

icmi™ EMPOWERING CONTACT CENTER EXCELLENCE



TRAINING | EVENTS | RESOURCES | CONSULTING



Session 705

The Profit-Center Motive

Managing the Contact Center as a Business!

Jeff Rumburg, *Managing Partner*, MetricNet, LLC

NAVIGATE THE TIDES OF TRANSFORMATION!

#CCExpo

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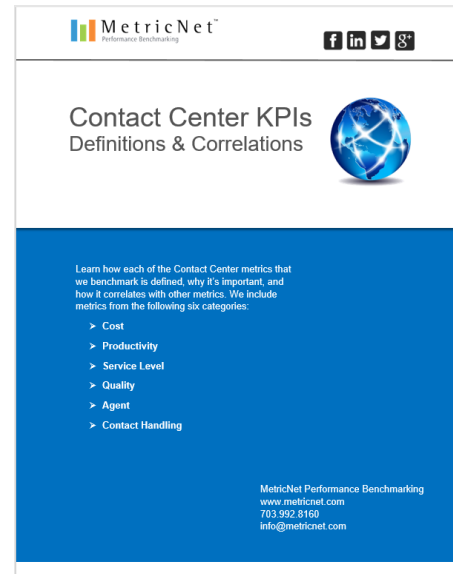
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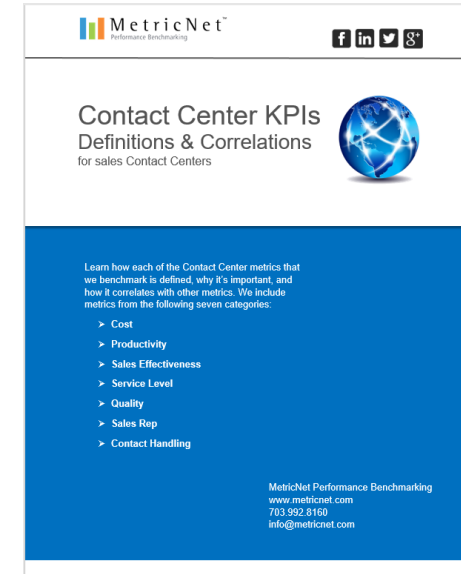
MetricNet™ Performance Benchmarking

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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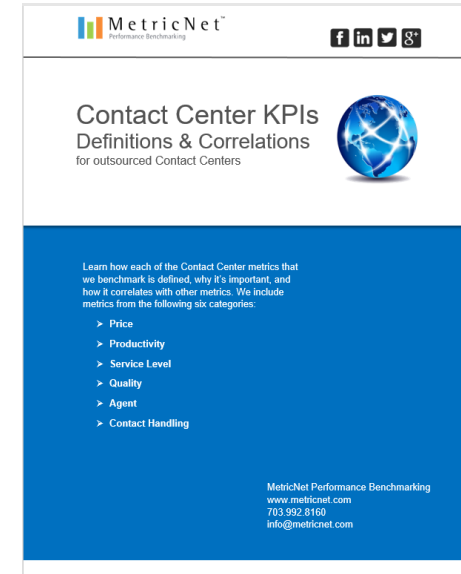
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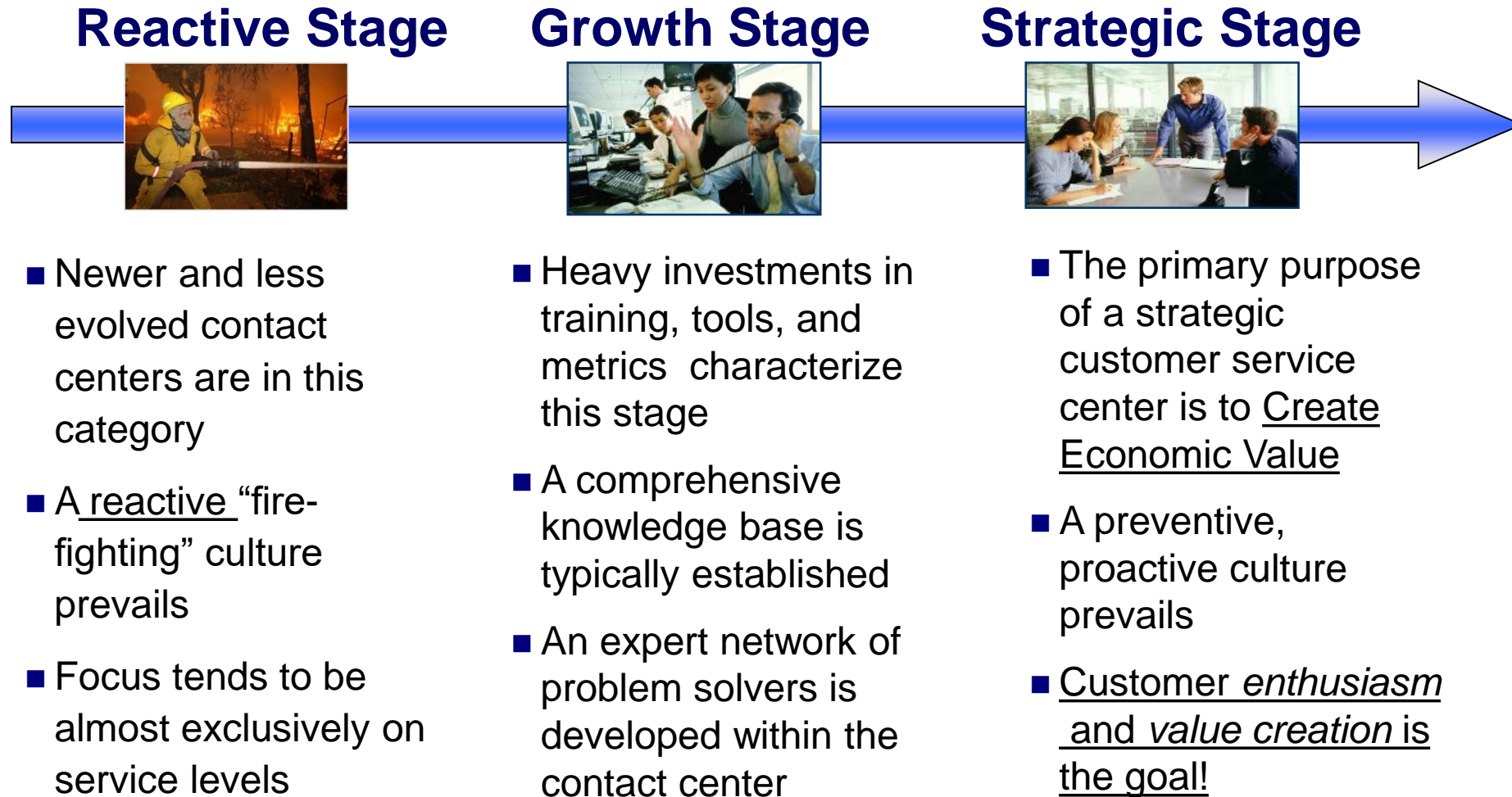
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29 Years of Contact Center Benchmarks

