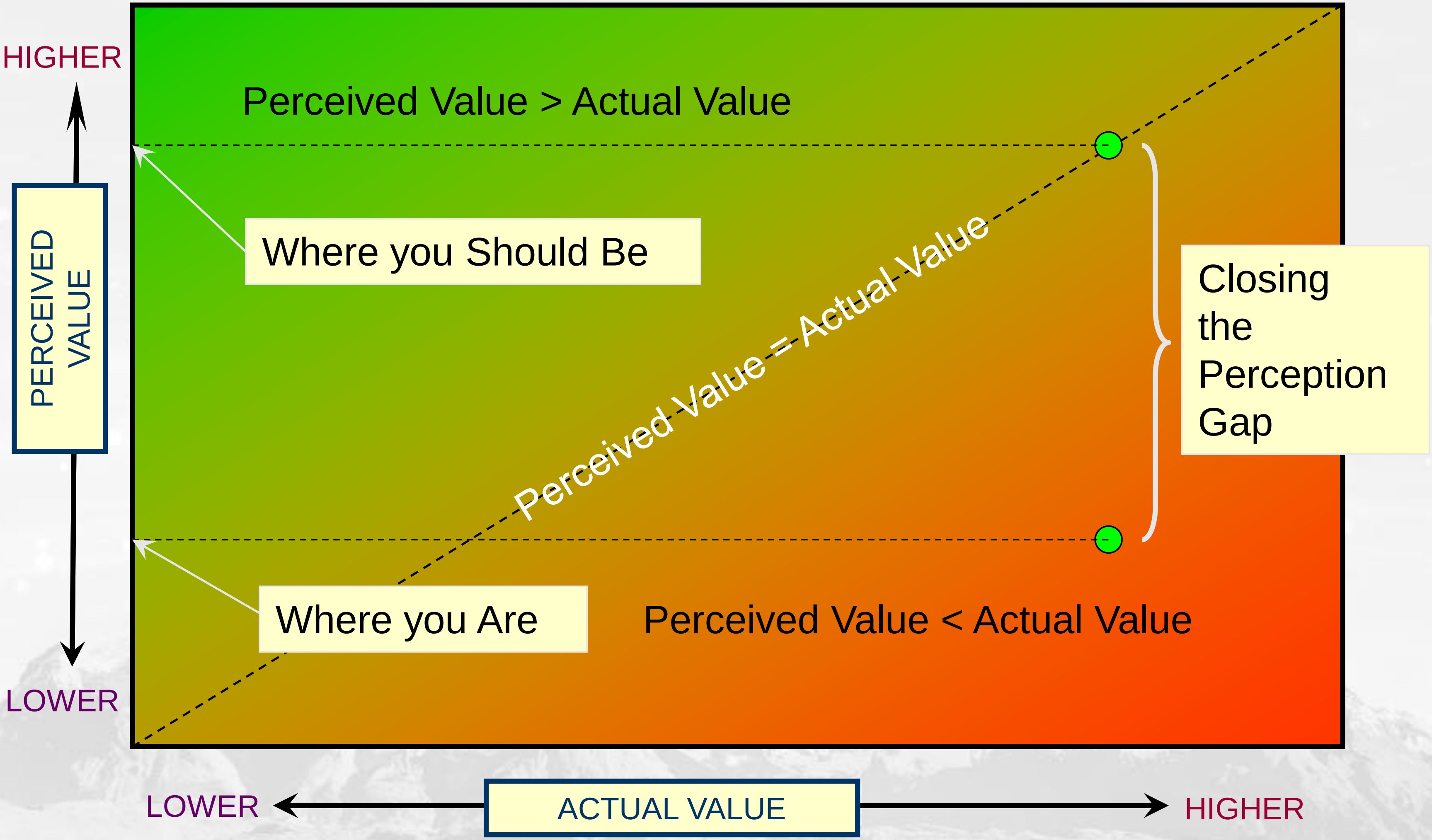
Perception Is Almost Always Worse Than the Reality


HIGHER
PERCEIVED VALUE
LOWER
Perceived Value > Actual Value
Perceived Value = Actual Value
A Common (but Dangerous) Operating Position
Perceived Value < Actual Value
LOWER
ACTUAL VALUE
HIGHER

Brand Management The Contact Center


HIGHER
PERCEIVED VALUE
LOWER
Perceived Value > Actual Value
Perceived Value = Actual Value
#2 Brand Management
#1 Operational Effectiveness
Perceived Value < Actual Value
LOWER
ACTUAL VALUE
HIGHER

