



TRANSFORMING THE CONTACT CENTER WITH PERFORMANCE OPTIMIZATION

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INTRODUCTION

Contact centers have a position of great strategic importance in many organizations. They are a critical contact channel with the customer, and have their finger on the pulse of the customer in ways no other part of the enterprise does. Call centers play a critical role in controlling costs, developing relationships with customers, growing customer value, and driving revenue.

With this growing role and strategic value comes increased responsibilities. Visibility at the highest levels of the organization requires an ability to address the goals and concerns of senior executives. It's not service level or abandon rate that is keeping them up at night, it is the bottom line. So the ways the contact center manages costs, satisfies customers, optimizes service, and impacts revenues becomes critical and must be communicated effectively at all levels. At the same time, contact centers need to ensure the staff in the trenches - Customer Service Representatives (CSRs), supervisors, managers, directors, and support staff - have the tools and information they need to achieve the company's goals, while operating effectively on a day-to-day basis.

This paper describes the new practice of Performance Optimization (PO), its potential to transform the contact center, and the technology to enable it. The paper provides insights into how PO works, and how to succeed in its implementation and use.

DEFINING PERFORMANCE OPTIMIZATION

Call centers live and die by data, and they have a lot of it. The problem is that they often have little real information, or insights into what all the data means. Performance Optimization extracts the useful information from the mountains of data in the center.

Performance Optimization (PO) is somewhat difficult to define because it is related to many other tools and processes in the contact center. PO touches many other elements, and relies on those elements for its true value to be achieved. It demands strategy for context, processes to ensure it is effectively applied, and technology to enable it. Further, it impacts people tremendously. Performance optimization is a way to optimize the performance of the resources in the call center, in line with strategic goals.

PO is similar to, but much more than, integrated or enhanced reporting. It is differentiated by powerful scorecards used at various staff levels within the organization. It is like a workforce management (WFM) tool, because it helps centers successfully manage the most valuable and most expensive resource in the call center - the CSRs. But it is not running models to forecast and plan staffing, tell a center how many staff it needs at a given time, and who should work which shifts and when they should go on break or to lunch. And it has some similarities to quality monitoring (QM), which provides one dimension of performance optimization. Learning tools contribute to performance optimization, as well. PO can - and should - work in concert with any of these tools.

TRADITIONAL SUB-OPTIMIZED APPROACHES

Most contact centers focus on the traditional ACD reporting tools, providing information such as service level, talk time, wrap time, handle time, abandon rate, and other telephone-centric metrics. These are essential to running a center effectively; however they are not sufficient in today's environments. The variety of media contacts, as well as the importance of a balanced view and metrics that meet strategic goals, mean we have to look farther than ACD statistics. And, we have to use performance information more effectively. As shown in Figure 1, data resides in many more places than just the ACD - basically every system in the center.

