# ICMI™

## EMPOWERING CONTACT CENTER EXCELLENCE

TRAINING | EVENTS | RESOURCES | CONSULTING

# Kinecta MCC Director: Tonya Haynes

- 7 months with Kinecta as the Director, Member Contact Center

- 35+ years Customer Service Leadership, Customer Experience and Project Management experience

  - Worked for the following companies: Mattel Toys, DIRECTV, Amgen, McDonnell Douglas/Boeing, Unisys, ADP and NBC/Universal

- Board Member, Rutger's University Customer Experience program

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# Download Three KPI eBooks & Today's Presentation
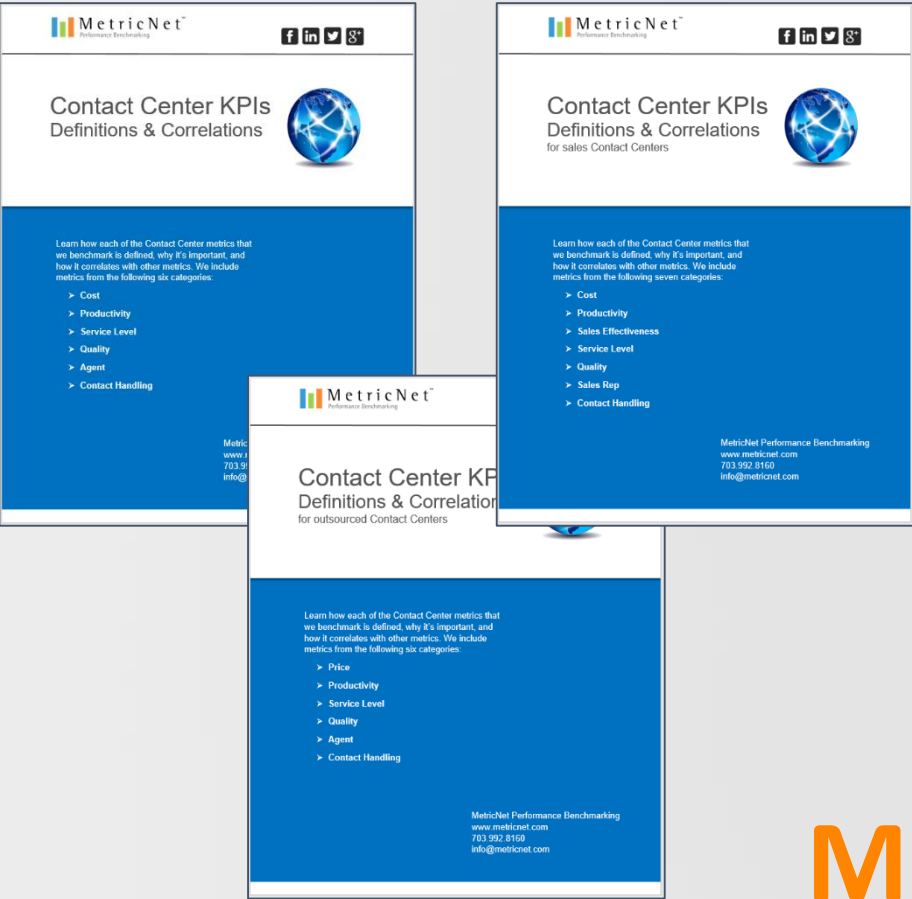


# [MetricNet.com/ICMIeBooks](MetricNet.com/ICMIeBooks)

# Kinecta At a Glance

22 Branches

303,000 Members

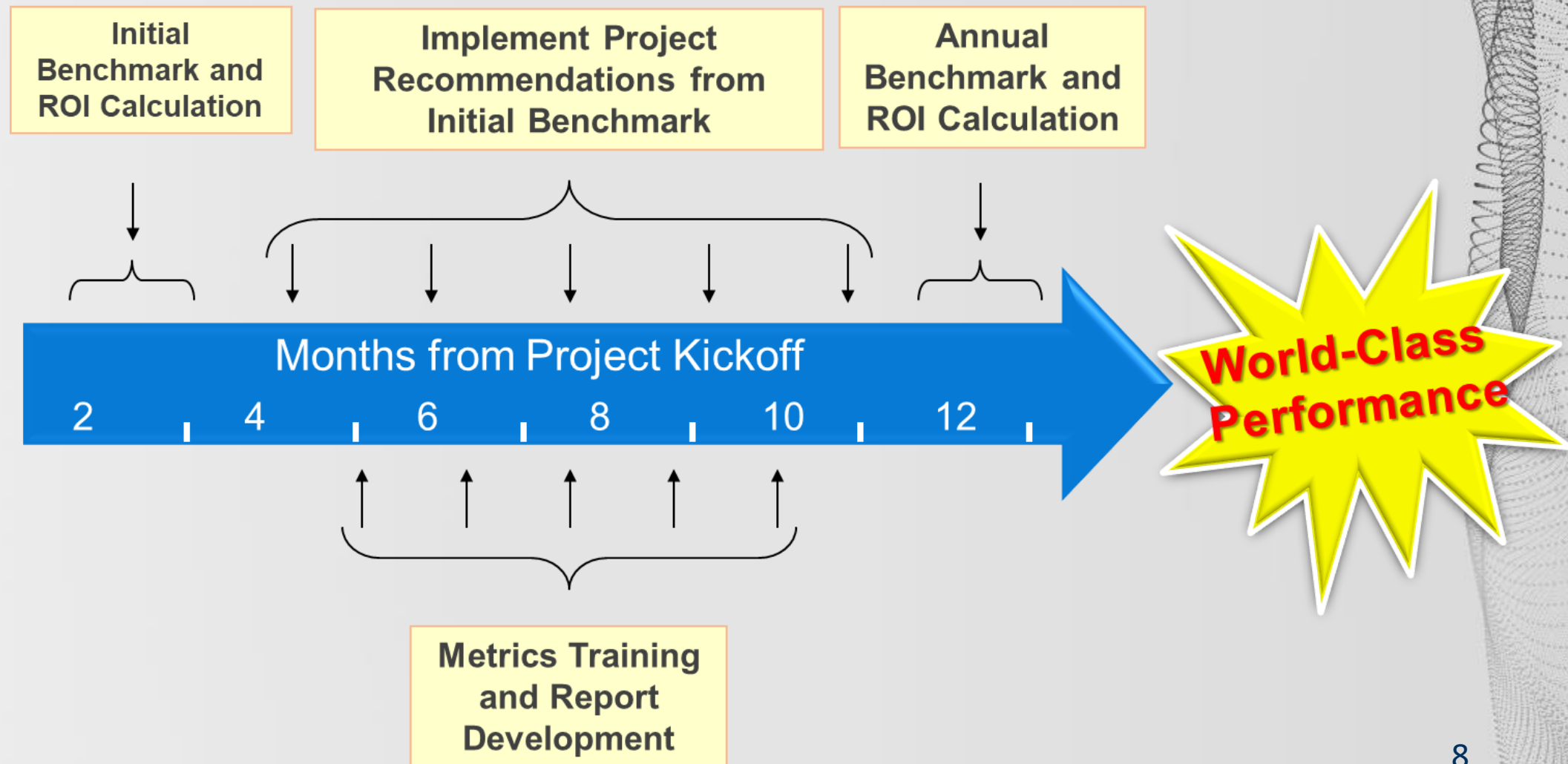$4.4 Billion in Assets

3 Retail Mortgage Centers

kinecta
banking done different

# Kinecta's Member Contact Center Overview

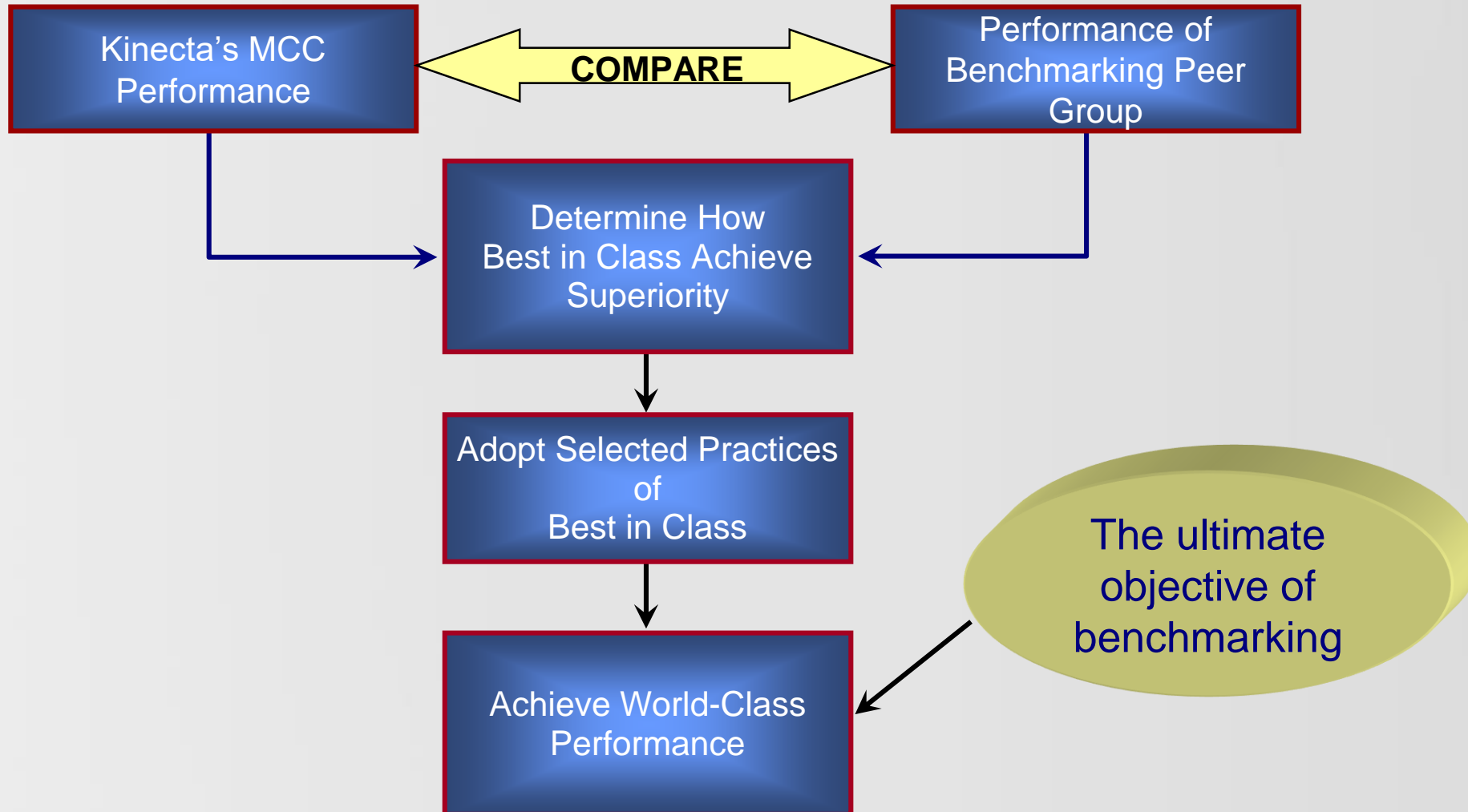| Metric | Member Contact Center |
|---|---|
| Location | El Segundo, CA |
| Hours of Operation | Monday – Friday, 7 AM – 6 PM ● Saturday, 9 AM – 3 PM |
| Annual Operating Expense | $3,052,413.91 |
| Monthly Inbound Contact Volume | 80,144 |
| Monthly IVR Contained Contact Volume | 39,936 |
| Agent Headcount | 39 |