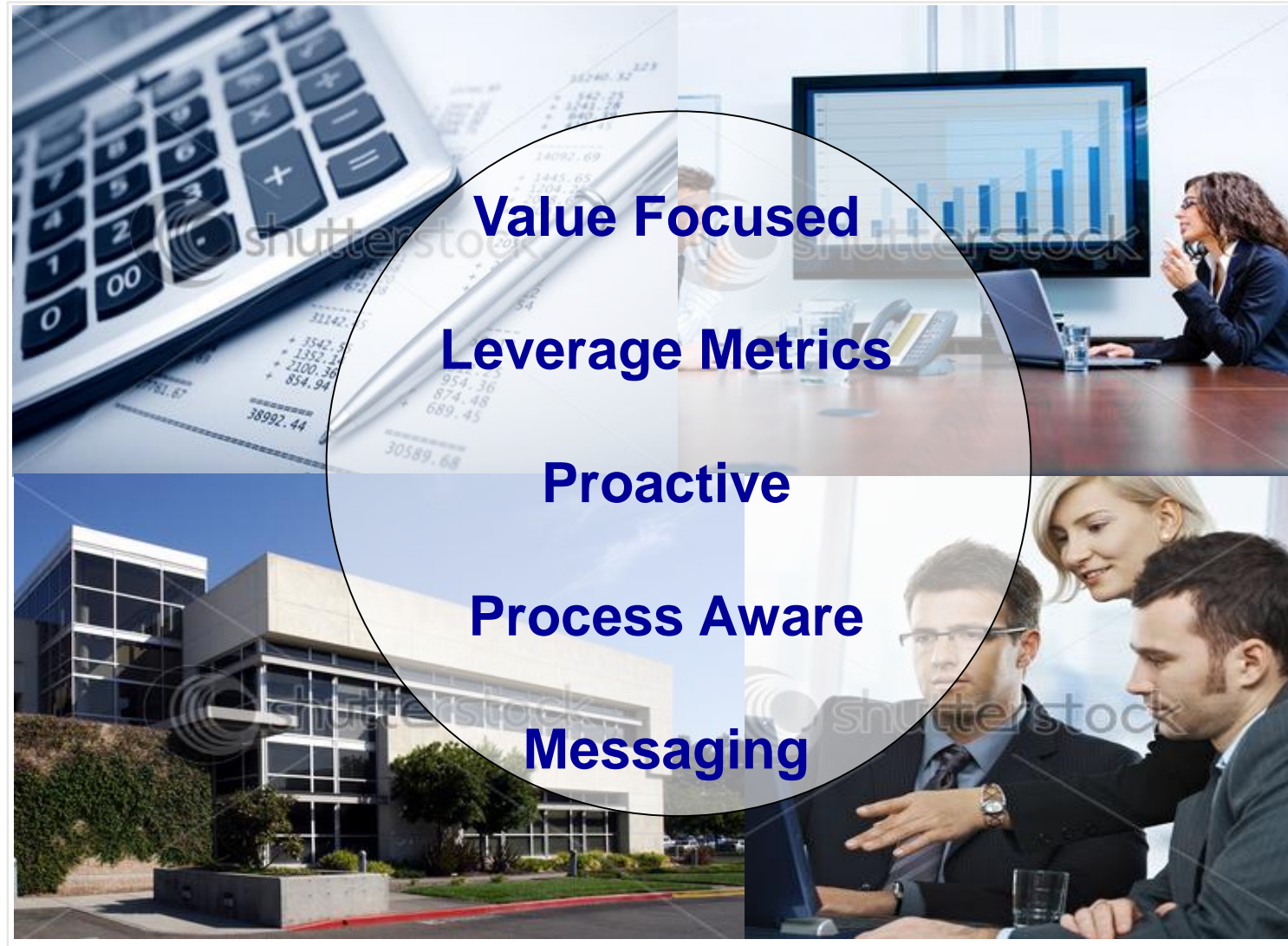


- Global Database
- More than 4,000 Contact Center Benchmarks
- 70+ Key Performance Indicators
- Nearly 120 Industry Best Practices

The Maturity Continuum in Customer Care



The Contact Center as a Business



A Business Model for the Contact Center



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. Process Aware	Aware that process drives performance
5. Messaging	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

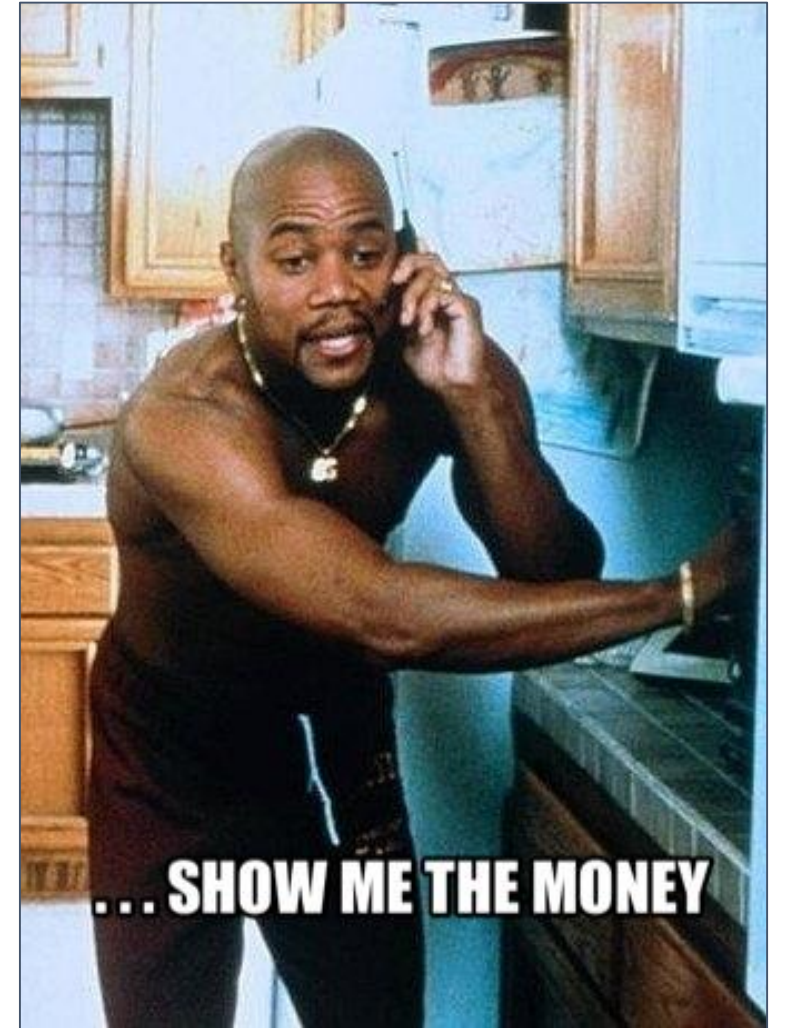
- ❑ Creates Economic Value
- ❑ Demonstrates Value
 - Cost savings
 - Revenue Generation
 - Return on Investment (ROI)

- 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!



Five Industries, and Five Measures of Success

Industries

- Airlines
- Wireless Telco
- Cable and Internet
- Credit Card
- Retail Banks

Success Metric

- Profit per Seat Mile
- Lifetime Customer Value
- Product Count per Customer
- Monthly Customer Spend
- 5 Year Stock Return

Airlines – Profit per Seat Mile



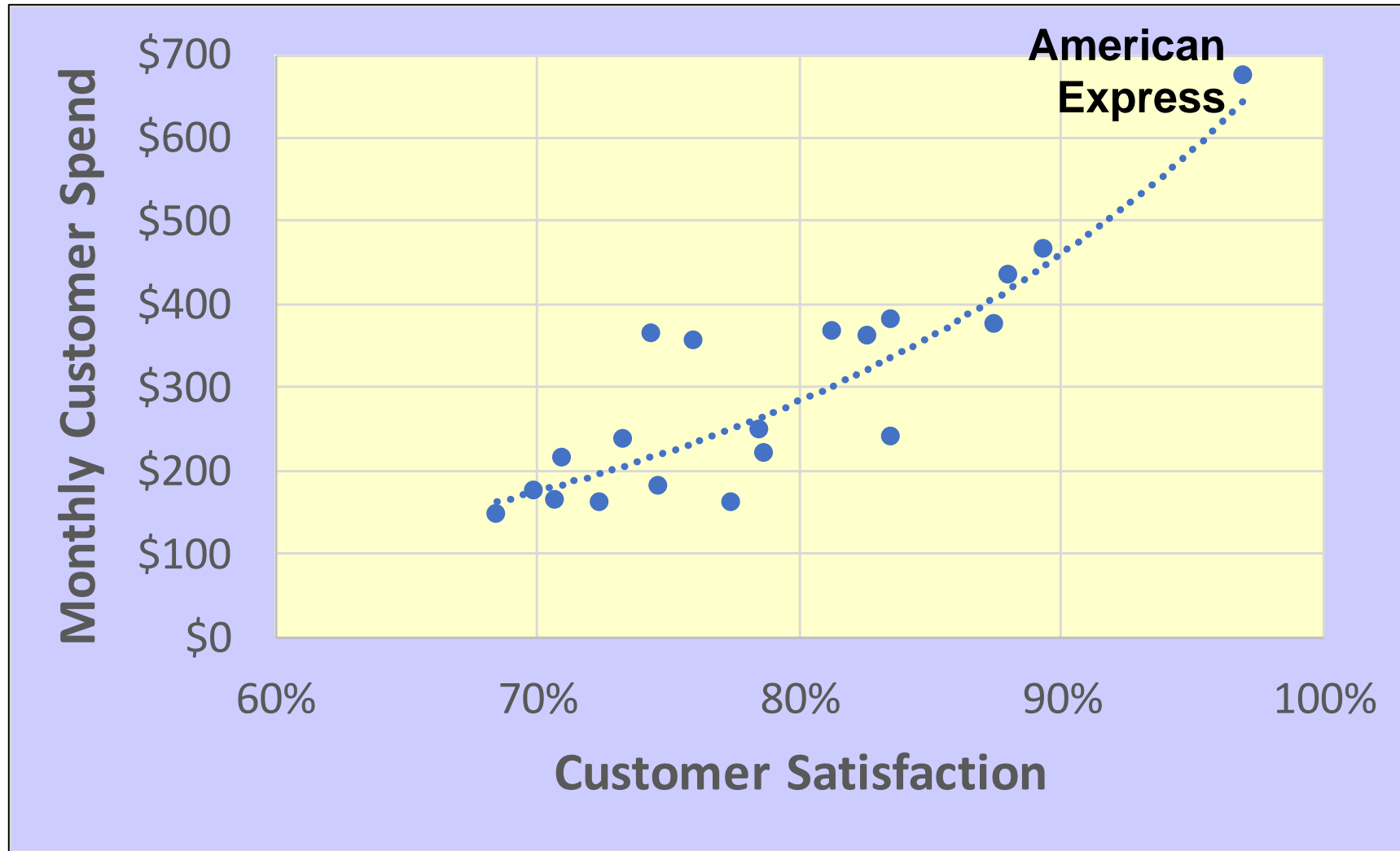
Wireless Telco – Lifetime Customer Value