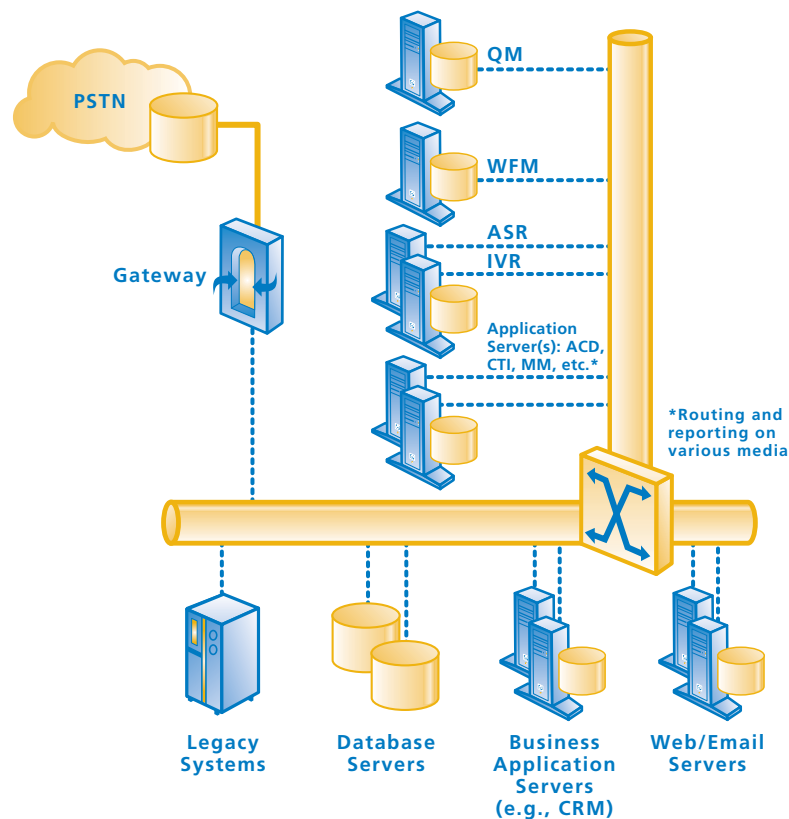


Figure 1: Performance Data Resides in Many Systems in the Call Center

A typical center uses only a small fraction of the useful information in these databases. And the data they do use is often manipulated manually, using Excel spreadsheets, Access databases, and other basic tools to consolidate views of performance. This manual approach results in inefficiency, as "small armies" of staff repeatedly manipulate the same types of data. Other adverse results are an inability to scale, distrust of the data because of the "mystery" of how the reports are created and the potential to introduce errors, and vulnerability since the processes are highly dependent on individuals with their exclusive knowledge of how to combine and massage the data.

The alternative to the small armies is that performance optimization simply isn't done. Supervisors and managers use the data available - primarily ACD data - to manage their resources and performance. They have a narrow, one dimensional view, or a view that is based on silos of information coming from different tools. And they don't have clear points of comparison for success, trending, and other essential analysis.

So with clear problems to address, and strategic value, call centers today should be able to define a tangible business case for PO. Performance optimization, done right, can lead to service improvements and efficiency. Those can translate to decreased costs and increased revenue - benefits every company seeks today.

PO BUSINESS VALUE

DTE Energy and excelleRX are two different examples of companies that leverage PO to deliver clear business value. DTE, a long-established company in the utility industry, needed to address problems of inefficiency and lack of understanding of individual and organizational performance. excelleRX, a fast-growing company in the healthcare industry, needs to be able to manage its growth cost-effectively, and be able to show its investors and board key information about performance and growth. Both looked to Performance Optimization tools, strategy, and processes to transform their operations.

DTE found business value in addressing reporting and performance management problems, and derived significant cost savings as a result. Staff is energized and focused on common goals and improvement. With better insights into performance, planning becomes easier as well.

excelleRX is a metrics-driven organization, and saw the value in being able to measure individual and organizational success. The ability to rollup data and produce scorecards differentiated PO from regular reporting systems. Performance analysis and metrics are critical as they look ahead in their growth in size and services offered at a pace of 20-30% per quarter. Steve Gilbert differentiates PO from other reporting tools, "We knew we needed to be able to define and measure success for everybody, not just provide schedules and reports."

Another company, Knology, used PO as part of a broader suite of management tools, including workforce management, to address schedule and adherence issues. Accurate schedules, combined with Key Performance Indicators (KPIs) focused on schedule adherence, ensure that CSR time is optimized. The result is approximately 20% headcount savings and service level improvement from 30% to 70%. Scott Evenson, Call Center Operations Manager for Knology says, "It's really helped our service level because we can build a more exact schedule, and hold people accountable with this combination of tools."

HOW PERFORMANCE OPTIMIZATION WORKS

As shown in Figure 2, a number of call center systems can contribute data to a PO database. Ideally, sales outcomes from the CRM system, adherence information from WFM, quality scores from the monitoring system, and other key data are gathered. If it is a multimedia contact center, information on routing and handling of email or text chats should be included.

With performance optimization, data from a variety of systems is brought together into a single database. The data is typically gathered using Open Data Base Compliant (ODBC) drivers to extract data from the various systems.

From this consolidated data, users can then create "scorecards" or "dashboard reports" that provide a holistic view of the center's performance. These scorecards vary for the different users and their focus, yet are aligned.