# Project Goal: World-Class Contact Center

1. Contact center consistently exceeds customer expectations – regardless of the transaction type
   - Call Quality is consistently high
   - Customer Satisfaction is in the top quartile
2. Business value is managed at or above industry average levels
   - Cost per contact is below industry average levels – bottom quartile Cost per Contact
   - Revenue generated is above industry average levels
     - Telemarketing and Telesales
     - Debt collections

3. Contact Center follows industry best practices
   - Industry best practices are defined and documented
   - Contact Center follows industry best practices
4. Every transaction adds value
   - A positive customer experience improves customer loyalty
   - Creates positive brand awareness and switching costs
   - Contact Center ROI > 100%

# The One Year Path to World-Class Performance



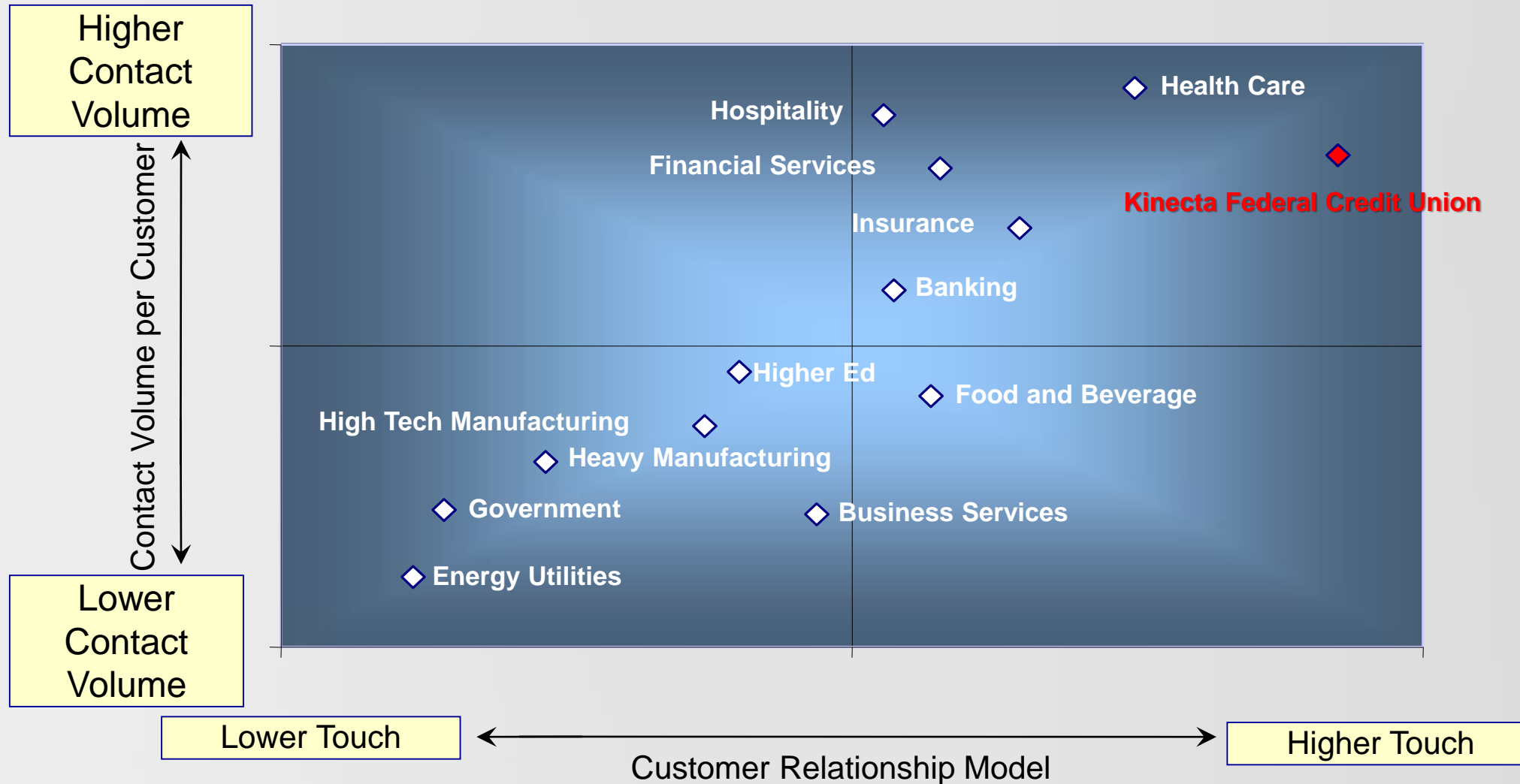Initial Benchmark and ROI Calculation

Implement Project Recommendations from Initial Benchmark

Annual Benchmark and ROI Calculation

Months from Project Kickoff

2    4    6    8    10    12

World-Class Performance

Metrics Training and Report Development

# The Benchmarking Methodology

```
┌─────────────────────┐                          ┌─────────────────────┐
│  Kinecta's MCC      │  ◄═══ COMPARE ═══►        │  Performance of     │
│  Performance        │                          │  Benchmarking Peer  │
│                     │                          │  Group              │
└─────────────────────┘                          └─────────────────────┘
```

Determine How
Best in Class Achieve
Superiority

Adopt Selected Practices
of
Best in Class

Achieve World-Class
Performance

The ultimate objective of benchmarking

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# The Initial State

# Customer Relationship Model vs. Contact Volume



Higher Contact Volume

Lower Contact Volume

Contact Volume per Customer

Lower Touch

Higher Touch

Customer Relationship Model

Health Care

Hospitality

Financial Services

Kinecta Federal Credit Union

Insurance

Banking

Higher Ed

Food and Beverage

High Tech Manufacturing

Heavy Manufacturing

Government

Business Services

Energy Utilities

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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!!

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# Contact Center Benchmarking Output

| Metric Type | Key Performance Indicator (KPI) | Company XYZ | Peer Group Statistics | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | | | Average | Min | Median | Max |
| Cost | Cost per Inbound Contact | $6.44 | $6.11 | $4.21 | $6.13 | $9.10 |
| | Cost per Minute of Inbound Handle Time | $1.11 | $0.99 | $0.80 | $0.98 | $1.32 |
| Productivity | Inbound Contacts per Agent per Month | 963 | 867 | 632 | 832 | 1,199 |
| | Outbound Contacts per Agent per Month | 51 | 93 | 15 | 87 | 192 |
| | Agent Utilization | 58.6% | 56.2% | 46.5% | 57.5% | 64.9% |
| | Agents as a % of Total Headcount | 74.5% | 82.7% | 73.7% | 83.6% | 90.8% |
| Service Level | Average Speed of Answer (seconds) | 229 | 80 | 12 | 75 | 229 |
| | % of Calls Answered in 60 Seconds | 44.3% | 45.5% | 18.3% | 43.3% | 82.0% |
| | Call Abandonment Rate | 17.0% | 7.4% | 1.1% | 6.9% | 17.0% |
| Quality | Call Quality | 89.7% | 90.9% | 81.4% | 91.3% | 98.8% |
| | Net First Contact Resolution Rate | 92.5% | 84.5% | 76.6% | 84.2% | 94.2% |
| | Customer Satisfaction | 94.7% | 89.6% | 80.3% | 90.0% | 98.1% |
| Agent | Annual Agent Turnover | 46.3% | 32.2% | 15.2% | 31.7% | 60.4% |
| | Daily Agent Absenteeism | 5.6% | 5.9% | 2.9% | 5.2% | 11.3% |
| | Agent Occupancy | 86.5% | 72.4% | 54.0% | 72.7% | 87.7% |
| | Schedule Adherence | 94.5% | 86.5% | 73.3% | 89.3% | 94.5% |
| | New Agent Training Hours | 160 | 116 | 96 | 114 | 160 |
| | Annual Agent Training Hours | 17 | 13 | 0 | 14 | 34 |
| | Agent Tenure (months) | 29.9 | 40.8 | 20.9 | 38.9 | 75.6 |
| | Agent Job Satisfaction | 84.5% | 80.1% | 66.1% | 80.3% | 90.9% |
| Contact Handling | Inbound Contact Handle Time (minutes) | 5.78 | 6.11 | 4.92 | 6.00 | 7.60 |
| | Outbound Contact Handle Time (minutes) | 2.00 | 2.27 | 2.00 | 2.28 | 2.65 |
| | Outbound Contacts as a % of Total Contacts | 5.0% | 9.7% | 1.9% | 9.2% | 17.3% |
| | IVR Containment Rate | 51.8% | 57.9% | 43.8% | 57.9% | 71.9% |

# Initial Kinecta MCC Balanced Scorecard

| Performance Metric | Metric Weighting | Performance Range | | Your Actual Performance | Metric Score | Balanced Score |
|---|---|---|---|---|---|---|
| | | Worst Case | Best Case | | | |
| Cost per Contact | 25.0% | $9.10 | $4.21 | $6.33 | 56.7% | 14.2% |
| Customer Satisfaction | 25.0% | 80.3% | 98.1% | 90.5% | 57.3% | 14.3% |
| Agent Utilization | 15.0% | 46.5% | 66.3% | 66.3% | 100.0% | 15.0% |
| Net First Contact Resolution Rate | 15.0% | 76.6% | 94.2% | 88.0% | 64.8% | 9.7% |
| Agent Job Satisfaction | 10.0% | 66.1% | 90.9% | 86.0% | 80.2% | 8.0% |
| Average Speed of Answer (seconds) | 10.0% | 153 | 12 | 153 | 0.0% | 0.0% |
| Total | 100.0% | N/A | N/A | N/A | N/A | 61.2% |