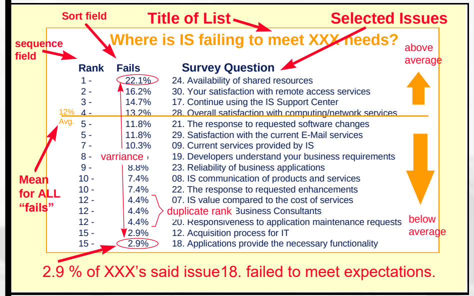
Closing the Perception Gap


HIGHER
PERCEIVED VALUE
LOWER
Perceived Value > Actual Value
Where you Should Be
Perceived Value = Actual Value
Closing the Perception Gap
Where you Are
Perceived Value < Actual Value
LOWER
ACTUAL VALUE
HIGHER

Message Management: The Five W's

1. Who – Who are the Key Stakeholder Groups?
2. What – What are the Key Messages?
3. When – When are You Going to Communicate Them?
4. Where/How – Where/How do You Reach the Stakeholders?
5. Why – Why are We Doing This?

The Most Common Communication Vehicles

Newsletters	Brown Bag Sessions	Leave Behinds	Business Unit Liaisons
Surveys	**Log-in Screens**	**Webcasts**	**FAQ Site**
			

NEWS
g-park.en.alibaba.com

Sort field
Title of List
Selected Issues
sequence field

Where is IS failing to meet XXX needs?

above average

Rank	Fails	Survey Question
1 -	22.1%	24. Availability of shared resources
2 -	16.2%	30. Your satisfaction with remote access services
3 -	14.7%	17. Continue using the IS Support Center
4 -	13.2%	28. Overall satisfaction with computing/network services
5 -	11.8%	21. The response to requested software changes
5 -	11.8%	29. Satisfaction with the current E-Mail services
7 -	10.3%	09. Current services provided by IS
8 -		19. Developers understand your business requirements
9 -	8.8%	23. Reliability of business applications
10 -	7.4%	08. IS communication of products and services
10 -	7.4%	22. The response to requested enhancements
12 -	4.4%	07. IS value compared to the cost of services
12 -	4.4%	Business Consultants
12 -	4.4%	20. Responsiveness to application maintenance requests
15 -	2.9%	12. Acquisition process for IT
15 -	2.9%	18. Applications provide the necessary functionality

12% Avg.
varriance
duplicate rank
Mean for ALL "fails"
below average

2.9 % of XXX's said issue18. failed to meet expectations.

Marketing Summary

- ☐ Managing the gap between perception and reality is fairly straightforward
  - It doesn’t take a lot of time, or cost a lot of money
- ☐ But it is critically important
  - The success of your contact center depends as much on your image, as it does on your actual performance!
- ☐ The Benefits of effective Image Management Include:
  - Credibility, which leverages your ability to Get Things Done!
  - A Positive Image for Customer Care overall
  - High levels of internal Customer Satisfaction

The Contact Center as a Business

Create Value

Metrics Focused

Proactive

Marketing

QUESTIONS?

Don’t forget to fill out the evaluation for this session!

These evaluations help shape future events!

Download Today's Presentation

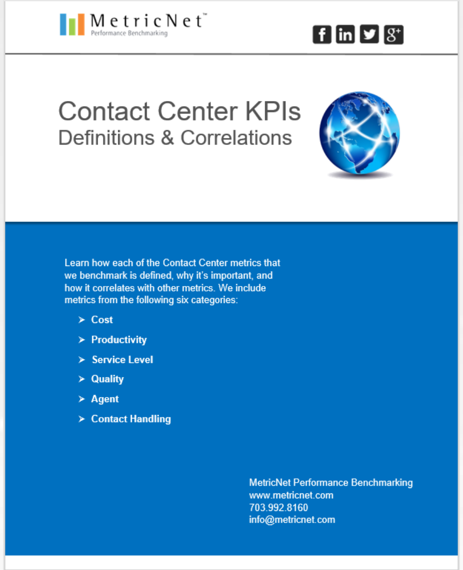
ICMI CONTACT CENTER DEMO

Session 204:

A New World Order – Managing Your Contact Center as a Business!