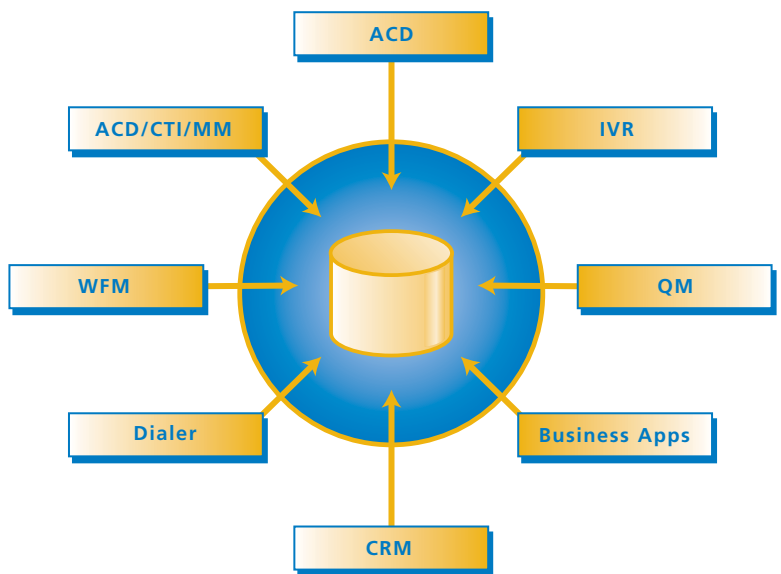


Figure 2: Data From Many Systems is Brought Together in Performance Optimization

ALIGNING PERFORMANCE

Performance Optimization helps companies ensure that the call center supports the business goals. Strategic goals are reflected in Key Performance Indicators (KPIs). KPIs define contact center goals and identify staff accountability. For example, a company focused on revenue and growth will have KPIs focused on revenue per customer, upsell rates, retention rates, or other

growth and financial metrics. The various users - from CSRs to CEOs - leverage performance information in different ways. The frequency at which they access information, and the role it plays in planning, acting, and reacting varies.

Table 1 shows some examples of alignment of business strategies with various KPIs across a balanced set of criteria. A company that is a service leader will have different KPIs than one that is driving for low cost, or for revenue growth. Different strategies may have the same types of KPIs, but for different reasons. For example, a service leader focuses on first call resolution rate (FCRR) for the customer experience, while a low cost driven company considers FCRR as important to keeping costs down.

Table 1: Aligned Strategies and KPIs

Business Strategy	Customer Focused, Service Leader	Low Cost	Revenue/ Growth Oriented
KPI Categories			
Efficiency/Productivity	Service level First Call Resolution Rate	Utilization, Adherence, Handle time	Handle time
Quality	Quality scores Customer Satisfaction	First Call Resolution Rate Accuracy rate	Quality scores Customer Satisfaction
Financial	Customer value	Cost/contact, Cost/media	Upsell rate, Save rate, Revenue/customer
Regulatory/ Contractual	Service Level Abandon rate	Cost/contact, minute, or seat	Revenue targets
Customer	Customer Satisfaction First Call Resolution Rate	Abandon rate, First Call Resolution Rate Turnover	Loyalty/retention Customer Satisfaction
Employee	Employee Satisfaction Turnover	Hiring/training cost	Employee Satisfaction

Figure 3 depicts the various users and their needs in terms of frequency and granularity. CSRs and Supervisors use more KPIs, more frequently. They use them to make tactical, hour by hour decisions, as well as to ensure they're meeting their overall goals for the day, week, or month. Senior staff takes a more strategic view, looking at fewer KPIs that are rolled up across a broader timeframe. They use these inputs for strategic planning and decision making. All levels of users within an organization are aligned with their KPIs.