Cable and Internet – Product Count per Customer



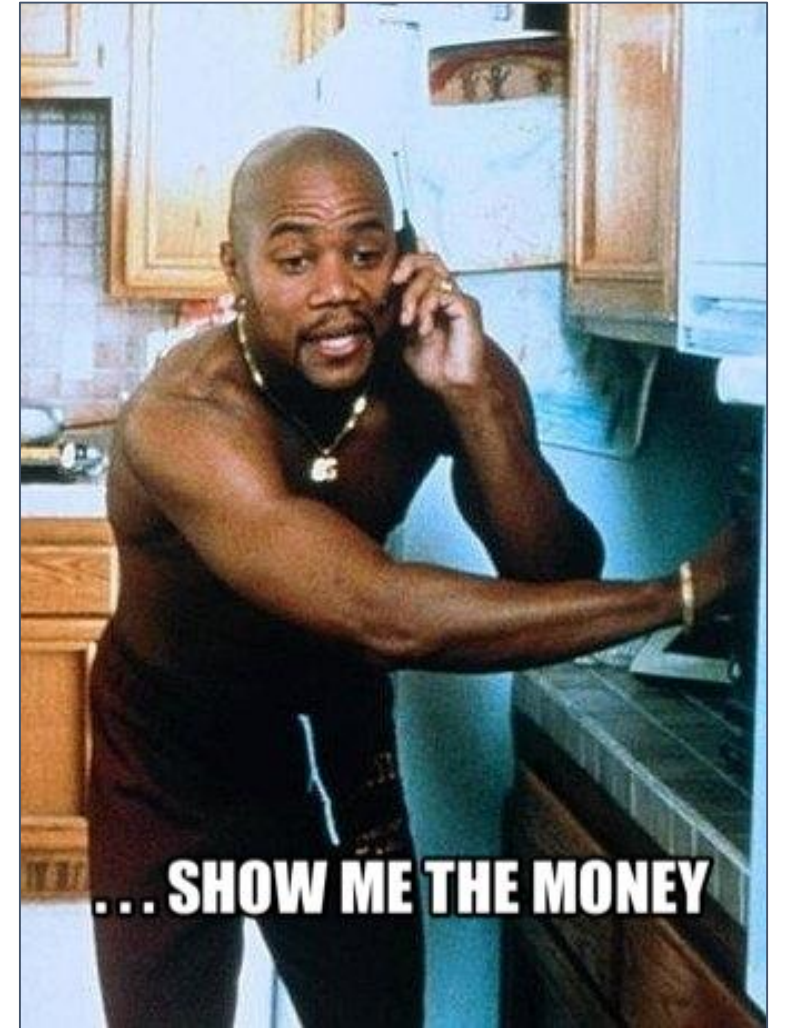
Credit Card – Monthly Customer Spend



Retail Banks – 5 Year Stock Returns



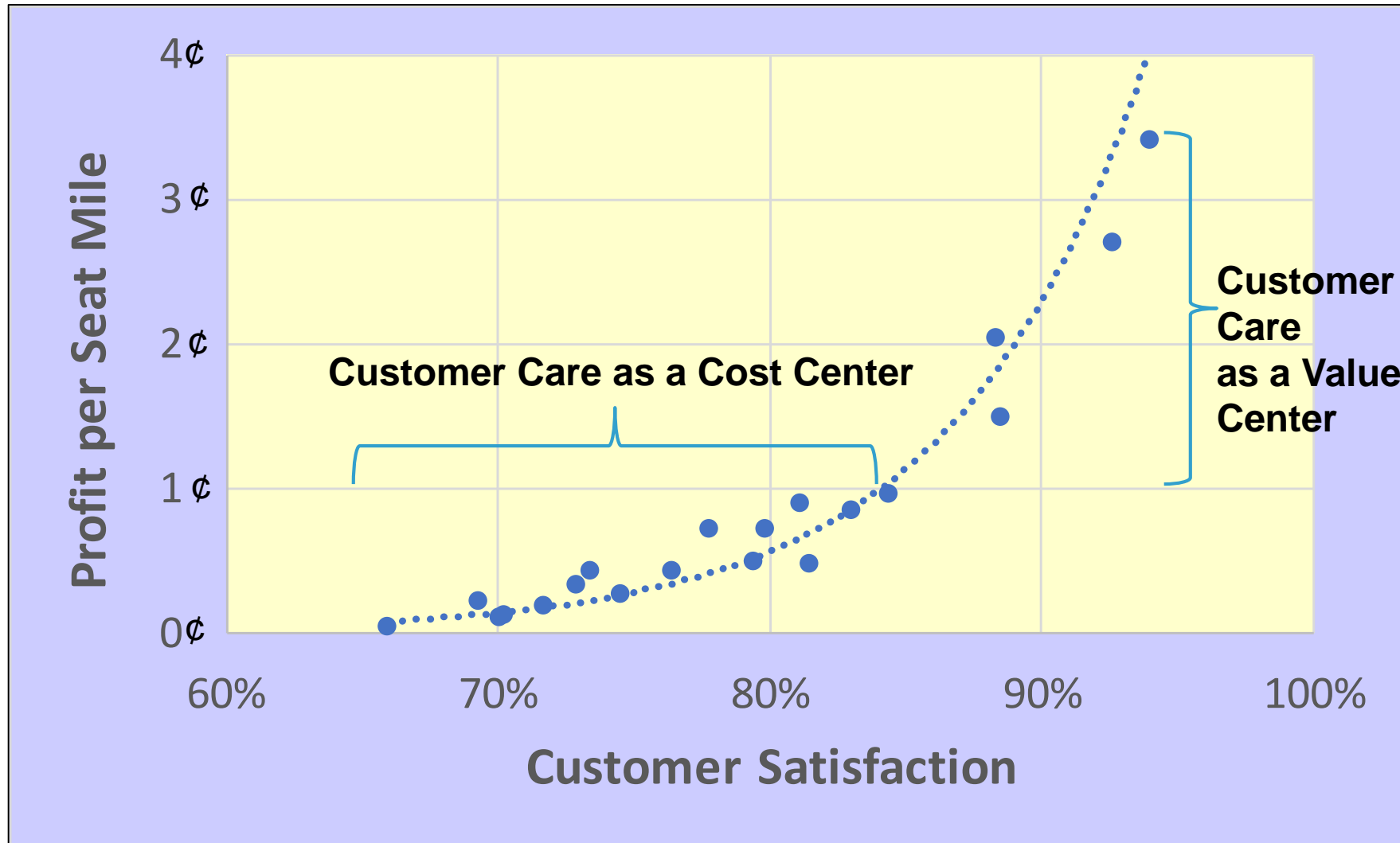
Show Me the Money!



The Financial Benefit for the Top Performers

Company	Financial Benefit vs. Industry Average
Southwest Airlines	\$2.6 billion greater profitability in 2018
Verizon Wireless	\$13 billion greater profitability in 2018
Rogers Canada	\$3.1 billion greater profitability in 2018
American Express	\$1.9 billion greater profitability in 2018
PNC Bank	\$36.3 billion increase in market value over 5 years

Customer Care as a Value Center



The Profit Driven Contact Center

1. A Good Business Creates Economic Value
2. Customer Satisfaction Has a Direct Impact on Economic Value
3. Customer Experience is Driven by CSAT, NPS, and CES
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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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

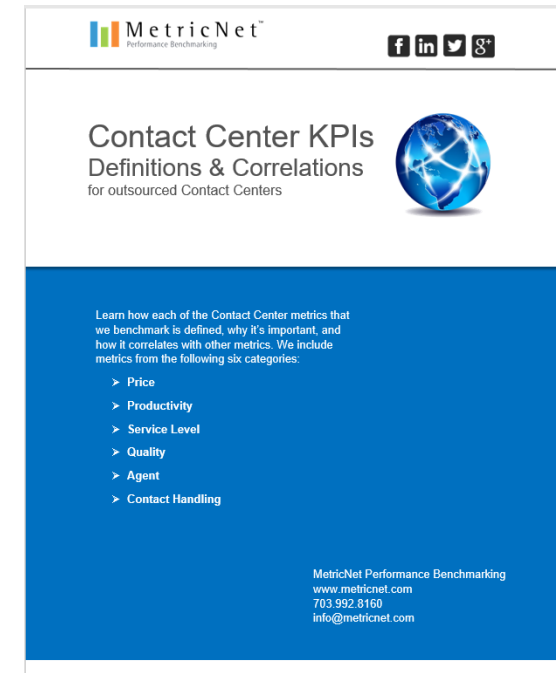
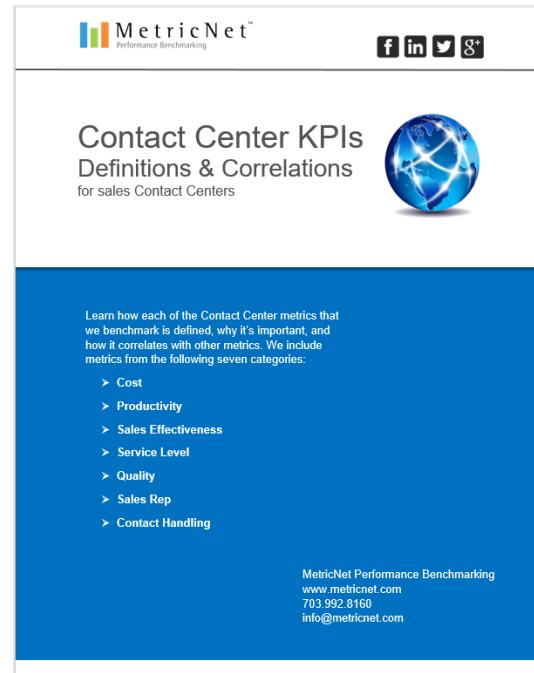
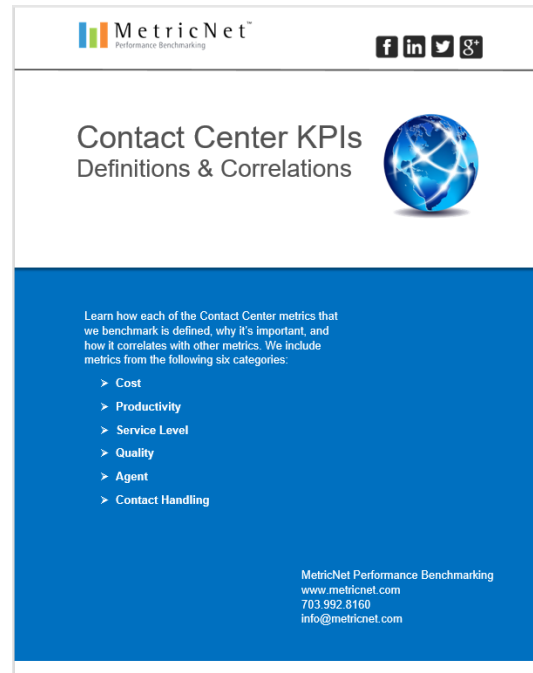
- Average Speed of Answer (ASA)
- Call Abandonment Rate
- % Answered Within 30 Seconds
- Percent of Calls Blocked