Jeff Rumburg, *Managing Partner,* MetricNet

Reaching the Peak of Customer Service Excellence #CCDemo



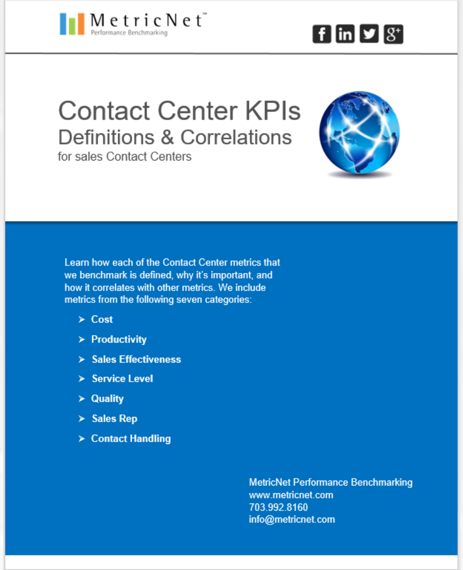
MetricNet Performance Benchmarking

Contact Center KPIs
Definitions & Correlations

Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following six categories:

- Cost
- Productivity
- Service Level
- Quality
- Agent
- Contact Handling

MetricNet Performance Benchmarking
www.metricnet.com
703.992.8160
info@metricnet.com



MetricNet Performance Benchmarking

Contact Center KPIs
Definitions & Correlations
for sales Contact Centers

Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following seven categories:

- Cost
- Productivity
- Sales Effectiveness
- Service Level
- Quality
- Sales Rep
- Contact Handling

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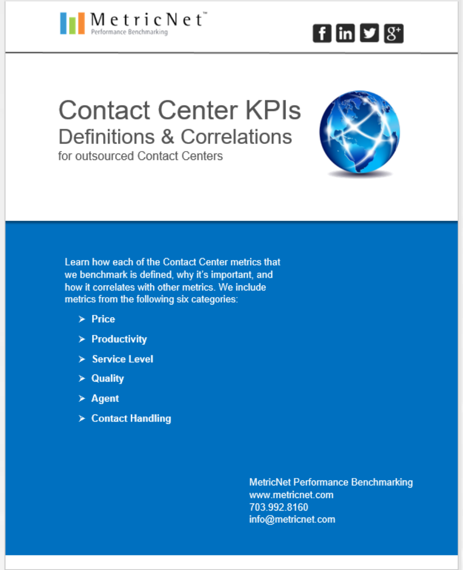


MetricNet Performance Benchmarking

Contact Center KPIs
Definitions & Correlations
for outsourced Contact Centers

Learn how each of the Contact Center metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following six categories:

- Price
- Productivity
- Service Level
- Quality
- Agent
- Contact Handling

MetricNet Performance Benchmarking
www.metricnet.com
703.992.8160
info@metricnet.com

https://www.metricnet.com/icmidemo18/

ICMI CONTACT CENTER DEMO

Session 501:

Turbocharge Your Metrics With Benchmarking!

Jeff Rumburg, ***Managing Partner***, **MetricNet**

Thank You!

QUESTIONS?

Thank You!

About MetricNet

Your Benchmarking Partner

Your Speaker: Jeff Rumburg

- Co Founder and Managing Partner, MetricNet, LLC
- Winner of the Ron Muns Lifetime Achievement Award
- Named one of HDI’s Top 25 Thought Leaders in 2016 and 2017
- Former CEO, The Verity Group
- Former Vice President, Gartner
- Founder of the IT Service and Support Benchmarking Consortium
- Author of *A Hands-On Guide to Competitive Benchmarking*
- Harvard MBA, Stanford MS

Contact MetricNet…

www.metricnet.com

703.992.8160

info@metricnet.com

Benchmarking is MetricNet’s Core Business

Contact Centers

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

Information Technology

- Service Desk
- Desktop Support
- Field Support

Telecom

- Price Benchmarking

Satisfaction

- Customer Satisfaction
- Employee Satisfaction

Meet a Sampling of Our Clients

MetricNet Conducts benchmarking for contact centers worldwide, and across virtually every industry sector.

AMERICAN EXPRESS
hp
GM
Allstate. You're in good hands.
BAYER Bayer
PIZZA PAPA JOHNS 1984 25 YEARS 2009 Better Ingredients. Better Pizza.
SONY
Hertz
IBM®
Abbott A Promise for Life
ARAMARK
OXY
BARCLAYS
Symantec.
sanofi aventis Because health matters
Schneider Electric
Edward Jones MAKING SENSE OF INVESTING

Thank You!