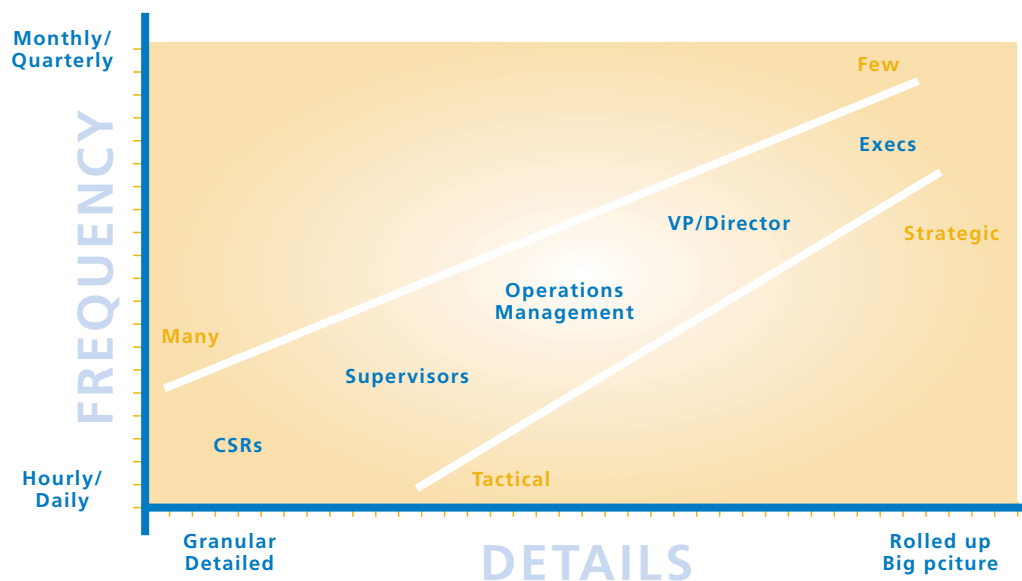


Figure 3: Users and Uses of KPI Information

EFFECTIVELY APPLYING PERFORMANCE OPTIMIZATION

While being able to consolidate information and generate scorecards is important, using them effectively and taking action is where PO really has its value. Figure 4 depicts different users taking advantage of PO scorecards. A senior executive will use the information for planning and assessing progress against goals. From there, they can define changes that need to be made and pursued by their staff. Supervisors, managers, operational analysts, and trainers may report, analyze, and look at trends. They then collaborate with peers and with their staff to define action plans to improve performance in critical areas. Similarly, a CSR will use their personal scorecard to assess their performance against targets, their peers, and benchmarks as appropriate, and work with their management to define plans for improvement. In this application of the technology through routine processes, the PO tools and strategy come to life and transform the operation.

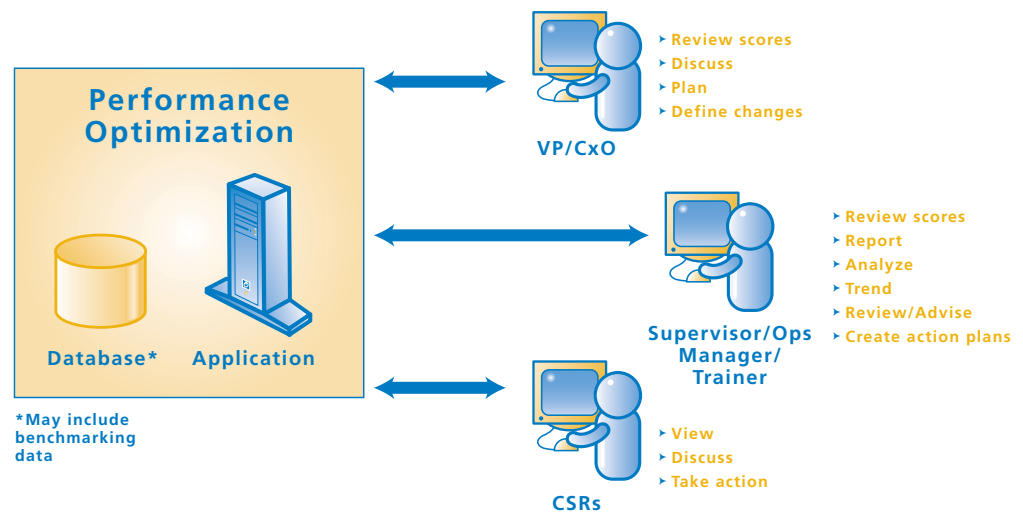


Figure 4: Various Users of PO Scorecards Turn Information into Action

For many centers, a comparison to best practices, or benchmarking data, is important. Relevant benchmarking data can serve as another input to the PO tool to provide another point of comparison. First, best practices can help to define what targets should be set. Then, it can help to assess where a company or organization is doing well, and where it needs to do better. A scorecard can compare actual performance results to targets, a peer group, and benchmark data. Then, a leader can create action plans to address performance gaps.