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



<https://www.metricnet.com/icmiexpo19/>

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

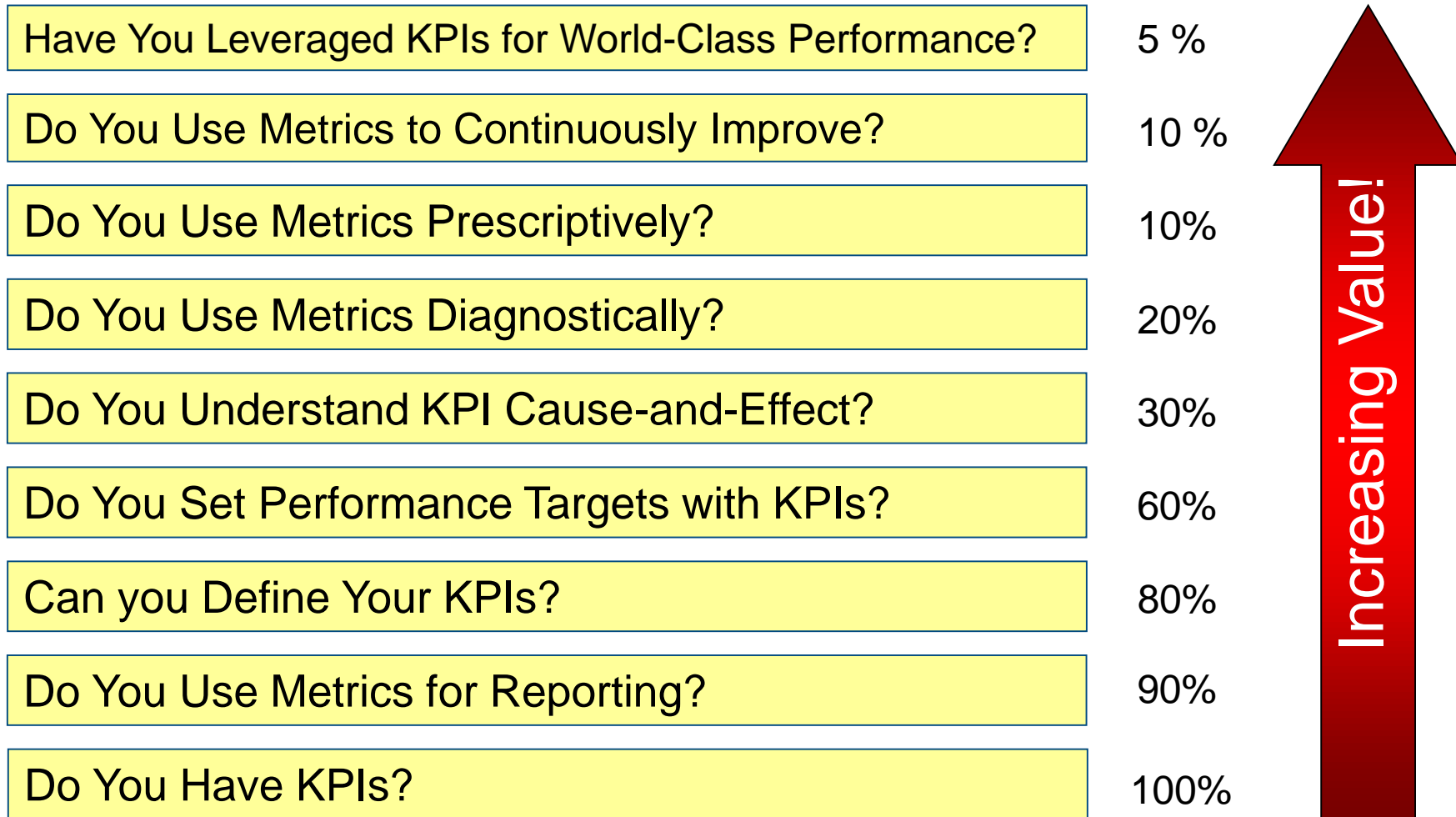
Service Level

- % Answered in 30 Seconds

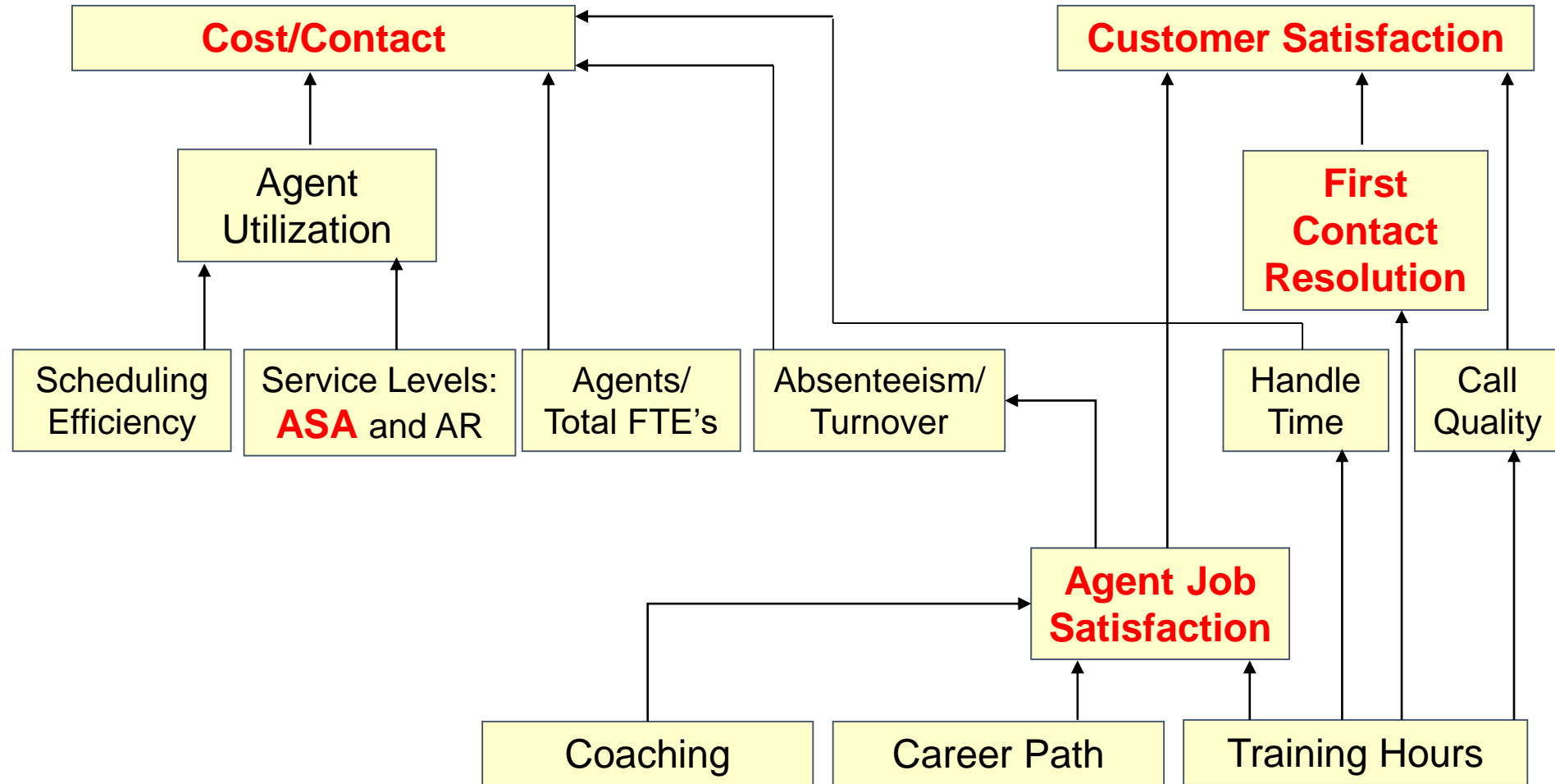
Aggregate

- Balanced Scorecard

The Contact Center Metrics Hierarchy



Summary of Contact Center KPI Correlations



Proactive: A Business Model for the Contact Center



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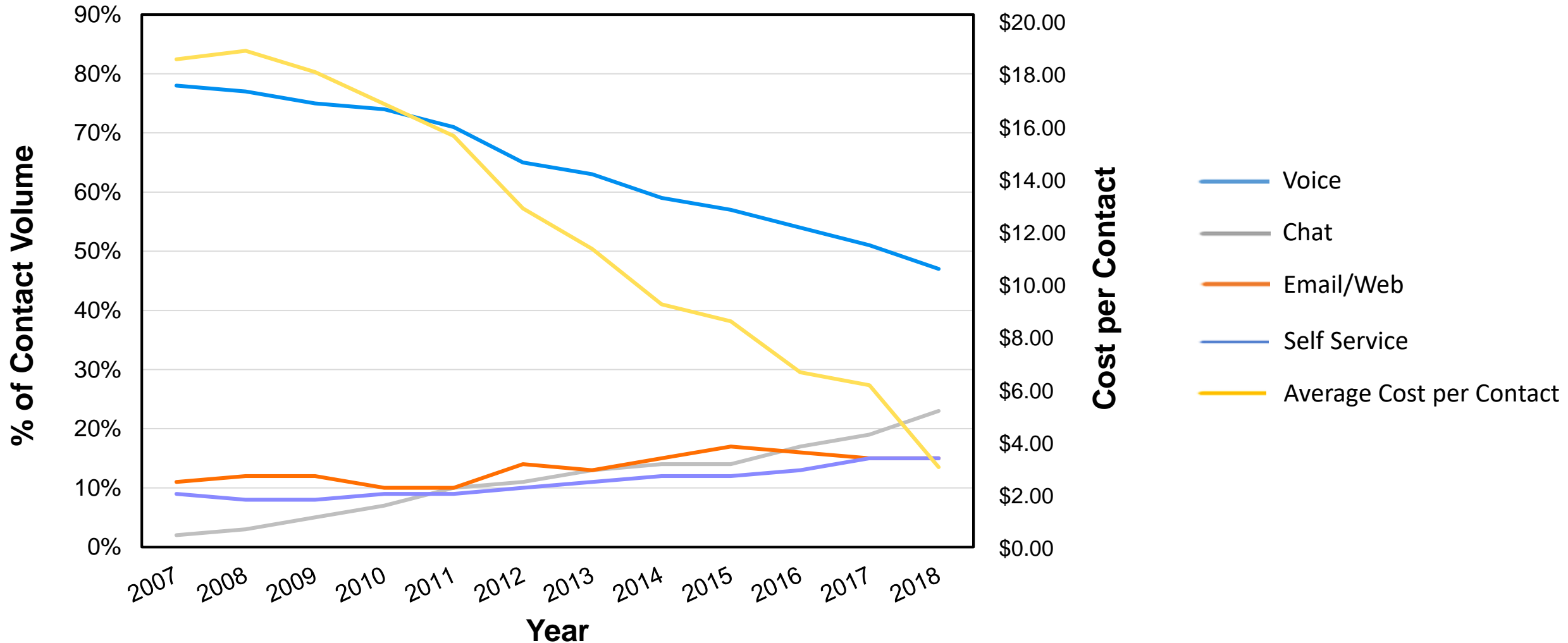
A Proactive Culture in the Contact Center

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