## 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:

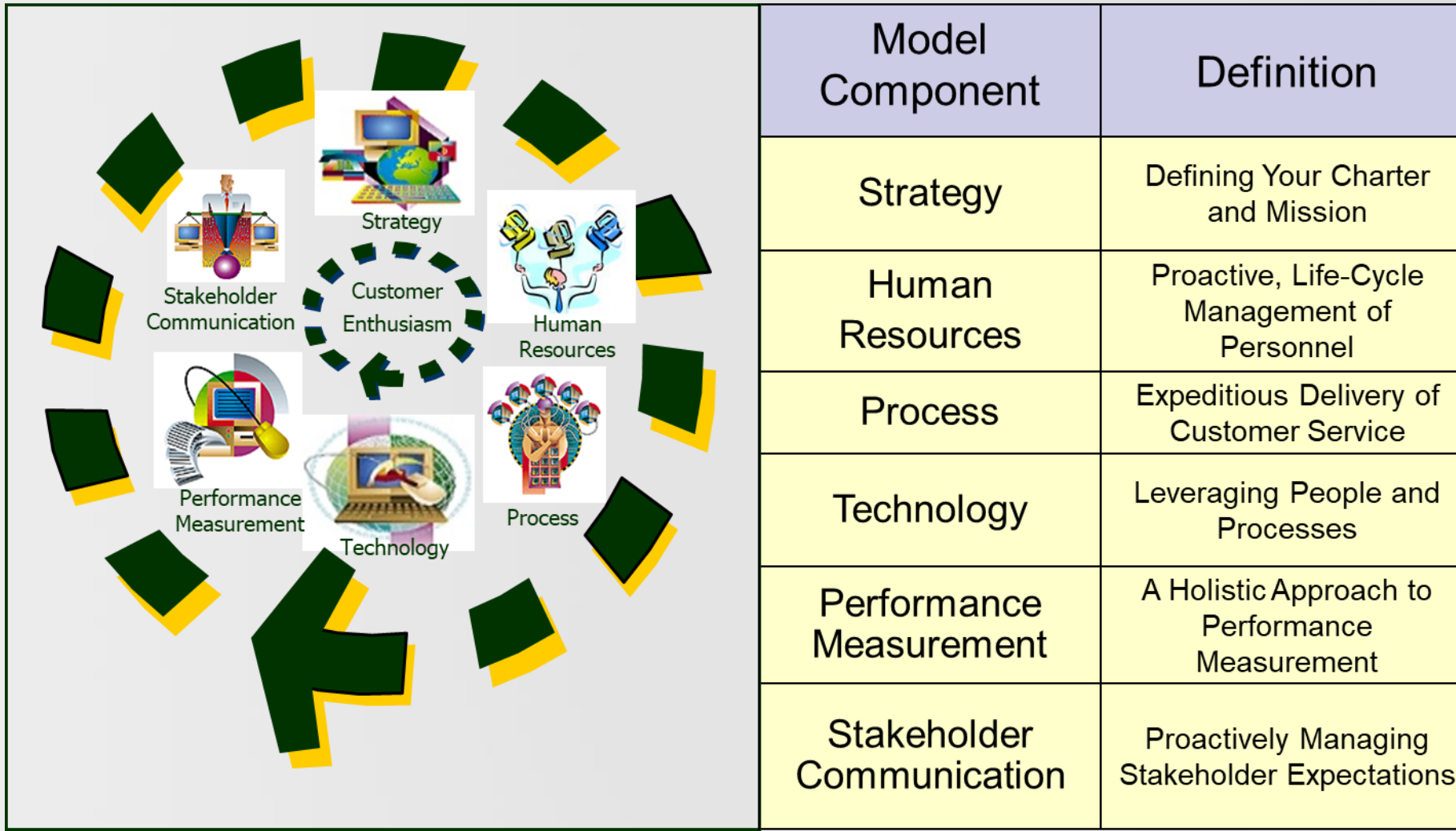**(worst case - actual performance) ÷ (worst case – best case) × 100**

## Step 6
Your balanced score for each metric is calculated:

**metric score × weighting**

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# Initial Kinecta MCC Balanced Scorecard Summary



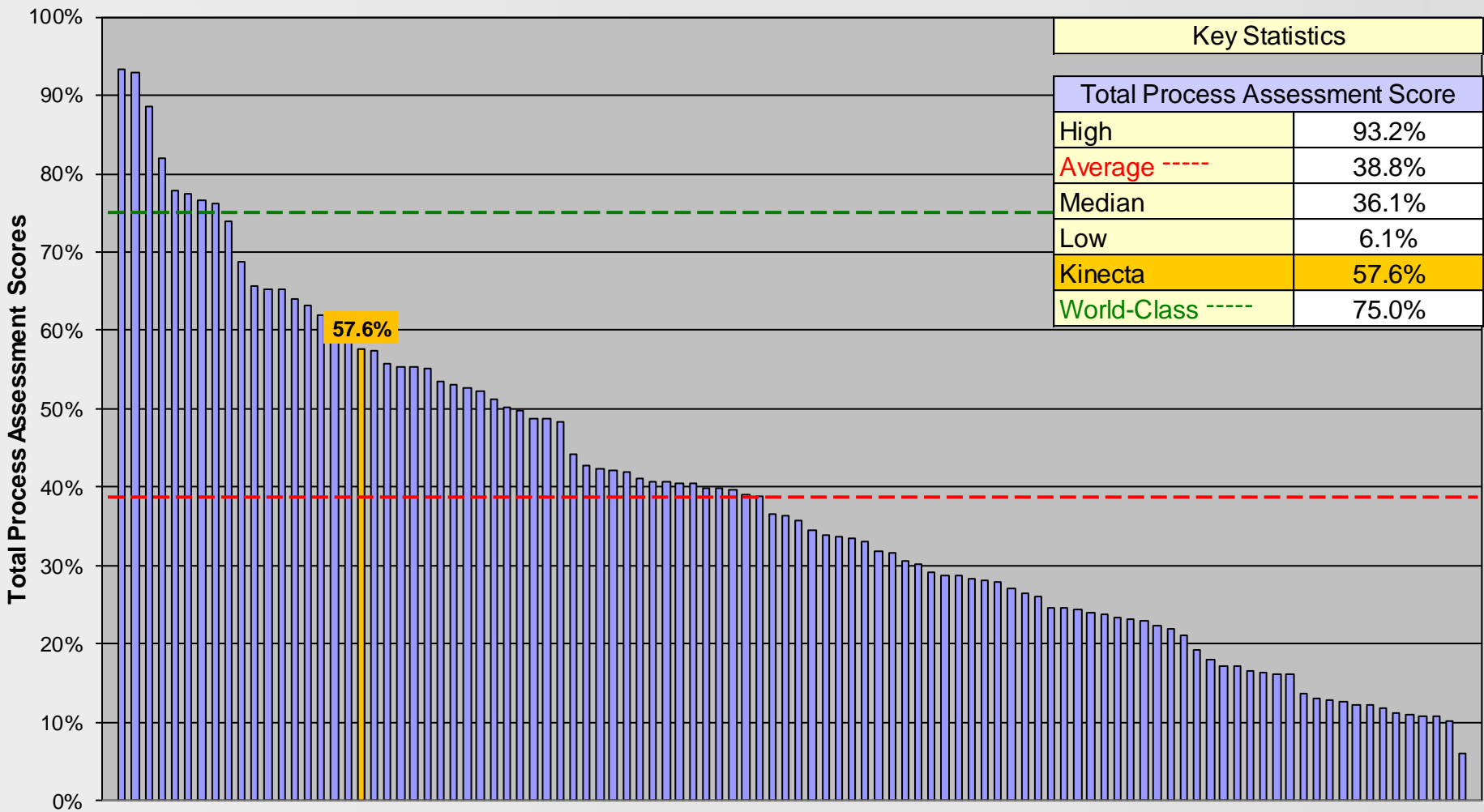| Key Statistics | |
| --- | --- |
| **Contact Center Scores** | |
| High | 80.0% |
| Average - - - - - | 53.4% |
| Median | 57.0% |
| Low | 32.6% |
| Kinecta | 61.2% |
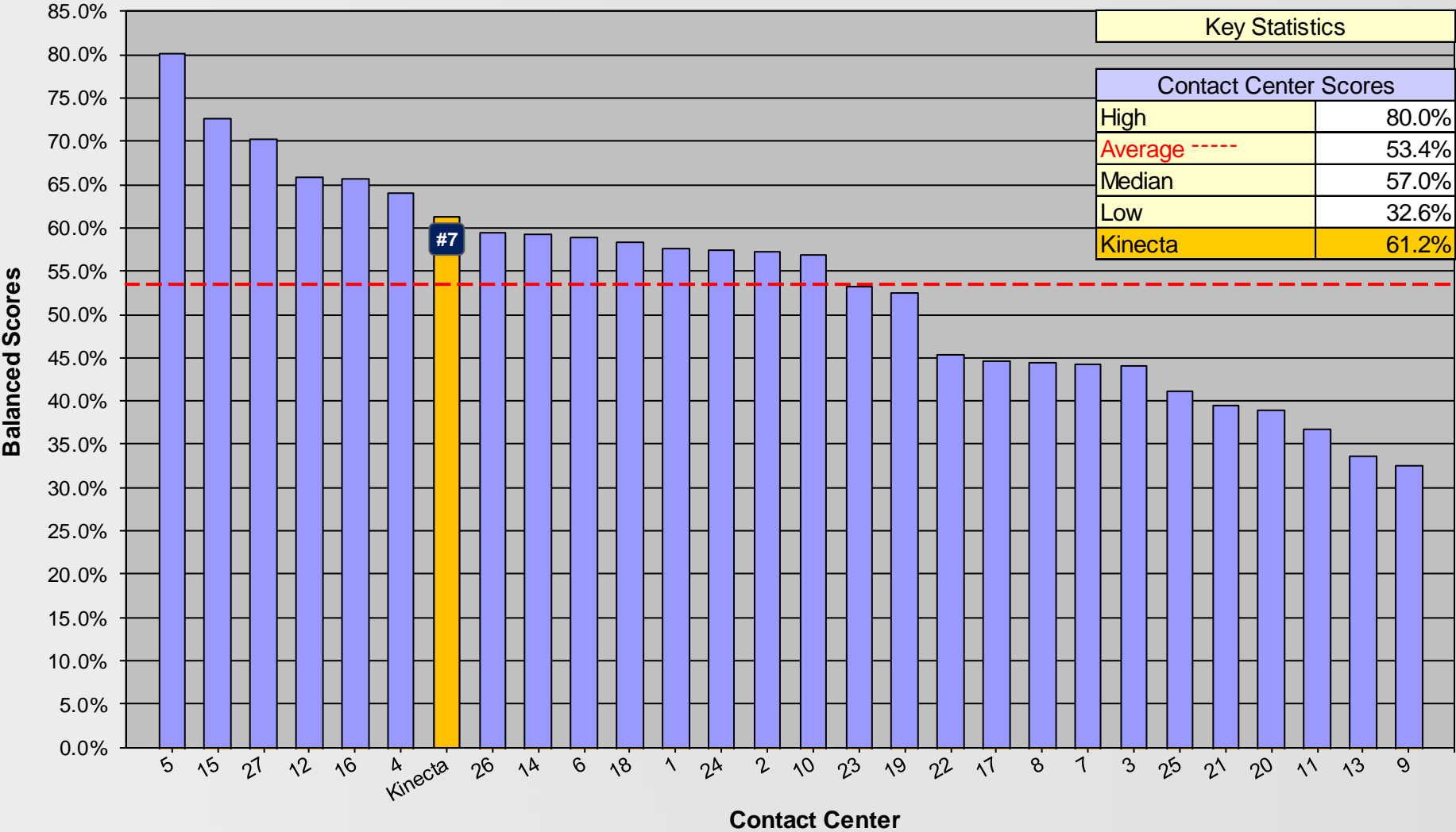
# A Six-Part Model for Process Excellence



| Model Component | Definition |
| --- | --- |
| Strategy | Defining Your Charter and Mission |
| Human Resources | Proactive, Life-Cycle Management of Personnel |
| Process | Expeditious Delivery of Customer Service |
| Technology | Leveraging People and Processes |
| Performance Measurement | A Holistic Approach to Performance Measurement |
| Stakeholder Communication | Proactively Managing Stakeholder Expectations |