ACHIEVING PERFORMANCE OPTIMIZATION

While performance optimization truly has the potential to transform today's centers, it is not without challenges. Strategic, operational, and technical challenges must be addressed to ensure success.

ADDRESSING STRATEGIC CHALLENGES

Many companies haven't done a good job of defining, aligning, and communicating strategies. Clarity on business strategy is a prerequisite to successful execution of PO, and may require some preliminary work to get the context that is needed for success.

Once the strategic context is clear, KPIs must be defined that align with the strategy. That takes time, and a collaborative effort, ideally involving all levels of staff from senior leadership of the center to CSRs. The KPIs must assure

A PERFORMANCE OPTIMIZATION SUCCESS STORY

Bridget Temple, Director, and David Johnson, General Manager, of the call center at DTE Energy, are true evangelists for performance optimization. Their experience with it from vision to operation shows its potential and ability to deliver tangible results in a center.

When DTE started its PO project, it was because of the ability of Bridget, David and others to see how it could transform their operation. David describes the keys to success this way: "We knew a project like this required significant commitment at the highest level. We secured that early in the project, and maintained it throughout. And, we needed our staff involved, so we brought them in to participate in every step. They helped build the culture needed for success."

DTE approached the project with three goals:

1. Create a performance-minded culture
2. Create a performance management process
3. Implement a technology solution to enable success

Prior to the PO project, DTE had several typical problems to solve: managers doing little coaching and lots of administration and data manipulation work; a large staff manipulating data into reports with potential errors and limited scalability; employees unsure about their contribution; senior managers wondering how the three centers were performing and how they ran compared to each other and to other utilities. A business case showed how PO could help address these problems while improving performance and reducing costs. By weeding out poor performers and enhancing the performance of those that remained, significant efficiency gains could be made.

DTE implemented a Blue Pumpkin Advisor solution. They integrated data from several systems, including their ACD, workforce management, and quality monitoring systems. They worked hard on communicating with staff and instilling new processes. After nine months of building the right culture and mindset, they found success. Their success is reflected in improved quality scores, greater accountability at all levels, and the ability of leadership to quickly identify and focus on the right issues. Management knows how the centers compare – to each other and to other utilities, and individuals know how they are contributing. Supervisor and management time is freed up to focus on coaching, leveraging trusted information available from the system.

DTE carefully defined their KPIs, working with the union, management, and the vendor professional services team. They developed incentives and a consequence management process in parallel to KPI definition, to ensure their processes were complete and well defined to use the tool effectively. By focusing on culture and process first, and finding the right solution to enable their success, PO delivers high value for DTE's centers.

accountability. Staff must be held accountable for the things that they can control and influence. And the right targets must be set for KPIs based on carefully formulated goals, and inclusion of benchmarking or best practices input.

ADDRESSING OPERATIONAL CHALLENGES

As highlighted earlier, PO is about strategy, processes, and technology, and it impacts people. Thus, significant operational challenges can exist to effective deployment and application of PO. First, processes must be defined to ensure consistent, ongoing, effective use of the investment. Change management may be required to support the changes, show the value to the organization and the individuals within it, and make performance optimization "stick" as a routine part of the operations. Centers must allocate the time and resources to use the information effectively. For example, when done well, PO is a routine part of each supervisor's and CSR's day. They assess their performance, review it, discuss, and make plans to take action when necessary. Action may include training, coaching, more monitoring or walking through sample calls. Only when an organization is willing to make this ongoing investment of time will PO pay off; when they do make this investment, it pays off in a transformational fashion.