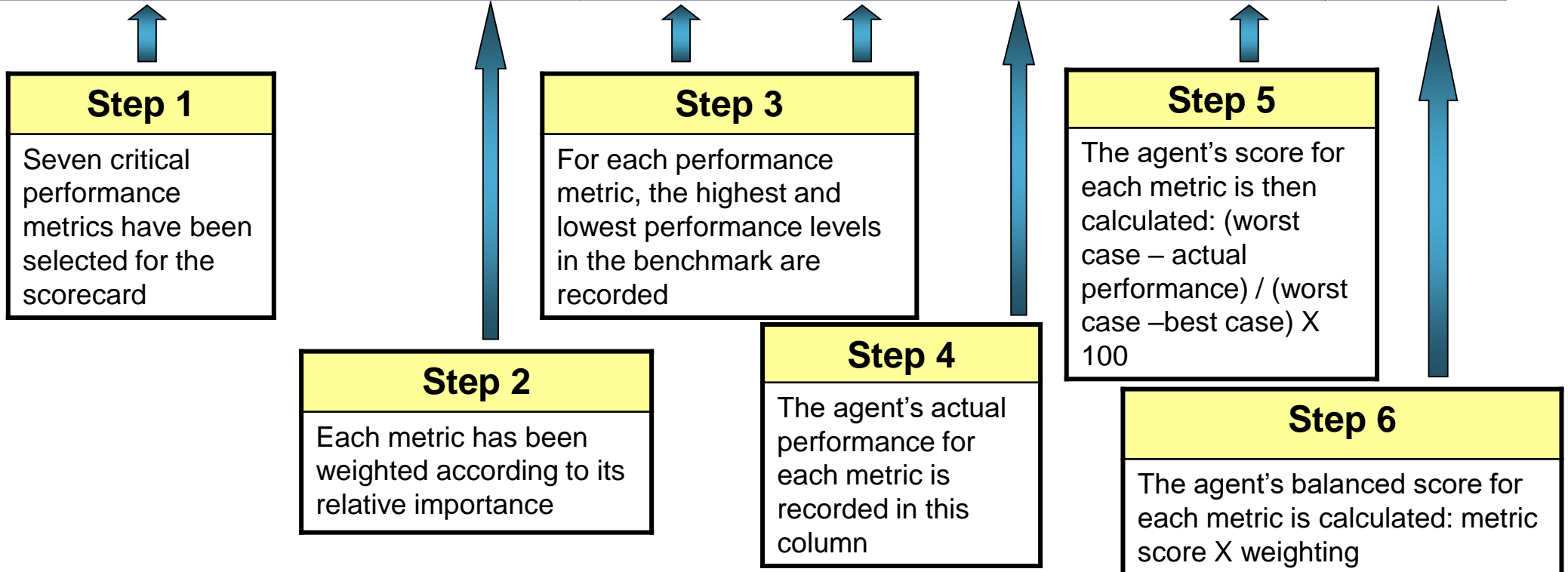
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-  ☐ Agent Scorecards

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%



Agent Performance Rankings

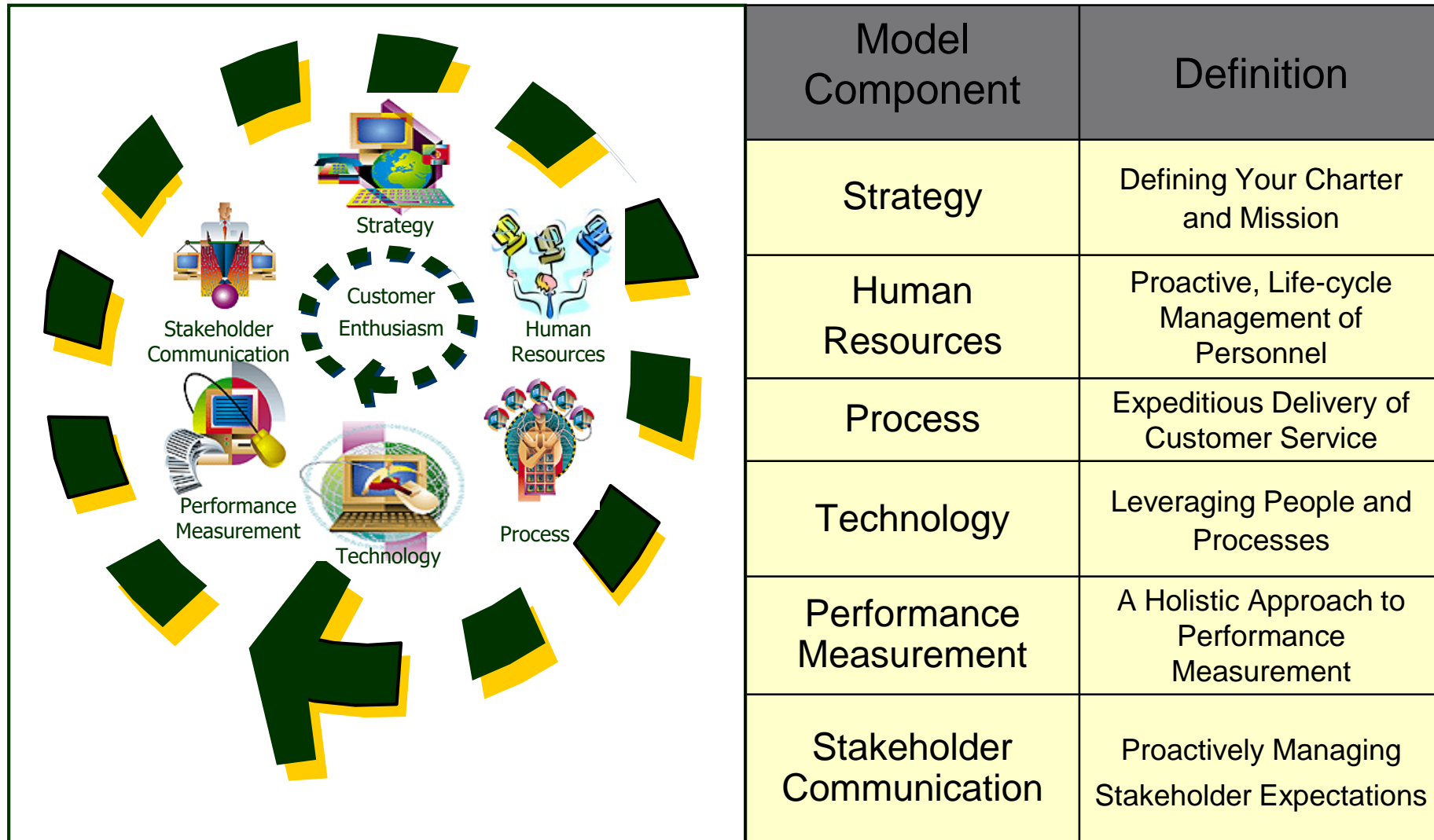
Technician Number	Monthly Ranking	Monthly Scorecard Performance						Six Month Average
		Sep	Aug	Jul	Jun	May	Apr	
11	1	95.8%	98.0%	97.1%	95.7%	98.3%	97.3%	97.0%
32	2	92.8%	92.1%	90.3%	89.3%	84.6%	92.2%	90.2%
21	3	91.5%	88.5%	83.2%	94.0%	93.7%	93.5%	90.7%
35	4	91.0%	86.8%	85.2%	78.5%	80.5%	68.2%	81.7%
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%