# Kinecta Performed Above Average in Every Area



Bar chart showing Average Score by area for Kinecta vs Peer Group:

| Area | Kinecta | Peer Group |
|---|---|---|
| Strategy | 3.17 | 2.91 |
| Human Resources | 4.15 | 2.58 |
| Process | 3.17 | 2.88 |
| Technology | 2.67 | 1.85 |
| Performance Measurement | 3.27 | 2.43 |
| Communication | 2.75 | 2.43 |
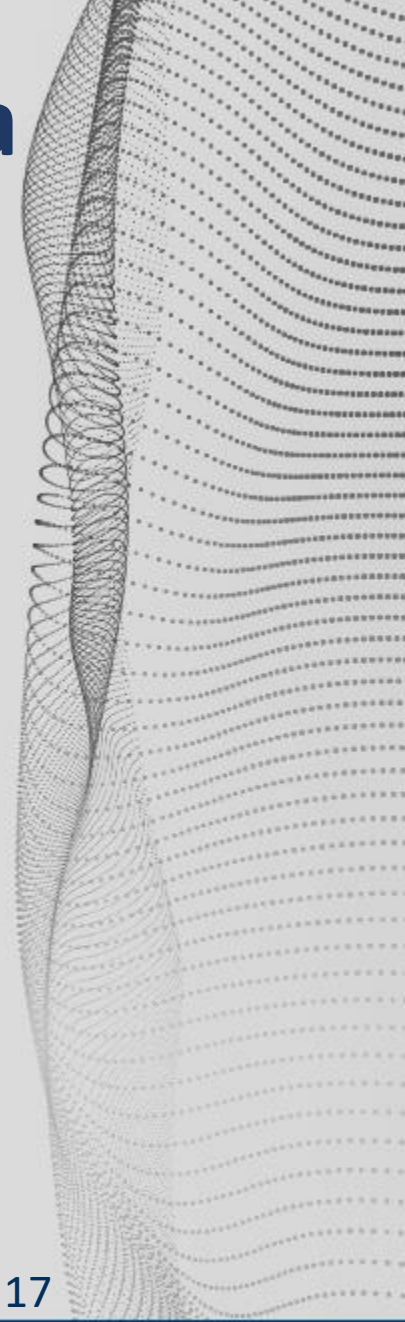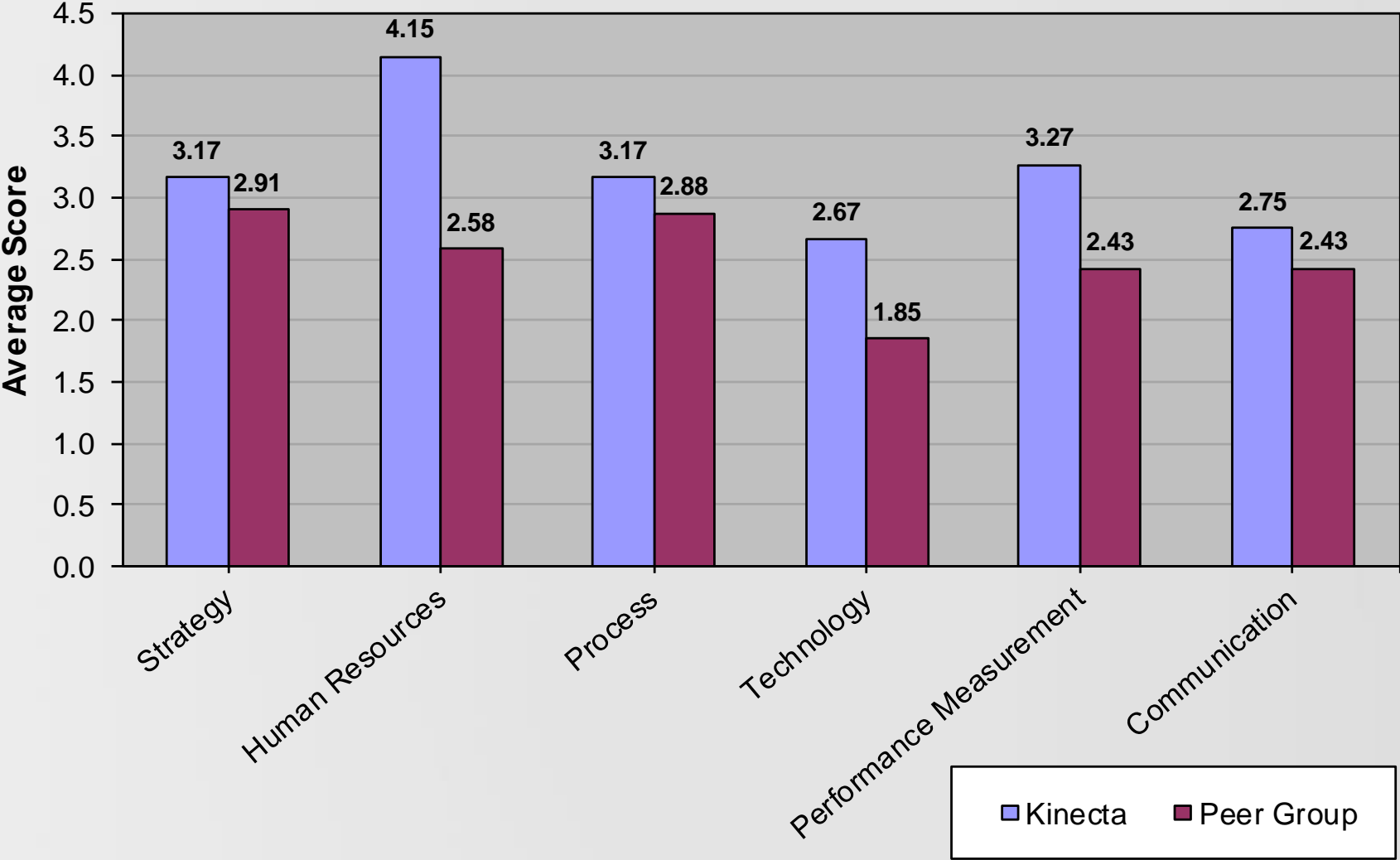
# Initial Kinecta MCC Overall Process Assessment Score



| Key Statistics | |
|---|---|
| **Total Process Assessment Score** | |
| High | 93.2% |
| Average ----- | 38.8% |
| Median | 36.1% |
| Low | 6.1% |
| Kinecta | 57.6% |
| World-Class ----- | 75.0% |