Some Notable Empirical Observations

1. Growth of Alternative Channels – Chat and Web Self-Help
2. New Disciplines are Being Developed
3. Agent Compensation is Increasing
4. Most Contact Centers Now Have a Scorecard
5. Agent Accountability is Increasing
6. Turnover Reduction Strategies are Being Employed
7. Agent Cross Training for Multiple Queues
8. Contact Center Managed as a Business – Profit Center Motive

The Contact Center Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Score	Metric Score	Balanced Score
		Worst Case	Best Case			
Average Cost per Contact (incl. IVR)	25.0%	$9.03	$4.88	$6.18	68.7%	17.2%
Voice Customer Satisfaction	25.0%	46.2%	97.9%	84.8%	74.7%	18.7%
Voice Agent Utilization	15.0%	35.8%	67.3%	67.3%	100.0%	15.0%
Net First Contact Resolution Rate	15.0%	66.5%	97.5%	82.0%	50.0%	7.5%
Agent Job Satisfaction	10.0%	63.6%	94.2%	63.6%	0.0%	0.0%
Average Speed of Answer (seconds)	10.0%	194	21	25	97.7%	9.8%
Total	**100.0%**	**N/A**	**N/A**	**N/A**	**N/A**	**68.1%**

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

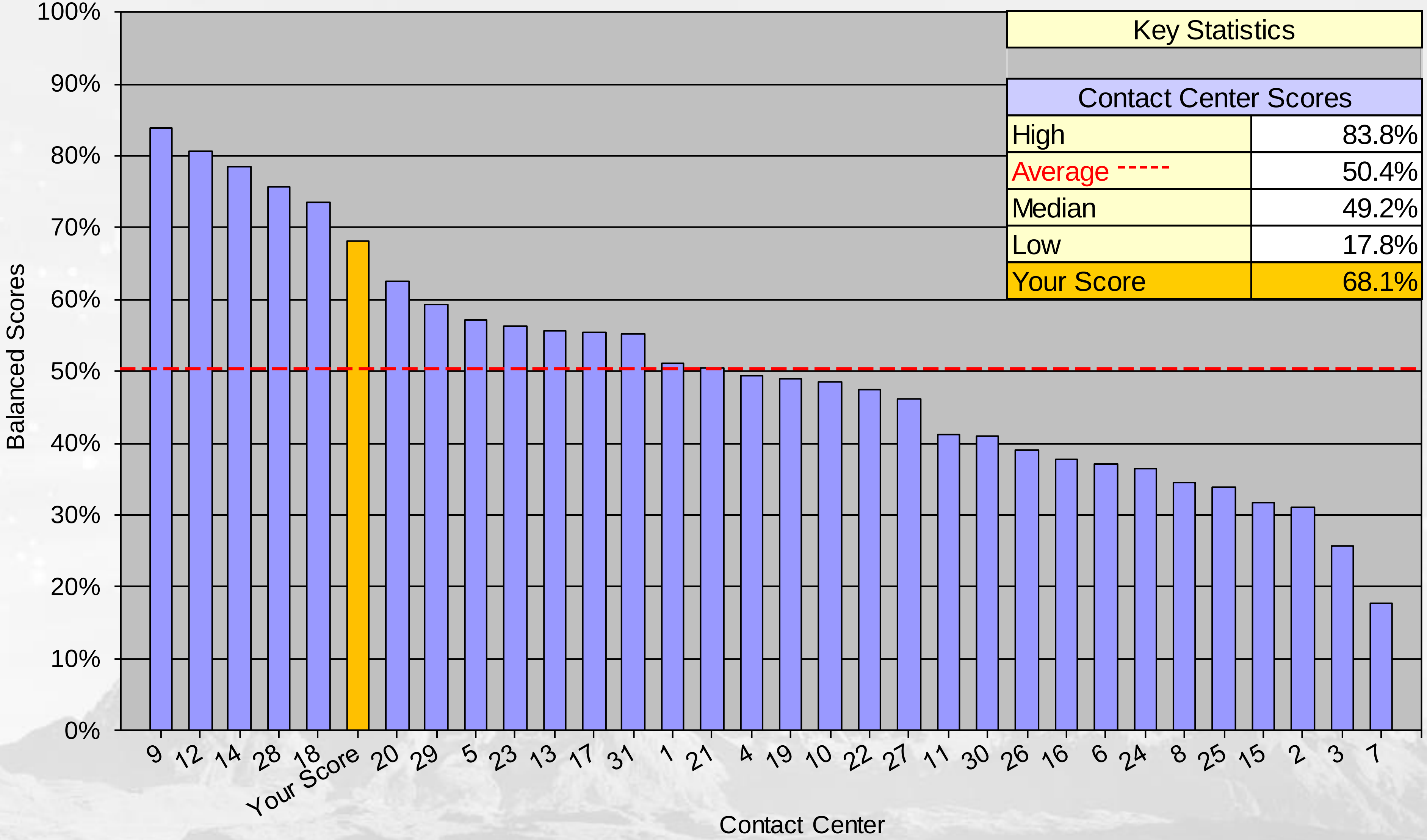
Step 5

Your score for each metric is then calculated: (worst case – actual performance) / (worst case –best case) X 100

Step 6

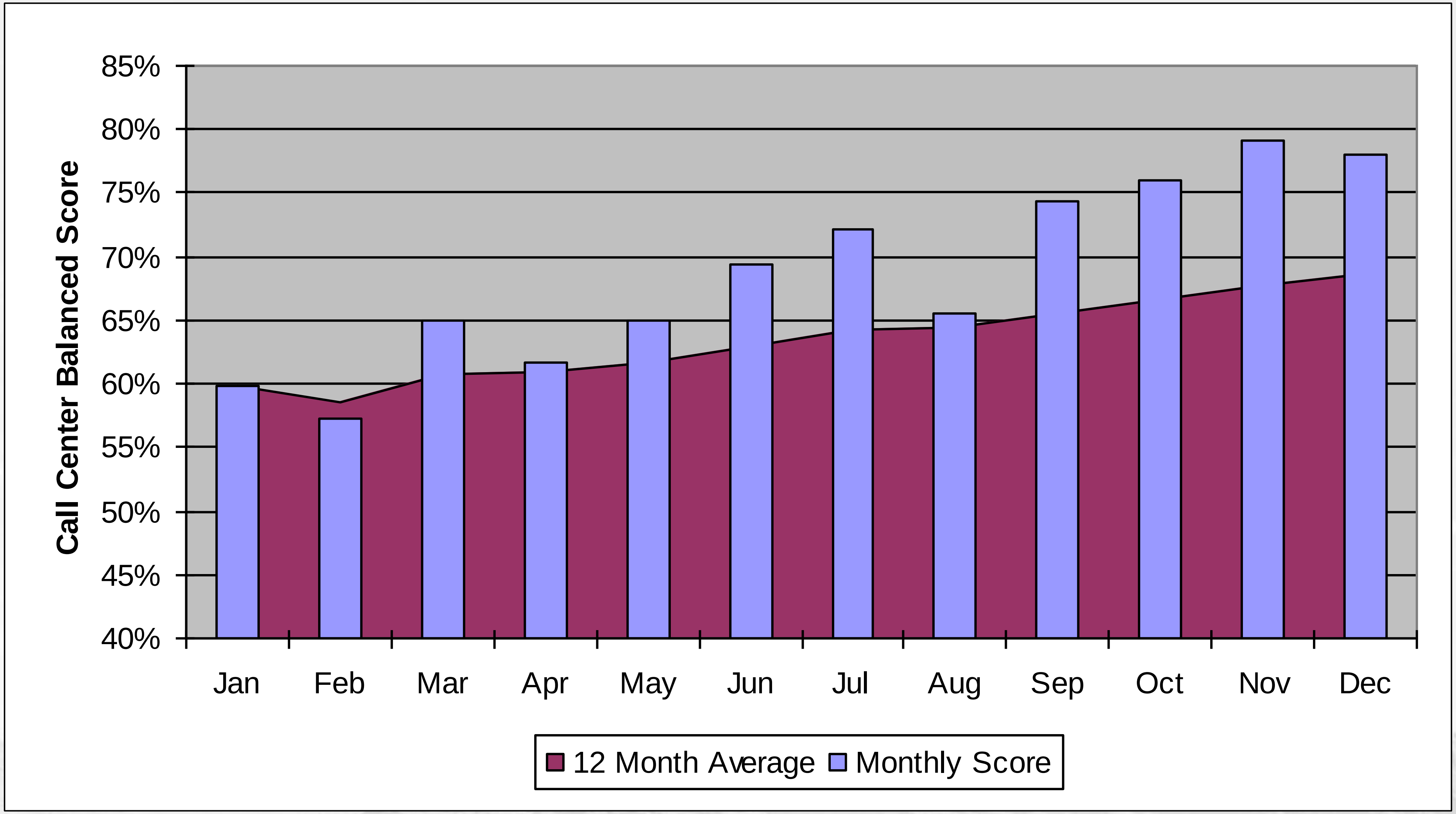
Your balanced score for each metric is calculated: metric score X weighting