Process Aware: A Business Model for the Contact Center

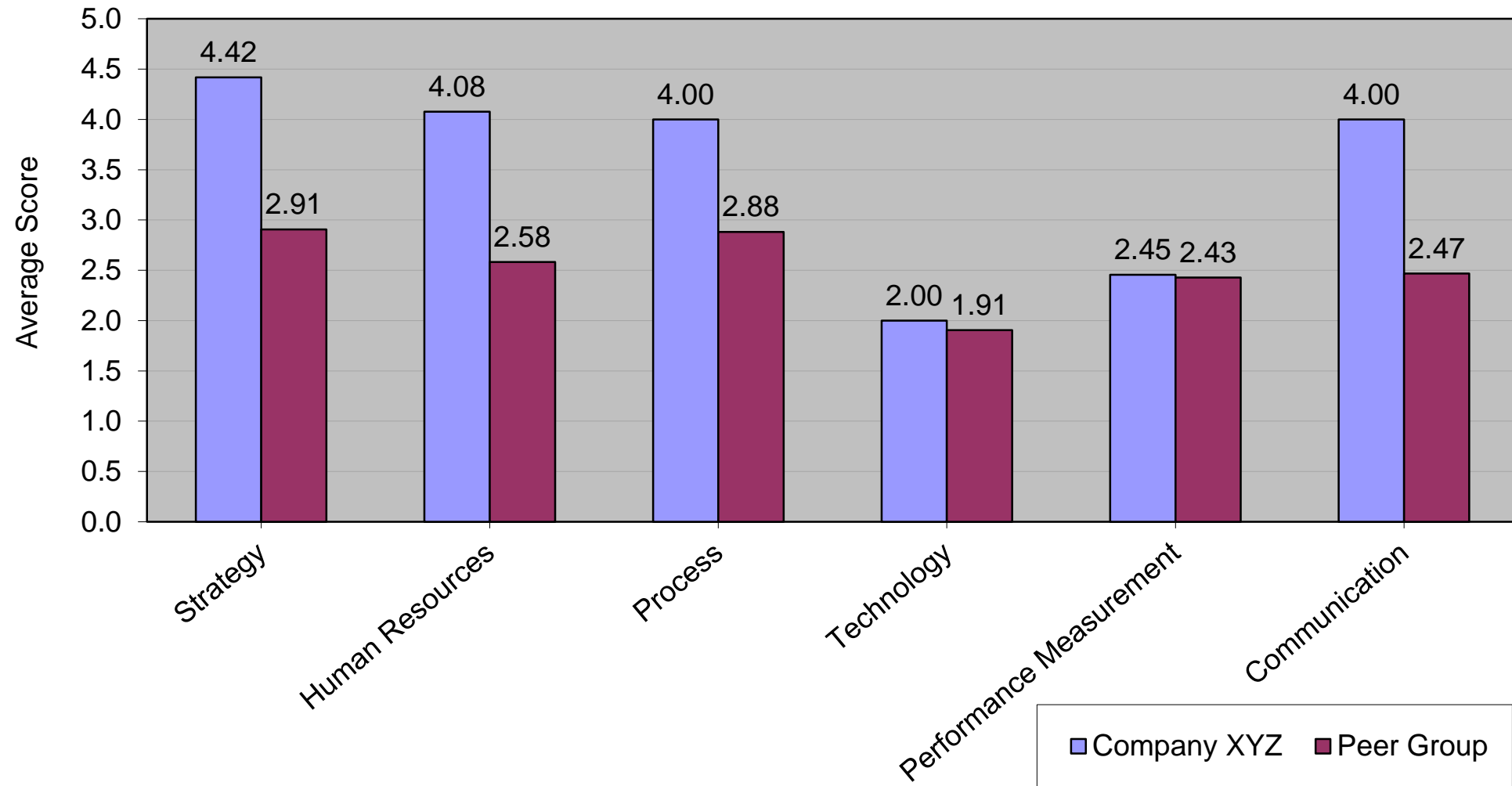


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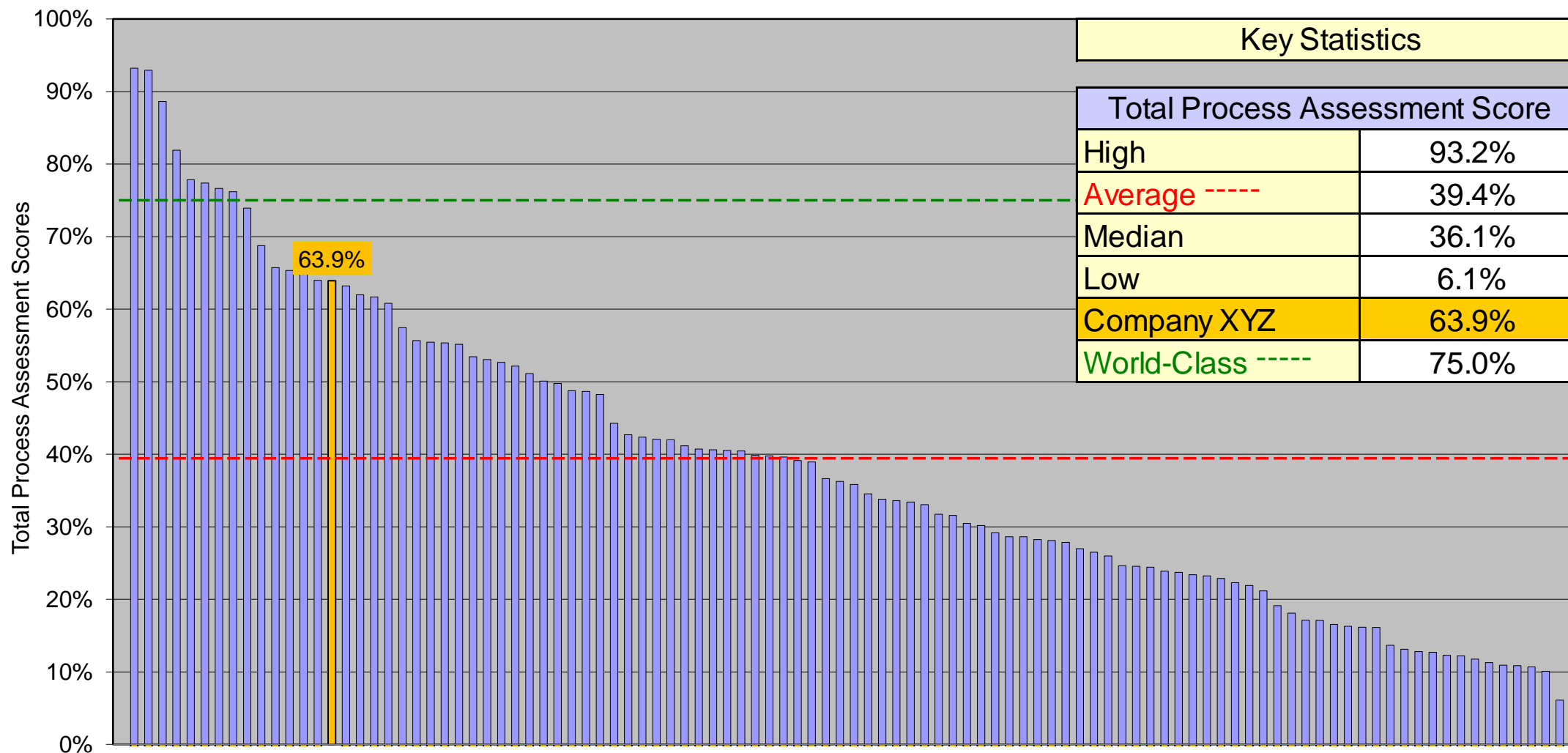
Six-Part Model for Contact Center Best Practices