57.6%

# Initial Kinecta MCC Process Maturity vs. Scorecard Performance



**Kinecta Performance**

| Process Assessment Score | 57.6% |
|---|---|
| Balanced Score | 61.2% |

Average = 38.8%

Average = 53.4%

World-Class = 75.0%

◆ Kinecta
◇ Global Database

**Balanced Score** (y-axis)

**Process Assessment Score** (x-axis)
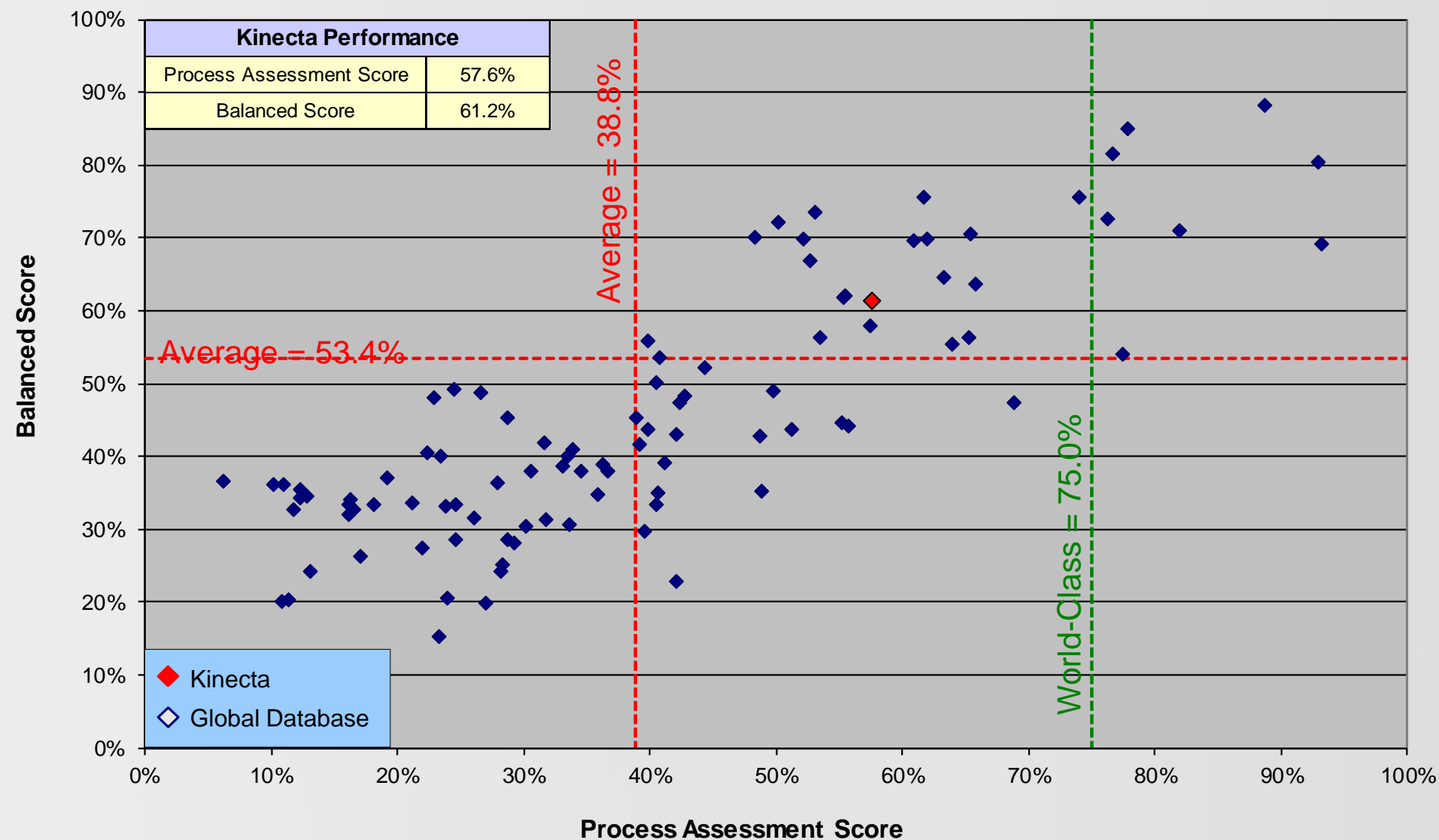
# The MCC Faced a Number of Challenges

- The metrics discipline was weak and the root of many of Kinecta's challenges

  - ☐ Handle times were above average

  - ☐ Costs were above average

  - ☐ The IVR containment rate was below average

  - ☐ Technology was antiquated

# Recommendations were Made

1. Include a question on the employee engagement survey that asks for the agents' overall job satisfaction

2. Maintain agent staffing at the current budgeted level (43 FTEs), assuming workload remains constant

3. Take steps to drive additional contacts to self-service (IVR)

4. Develop a multi-year plan for an integrated technology strategy

5. Adopt the MetricNet Contact Center Balanced Scorecard, and update the scorecard monthly

6. Establish stretch goals in key areas to improve performance

7. Improve process maturity in compliance with industry best practices

# The Continuous Improvement Phase

# Key Initiatives

- Mature the Metrics Discipline

- Implement Scorecards

- Develop an IVR Containment Strategy

- Mature Key Processes

- Implement Vendor X

# Implementing the Benchmarking Recommendations

Initial Benchmark

Develop and Mature Key Processes

2nd Benchmark

| Dec 2018 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 |

- Metrics Maturation
- Balanced Scorecards
- Negotiate Vendor X Contract

- Update Agent Job Satisfaction
- Prepare for Vendor X Go Live (Planned for October 2019)
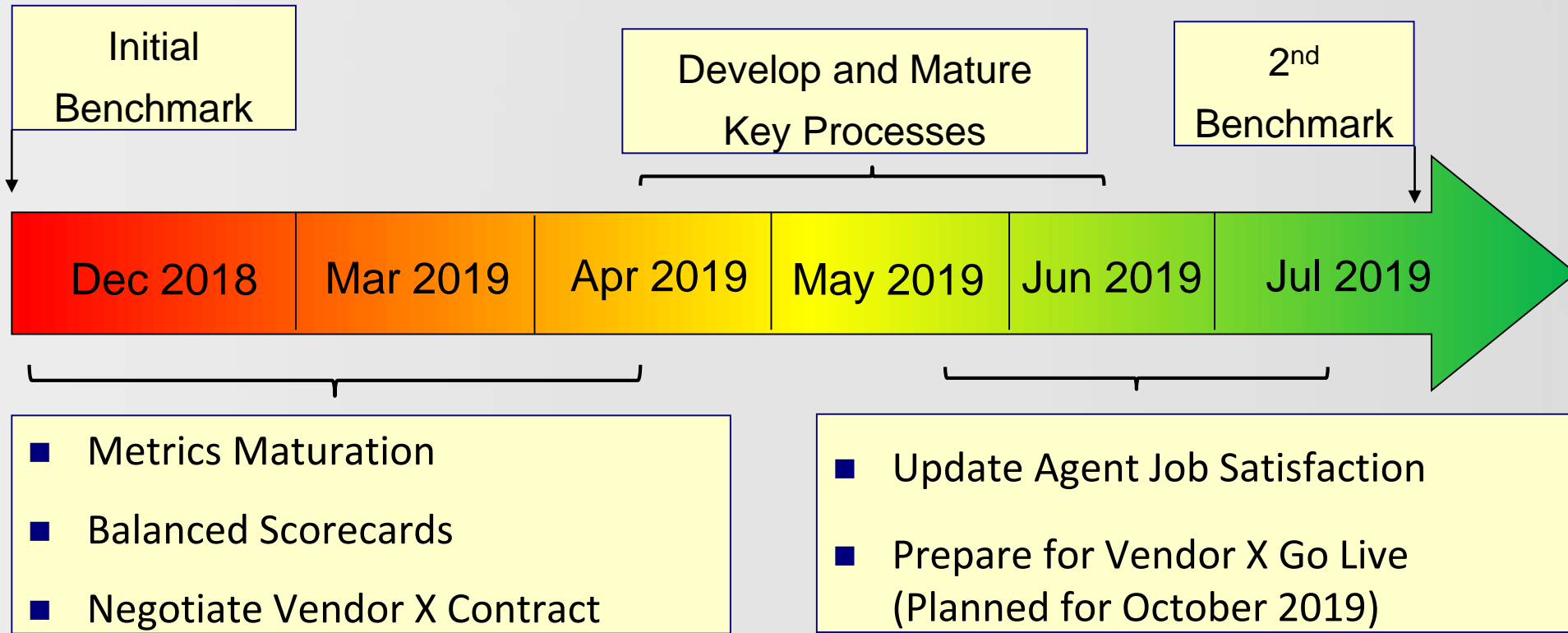
# Maturing the Metrics

| | |
|---|---|
| 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 KPI's? | 80% |
| Do You Use Metrics for Reporting? | 90% |
| Do You Have KPIs? | 100% |