ADDRESSING TECHNICAL CHALLENGES

Technical challenges must also be addressed. First, we have to get all the data into one place. While databases on the various systems in a call center are more open today, and leverage open data base compliant (ODBC) tools to extract data, we still must define the data needed and integrate the appropriate elements. Involvement of Information Technology (IT), telecom, and vendor or integrator staff is critical. The data must be reconciled so it can be assigned to the proper people, groups, and timeframes. KPIs must be consistently and effectively calculated to make meaningful comparisons. And most important, tools must be used to make it easy and efficient to use the data. While many corporations and call centers have data warehouses and data marts, these are merely consolidators of data for further analysis and processing; they do not inherently present useful scorecards. A full featured and productized PO system ensures that these technical challenges can be addressed. It also addresses the issues noted with current sub-optimized manual approaches that require extensive resources and result in reporting that is not complete, reliable, or scalable.

ENSURING SUCCESS WITH PERFORMANCE OPTIMIZATION

A few keys to success should be considered by those planning for, implementing, and using PO.

1. Make PO part of a broader effort tied to business changes and drivers. With so many initiatives competing for precious time, resources, and funding in centers today, it is sometimes difficult to put PO at the top of the list. For some companies undergoing significant changes, bundling PO into a broader initiative to enhance service, grow revenue, control costs, or achieve other significant business goals can be the way to ensure it makes it off the wish list and onto the "to do" list.
2. Include process design and organizational assessments to use the technology effectively. When implementing PO technology, keep in mind it is the enabler. Without the proper organizational structure to apply it effectively, and the processes to ensure it is used well and routinely, it will fail. Those deploying PO must commit time and resources for review, feedback, and action.
3. Use it to improve individuals, but also to improve the overall operation. With the rollup capabilities, and the alignment of individual, group, and organization-wide KPIs, centers should be able to recognize not only actions to optimize performance for individuals, but improvements that impact the entire group or organization. For example, a change to a process, training initiatives, or a system improvement could impact all CSRs and all customer contacts. These are the changes that have the biggest "bang for the buck" and will contribute greatly to the payback of PO and its transformational impact on the center.
4. Properly define KPIs. This key to success can not be emphasized enough. Careful definition of KPIs, in line with strategic goals and accountability, is a prerequisite to effective use of PO. Take the time to do this step right, with a cross-functional and multilevel team defining KPIs and their use. Then monitor and adjust as the business demands.
5. Ensure the users have IT independence with application of PO tools. PO is one of many examples in the call center of operational use of powerful technology. While it is a rich and complex technology, integrated with many systems, it is not an IT-centric tool; it is a business-centric tool. Thus, IT and the business should collaborate in planning and deployment, but the business must be in the driver seat for its daily use. This includes creating new scorecards and other tasks that are required to react to business needs.
6. Take your time. PO requires time up front to create the proper strategic context and alignment, time to roll out and make the changes in the organization and operations to ensure success, and time to get the right data into the system. Take the time to properly transform the center.

SUMMARY

By addressing the challenges, following the keys to success, and applying proper project life cycle practices to the planning, implementation, and operation of a performance optimization system, centers will discover tremendous benefits to their operations, their staff, their customers, and the bottom line.

As you plan for this transformational strategy, process, and technology, remember:

- Performance Optimization is strategic and consistent with the growing importance and strategic value of the contact center. PO is key to call centers reaching the next level of value within the corporation.
- PO has tactical value too in addressing day-to-day challenges through analysis and action.



- PO addresses problems common in contact centers of all sizes and types today. Now is the time to pursue PO. By using the right tools and techniques, centers properly focus on coaching and improvements that can dramatically impact the customer experience and the corporate bottom line.
- PO can pay off in individual and overall improvements, achieving business goals such as increased revenue, decreased costs, and enhanced efficiency. A compelling business case can be built for PO.
- There are real solutions in the market today to help address these needs.
- View the technology as an enabler, with the strategy providing context, and the people executing appropriate processes to ensure success.

APPENDIX - ACRONYM LIST

ACD	Automatic Call Distribution
CSR	Customer Service Representative
CxO	Chief (Executive/Operations/Financial/Information) Officer
CTI	Computer Telephony Integration
CRM	Customer Relationship Management
FCRR	First Call Resolution Rate
IVR	Interactive Voice Response
KPI	Key Performance Indicator
MM	Multimedia
ODBC	Open Data Base Compliant
PO	Performance Optimization
QM	Quality Monitoring
VP	Vice President
WFM	Work Force Management

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