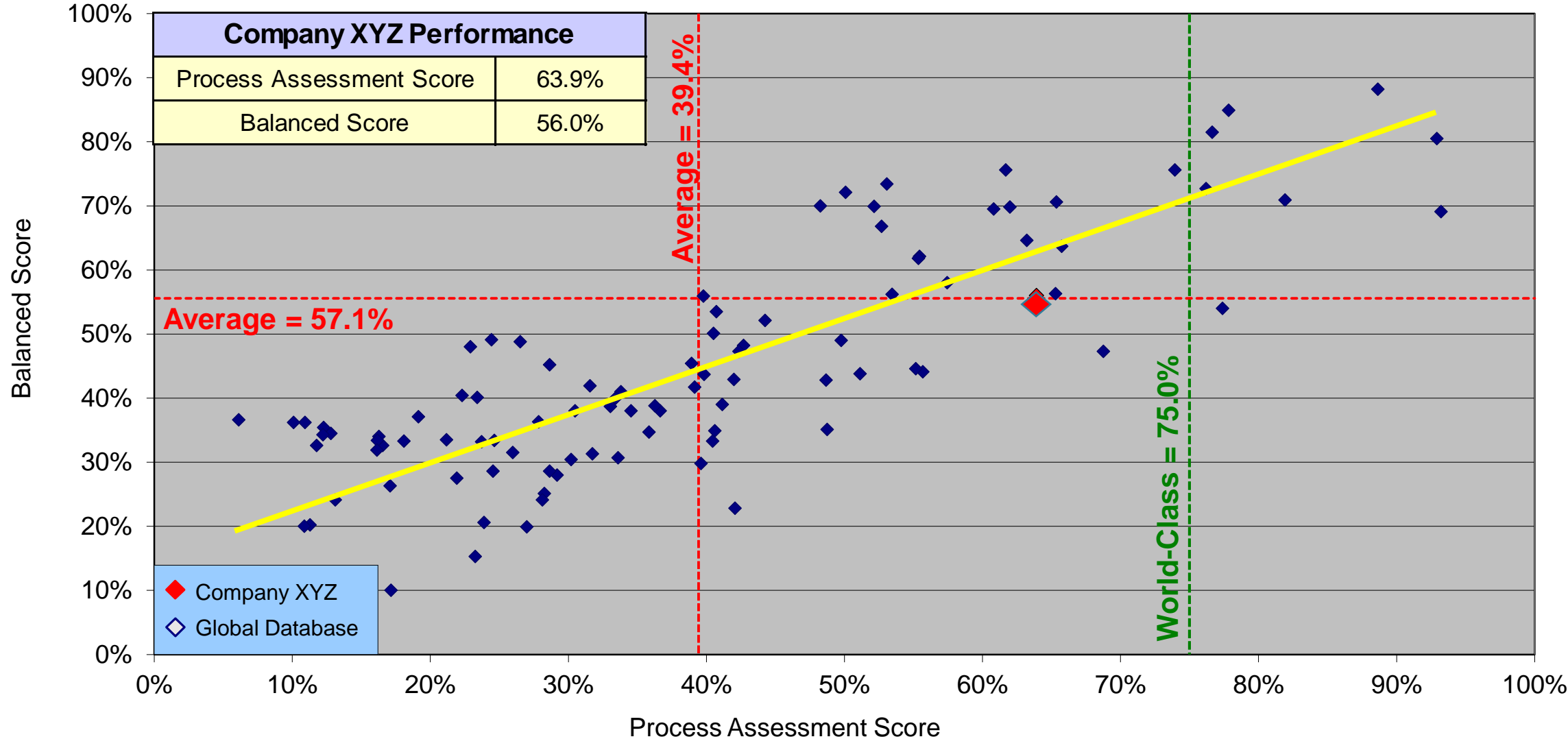
Best Practices Process Assessment Summary



Overall Process Assessment Scores



Process Maturity vs. Scorecard Performance



Marketing: A Business Model for the Contact Center



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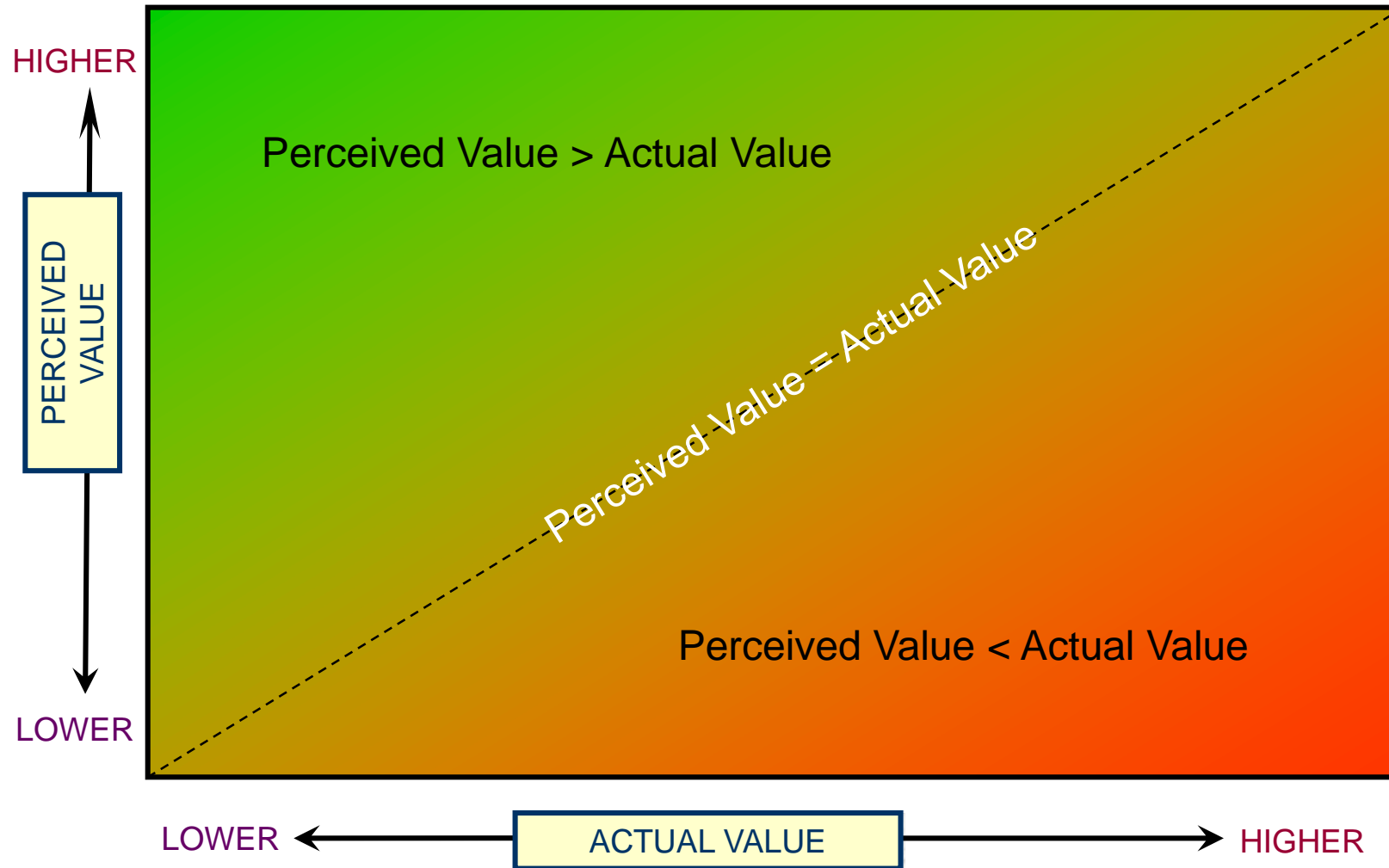
The Role of Messaging in The Contact Center

We've all heard the expression...