**Increasing Value!**

# The Kinecta MCC Balanced Scorecard
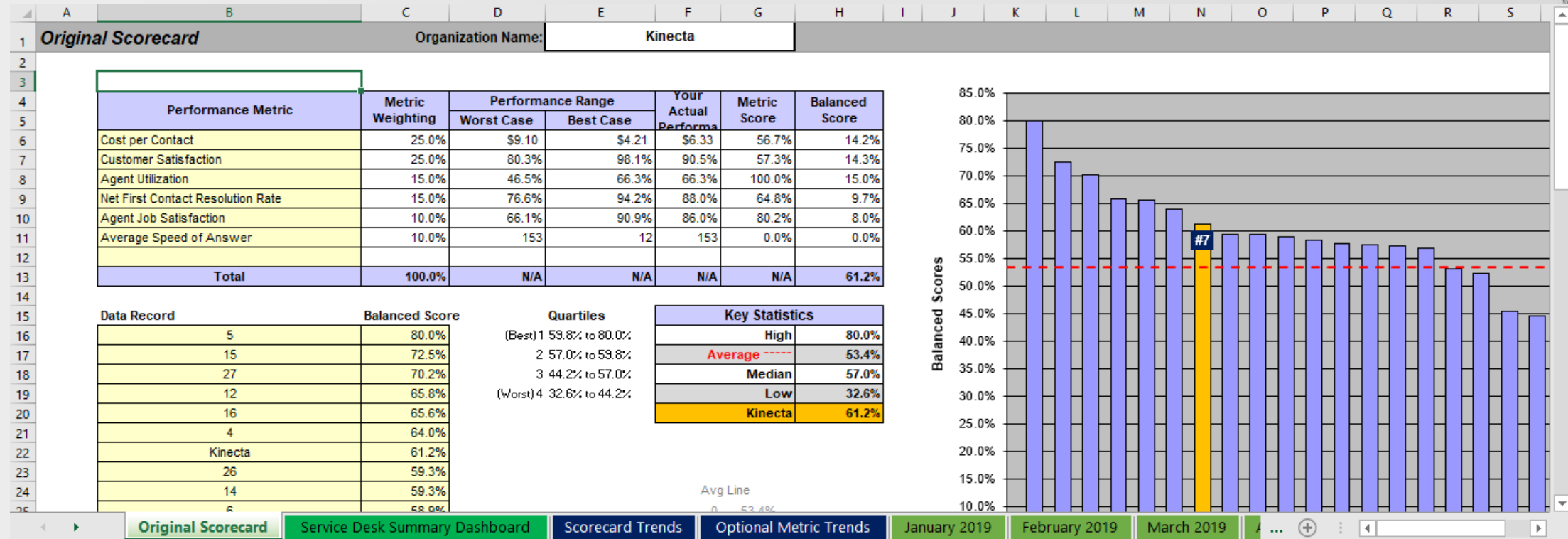
# The Results:
# 9 Months Later

# Average Speed of Answer
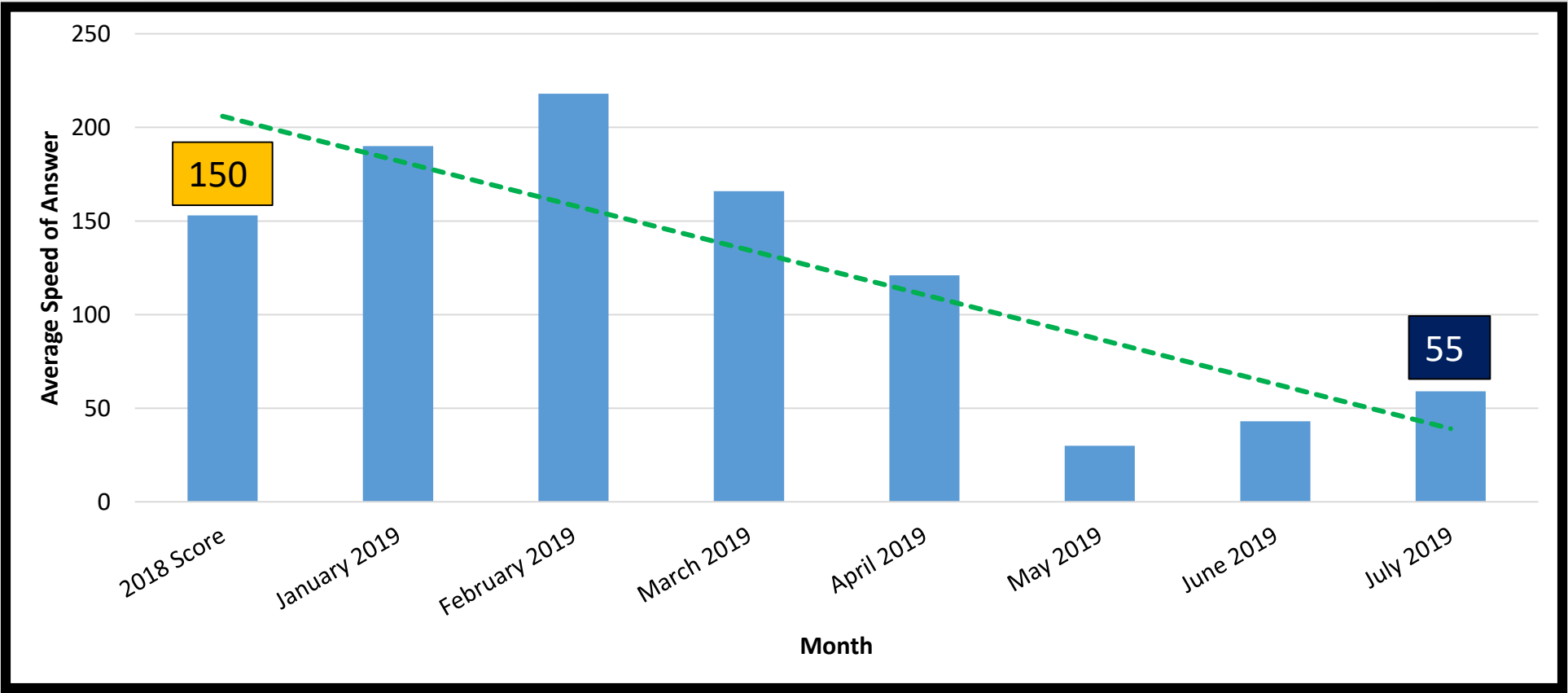
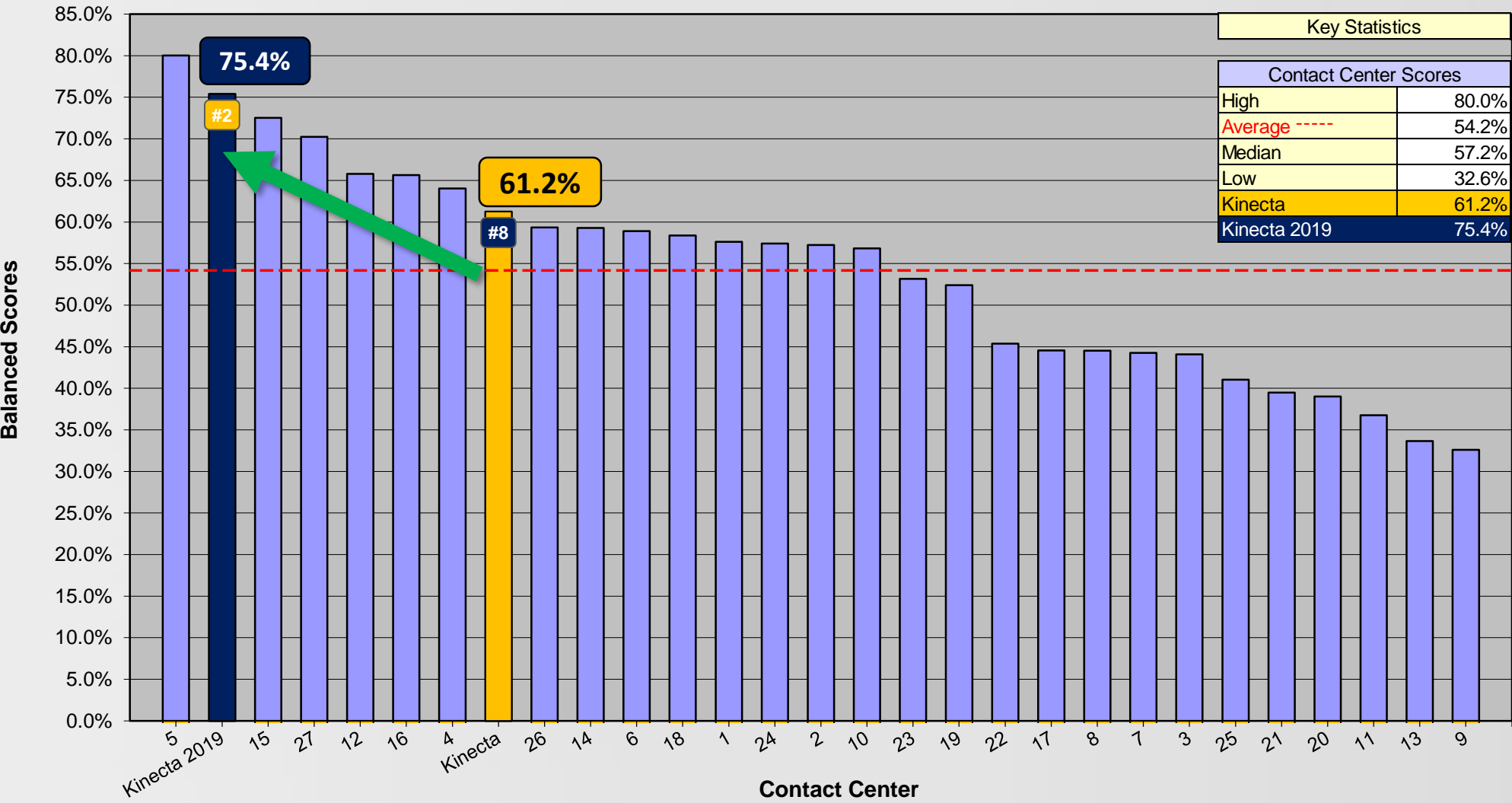# Agent Job Satisfaction
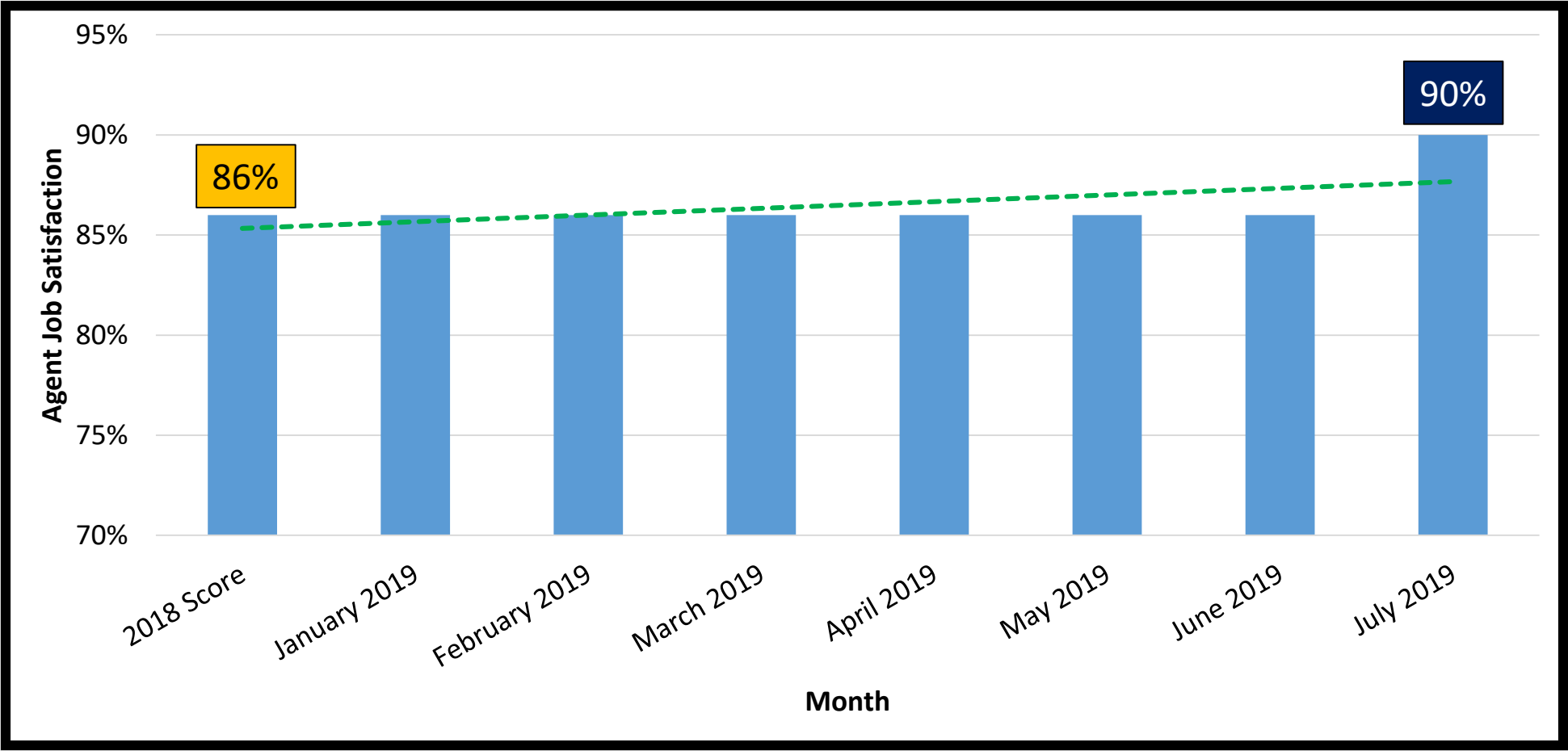
# Call Abandonment Rate
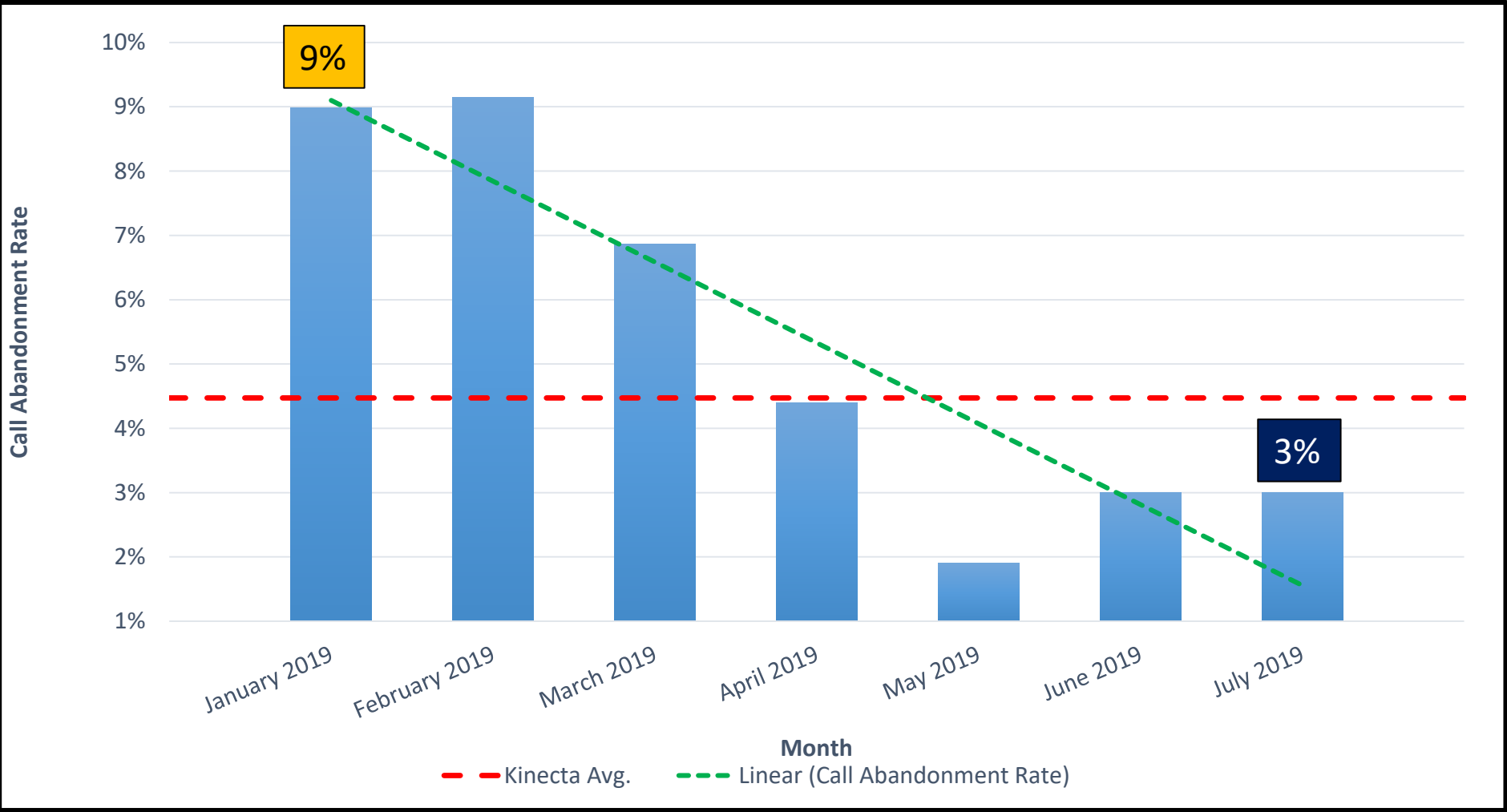
# Service Levels