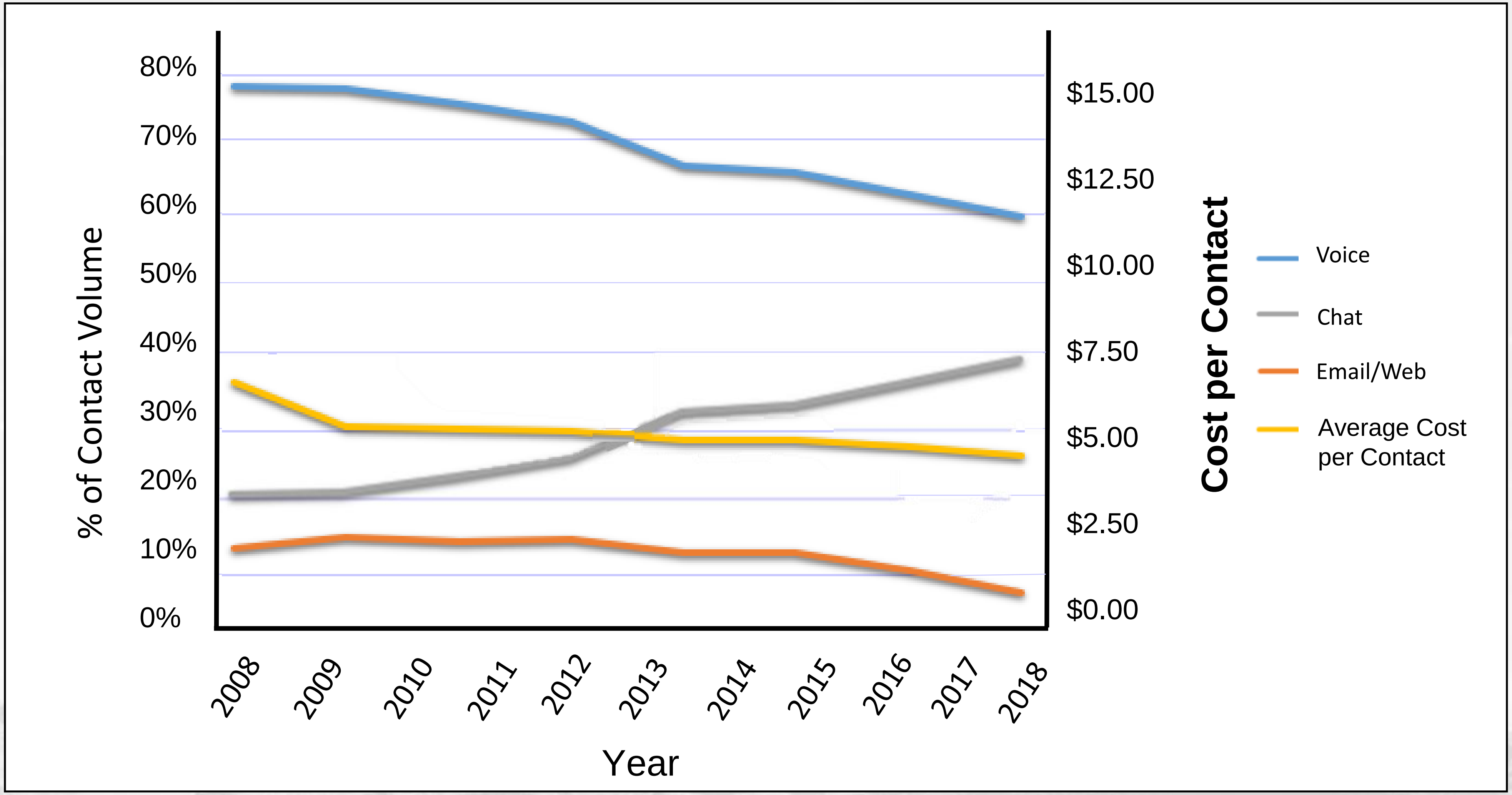
Benchmarking Your Overall Performance



Key Statistics	
Contact Center Scores	
High	83.8%
Average -----	50.4%
Median	49.2%
Low	17.8%
Your Score	68.1%

The Contact Center Scorecard Trend



Contact Deflection into Lower Cost Channels