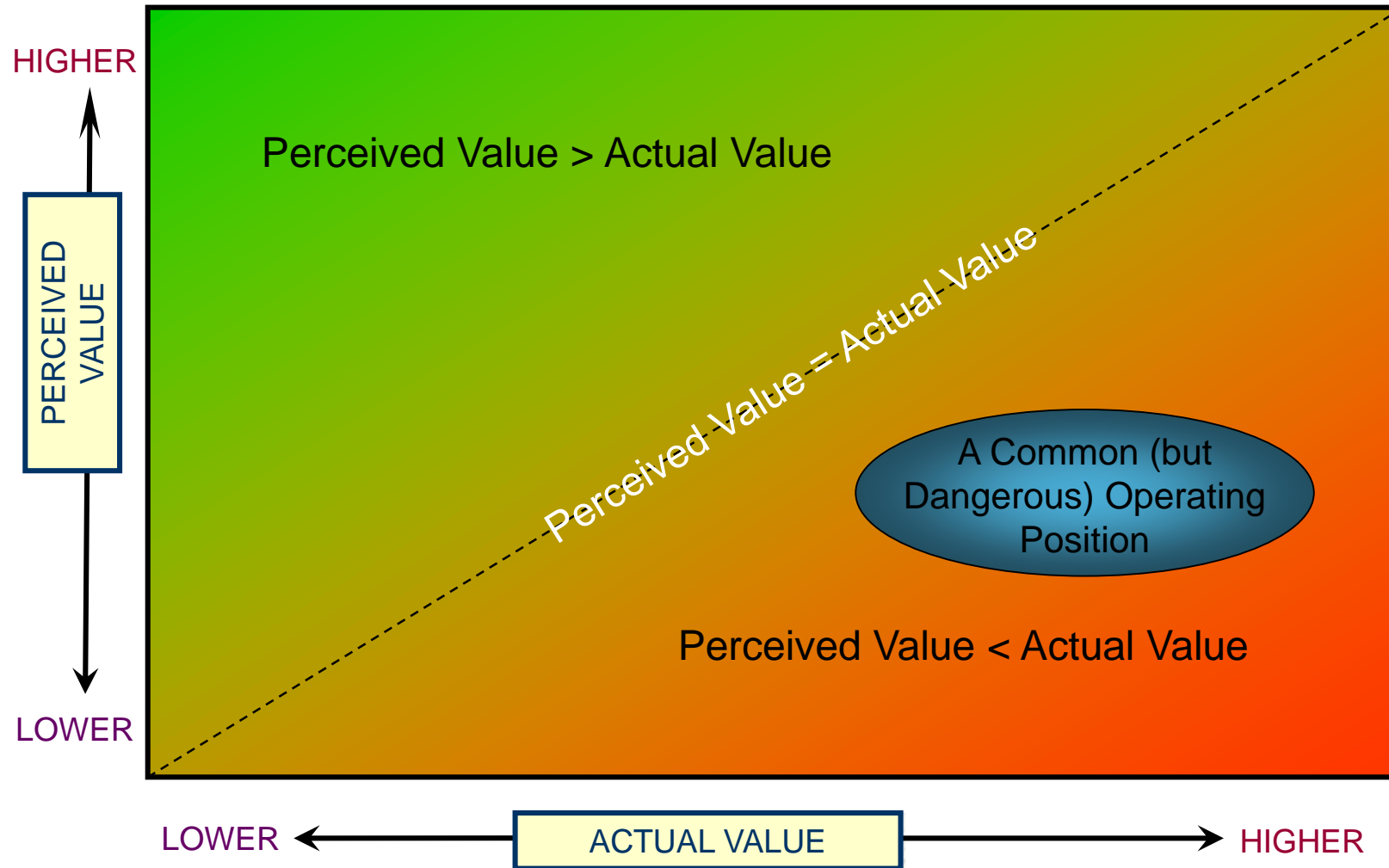
*“Expectations Not Set...
are Expectations Not Met!”*

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

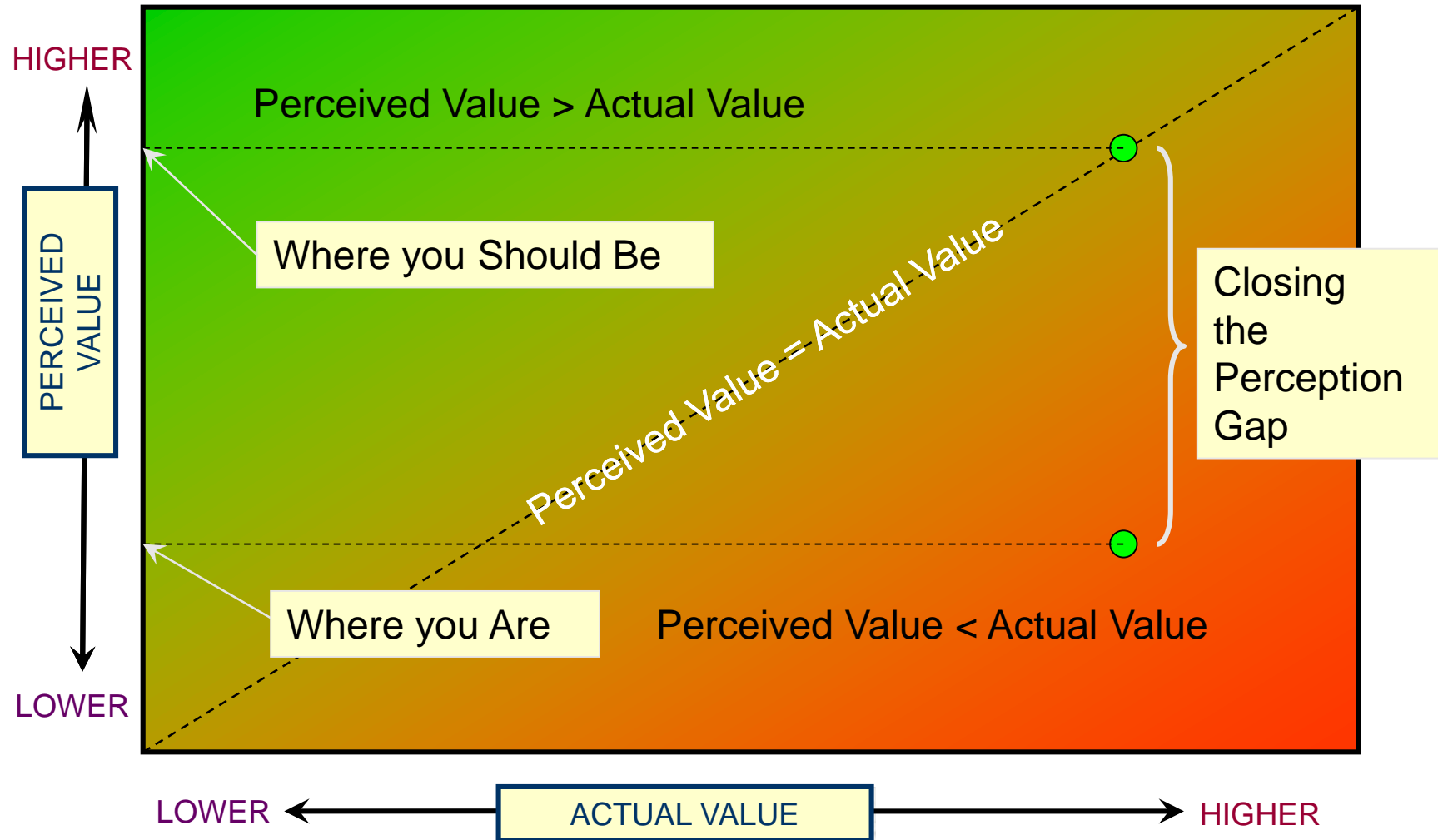
Perception vs. Reality in The Contact Center







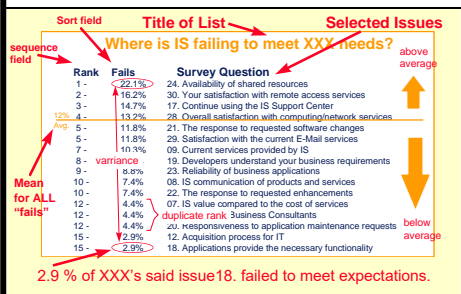



Perception Is Almost Always Worse Than the Reality



Closing the Perception Gap



The Most Common Communication Vehicles

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

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



QUESTIONS?

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

These evaluations help shape future events!

Download Today's Presentation



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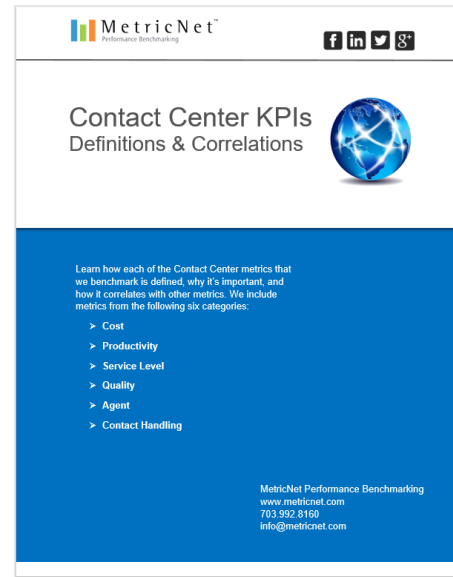
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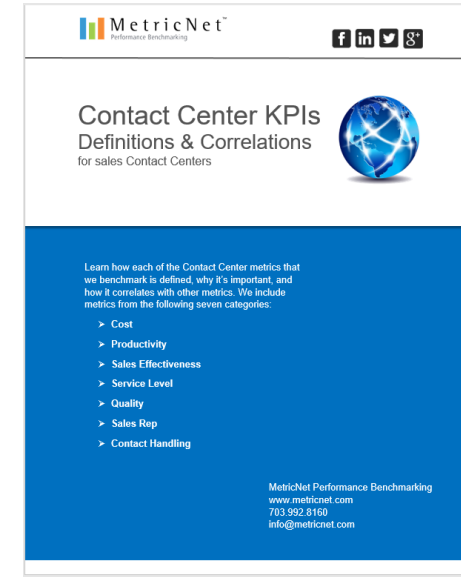
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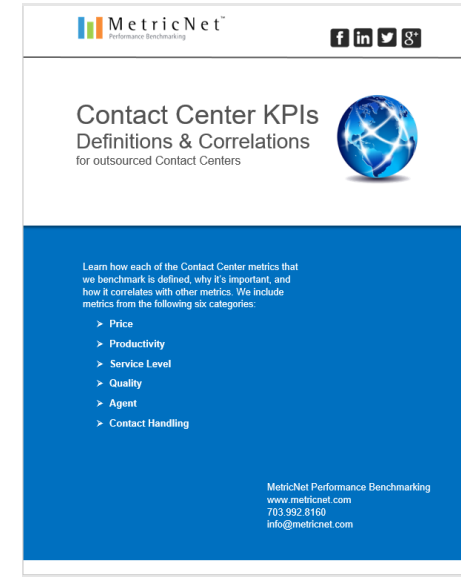
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Thank You!

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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 2016, 2017 & 2018
- 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...



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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.



Thank You!