# IVR Containment Rate
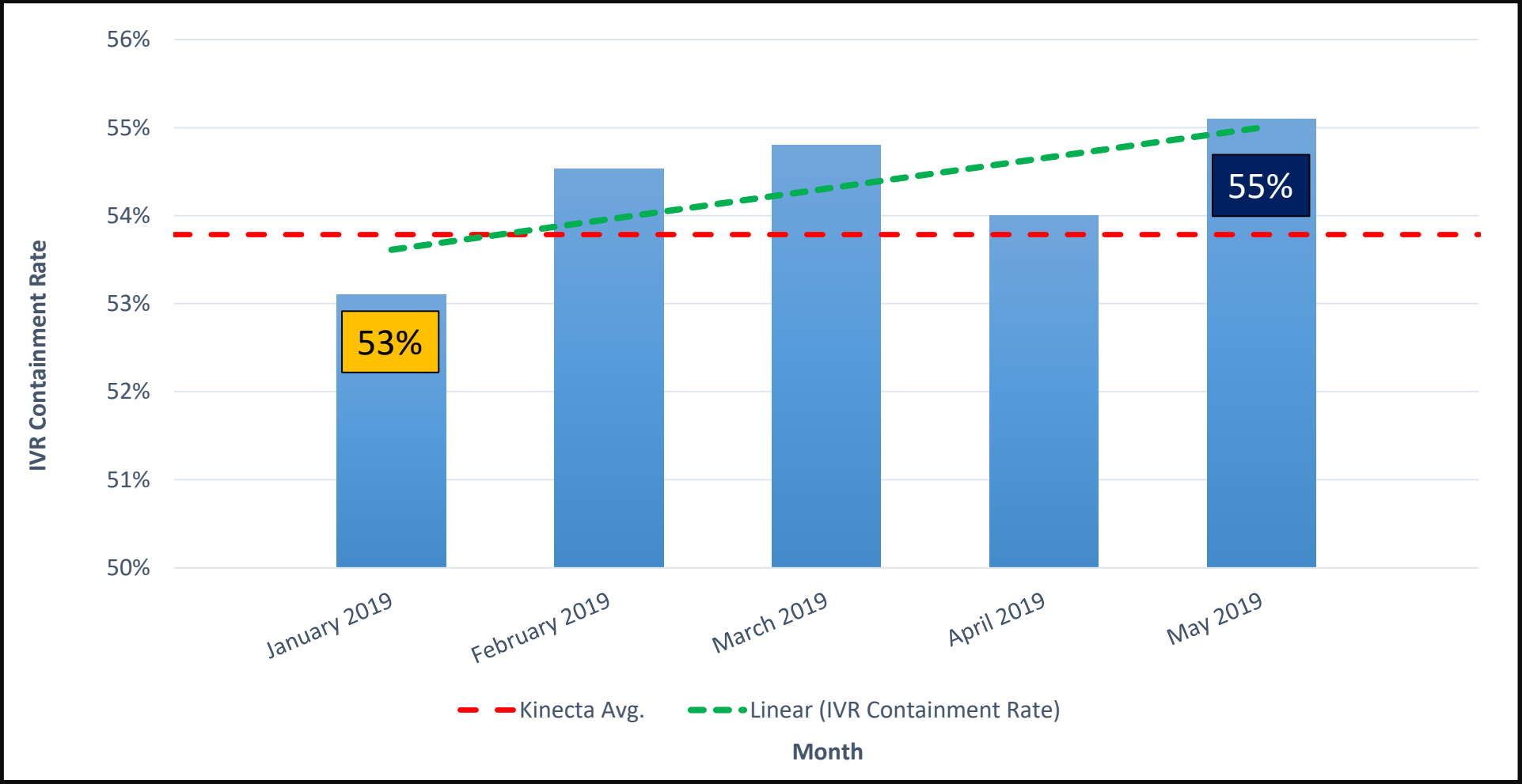
# Call Quality

# Kinecta MCC Balanced Score



| Key Statistics | |
|---|---|
| Contact Center Scores | |
| High | 80.0% |
| Average ----- | 54.2% |
| Median | 57.2% |
| Low | 32.6% |
| Kinecta | 61.2% |
| Kinecta 2019 | 75.4% |

75.4%

#2

61.2%

#8

**Balanced Scores** (y-axis)

**Contact Center** (x-axis): 5, Kinecta 2019, 15, 27, 12, 16, 4, Kinecta, 26, 14, 6, 18, 1, 24, 2, 10, 23, 19, 22, 17, 8, 7, 3, 25, 21, 20, 11, 13, 9

# Overall Process Assessment Scores



| Key Statistics | |
|---|---|
| **Total Process Assessment Score** | |
| High | 93.2% |
| Average ----- | 38.8% |
| Median | 36.5% |
| Low | 10.1% |
| Kinecta 2019 | 72.3% |
| Kinecta 2018 | 57.6% |
| World-Class ----- | 75.0% |

# MCC Process Maturity vs. Scorecard Performance



| Kinecta Performance | |
|---|---|
| 2018 Process Assessment Score | 57.6% |
| 2018 Balanced Score | 61.2% |
| 2019 Process Assessment Score | 72.3% |
| 2019 Balanced Score | 75.4% |

Average = 38.8%

Average = 53.4%

World-Class = 75%

◇ Kinecta 2018
◇ Kinecta 2019
◆ Global Database

**Balanced Score** (y-axis)

**Process Assessment Score** (x-axis)

# Cost vs. Quality for Kinecta's MCC



Higher Quality / Lower Quality — Quality (Effectiveness)

**Middle Quartiles**
Effective *but not* Efficient

**Top Quartile**
Efficient *and* Effective

**Lower Quartile**

**Middle Quartiles**
Efficient *but not* Effective

Higher Cost ← Cost (Efficiency) → Lower Cost

◆ Kinecta 2018
◆ Kinecta 2019
◇ Global Database
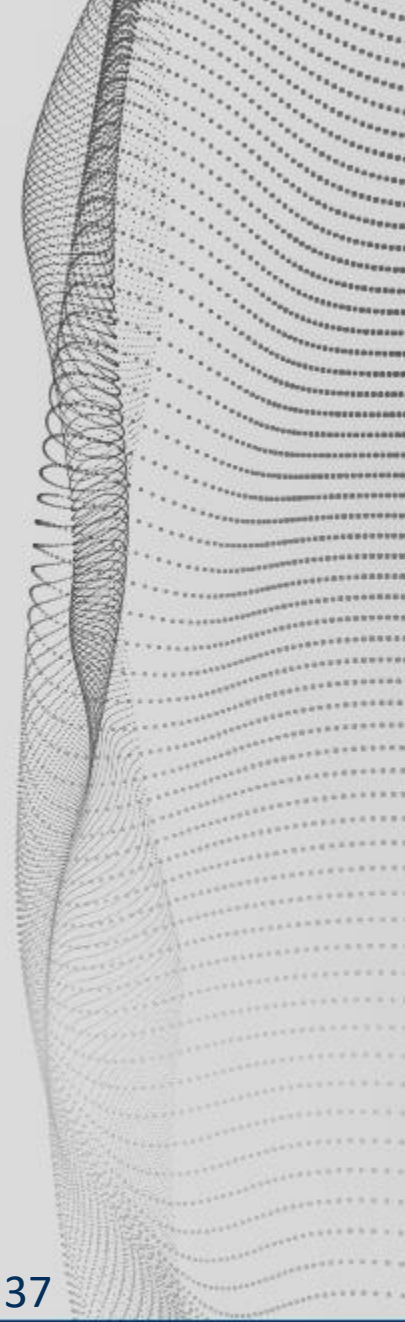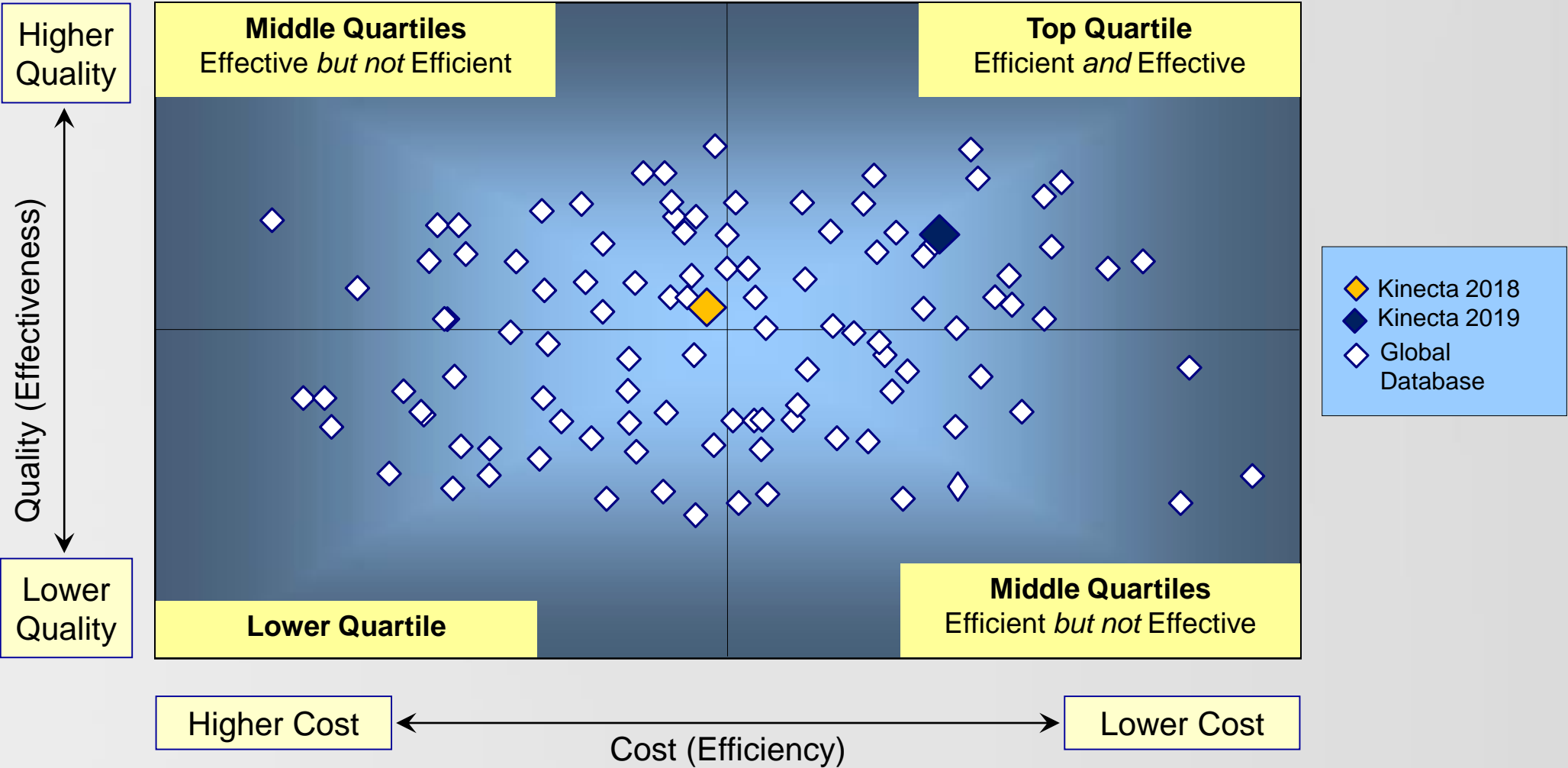
# Kinecta Performance Improvement Summary

| Performance Metric | 2018 Kinecta Performance | Target Performance | 2019 Kinecta Performance | Change | Distance to Target |
|---|---|---|---|---|---|
| Agent Utilization | 66.3% | 60.6% | 74.2% | -7.9% | -13.6% |
| Inbound Contacts per Agent per Month | 1023 | 935 | 905 | -118 | Target Exceeded |
| Cost per Contact | $6.33 | $6.67 | $6.48 | $0.15 | -$0.19 |
| Average Speed of Answer (seconds) | 153 | 100 | 59 | -94 | Target Exceeded |
| Call Abandonment Rate | 12.6% | 10.0% | 3.0% | -9.6% | Target Exceeded |
| Net First Contact Resolution Rate | 88.0% | 90.0% | 77.3% | -10.7% | -12.7% |
| Customer Satisfaction* | 90.5% | 93.0% | 88.4% | -2.1% | -4.6% |
| Agent Job Satisfaction | 86.0% | 90.0% | 90.0% | 4.0% | Target Met |
| IVR Containment Rate | 49.8% | 60.0% | 53.3% | 3.5% | -6.7% |
| **Balanced Score** | **61.2%** | **64.1%** | **75.4%** | **14.2%** | **Target Exceeded** |

*Kinecta does not currently track customer satisfaction. The score was calculated by adding 25 percentage points to Kinecta's NPS score.

# Project Goal: World-Class Contact Center

1. Contact center consistently exceeds customer expectations – regardless of the transaction type
   - Call Quality is consistently high
   - Customer Satisfaction is in the top quartile
2. Business value is managed at or above industry average levels
   - Cost per contact is below industry average levels – bottom quartile Cost per Contact
   - Revenue generated is above industry average levels
     - Telemarketing and Telesales
     - Debt collections

3. Contact Center follows industry best practices
   - Industry best practices are defined and documented
   - Contact Center follows industry best practices
4. Every transaction adds value
   - A positive customer experience improves customer loyalty
   - Creates positive brand awareness and switching costs
   - Contact Center ROI > 100%

# From Good to Great in 9 Months!
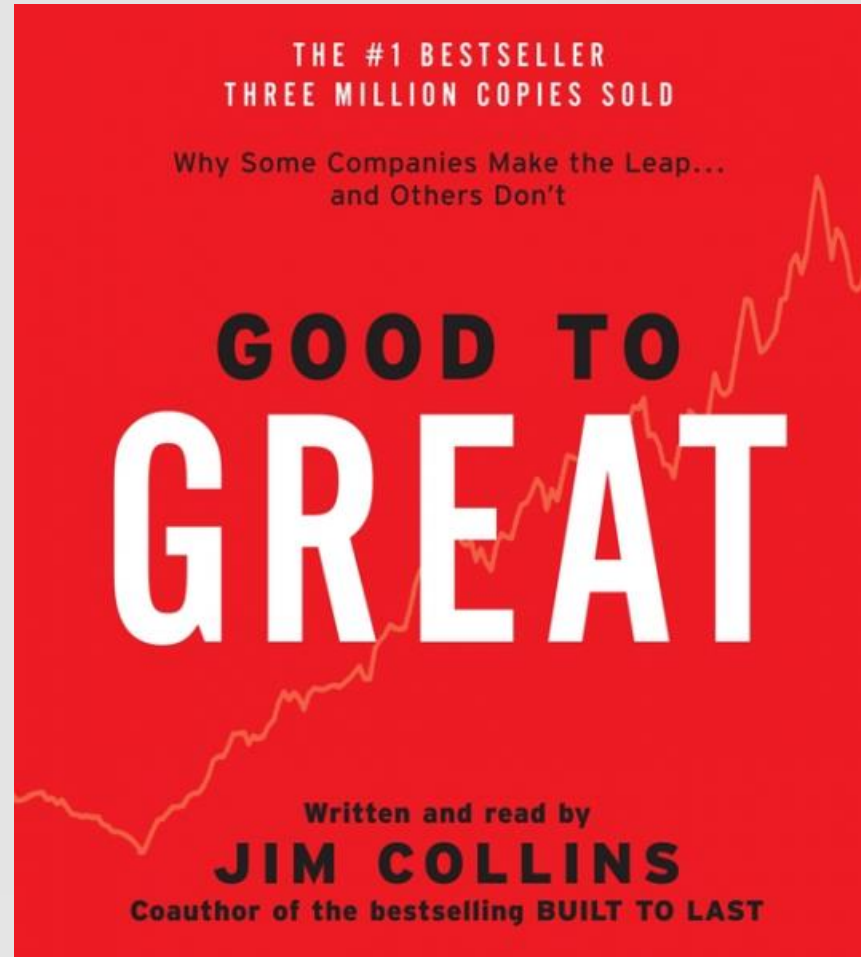
# Transformation Success Factors: Lessons Learned

- Establish a Current State Baseline – Brutal Honesty about the Challenges

- Establish a Clear, Bold Vision – Know Where you Want to Go

- Build Buy-in and Support from Senior Leadership

- Relentless Execution and Scalability – Don't Get Sidetracked!

- Measure Your Progress – Early Success Drives Even Greater Success!

- Communicate Your Progress – Keep Sponsors Engaged

- Institutionalize Best Practices – Make them Part of Your DNA!

# Questions?

# THANK YOU FOR ATTENDING THIS SESSION.

Please complete the session evaluation form in the App

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# Thank you!

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# Questions?

# Contact MetricNet...

703.992.8160

METRICNET.COM

INFO@METRICNET.COM

# Benchmarking is MetricNet's Core Business

**Contact Centers**
- Customer Service
- Technical Support
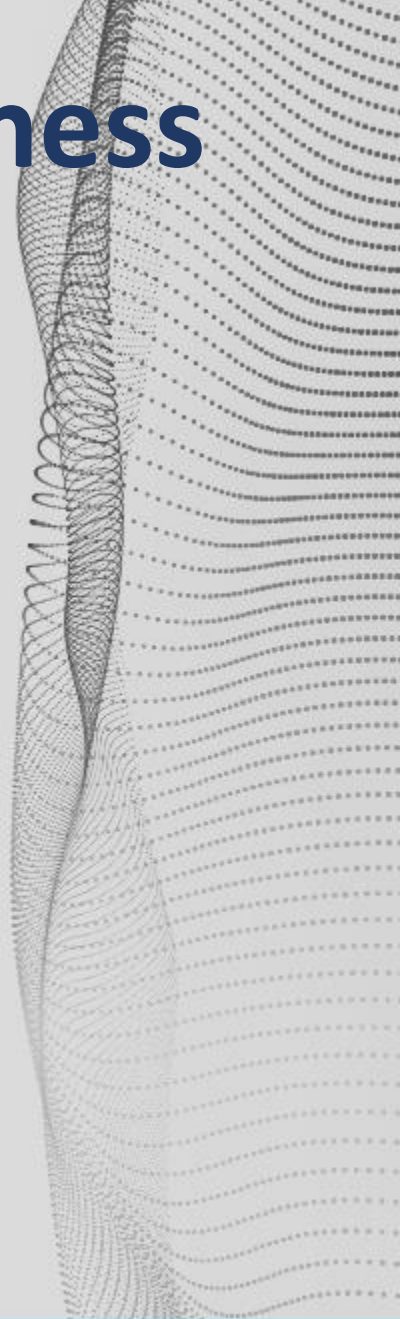- Telemarketing/Telesales
- Collections

**Information Technology**
- Service Desk
- Desktop Support
- Field Support

**Telecom**
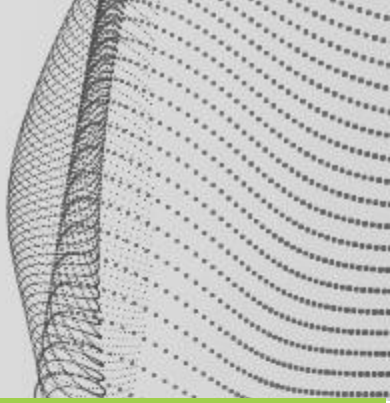- Price Benchmarking

**Satisfaction**
- Customer Satisfaction
- Employee Satisfaction

# Meet a Sampling of Our Clients

**MetricNet Conducts benchmarking for Contact Centers worldwide, and across virtually every industry sector.**

# THANK YOU!

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